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# **LAUNCH**

## **深圳市元征科技股份有限公司 LAUNCH TECH COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 8196)**

### **PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

#### **PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR**

The Board proposes to appoint a new non-executive Director, namely Ms. Liu Xiaohua.

#### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Board proposes to amend the Articles of Association in respect of (i) the changes in the shareholding structure of the Company pursuant to the transfer of the Transfer Shares under the Share Transfer Term Sheet, (ii) the changes in the composition of the Board, (iii) the abolishment of the position of Vice-chairman and (iv) the changes in the PRC Company Law.

A circular containing, inter alia, further details of (i) the proposed appointment of a non-executive Director and (ii) amendments proposed to be made to the Articles of Association, and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

#### **PROPOSED APPOINTMENT OF A NON-EXECUTIVE DIRECTOR**

At present, the Board comprises seven Directors, namely: (i) Mr. Liu Xin, Mr. Liu Jun and Ms. Liu Ping, as executive Directors, (ii) Ms. Liu Yong, as non-executive Director and (iii) Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shulin, as independent non-executive Directors.

The Board proposes to elect Ms. Liu Xiaohua as a non-executive Director for a term commencing on the date of the SGM to the date of expiry of the terms of appointment of the other members of the Board, being 17 March 2013, unless otherwise terminated prematurely in accordance with the terms of her letter of appointment. Her appointment is subject to the approval of the Shareholders at the SGM.

After the aforesaid appointment of Ms. Liu Xiaohua, the Company will have a total of eight Directors, comprising (i) Mr. Liu Xin, Mr. Liu Jun and Ms. Liu Ping, as executive Directors, (ii) Ms. Liu Yong and Ms. Liu Xiaohua, as non-executive Directors and (iii) Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shulin, as independent non-executive Directors.

The biographical details of Ms. Liu Xiaohua as required to be disclosed under Rule 17.50(2) of the GEM Listing Rules are as follows:

### **Ms. Liu Xiaohua**

Ms. Liu Xiaohua, aged 56, obtained an Executive MBA from the Thunderbird School of Global Management in 1999. Ms. Liu has more than 20 years of management experience with large multinational companies in the Asia Pacific region and is currently the managing director of SPX Corporation (China) Co., Ltd., a wholly-owned subsidiary of SPX.

It is proposed that Ms. Liu will be appointed as a non-executive Director at the SGM. Her proposed term of appointment is from the date of the SGM to the date of expiry of the terms of appointment of other members of the Board, being 17 March 2013, unless otherwise terminated prematurely in accordance with the terms of her letter of appointment. She will be entitled to a fee of RMB10,000 per annum and, subject to shareholders' approval at a general meeting, will be entitled to not more than 10% increment per year at the first and second anniversaries of her appointment.

Save as aforesaid, (i) Ms. Liu does not have any relationship with any other Directors, senior management, substantial Shareholders or controlling Shareholders; (ii) she did not have any interests in the Shares within the meaning of Part XV of the SFO as at the date of this announcement; (iii) she did not hold any directorships or been a supervisor in other listed public companies in the last three years; and (iv) there are no other matters relating to her appointment that need to be brought to the attention of the Shareholders and there is no other information that need to be disclosed pursuant to paragraph 17.50(2) of the GEM Listing Rules.

## **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

### **Changes in shareholding structure of the Company**

The Board noted that, pursuant to the Share Transfer Term Sheet, Crosby ChinaChips has conditionally agreed to sell and transfer the Transfer Shares, and SPX has conditionally agreed to purchase and acquire the Transfer Shares by its designated affiliate. Upon completion of the transfer, Crosby ChinaChips will cease to hold any Non-listed Foreign Investment Shares and SPX Flow Technology Hong Kong Limited, an indirect wholly-owned subsidiary of SPX, will hold a total of 16,467,000 Non-listed Foreign Investment Shares.

The Board proposes to amend the Articles of Association in respect of the changes in the shareholding structure of the Company pursuant to the transfer of the Transfer Shares under the Share Transfer Term Sheet.

## **Changes in the composition of the Board**

The existing Article 95 of the Articles of Association provides that the Board shall comprise of seven Directors, one shall be the Chairman and six shall be Directors, in which three shall be executive Directors (one of which shall be the Chairman), one shall be non-executive Director and three shall be independent non-executive Directors.

In view of the proposed appointment of Ms. Liu Xiaohua as a non-executive Director, the Board proposes to amend Article 95 of the Articles of Association to increase the number of members of the Board from seven to eight, one shall be the Chairman and seven shall be Directors, in which three shall be executive Directors (one of which shall be the Chairman), two shall be non-executive Directors and three shall be independent non-executive Directors.

## **Abolishment of the position of Vice-chairman**

The existing Article 97 of the Articles of Association provides that the Vice-chairman shall be elected by more than half of all the Directors and have a term of 3 years. Articles 82 and 100 further provide circumstances that the Vice-chairman shall perform the duties of the Chairman when the Chairman is unable to perform his/her duties.

As the Company currently does not have a Vice-chairman and the Board has no plans to elect any Director to become the Vice-chairman, the Board proposes to amend Articles 82, 97 and 100 of the Articles of Association to abolish the position of a Vice-chairman; and to provide that the Board may designate or half or more of the Directors may jointly recommend any one Director to perform the duties of the Chairman when the Chairman is unable to perform his/her duties.

## **Changes in the PRC Company Law**

According to the PRC Company Law currently in force, paragraph 2 of the existing Article 8 of the Articles of Association is no longer applicable to the Company. Therefore, the Board proposes to delete paragraph 2 of the existing Article 8 of the Articles of Association in its entirety.

Details of the proposed amendments to the Articles of Association will be set out in the circular and the notice convening the SGM to be despatched to the Shareholders.

## GENERAL

A circular containing, inter alia, further details of (i) the proposed appointment of a non-executive Director, (ii) the amendments proposed to be made to the Articles of Association, and (iii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

|                           |   |
|---------------------------|---|
| “Articles of Association” | the articles of association of the Company as amended from time to time   |
| “Board”                   | the board of Directors  |
| “Chairman”                | the chairman of the Board   |
| “Company”                 | 深圳市元征科技股份有限公司 (Launch Tech Company Limited), a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are currently listed on the GEM  |
| “Crosby ChinaChips”       | Crosby ChinaChips Holdings (1) (BVI) Limited, the holder of the Transfer Shares as at the date of this announcement   |
| “Director(s)”             | the director(s) of the Company  |
| “Domestic Share(s)”       | the ordinary shares of RMB0.10 each issued by the Company, which are subscribed for or credited as fully paid up in RMB, and all of such shares are not listed on the Stock Exchange, which includes the Non-listed Foreign Investment Shares |
| “GEM Listing Rules”       | the Rules Governing the Listing of Securities on the GEM, as amended from time to time  |
| “GEM”                     | the Growth Enterprise Market of the Stock Exchange  |
| “H Share(s)”              | the overseas listed foreign invested ordinary shares of RMB0.10 each in the share capital of the Company, which are listed on the GEM and subscribed for and traded in Hong Kong Dollars  |

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| “Hong Kong”                            | the Hong Kong Special Administrative Region of the PRC   |
| “Non-listed Foreign Investment Shares” | the non-listed foreign investment ordinary shares of RMB0.10 each issued by the Company, which are subscribed for or credited as fully paid up in RMB, and all of such shares are not listed on the Stock Exchange   |
| “PRC”                                  | the People’s Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan   |
| “RMB”                                  | Renminbi, the lawful currency of the PRC   |
| “SFO”                                  | Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong   |
| “SGM”                                  | the special general meeting of the Company to be convened and held by the Company for the purpose of approving (i) the appointment of a non-executive Director and (ii) the amendments proposed to be made to the Articles of Association as mentioned in this announcement  |
| “Share Transfer Term Sheet”            | the share transfer term sheet dated 25 July 2010 entered into between Crosby ChinaChips and SPX, pursuant to which Crosby ChinaChips conditionally agreed to sell and transfer and SPX conditionally agreed to purchase and acquire the Transfer Shares in accordance with the terms and conditions of the Share Transfer Term Sheet |
| “Shareholders”                         | holders of the Shares, including holders of the Domestic Shares and the H Shares, unless specified otherwise   |
| “Shares”                               | shares of RMB0.10 each in the capital of the Company   |
| “SPX”                                  | SPX Corporation, a company listed on the New York Stock Exchange   |
| “Stock Exchange”                       | The Stock Exchange of Hong Kong Limited  |
| “Transfer Shares”                      | 16,467,000 Non-listed Foreign Investment Shares which are held by Crosby ChinaChips as at the date of this announcement  |

“Vice-chairman”

the vice-chairman of the Board

By order of the Board  
**Launch Tech Company Limited**  
**Liu Xin**  
*Chairman*

Shenzhen, the PRC, 16 August 2010

*As at the date of this announcement, the Board comprises Mr. Liu Xin (Chairman), Mr. Liu Jun (Chief executive officer), Ms. Liu Ping as executive directors, Ms. Liu Yong as non-executive director, and Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shulin as independent non-executive directors.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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