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Leoch International Technology Limited

理士國際技術有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 842)

CONNECTED TRANSACTION

PURCHASE AGREEMENT FOR RESERVE POWER BATTERY FACILITIES

On 17 April 2014, the Company entered into the Purchase Agreement with the Guangdong Marshall, a connected person of the Company, pursuant to which the Group has agreed to purchase certain Reserve Power Battery Facilities from Guangdong Marshall for a total consideration of not more than RMB 25 million.

Guangdong Marshall is a wholly owned subsidiary of Mr. Dong Li, a substantial shareholder of the Company, and therefore, a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transaction contemplated under the Purchase Agreement constitutes a connected transaction for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 25 March 2013 in relation to the Previous Purchase Agreement. As the transactions under the Previous Purchase Agreement and the transactions contemplated under the Purchase Agreement are expected to complete within a 12-month period, they are aggregated and treated as one transaction pursuant to Rule 14A.25 of the Listing Rules.

As one or more of the applicable percentage ratios of the transaction contemplated under the Purchase Agreement and the transaction under the Previous Purchase Agreement on an aggregated basis exceed 0.1% but are less than 5%, such transaction is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

PURCHASE AGREEMENT FOR RESERVE POWER BATTERY FACILITIES

Date : 17 April 2014

Parties : The Company (as the purchaser); and
Guangdong Marshall (as the vendor)

Subject matter : The Group has agreed to purchase from Guangdong Marshall certain Reserve Power Battery Facilities manufactured by Guangdong Marshall. The

purchase price would be determined at an 8% discount to the average purchase price of the similar Reserve Power Battery Facilities as obtained from two independent third parties within 30 days before the date of the purchase by the Group. The transactions contemplated under the Purchase Agreement will be completed on or before 31 December 2014.

Consideration : Total consideration for the purchase shall not exceed RMB 25 million. The consideration will be fully paid by the Company by cash within 90 days after its receipt of the Reserve Power Battery Facilities from Guangdong Marshall.

REASONS FOR ENTERING INTO THE PURCHASE AGREEMENT FOR RESERVE POWER BATTERY FACILITIES

The Group has commenced to update and upgrade its Reserve Power Battery Facilities and will continue to update and upgrade such facilities. The Group plans to purchase relevant Reserve Power Battery Facilities from Guangdong Marshall to ensure the application of advanced industrial technologies, the quality and due delivery of the relevant Reserve Power Battery Facilities and the protection of technology secrets.

Accordingly, Directors, including independent non-executive Directors, are of the view that the Purchase Agreement and the transaction contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Company, are fair and reasonable and in the interest of the Group and the shareholders of the Company as a whole.

Mr. Dong Li is required to abstain from voting on the relevant resolutions of the Board approving the Purchase Agreement and the transaction contemplated thereunder pursuant to the articles of association of the Company. Save as disclosed above, none of the Directors has a material interest in the subject transaction and is required to abstain from voting on the relevant resolutions of the Board.

INFORMATION ON THE GROUP AND GUANGDONG MARSHELL

The Company is a company established under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the sale, development and manufacture of lead-acid batteries.

Guangdong Marshall is a company incorporated under the laws of the PRC with limited liability and is a wholly owned subsidiary of Mr. Dong Li, a substantial shareholder of the Company. Guangdong Marshall is engaged in, inter alia, the manufacture and sale of Reserve Power Battery Facilities.

LISTING RULES IMPLICATIONS

Guangdong Marshall is a wholly owned subsidiary of Mr. Dong Li, a substantial shareholder of the Company, and therefore, a connected person of the Company for the purposes of the Listing Rules. Accordingly, the transaction contemplated under the Purchase Agreement constitutes a connected transaction for the Company under the Listing Rules.

Reference is made to the announcement of the Company dated 25 March 2013 in relation to the Previous Purchase Agreement. As the transactions under the Previous Purchase Agreement and the transactions contemplated under the Purchase Agreement are expected to complete within a 12-month period, they are aggregated and treated as one transaction pursuant to Rule 14A.25 of the Listing Rules.

As one or more of the applicable percentage ratios of the transaction contemplated under the Purchase Agreement and the transaction under the Previous Purchase Agreement on an aggregated basis exceed 0.1% but are less than 5%, such transaction is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Leoch International Technology Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangdong Marshall”	Guangdong Marshall Electric Vehicle Co., Ltd., a company incorporated in the PRC with limited liability and a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Purchase Agreement”	the purchase agreement for Reserve Power Battery Facilities entered into by the Company and Guangdong Marshall on 17 April 2014
“Previous Purchase Agreement”	the purchase agreement for Reserve Power Battery Facilities entered into by the Company and Guangdong Marshall on 25 March 2013
“Reserve Power Battery Facilities”	environmental protection facilities, manufacture facilities and inspection facilities for reserve power batteries and related products
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Leoch International Technology Limited
Mr. Dong Li
Chairman

Hong Kong, 17 April 2014

As of the date of this announcement, the executive Directors are Mr. Dong Li, Ms. Zhao Huan and Mr. Philip Armstrong Noznesky and the independent non-executive Directors are Mr. Liu Yangsheng, Mr. Cao Yixiong Alan and Mr. Alfred Karho Chan.