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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)*

PROFIT WARNING

This announcement is made by Launch Tech Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Group wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2014, the Group is expected to record a loss for the year ended 31 December 2014 as compared to the profit of approximately RMB7,000,000 for the year ended 2013.

The expected decline in profit attributable to owners of the Company was mainly due to: (i) decrease in gross profit margin for products in the year 2014 as in order to speed up market penetration and increase the market share to achieve the Group’s internet business ecology; (ii) in year 2014, increasing research expenditure has been spent for further improving the new car networking related products for new potential markets; and (iii) prudent provision and impairment on certain assets are expected to be made in the current year.

Since the Company is still finalizing the unaudited consolidated management accounts of the Group for the year ended 31 December 2014, the information contained in this announcement is only based on the preliminary assessment by the management of the Company in accordance with the unaudited consolidated management accounts of the Group for the year ended 31 December 2014 and is not based on any figures or information which has/have been audited by the auditors or reviewed by the audit committee of the Company. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2014, which will be published in due course.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares in the Company.

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

Shenzhen, the PRC, 10 March 2015

* *for identification purpose only*

As at the date of this announcement, 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 as non-executive Director, and Mr. Liu Yuan, Ms. Zhang Yan and Dr. Zou Shulin as independent non-executive Directors.