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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)

VOLUNTARY ANNOUNCEMENT USE OF PROCEEDS

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 announcement dated 28 March 2017, 2 August 2017 and 7 August 2017 in relation to the domestic share subscription. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those set out in the Circular.

Use of Proceeds	Disclosed in announcement dated 28 March 2017 and circular dated 12 May 2017 (RMB' million)	Actual proceeds	Utilized up to 31 December 2017 (RMB' million)	Unutilized (RMB' million)
		received according to Adjusted subscription number of shares announced in 2 August 2017 (RMB' million)		
1. development fee of new technology	136.2	113.4	48.0	65.4
2. marketing development fee which are mainly applied to promote new products	272.5	226.8	37.0	189.8
3. reserve fund for working capital	45.4	37.8	37.8	—
	<u>454.1</u>	<u>378.0</u>	<u>122.8</u>	<u>255.2</u>

The shortfall of proceeds between original plan announced in 28 March 2017 and actual proceeds received in August 2017, will be financed by the internal resources of the Company.

The remaining proceeds is expected to be utilized in 2018 and applied in the same areas as announced in 28 March 2017. No material delay and change in utilization and application of proceeds was noted and expected.

The Board will make further update of use of proceeds in the interim results announcement of 2018.

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

Shenzhen, the PRC, 6 August 2018

As at the date of this announcement, the Board of the Company comprises Mr. Liu Xin (Chairman), Mr. Liu Jun, Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Mr. Xia Hui as non-executive Director, and Mr. Liu Yuan, Ms. Zhang Yan and Mr. Ning Bo as independent non-executive Directors.

* *For identification purpose only*