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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)*

### **(1) PLACING OF NEW H SHARES UNDER GENERAL MANDATE; AND (2) RESUMPTION OF TRADING**

**Placing Agent**

**Jefferies**

The Board is pleased to announce that on 16 December 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed, as agent of the Company, to procure not less than six Placées on a best effort basis to subscribe for the 27,360,000 Placing Shares at the Placing Price of HK\$9.57 and on the terms and subject to the conditions set out in the Placing Agreement. The Placing Shares will be allotted and issued pursuant to the General Mandate.

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$261.8 million and the aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$256.6 million. The net proceeds from the Placing are intended to be used for development of internet of vehicles business, smart devices and vehicles cloud platforms and as general working capital of the Company. The Placing Shares represent 20% of the existing number of H Shares in issue (being 136,800,000 H Shares as at the date of this announcement) and approximately 9.07% of the total issued Shares (being 301,800,000 Shares as at the date of this announcement) and approximately 16.67% of the number of H Shares as enlarged by the allotment and issue of the Placing Shares. The nominal value of each Placing Share under the Placing will be RMB1.00, and the aggregate nominal value of the Placing Shares under the Placing will be RMB27,360,000.

The Placing Price represents:

- (a) a discount of approximately 19.55% to the average closing price of approximately HK\$11.895 per H Share as quoted on the Stock Exchange for the last twenty consecutive trading days up to and including 15 December 2015, being the last trading day before the publication of this announcement;
- (b) a discount of approximately 8.37% to the average closing price of the H Shares of approximately HK\$10.444 per H Share quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 December 2015; and
- (c) a discount of approximately 9.55% to the closing price of HK\$10.580 per H Share as quoted on the Stock Exchange on 15 December 2015.

**As Completion is subject to the satisfaction of certain conditions precedent and the Placing Agent's termination rights under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

#### **RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares has been halted with effect from 9:00 a.m. on Wednesday, 16 December 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 17 December 2015.

#### **PLACING OF NEW H SHARES**

The Board is pleased to announce that on 16 December 2015, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed, as agent of the Company, to procure not less than six Placees to subscribe for the 27,360,000 Placing Shares at the Placing Price of HK\$9.57 and on the terms and subject to the conditions set out in the Placing Agreement. The principal terms of the Placing Agreement are set out below.

#### **THE PLACING AGREEMENT**

The principal terms and conditions of the Placing Agreement are as follows:

##### **Date**

16 December 2015

## **Parties**

- (1) The Company; and
- (2) The Placing Agent.

## **Placing Shares**

27,360,000 new H Shares of RMB1.00 each in the registered share capital of the Company will be issued by the Company under the General Mandate pursuant to the terms and subject to the conditions set out in the Placing Agreement. The Placing Shares represent 20% of the existing number of H Shares in issue (being 136,800,000 H Shares as at the date of this announcement), and approximately 9.07% of the total issued Shares (being 301,800,000 Shares as at the date of this announcement) and approximately 16.67% of the number of H Shares as enlarged by the allotment and issue of the Placing Shares. The nominal value of each Placing Share under the Placing will be RMB1.00, and the aggregate nominal value of the Placing Shares under the Placing will be RMB27,360,000.

## **The Placing**

Pursuant to the Placing Agreement, the Placing Agent has agreed, as the agent of the Company, to procure not less than six Placees on a best effort basis to subscribe for the Placing Shares in board lots of 500 Placing Shares at the Placing Price and on the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

## **The Placees**

The Placing Agent will place the Placing Shares at the Placing Price to no less than six Placees who are independent professional, institutional or other investors on a best effort basis who and whose ultimate beneficial owners are Independent Third Parties and that none of the Placees will become substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

## **Placing Price**

The Placing Price of HK\$9.57 per Placing Share represents:

- (a) a discount of approximately 19.55% to the average closing price of approximately HK\$11.895 per H Share as quoted on the Stock Exchange for the last twenty consecutive trading days up to and including 15 December 2015, being the last trading day before the publication of this announcement;

- (b) a discount of approximately 8.37% to the average closing price of the H Shares of approximately HK\$10.444 per H Share quoted on the Stock Exchange for the last five consecutive trading days up to and including 15 December 2015; and
- (c) a discount of approximately 9.55% to the closing price of HK\$10.580 per H Share as quoted on the Stock Exchange on 15 December 2015.

The aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$256.6 million and the net Placing Price is approximately HK\$9.38 per Placing Share.

The Placing Price has been negotiated and arrived at on an arm's length basis and by reference to market conditions. The Directors are of the opinion that the Placing Price is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole.

### **Ranking of the Placing Shares**

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects among themselves and with the existing H Shares in issue as at the Closing Date, including the right to receive all dividends and other distributions to be declared and made after the Closing Date.

### **Conditions**

Completion of the Placing is conditional upon the fulfilment or waiver (other than (a) and (b)) of the following conditions:

- (a) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);
- (b) the approvals of all relevant PRC regulatory authorities including the CSRC in connection with the issue and placing of the Placing Shares remaining in full force and effect on the Closing Date;
- (c) the delivery of a legal opinion by the legal counsel of the Company as to PRC law in a form and substance satisfactory to the Placing Agent;
- (d) the delivery of a legal opinion by the legal counsel of the Company as to Hong Kong law in a form and substance satisfactory to the Placing Agent;
- (e) the delivery of no-registration legal opinion by the legal counsel of the Placing Agent as to U.S. law; and
- (f) the delivery of a certified true copy of the CSRC Approval to the Placing Agent.

If the conditions are not fulfilled or waived (other than (a) and (b)) by the Placing Agent at or prior to 8:00 a.m. (Hong Kong time) on the Long Stop Date, the obligations and liabilities of the Placing Agent and the Company under the Placing Agreement shall be null and void and neither the Company nor the Placing Agent shall have any claim against the other for costs, damages, compensation or otherwise provided that the Company shall reimburse the Placing Agent any out-of-pocket expenses which the Placing Agent shall be obliged to pay in connection with the Placing.

## **Termination**

The Placing Agent may terminate the Placing Agreement without liability to the Company by giving written notice to the Company if at any time at or prior to 8:00 a.m. on the Closing Date:

- (A) there shall have been since the date of the Placing Agreement such a change in local, national or international monetary, financial, political or economic conditions or taxation or exchange controls or any suspension or limitation of trading of the Company's H Shares or securities on the Stock Exchange or any general moratorium on commercial banking activities in Hong Kong, the United Kingdom, the European Union, the PRC or the United States declared by the relevant authorities or any material disruption in commercial banking or securities settlement or clearance services as in the sole opinion of the Placing Agent would be likely to prejudice materially the consummation of the Placing; or
- (B) any breach of any of the Company's representations and warranties set out in the Placing Agreement or any event has occurred or any matter has arisen on or after the date of the Placing Agreement and prior to the Closing Date which would render any of such representations and warranties untrue or incorrect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) there is any adverse change or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or its Subsidiaries which in the sole opinion of the Placing Agent is material in the context of the Placing; or
- (D) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the sole opinion of the Placing Agent has or is likely to have a material adverse effect on the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole or which is otherwise material in the context of the Placing; or
- (E) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the London Stock Exchange, the New York Stock Exchange, Nasdaq, the Shanghai Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or

- (F) any local, national, regional or international event or circumstances in the nature of force majeure (including without limitation any outbreak or escalation of hostilities or act of terrorism) involving Hong Kong, the United Kingdom, the European Union, the PRC or the United States or the declaration by Hong Kong, the United Kingdom, the European Union, the PRC or the United States of a national emergency or war; or
- (G) there shall develop, occur, exist or come into effect any event, or series of events, which, in the sole opinion of the Placing Agent, makes, will make or may make it impracticable or inadvisable for the Placing to proceed or to market the Placing or to enforce contracts for the purchase of the Placing Shares, or to prejudice materially the success of the Placing or dealings in the Placing Shares in the market, or has, will have or may have a material adverse effect on the success of the Placing or the condition or position (financial or otherwise), earnings, results of operations, business affairs or business prospects of the Group (taken as a whole) or the Company.

## **Completion**

Subject to the conditions mentioned above, Completion shall take place on the Closing Date or such other time and/or date as the Placing Agent and the Company may agree in writing.

**As Completion is subject to the satisfaction of certain conditions precedent and the termination rights of the Placing Agent under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

## **NON-DISPOSAL UNDERTAKING**

The Company has undertaken to the Placing Agent that it will not and will procure that none of its Subsidiaries will issue or agree to allot or issue any shares (other than pursuant to (i) options outstanding under any existing shares option scheme or (ii) any scrip dividend scheme) or other securities or grant or agree to grant any options (other than options granted pursuant to an existing shares option scheme), convertible bonds or securities, warrants or other rights to subscribe for shares or other securities or to repurchase any securities of the Company, for the period commencing from the date of the Placing Agreement and ending 90 days from the Closing Date unless with the prior written consent of the Placing Agent.

## **GENERAL MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be issued under the General Mandate. According to the General Mandate, the Directors are authorised to allot, issue and/or deal with new Shares of up to a maximum of 20% of the issued Domestic Shares and H-Shares as at 15 June 2015, being the date of passing the relevant resolution at the AGM. As at the date of this announcement, no H Share has been issued under the General Mandate and the number of H Shares that may be issued under the General Mandate is 27,360,000.

Since the Placing Shares will be issued under the General Mandate, and the Board has approved the Placing within the General Mandate, no Shareholders' approval is required.

## REASONS FOR THE PLACING AND USE OF PROCEEDS FROM THE PLACING

On the assumption that all Placing Shares are fully placed, the aggregate gross proceeds from the Placing are expected to be approximately HK\$261.8 million and the aggregate net proceeds (after deduction of the fees, commissions and expenses) from the Placing are expected to be approximately HK\$256.6 million, of which approximately 60% will be used for development of internet of vehicles business, approximately 30% will be used for development of smart devices and vehicles cloud platforms, and the remaining 10% will be used as general working capital of the Company.

The Placing will further optimise the capital structure and financial structure of the Company. Further, the Company will be able to enrich its shareholder base by attracting a number of high calibre investors to participate in the Placing. The Directors are of the opinion that the terms of the Placing Agreement, including but not limited to the Placing Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

During the past 12 months immediately preceding the date of this announcement, the Company has not conducted any equity fund raising activity.

## EFFECT OF THE PLACING ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the date of this announcement and immediately after Completion, assuming that all of the Placing Shares are subscribed or purchased in full and the shareholding of Domestic Shares remains unchanged, are as follows:

Name of Shareholder	As at the date of this announcement		Upon Completion	
	No. of Shares	Approximate % of issued Shares	No. of Shares	Approximate % of issued Shares
<b>Domestic Shares</b>				
Liu Xin	66,000,000	21.87	66,000,000	20.05
Shenzhen Langqu Technology Development Ltd. Co.* (深圳市浪曲科技開發有限公司)	49,432,000	16.38	49,432,000	15.02
Other Domestic Shareholders	49,568,000	16.42	49,568,000	15.06
<b>H Shares</b>				
Public Shareholders	136,800,000	45.33	164,160,000	49.87
<b>Total</b>	<b>301,800,000</b>	<b>100</b>	<b>329,160,000</b>	<b>100</b>

## **REGULATORY AND CORPORATE APPROVALS**

Approval from CSRC has been obtained for the Placing. According to the CSRC Approval, the Company may issue not more than 27,360,000 new H Shares.

The Placing Shares will be issued by the Company pursuant to the General Mandate, and the Board has approved the Placing of the Placing Shares. All necessary corporate approvals and relevant Board approval in relation to the Placing have been obtained. The Placing is not subject to the approval of the Shareholders.

## **APPLICATION FOR LISTING**

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the H Shares has been halted with effect from 9:00 a.m. on Wednesday, 16 December 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares on the Stock Exchange with effect from 9:00 a.m. on 17 December 2015.

## **DEFINITIONS**

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

“AGM”	the 2014 annual general meeting of the Company held on 15 June 2015;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday) on which banks generally are open for business in Hong Kong during normal working hours;
“Closing Date”	means the Business Day after the date on which the conditions to Completion as set out under the Placing Agreement are fulfilled, but in any event no later than 31 December 2015 or such other date as the Company and the Placing Agent may agree in writing;
“Companies Ordinance”	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended and supplemented from time to time;
“Company”	Launch Tech Company Limited* (深圳市元征科技股份有限公司), a joint stock limited company incorporated in the PRC with limited liability;



“Completion”	completion of the Placing under the Placing Agreement;
“CSRC”	China Securities Regulatory Commission;
“CSRC Approval”	the approval received by the Company from the CSRC, approving the issue and allotment of Placing Shares;
“Directors”	the directors of the Company;
“Domestic Share(s)”	domestic share(s) of nominal value of RMB1.00 each in the share capital of the Company;
“General Mandate”	the general mandate for the Company to allot and issue Shares granted to the Directors by the Shareholders at the AGM;
“Group”	the Company and its Subsidiaries;
“H Share(s)”	overseas listed foreign invested Share(s) of RMB1.00 each in the share capital of the Company, which are listed on the Stock Exchange and subscribed for and traded in HK\$;
“HK\$” or “\$”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Parties”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons (as defined under the Listing Rules);
“Listing Committee”	listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of the Placing Shares on the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long Stop Date”	means 30 December 2015 or any other date as mutually agreed by the Placing Agent and the Company in writing;
“Placees”	any professional, institutional or other investor procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares;
“Placing”	the offer by way of a private placing of the Placing Shares by or on behalf of the Placing Agent to selected Placees pursuant to the Placing Agreement;

“Placing Agent”	Jefferies Hong Kong Limited;
“Placing Agreement”	the placing agreement dated 16 December 2015 entered into between the Company and the Placing Agent in respect of the Placing;
“Placing Price”	HK\$9.57 per Placing Share;
“Placing Shares”	up to 27,360,000 H Shares to be allotted and issued by the Company under the General Mandate pursuant to the terms and subject to the conditions set out in the Placing Agreement;
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	the lawful currency of the PRC;
“SFC”	Securities and Futures Commission of Hong Kong;
“Share(s)”	the Domestic Shares and the H Share(s);
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	has the meaning as in the Companies Ordinance;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

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

Shenzhen, the PRC, 17 December 2015

*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 Mr. Ning Bo as independent non-executive Directors.*

\* *for identification purpose only*