

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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: 8196)*

DISCLOSURE UNDER RULE 17.10 OF THE GEM LISTING RULES GRANT OF SUBSIDY PURSUANT TO 2010 STATE MAJOR SCIENTIFIC AND TECHNOLOGICAL ACHIEVEMENTS TRANSFORMATION PROJECTS

This announcement is made by Launch Tech Company Limited (the “**Company**”) pursuant to the obligation imposed by Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The Company was notified by the Shenzhen branch of the Finance Bureau of the People's Republic of China (“**Shenzhen Finance Bureau**”) in July 2010 which notified that a subsidy in the amount of RMB20,000,000 (the “**Subsidy**”) has been granted by the Ministry of Finance of the People's Republic of China (“**PRC MOF**”) as a result of our application for the 2010 State Major Scientific and Technological Achievements Transformation Projects (the “**2010 Scientific and Technological Achievements Transformation Projects**”). The Subsidy was deposited into the Company's bank account in full on 23 August 2010.

As the Subsidy is unconditional and is a non-recurring income, it will be accounted for in the third quarter of 2010 as “other revenue”. Since the Subsidy is a tax-free income, it is expected that the profit after tax for the third quarter of 2010 will be increased by RMB20,000,000 accordingly.

The Board of Directors (the “**Board**”) of the Company considers that receiving the Subsidy and the increase in other revenue and profit after tax for the third quarter of 2010 are of a price sensitive nature.

The Board is pleased to announce that the Company was notified by the Shenzhen Finance Bureau in July 2010 that our application through Shenzhen Finance Bureau in early 2010 in respect of a technology development project, namely “Study on Critical Technique of Automobile Comprehensive Performance

Testing, Development of Serial Products and its Industrialization” (the “**Subsidized Project**”), was approved by the PRC MOF, and a subsidy in the amount of RMB20,000,000 was granted. The Subsidy was deposited into the Company’s bank account on 23 August 2010.

2010 STATE MAJOR SCIENTIFIC AND TECHNOLOGICAL ACHIEVEMENTS TRANSFORMATION PROJECTS

The application for the 2010 Scientific and Technological Achievements Transformation Projects had to be first recommended by the Shenzhen Finance Bureau, followed by a joint selection process by the MOF and the Ministry of Industry and Information Technology of the People’s Republic of China and the final approval by the PRC MOF. The selection criteria included: being in line with the State policy towards high and new technology industries, industries roadmap and development trend of industries, and possessing proprietary intellectual property rights, industrialization conditions, extensive market potential and obvious economic and social benefits.

The Company is a state-level high-tech enterprise of the People’s Republic of China (“**PRC**”), which has been awarded National Scientific and Technological Progress Award (Second Class) and granted with State recognized patents. The Subsidy will be used in various aspects for the Subsidized Project, including research and development, production, management, marketing and industrialization. This application for the 2010 Scientific and Technological Achievements Transformation Projects is considered a non-recurring funding. The Company will continue to apply for appropriate subsidies provided by the PRC government in the future if the Company could meet the application requirements, subject to the actual funding requirements of the various projects of the Company.

ACCOUNTING TREATMENT

As the Subsidy is unconditional and is a non-recurring income, it will be accounted for in the third quarter of 2010 as “other revenue”. Since the Subsidy is a tax-free income, it is expected that the profit after tax for the third quarter of 2010 will be increased by RMB20,000,000 accordingly.

The Board considers that receiving the Subsidy and the increase in other revenue and profit after tax for the third quarter of 2010 are of a price sensitive nature.

The Board would like to thank the PRC government for its encouragement in relation to the technology innovation of the Company as well as its support to the development of the automobile industry. The Board also takes great pride in the recognition received from related national ministries and commissions in respect of the development direction of the Company and our research and development capability for our products and technological development, and of our staff from the research, development and production department and all other departments. Under the leadership of the Board, all staff would continue to put efforts in contributing to our society and the PRC.

By Order of the Board
Launch Tech Company Limited
Liu Xin
Chairman

Shenzhen, the PRC, 24 August 2010

As at the date of this announcement, the Board comprises Mr. Liu Xin (Chairman), Mr. Liu Jun (Chief executive officer) and Ms. Liu Ping as executive directors, Ms. Liu Yong as non-executive director, and Mr. Jiang Chao, Mr. Liu Yuan and Dr. Zou Shulin as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: 1. the information contained in this announcement is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this announcement misleading; and 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting.