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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)**

### **NOTICE OF CLASS MEETING OF HOLDERS OF DOMESTIC SHARES**

**NOTICE IS HEREBY GIVEN** that a class meeting of holders of the domestic shares of Launch Tech Company Limited (the “**Company**”) will be convened and held at 9th Floor, Office Block, Launch Industrial Park, North of Wuhe Road, Banxuegang Longgang District, Shenzhen, the PRC on Monday, 21 March 2011 at 10:00 a.m., for the purpose of considering and, if thought fit, approving the following special resolutions. Unless otherwise indicated, capitalized terms used herein shall have the same meaning as those defined in the circular of the Company dated 2 February 2011 (the “**Circular**”):

#### **SPECIAL RESOLUTIONS**

1. “**THAT** subject to and conditional, among other things, (i) the Shares Consolidation and the Transfer of Listing becoming effective; and (ii) upon obtaining the requisite approval from the relevant regulatory authorities, including the CSRC; and (iii) the granting of approval by the Shenzhen Stock Exchange for the listing of and dealing in the A Shares, the following terms and conditions of the Issue of A Shares be and are hereby approved:

(i) Type of securities to be issued

A Shares

(ii) Nominal Value of A Shares to be issued

A Shares with a nominal value of RMB1.00 each in the share capital of the Company

(iii) Place of listing

The Shenzhen Stock Exchange (the SME Board)

(iv) Number of A Shares to be issued

Not more than 12 million A Shares with a nominal value of RMB1.00 each, the final number of A Shares to be issued and the structure of the issue shall be subject to the adjustment made by the Board as authorized by the Shareholders at the SGM and the Class Meetings and approval by the relevant regulatory authorities in the PRC

(v) Method of issue

The issue will be conducted based on the methods stipulated in the Administrative Measures or otherwise approved by the CSRC

(vi) Target subscribers

Individuals, legal persons and other institutions recognized by the CSRC who maintain A share account with the Shenzhen Stock Exchange (except those who are prohibited from subscribing for A shares pursuant to the relevant PRC laws and regulations and other applicable regulatory requirements)

It is currently expected that such target subscribers will not include connected persons of the Company. If any such subscribers includes connected persons of the Company, the Company will take steps to comply with the relevant connected transaction requirements under the Listing Rules

(vii) Price determination method

The issue price for the A Shares will be determined based on the prevailing conditions of the PRC securities market at the time of the proposed Issue of A Shares by way of market consultation or such other methods which may be approved by the CSRC and in accordance with the relevant requirements under the Administrative Measures issued by the CSRC. Thus, the amount of funds to be raised from the Issue A Shares cannot be ascertained as at the Latest Practicable Date

As required by the relevant PRC laws and regulations, including the Administrative Measures, the price consultation will be undertaken with certain number of qualified consultation participants. However, the issue price shall not be less than the par value of the A Shares to be issued. Once the details of the issue price for the A Shares and the amount of funds to be raised from the Issue of A Shares are determined, the Company will make further announcements

(viii) Use of Proceeds

The Company intends to apply the net proceeds from the Issue of A Shares (i.e. after deducting relating expenses) in the following projects, namely:

1. RMB108.72 million will be used for investment in “the project for the reconstruction of automotive diagnostic and car electronics production lines” (汽車診斷及車用電子產品生產線改造項目);
2. RMB133.16 million will be used for investment in “the project for the establishment of an online integrated service platform based on automotive diagnostic technique” (基於汽車診斷技術的網路綜合服務平臺建設項目); and
3. RMB152 million will be used in the project for the establishment of a research and development center.

The above projects require a capital of RMB393.88 million in total. In case the actual proceeds raised by the offering are less than that required by all such projects, the difference will be raised by the Company through other means. If the proceeds exceed the requirement of the above investments, the remaining funds will be used as additional working capital for other core operations of the Company

(ix) Rights attached to A Shares

The A Shares to be issued are domestically listed ordinary shares denominated in RMB and, except as otherwise provided for in the applicable laws, regulations, rules and the Articles of Association, will rank *pari passu* in all respects with the Consolidated Domestic Shares and the Consolidated H Shares with a nominal value of RMB1.00 each. Once the proposed Issue of A Shares is completed, all the shareholders of the Company then shall be entitled to the accumulated undistributed profits at the time of the issue of the A Shares

For the avoidance of doubt, the holders of the A Shares are not entitled to any dividends declared prior to the issue of A Shares

(x) Authorization to the Board

The Board shall be and is authorized to take all such actions and execute all such documents or instruments for and on behalf of the Company as necessary or expedient and make arrangements for all specific matters relating to, in connection with, or to give effect to, the Issue of A Shares, in accordance with the relevant requirements of the CSRC, the Hong Kong Stock Exchange, the Shenzhen Stock Exchange and to delegate such authorization. The authorization includes but without limit to the following:

- (a) determine and deal with at its discretion and with full authority matters relating to the Issue of A Shares, including but without limit to the place of listing, the specific timing of the issue, the number of A Shares to be issued, the target subscribers, the method of

issue, the pricing mechanism, the issue price, size of the over-allotment option (if any) and other matters relating to the Issue of A Shares) in accordance with the applicable laws and regulations, and pursuant to the Issue of A Shares and the listing of the A Shares and Domestic Shares as approved by the Shareholders at this SGM and the Class Meetings;

- (b) deal with all filings and application matters relating to or in connection with the Issue of A Shares and the listing of the A Shares, including but without limit to handling the formalities of examination, registration, filing and approval from relevant governmental and regulatory authorities, the Shenzhen Stock Exchange and securities clearing institution;
- (c) approve, sign, execute, amend or complete all necessary documents relating to the Issue of A Shares and the listing of the A Shares (including but without limit to the preliminary prospectus, prospectus, sponsors' agreement, underwriting agreement, listing agreement and various announcements and circulars);
- (d) adjust and amend the proposal for the Issue of A Shares and the listing of the A Shares according to implementation of the proposal of the Issue of A Shares and the listing of the A Shares, market conditions, policies adjustments and comments from governmental and regulatory authorities, or if there is any change to the relevant policies relating to initial issue of new shares, to deal with matters relating to the Issue of A Shares and the listing of the A Shares pursuant to such new policies;
- (e) amend the Articles of Association of the Company as a result of the implementation of the Issue of A Shares and submit the amended Articles of Association to the relevant authorities of the PRC and Hong Kong for approval, filing or registration;
- (f) make necessary or appropriate adoption of and amendments to the Articles of Association, the Rules of Procedures and the Internal Rules of the Company in the event they conflict with the regulatory rules or documents promulgated by the CSRC, the Hong Kong Stock Exchange and/or the Shenzhen Stock Exchange, or in accordance with the comments from the CSRC and/or the relevant stock exchange;
- (g) deal with the listing of the A Shares on the SME Board of the Shenzhen Stock Exchange;
- (h) to deal with all matters in relation to the application or the use of net proceeds from the Issue of A Shares subject to the approval of the CSRC;
- (i) to engage relevant intermediaries and to liaise and agree on their respective remuneration;
- (j) to process all related matters in connection with the Issue of A Shares, and to take all such actions as necessary or expedient and to determine and make arrangements for all specific matters relating to or in connection with the Issue of A Shares as permitted by the relevant laws and regulations;
- (k) delegate such power and authorization to one or two Directors; and

- (l) to deal with such other matters and take such actions as may be necessary to give effect to the Issue of A Shares.

#### Effective Period of the Approval Obtained under this Special Resolution

The authorization and the Shareholders' approval for the Issue of A Shares, if obtained from the Shareholders at the SGM and the Class Meetings, shall be valid for a period of twelve months from the date when such authorization and approval are obtained."

2. "THAT the validity period of all relevant resolutions relating to the Shares Consolidation and Transfer of Listing (as defined in the Circular) in the same structure and manner and in essentially identical terms as those considered and passed at the special general meeting and the class meetings of the Company for each of the holders of H Shares and holders of Domestic Shares of the Company held on 19 April 2010 and the authorization of the Board to do all acts and sign all such agreements and/or documents as the Board deems necessary for completing the Shares Consolidation and Transfer of Listing be extended for a further one year commencing from 18 April 2011 be and are hereby considered and approved."

This Special Resolution is effective immediately after Shareholders' approval, with no limitation to the period of its validity.

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

2 February 2011  
Shenzhen, the PRC

*Principal Place of Business in PRC:*  
9th Floor, Office Block,  
Launch Industrial Park,  
North of Wuhe Road,  
Banxuegang Longgang District,  
Shenzhen, the People's Republic of China

- Notes:*
- (A) Any holder of the Company's Domestic Shares, whose names appear on the register of members of the Company on Monday, 21 March 2011, are entitled to attend the Domestic Class Meeting and to vote thereat.
  - (B) Any holder of the Company's Domestic Shares entitled to attend and vote at the Domestic Class Meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy needs not be a shareholder of the Company. A shareholder holding two or more Domestic Shares may appoint more than one proxy.
  - (C) Where a holder of Domestic Shares of the Company appoints more than one proxy, his proxies may only vote in a poll.

- (D) Holders of Domestic Shares of the Company who intend to attend the Domestic Class Meeting are required to complete and return to the Company's principal place of business in the PRC the enclosed reply slip by Tuesday, 1 March 2011. Further details are set out in the reply slip and explanation thereto.
- (E) Completion and return of the proxy forms and reply slip will not affect the right of shareholders of the Company to attend and vote at the Domestic Class Meeting, if the shareholders of the Company so desire and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (F) Holders of Domestic Shares shall deliver the proxy forms (and a notarially certified copy of the power of attorney or other authority if such proxy is signed by a person on behalf of the appointor pursuant to a power of attorney or other authority) and the reply slip to the Company's principal place of business in the PRC.
- (G) The Domestic Class Meeting is expected to last for half an hour. Shareholders of the Company and proxies attending the Domestic Class Meeting shall be responsible for their own transportation and accommodation expenses.

*As at the date hereof, the executive Directors of the Company are Mr. Liu Xin, Mr. Liu Jun and Ms. Liu Ping; the non-executive Director of the Company is Ms. Liu Yong and Ms. Liu Xiaohua; the independent non-executive Directors of the Company are Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shulin.*

*This notice includes particulars given in compliance with the GEM Listing Rules and the Main Board Listing Rules for the purpose of giving information with regard to the Company. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this notice and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.*