

COMPANY LIMITED BY SHARES

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COMPANIES HOUSE

CHINA SHOTO PLC
(company number 05448599)

The Companies Act 2006

Resolutions of the Members
(Proposed by the Directors)

On 24 October 2011 the following Resolutions (such resolutions being passed as ordinary and special resolutions) were approved by the members at a general meeting pursuant to sections 281 to 284 of the Companies Act 2006

Ordinary Resolutions

1. **THAT**, pursuant to section 551 of the Companies Act 2006 ("Act"), the directors of the Company be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company up to a maximum number of 5 million shares having an aggregate nominal value of £500,000, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the 2012 annual general meeting of the, save that the Company may make an offer or agreement before this authority expires which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after this authority expires and the directors may allot shares or grant such rights pursuant to any such offer or agreement as if this authority had not expired.

This authority is in substitution for all existing authorities under section 551 of the Act or under section 80 of the Companies Act 1985 (which, to the extent unused at the date of this resolution, are revoked with immediate effect)

2. **THAT**, subject to the passing of resolution 1 above and pursuant to section 570 of the Act, the directors of the Company be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities

otherwise than pursuant to resolution 1, up to a maximum number of 5 million shares having an aggregate nominal value of £500,000, and (unless previously revoked, varied or renewed) this power shall expire at the conclusion of the 2012 annual general meeting of the Company, save that the Company may make an offer or agreement before this power expires which would or might require equity securities to be allotted for cash after this power expires and the directors may allot equity securities for cash pursuant to any such offer or agreement as if this power had not expired

Special Resolution

3. THAT

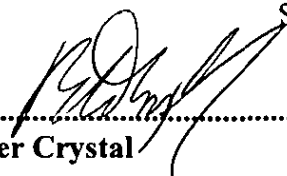
3 1 for the purpose of giving effect to the Scheme proposed to be made between the Company and holders of Scheme Shares, a print of which has been produced to this meeting and for the purposes of identification signed by the Independent Director hereof in its original form or subject to any modification, addition or condition agreed between the Company and Two Stars Invest Limited ("**Two Stars**") and approved or imposed by the Court:

- (a) the Scheme be and is hereby approved and the directors of the Company be and they are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect,
- (b) contingent upon the delivery of an office copy of the Order of the Court sanctioning the Scheme to the Registrar of Companies, the share capital of the Company be reduced by cancelling and extinguishing all of the Scheme Shares,
- (c) forthwith and contingent upon the reduction of capital referred to in paragraph (b) above taking effect and notwithstanding any other provision in the articles of association of the Company
 - (i) pursuant to section 551 of the Act, the directors of the Company be and are generally and unconditionally

authorised to allot such number of ordinary shares of £0 10 each (the "New China Shoto Shares") as shall have an aggregate nominal value equal to the aggregate nominal value of the Scheme Shares cancelled pursuant to paragraph (b) above and which shall have the same rights attaching thereto as were attached to such Shares, provided that (1) the maximum aggregate nominal amount of New China Shoto Shares which may be allotted under this authority shall be the aggregate nominal amount of the New China Shoto Shares, (2) this authority shall expire on the fifth anniversary of this resolution, and (3) this authority shall be in addition and without prejudice to any other authority under the said section 551 or section 80 of the Companies Act 1985 previously granted and in force on the date on which this resolution is passed, and

- (ii) the reserve arising in the books of the Company as a result of the reduction of capital referred to in paragraph (b) above be capitalised and applied in paying up in full at par the New China Shoto Shares so created which shall be allotted and issued (free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and other interests of any nature whatsoever and with all rights attaching thereto), credited as fully paid, to Two Stars and/or its nominee(s) in accordance with the Scheme "

Signed



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Peter Crystal

For and on behalf of China Shoto
Director

Date


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Place


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