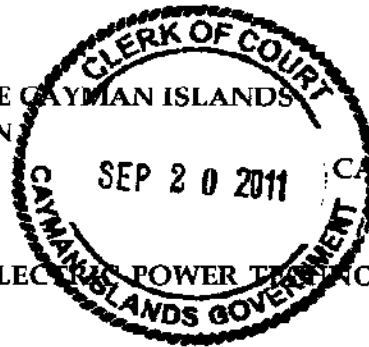


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICE DIVISION



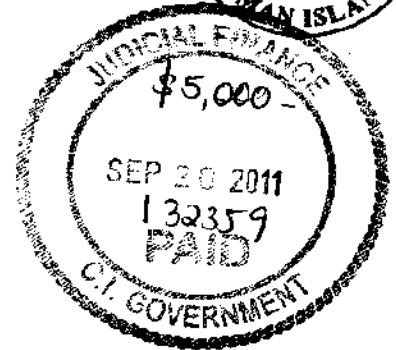
CAUSE NO. FSD 158 OF 2011 ()

IN THE MATTER OF CHINA ELECTRIC POWER TECHNOLOGY HOLDINGS LIMITED
(中國電力科技控股有限公司)



AND in the matter of the Companies Law (2010 Revision) (as amended)

AND the Grand Court Rules (1995 Revision) Order 102



PETITION

TO: The Grand Court of the Cayman Islands

THE PETITION of CHINA ELECTRIC POWER TECHNOLOGY HOLDINGS LIMITED (中國電力科技控股有限公司) shows as follows:

1. The object of this Petition is to seek an Order of the Court pursuant to section 15 of the Companies Law (2010 Revision) (as amended) (the "Companies Law") confirming a reduction of the capital of your Petitioner CHINA ELECTRIC POWER TECHNOLOGY HOLDINGS LIMITED (中國電力科技控股有限公司) (the "Company").
2. The Company was incorporated under the Companies Law on 29 October, 2003 with the name "A & K Educational Software Holdings Limited" and registered in the Cayman Islands as an exempted company with registration number CR-130119. On 30 December, 2008, the name of the Company was changed from "A & K Educational Software Holdings Limited" to "China Electric Power Technology Holdings Limited (中國電力

科技控股有限公司)”。

3. The registered office of the Company is situated at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
4. As at the date of incorporation of the Company on 29 October, 2003, its authorised share capital was HK\$390,000 divided into 3,900,000 ordinary shares of HK\$0.10 each (the “Share(s)”).
5. On 19 May, 2004, a resolution was passed by the then shareholders of the Company to increase the authorised share capital of the Company from HK\$390,000 to HK\$200,000,000 divided into 2,000,000,000 Shares by the creation of 1,996,100,000 new Shares and that all such new Shares would, upon issue, rank *pari passu* in all respects with the existing Shares of the Company.
6. The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 2004 and the stock code is 8053. Over the years, the Company has allotted and issued various tranches of Shares, being the only class of shares of the Company. As at the date of this Petition, the authorised share capital of the Company is HK\$200,000,000 divided into 2,000,000,000 Shares and its issued share capital is HK\$94,371,947.30 divided into 943,719,473 Shares.
7. The Company is an investment holding company. The Company’s subsidiaries are principally engaged in the provision of financial services and education information and information security business. Such businesses of the Company’s subsidiaries include proprietary investments, private equity investments, financial advisory and asset

management services; and the provision of services on school network integration services and information technology related services in the People's Republic of China . The Company's website is located at <http://www.ceptchina.com>.

8. The objects for which the Company was established are unrestricted and shall include, but without limitation
 - (a) to act and to perform all the functions of a holding company in all its branches and to co-ordinate the policy and administration of any subsidiary company or companies wherever incorporated or carrying on business or of any group of companies of which the Company or any subsidiary company is a member or which are in any manner controlled directly or indirectly by the Company;
 - (b) to act as an investment company and for that purpose to acquire and hold upon any terms and, either in the name of the Company or that of any nominee, shares, stock, debentures, debenture stock, annuities, notes, mortgages, bonds, obligations and securities, foreign exchange, foreign currency deposits and commodities, issued or guaranteed by any company wherever incorporated or carrying on business, or by any government, sovereign, ruler, commissioners, public body or authority, supreme, municipal, local or otherwise, by original subscription, tender, purchase, exchange, underwriting, participation in syndicates or in any other manner and whether or not fully paid up, and to make payments thereon as called up or in advance of calls or otherwise and to subscribe for the same, whether conditionally or absolutely, and to hold the same with a view to investment, but with the power to vary any investments, and to exercise and enforce all rights and powers conferred by or incident to the ownership thereof, and to invest and deal with the moneys of the Company not

immediately required upon such securities and in such manner as may be from time to time determined.

9. The Articles of Association of the Company provide, *inter alia*, as follows:

Article 4 "The Company may from time to time by ordinary resolution in accordance with the Law alter the conditions of its Memorandum of Association to:

- (a) increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;
- (b) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association (subject, nevertheless, to the Law), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled or, in the case of shares, without par value, diminish the number of shares into which its capital is divided."

Article 6 "The Company may from time to time by special resolution, subject to any confirmation or consent required by the Law, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by the law."

10. By a special resolution of the Company (the "**Special Resolution**") duly passed in accordance with section 14(1) of the Companies Law at an extraordinary general meeting held on 2 September, 2011 (the "**Extraordinary General Meeting**"), it was resolved:

"THAT, conditional upon (i) confirmation of the Capital Reduction (as defined below)

by the Grand Court of the Cayman Islands (the "Court"), registration by the Registrar of Companies of the Cayman Islands of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction and compliance with any conditions as may be imposed by the Court in relation to the Capital Reduction; and (ii) the GEM Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting the permission to deal in, shares of HK\$0.01 each in the issued share capital of the Company upon the date (the "Effective Date") on which the Capital Reduction (as defined below) becomes effective:

- (a) every five shares of HK\$0.10 each in the issued and unissued share capital of the Company be consolidated into one share (each a "Consolidated Share") of HK\$0.50 each in the share capital of the Company (the "Share Consolidation");
- (b) immediately following the Share Consolidation, (i) all fractional entitlements remaining following aggregation of fractional entitlements following the Share Consolidation be cancelled, (ii) the issued share capital of the Company be reduced by canceling paid-up capital to the extent of HK\$0.49 on each Consolidated Share in issue on the Effective Date so that the nominal value of each issued Consolidated Share be reduced from HK\$0.50 to HK\$0.01 (each a "New Share") and (iii) the authorized share capital of the Company be diminished by subdividing each of the authorised but unissued Consolidated Shares of HK\$0.50 each in the capital of the Company into fifty New Shares of HK\$0.01 each in the capital of the Company and then canceling such number of New Shares so that the authorized share capital of the Company is diminished from HK\$200,000,000 divided into 400,000,000 Consolidated Shares of HK\$0.50 each to HK\$4,000,000 divided into 400,000,000 New Shares of HK\$0.01 each on

the Effective date (collectively, the “**Capital Reduction**”);

- (c) upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company be cancelled (“**Share Premium Cancellation**”);
- (d) subject to and forthwith upon the Capital Reduction and Share Premium Cancellation becoming effective, the credit amount arising from the Capital Reduction and Share Premium Cancellation be applied to eliminate the previous accumulated losses of the Company as at the Effective Date and the remaining balance be credited to a distributable reserve of the Company where it may be utilised by the directors of the Company in accordance with the articles of association of the Company and all applicable laws (the “**Application of Credit**”); and
- (e) the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Consolidation, the Capital Reduction, the Share Premium Cancellation and the Application of Credit.”

11. The results of the vote by poll of the aforementioned Special Resolution by the members of the Company present and voting in person or by corporate representatives or by proxy at the Extraordinary General Meeting was as set out in the table below:-

	Present & Voting	For	Against
How Present			

In person/by corporate representatives	Two members (representing 56,000,000 Shares)	Two members (representing 56,000,000 Shares)	0 members (representing 0 Shares)
By proxy	Two members (representing 306,412,500 Shares)	Two members (representing 306,412,500 Shares)	0 member (representing 0 Shares)
Total / Percentage of total number of votes cast	Four members (representing 362,412,500 Shares) / 100%	Four members (representing 362,412,500 Shares) / 100%	0 members (representing 0 Shares) / 0%

The members present and voting in person or by corporate representative or by proxy, representing not less than three-fourths of the votes cast, voted to approve the Special Resolution and the chairman of the Extraordinary General Meeting declared the resolution passed in accordance with the Articles of Association of the Company.

12. The proposed Capital Reduction does not involve either the diminution of any liability in respect of unpaid capital and the Company has no intention to make any payment of paid up capital to any shareholder. Furthermore, the proposed Capital Reduction will not alter the underlying assets, business operations, management or financial position of the Company nor will it affect the proportionate interests of the shareholders of the Company except for the payment of related financial, legal and publication expenses.

13. The form of Minute proposed to be registered is as follows:-

"The issued share capital of CHINA ELECTRIC POWER TECHNOLOGY HOLDINGS LIMITED (中國電力科技控股有限公司) (the "Company") was by virtue of a Special Resolution passed on 2 September, 2011 and with the sanction of an Order of the Grand Court of the Cayman Islands dated [], 2011, reduced from HK\$0.50 per each issued share to HK\$0.01 per each issued share (the "Capital Reduction"). Upon the Capital Reduction becoming effective and immediately following the Share Premium Cancellation, the credit amount arising from the Capital Reduction and Share Premium Cancellation be applied to eliminate the previous accumulated losses of the Company as at the Effective Date and the remaining balance be credited to a distributable reserve of the Company where it may be utilised by the directors of the Company in accordance with the articles of association of the Company and all applicable laws. At the date of the registration of this Minute, the authorised share capital of the Company is HK\$4,000,000 divided into 400,000,000 shares of HK\$0.01 each."

Your Petitioner, the Company, therefore prays as follows:

- (1) That the Capital Reduction of the Company proposed to be effected by the Special Resolution set forth in paragraph 10 of this Petition may be confirmed and that the above-mentioned Minute may be approved by the Court.
- (2) That to this end, all necessary inquiries and directions may be made and given.
- (3) Such further and other order as this Honourable Court shall think fit.

NOTE: It is intended to serve this Petition on **OF CHINA ELECTRIC POWER TECHNOLOGY HOLDINGS LIMITED (中國電力科技控股有限公司)**, at its registered office

located at the offices of Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Dated this 20th day of September 2011

Conyers Dill & Pearman

CONYERS DILL & PEARMAN

Attorneys-at-Law for the Petitioner herein

Notice of Hearing

This Petition having been presented to the Court on the _____ day of _____, 2011 will be heard at the Law Courts, George Town, Grand Cayman on the ___ day of _____, 2011 at _____ am/pm or as soon thereafter as the Petition can be heard.

This Petition was filed by Conyers Dill & Pearman, Attorneys at-Law for and on behalf of the Applicant herein whose address for service is that of its Attorneys, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.