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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: 2488)*

### **NOTICE OF SPECIAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) 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 Wednesday, 18 January 2012 at 11:00 a.m., for the purpose of considering and, if thought fit, approving (with or without modifications) 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 December 2011 (the “**Circular**”):

### **SPECIAL RESOLUTIONS**

1. “To consider and approve the following resolution in relation to the amendment to the Amendment Articles:

(i) Article 166 of the Amendment Articles be amended by deleting the following paragraph:

“The Company shall implement initiative methods of profit distribution. The cumulative profit distribution in cash by the Company for any last three years period shall be not less than 30% of the average of the same three years’ annual distributable profits.”

and substituted by the following paragraph:

“The Company shall implement consistent and stable methods of profit distribution. In making a profit distribution by the Company, account shall be taken to the reasonable investment return of investors and the sustainable development of the Company.

Upon satisfaction of the funding requirements for the Company’s normal course of production and operation, and in the event there are no material investment projects or material cash outflow, profit distribution of the Company shall include profit distribution in cash. Such cash

profit shall not be less than 25% of the distributable profits realized in the relevant year. In the event the Board considers that, as a result of the growth in the Company's operating income, the share price of the Company no longer matches the scale of the share capital of the Company, subject to the satisfaction of the aforesaid conditions in respect of profit distribution in cash, the Company may propose and implement a policy of profit distribution in the form of share dividends.

The annual profit distribution policy of the Company shall be formulated by the Board, and upon review and approval by the Board, be proposed to a general meeting of the Company for consideration and approval by the Shareholders. The supervisory committee and the independent directors of the Company shall opine on matters such as the appropriateness and stability of the annual profit distribution policy, and its sufficiency in protecting the interests of the investors.

In the event adjustments are required to be made to the Company's profit distribution policy to facilitate production, operation, investment planning and long term developments of the Company, the adjusted profit distribution policy shall comply with the relevant requirements of any applicable stock exchanges or securities regulatory authorities. Any resolution regarding adjustments to the Company's profit distribution policy shall, after consideration by the Board, be proposed to a general meeting of the Company for approval by the Shareholders."

(ii) Article 168 of the Amendment Articles be amended by deleting the following paragraph:

"The Company may distribute dividend in cash or in specie (or both).

Dividends or other distributions for ordinary shares shall be declared and denominated in Renminbi.

Dividends or other cash distributions for domestic shares shall be paid in Renminbi.

Dividends or other cash distributions for overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollar in accordance with the requirements of the State Administration of Foreign Exchange of the PRC. The exchange rate to be used for the conversion shall be the average closing exchange rate of Hong Kong dollar against Renminbi for each of the business days during the week prior to the declaration date as quoted by the People's Bank of China.

After the general meeting adopts a resolution on the profit distribution plan, the Board of Directors must complete the distribution of dividends (or shares) within two months after the general meeting is held."

and substituted by the following paragraph:

"The Company may distribute dividend in cash or in specie (or both).

Dividends or other distributions for ordinary shares shall be declared and denominated in Renminbi.

Dividends or other cash distributions for domestic shares shall be paid in Renminbi.

Dividends or other cash distributions for overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollar in accordance with the requirements of the State Administration of Foreign Exchange of the PRC. The exchange rate to be used for the conversion shall be the average closing exchange rate of Hong Kong dollar against Renminbi for each of the business days during the week prior to the declaration date as quoted by the People's Bank of China.

After the general meeting adopts a resolution on the profit distribution plan, the Board of Directors must complete the distribution of dividends (or shares) within two months after the general meeting is held.

In the event the Board has not resolved to make any profit distribution in cash, reasons thereof shall be given and disclosed in the reports of directors and the independent directors of the Company shall give independent opinion in such regard.”

(iii) Article 169 of the Amendment Articles be amended by deleting the following paragraph:

“Unless otherwise resolved by the Shareholders in general meeting, the Board may distribute interim dividends or bonus dividends.”

and substituted by the following paragraph:

“Interim profit distribution in cash may be proposed by the Board in accordance with the funding requirements of the Company.”

And that the Board be authorized to do all such acts or things and to take all such steps relating to or in connection with the above amendments to the Amendment Articles as the Board may consider necessary and appropriate to give effect to the amendment.”

2. “To consider, approve and adopt the major terms of the Profit Distribution Policy as follows:–

“(a) The Company shall implement consistent and stable methods of profit distribution. In making a profit distribution by the Company, account shall be taken to the reasonable investment return of investors and the sustainable development of the Company.

(b) The Company may distribute dividend in cash or in specie (or both). Interim profit distribution in cash may be proposed by the Board in accordance with the funding requirements of the Company.

- (c) Upon satisfaction of the funding requirements for the Company's normal course of production and operation, and in the event there are no material investment projects or material cash outflow, profit distribution of the Company shall include profit distribution in cash. Such cash profit shall not be less than 25% of the distributable profits realized in the relevant year. In the event the Board considers that, as a result of the growth in the Company's operating income, the share price of the Company no longer matches the scale of the share capital of the Company, subject to the satisfaction of the aforesaid conditions in respect of profit distribution in cash, the Company may propose and implement a policy of profit distribution in the form of share dividends.
- (d) Undistributed profits will be used to facilitate production and research and development and to supplement the liquid capital of the Company.
- (e) In respect of the final dividend for each of the three years ending on 31 December 2011, 31 December 2012 and 31 December 2013 respectively, profits to be distributed in cash shall not be less than 25% of the distributable profits realized in the relevant year."

And that the Board be authorized to do all such acts or things and to take all such steps relating to or in connection with the Profit Distribution Policy as the Board may consider necessary and appropriate to give effect to the adoption of the Profit Distribution Policy."

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

2 December 2011  
Shenzhen, the PRC

*Notes:*

- (A) Shareholders of the Company shall note that pursuant to Article 46 of the articles of association of the Company, the share register of the Company will be closed during the period from 17 December 2011 to 18 January 2012, both days inclusive, during which period no transfer of shares will be registered. Shareholders of the Company whose names appear on the register of shareholders of the Company on 18 January 2012 shall be entitled to attend the SGM of the Company and to vote thereat.
- (B) Any shareholders of the Company entitled to attend and to vote at the SGM shall be entitled to appoint a proxy who need not be a shareholder of the Company, to attend and to vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy.
- (C) Where a shareholder of the Company appoints more than one proxy, his proxy may only vote in a poll.
- (D) To be valid, the proxy forms for the use of shareholders of the Company and, if such proxy is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be delivered to the Company not less than 24 hours before the time scheduled for holding the special meeting or its adjourned meetings of the Company.

- (E) Shareholders of the Company who intend to attend the SGM are required to return the reply slip to the Company on or before 29 December 2011. Please refer to the reply slip and the instruction thereon for details.
- (F) Completion and return of the proxy form and the reply slip will not affect the right of the shareholders of the Company to attend and to vote at the SGM. In such event, the form of proxy will be deemed to have been revoked.
- (G) Holders of domestic shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority and the reply slip to the Company's principal place of business in the PRC.
- (H) Holders of H Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority and the reply slip to the Company's branch share registrar and transfer office in Hong Kong.
- (I) The SGM is expected to last for half an hour. Shareholders of the Company and their proxies attending the SGM shall be responsible for the transportation and accommodation expenses on their own.

*As at the date of this notice, the board of directors of the Company comprises Mr. Liu Xin (Chairman), Mr. Liu Jun, Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Ms. Liu Yong and Ms. Liu Xiaohua as non-executive Directors, and Mr. Pan Zhongmin, Mr. Liu Yuan and Dr. Zou Shulin as independent non-executive Directors.*