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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)

FURTHER ANNOUNCEMENT IN RELATION TO DOMESTIC SHARE SUBSCRIPTION

Reference is made to the circular of the Company dated 12 May 2017 in relation to, among others, the connected transaction in respect of the proposed subscription of new Domestic Shares, the proposed amendments to the articles of association of the Company, the application for Whitewash Waiver (the “**Circular**”) and the announcement dated 28 May 2017 in relation to the poll result of the SGM and the Class Meeting. Unless otherwise defined, capitalized terms used herein shall have the same meaning as those set out in the Circular.

The Board is informed by Guo Shanling (郭善苓) and Jiang Quanhong (姜全紅), the two individual Subscribers under the Domestic Share Subscription, that each of them fails to obtain the necessary approval from the relevant PRC regulatory authorities in relation to their respective Domestic Share Subscription. As such, the respective conditions precedent under the Domestic Subscription Agreements entered into by the Company and Guo Shanling (郭善苓) (“**Guo’s Agreement**”) and Jiang Quanhong (姜全紅) (“**Jiang’s Agreement**”) are not satisfied. Therefore, the Company has agreed with Guo Shanling (郭善苓) and Jiang Quanhong (姜全紅) that the Domestic Share Subscription under Guo’s Agreement and Jiang’s Agreement will lapse and neither party under the Guo’s Agreement or Jiang’s Agreement shall have any claims against the other party save for any antecedent breaches. The lapse of Guo’s Agreement and Jiang’s Agreement will not affect the completion under the other Domestic Share Subscription Agreements.

As at the date of this announcement, Mr. Liu Xin, Shengzhen Langqu and Shenzhen De Shi Yu hold 125,380,500 Domestic Shares in total in the Company, representing approximately 38.09% of the total issued share capital of the Company as at the date of this announcement. Assuming Completion of all of the Domestic Share Subscription agreements (including Guo’s Agreement and Jiang’s Agreement) take place, the shareholding held by Mr. Liu Xin and his concert parties will be increased from 38.09% to

41.2%. In this regard, and the Executive has granted the Whitewash Waiver on 24 May 2017, details are set out in the Company’s announcement dated 27 May 2017.

However, as a result of lapse of Guo’s Agreement and Jiang’s Agreement, the total number of the Domestic Shares to be issued will be decreased upon Completion. As such, the shareholding held by Mr. Liu Xin and his concert parties will be increased from 38.09% to 41.85% upon Completion, which will result non-compliance with the Whitewash Waiver. In this regard, Mr. Liu Xin, as the major Subscriber and the applicant of the Whitewash Waiver, has agreed to reduce the number of his subscribed Domestic Shares by 4,200,000 (i.e. from 33,500,000 to 29,300,000, representing approximately 41.2% of the enlarged share capital of the Company upon Completion, the “**Reduced Domestic Shares**”) so as to comply with the Whitewash Waiver. Accordingly, the number of new Domestic Shares to be subscribed will be changed as follows:-

The original number of the new Domestic Share to be subscribed by each of the Subscribers under the Domestic Share Subscription Agreements

Name of the Subscriber	No. of New Domestic Shares to be subscribed	Approximate percentage of the existing share capital before Completion	Approximate percentage of the enlarged share capital upon Completion
Liu Xin	33,500,000	10.18%	8.69%
Rui Dong Hairun	5,500,000	1.67%	1.43%
Rui Dong Qicai	5,500,000	1.67%	1.43%
Guo Shanling	4,000,000	1.22%	1.04%
Jiang Quanhong	2,000,000	0.60%	0.51%
Zhu Hai Muyang	6,000,000	1.82%	1.55%
Total	56,500,000	17.16%	14.65%

The adjusted number of the new Domestic Shares to be subscribed (excluding Guo Shanling and Jiang Quanhong)

Name of the Subscriber	No. of New Domestic Shares to be subscribed	Approximate percentage of the existing share capital before Completion	Approximate percentage of the enlarged share capital upon Completion
Liu Xin	29,300,000	8.90%	7.80%
Rui Dong Hairun	5,500,000	1.67%	1.46%
Rui Dong Qicai	5,500,000	1.67%	1.46%
Zhuhai Muyang	6,000,000	1.82%	1.60%
Total	46,300,000	14.06%	12.33%

The following table illustrates the shareholding structure of the Company before and immediately after the completion of the Domestic Share Subscription (assuming no other changes to the issued share capital of the Company prior to Completion):

	Share Class	Immediately before Completion		Immediately after the Completion of the Domestic Share Subscription	
		No. of Shares held	Percentage of total issued Shares	Number of Shares held	Percentage of total issued Shares
The Subscribers and their respective concert parties	Domestic				
Liu Xin and Parties acting in concert with it	Domestic	125,380,500	38.09%	154,680,500	41.2%
• Liu Xin		66,000,000	20.05%	66,000,000	17.58%
• Shenzhen Langqu (Note 2)		49,432,000	15.02%	49,432,000	13.17%
• Shenzhen De Shi Yu (Note 3)		9,948,500	3.02%	9,948,500	2.65%
• Shenzhen Yuan Zhong (Note 4)		0	0%	29,300,000	7.80%
Xizang Ruidong and parties acting in concert with it	Domestic	20,000,000	6.08%	31,000,000	8.25%
• Xizang Ruidong (Note 1)		20,000,000	6.08%	20,000,000	5.33%
• Rui Dong Hairun		0	0%	5,500,000	1.46%
• Rui Dong Qicai		0	0%	5,500,000	1.46%
Guo Shanling (郭善苓) (Note 1)	Domestic	0	0%	0	0%
Zhuhai Muyang	Domestic	0	0%	6,000,000	1.60%
Jiang Quanhong (姜全紅)	Domestic	0	0%	0	0%
Subtotal for the Subscribers and their respective concert parties	Domestic	145,380,500	44.17%	191,680,500	51.05%
Other Non-H Foreign Shareholders	Non-H Foreign	19,619,500	5.96%	19,619,500	5.23%
Total Domestic and Non-H Foreign Shares	Domestic & Non-H Foreign	165,000,000	50.13%	211,300,000	56.28%
H Shareholders					
Guo Shanling (郭善苓)	H	4,402,250	1.34%	4,402,250	1.17%
Jiang Quanhong (姜全紅)	H	362,000	0.11%	362,000	0.10%
Other public H Shareholders		159,395,750	48.42%	159,395,750	42.45%
Total H Shares	H	164,160,000	49.87%	164,160,000	43.72%
Total issued Shares		<u>329,160,000</u>	<u>100%</u>	<u>375,460,000</u>	<u>100%</u>

Note 1: Xizang Ruidong holds 20,000,000 Domestic Shares on trust for and on behalf of Rui Feng Fund. The partners of Rui Feng Fund are Li Yan (李艷) (36%), Yu Nan (余楠) (59%) and Guo Shanling (郭善苓) (5%) (one of the Subscribers) who are all Independent Third Parties.

Note 2: The legal and beneficial interests in the shares of Shenzhen Langqu are owned by Mr. Liu Xin as to 60% and by Mr. Liu Jun (an executive Director of the Company) as to 40% respectively. Mr. Liu Xin is therefore deemed to be interested in all domestic shares registered in the name of Shenzhen Langqu under Part XV of the SFO.

Note 3: The legal and beneficial interests in the shares of Shenzhen De Shi Yu are owned by Mr. Liu Xin as to 40% and by Ms. Liu Yong (a non-executive Director of the Company) as to 60%. Mr. Liu Xin is therefore deemed to be interested in all domestic shares registered in the name of Shenzhen De Shi Yu under Part XV of the SFO.

Note 4: Shenzhen Yuan Zhong Cheng You Consultancy Limited Partnership* (深圳市元眾成有諮詢有限合夥) (“**Shenzhen Yuan Zhong**”) is a limited partnership established in PRC and controlled by Mr. Liu Xin for taking up the 29,300,000 new Domestic Shares subscribed by him. The general partner of Shenzhen Yuan Zhong is Mr. Liu Xin and the limited partner of Shenzhen Yuan Zhong is Shenzhen Gu Lu Yun Intelligent Technology Co., Ltd.* (深圳市帖轆雲智慧科技有限公司), which is a PRC limited company wholly owned by Mr. Liu Xin.

As the number of Domestic Shares to be subscribed by Guo Shanling (郭善苓) and Jiang Quanhong (姜全紅) and the number of the Reduced Domestic Shares only comprise a small part of the total number of Domestic Shares to be subscribed under the Domestic Share Subscription Agreements, the Directors believe that, the lapse of Guo’s Agreement and Jiang’s Agreement, the reduction of Mr. Liu Xin’s subscribed Domestic Shares and the change of total number of the new Domestic Shares will not have a material impact on the Domestic Share Subscription. The intended use of proceeds as set out in the section “Use of Proceeds” of the Circular will not be changed and the Company intends to make up the balance of the proceeds of the Domestic Share Subscription by internal resources.

As at the date of this announcement, the Company is in the progress of completion of the Domestic Share Subscription. Further announcement will be made by the Company upon Completion in accordance with Listing Rules and Takeovers Code.

By Order of the Board
Launch Tech Company Limited
Liu Chun Ming
Company Secretary

Shenzhen, the PRC, 2 August 2017

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 Ms. Zhang Yan, Mr. Liu Yuan and Mr. Ning Bo as independent non-executive directors.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* for identification purpose only