Leoch International Technology Limited

理士國際技術有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 842)

PROFIT WARNING

This announcement is made by Leoch International Technology 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 Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Company that, based on the latest information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the "**Period**"), the Group is expected to record a slim net profit in the range of RMB5,000,000 to RMB15,000,000 (for the six months ended 30 June 2019: RMB78,693,000).

Notwithstanding the outbreak of the global COVID-19 pandemic, the Group has recorded a slight increase in revenue from the batteries and related items business during the Period. However the recycled lead production of the Group was affected by the production disruption of its lead recycling facility for the majority of the interim period and production was only able to resume in late May, resulting in an overall decrease in turnover of the Group in the range of 4% to 8%. The decrease in net profit of the Group during the Period was mainly attributable to: (i) the global COVID-19 pandemic prevention and containment policies which have disrupted the Group's global business operations, resulting in a reduction of profit contribution; (ii) the lack of other income and gains as compared to the last interim period, which recorded a gain on disposal of a subsidiary of approximately RMB42 million (net of tax); and (iii) the net exchange losses arising from the depreciation of Renminbi against US dollar.

The Company is still in the progress of finalising the financial results of the Group for the six months ended 30 June 2020. The information contained in this announcement is based on the preliminary review on the financial statements of the Group, which have not been reviewed by the independent auditors and/or the audit committee of the Company. The actual interim results of the Group for the Period may differ from what is disclosed in this announcement.

The Board has noted the increases in the price and volume of the shares of the Company on 10 July 2020 and wishes to state that save as disclosed above, it is not aware of any reasons for such increases.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company and to read carefully the interim results announcement of the Group for the six months ended 30 June 2020 which is expected to be published by the end of August 2020.

By order of the Board
Leoch International Technology Limited
Mr. Dong Li
Chairman

Hong Kong, 10 July 2020

As at the date of this announcement, the executive Directors are Mr. DONG Li and Ms. YIN Haiyan and the independent non-executive Directors are Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. ZHU Ping.