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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 and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of the directors (the “**Directors**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the Group’s unaudited consolidated management account and the information currently available, the Group is expected to record a substantial consolidated loss attributable to the Shareholders for the year ended 31 December 2019.

Based on the information currently available, the Board believes the rapid deterioration in financial performance of the Group in the second half of the year is mainly attributable to various macroeconomic uncertainties, including those caused by trade disputes between China and the United States and also the adjustment within the domestic car repair industry. Although the circumstance was within the expectations of the Company, the impact is significant.

In summary, 1) the decrease in turnover 2) the increase in marketing expenses 3) the increase in investment in research and development 4) the impairment provision of the accounts receivable and intangible assets constitute a loss in the second half of the year.

The management of the Group understands and experiences that all industries around the world are facing unprecedented pressure. With years of experience, we will, as always, face the social and economic frustration and difficulties of the industry in a pragmatic manner, and also actively invest more resources and expenditure in driving research and development and technology, and we hope to move forward steadily, and we hope that we can find breakthroughs when we work through the difficulties.

The Company is still in the process of finalising the consolidated results for the year ended 31 December 2019, the information contained in this announcement is only based on the Board's preliminary assessment of information currently available and is not based on any figures or information audited or reviewed by the independent auditors. Therefore, the actual results of the Group for the year ended 31 December 2019 may differ from the information contained in this announcement.

The Company will provide the Shareholders and potential investors with further information, if any. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 29 January 2020

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*