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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 2020. The Group conservatively estimates that the expected loss will be similar to that of the previous year. The unaudited consolidated loss for the year ended 31 December 2020 amounted to approximately RMB130,000,000, compared with that for the year ended 31 December 2019 of approximately RMB137,000,000.

Based on the information currently available, the Board believes the loss recorded by the Company is mainly attributable to: (1) an increase in impairment of financial assets due to the uncertainty of the COVID-19 pandemic and the global economic environment; (2) a continuous increase in provision for impairment of intangible assets and R&D expenses; (3) an increase in foreign exchange losses due to the appreciation of RMB.

As the Company is still in the process of finalising the consolidated results for the year ended 31 December 2020, 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 2020 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, 9 March 2021

As at the date of this notice, 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, Mr. Peng Jian as nonexecutive Director, and Mr. Liu Yuan, Ms. Zhang Yan and Mr. Ning Bo as independent non-executive Directors.

* *For identification purpose only*