THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your securities in Launch Tech Company Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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)

(I) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY AND (II) NOTICE OF SPECIAL GENERAL MEETING

Financial Advisor to the Company

LY CAPITAL LIMITED
絡繹資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "DEFINITIONS" in this circular.

A notice convening the special general meeting of Launch Tech Company Limited (the "**SGM**") to be held at 10/F R&D Block, Launch Industrial Park, No. 4012 North of Wuhe Road, Bantian Street, Longgang District, Shenzhen, the PRC (or any adjournment thereof) on 7 November 2022 at 10 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 24 hours before the commencement of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM and in such event, the form of proxy shall be deemed to be revoked.

References to time and dates in this circular are to Hong Kong time and dates.

21 October 2022

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day(s)"	any day(s) (excluding Saturday, Sunday and public holiday in Hong Kong), on which licensed banks are generally open for business in Hong Kong and the PRC
"Company"	Launch Tech Company Limited* (深圳市元征科技股份有限公司) (stock code: 2488), a company incorporated in the PRC with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Disposal in accordance with the terms and conditions of the Equity Transfer Agreement
"Completion Date"	the date of Completion
"Conditions Precedent"	the conditions precedent set out in the Equity Transfer Agreement
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the total consideration for the Disposal pursuant to the Equity Transfer Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the sale of the Sale Capital by the Vendors to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
"Effective Date"	the date of the passing of the ordinary resolution(s) at the SGM
"Equity Transfer Agreement"	the equity transfer agreement dated 30 August 2022 entered into between the Vendors and the Purchaser in relation to the sale and purchase of the Sale Capital
"Group"	collectively, the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and its connected persons
"Latest Practicable Date"	19 October 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	the 60th day after the Effective Date and if the Purchaser delays in payment of the Consideration, the Long Stop Date shall be extended accordingly
"PRC" or "China"	the People's Republic of China
"Property"	the industrial property located at No. 661 Bai'an Road, Anting Town, Jiading District, Shanghai, China* (中國上海市嘉定區安亭鎮百安路661號)
"Purchaser"	Shanghai Anting United Investment Economic Development Co., Ltd* (上海安亭聯投經濟發展有限公司), a limited liability company established under the laws of PRC
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Capital"	the entire registered share capital of the Target Company
"SFO"	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"SGM"	the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the transactions as contemplated under the Equity Transfer Agreement
"Share(s)"	ordinary shares of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Shanghai Launch Mechanical Equipment Co., Ltd. (上海元征機械設備有限責任公司), a limited liability company established under the laws of the PRC
"Valuer"	Masterpiece Valuation Advisory Limited, an independent professional valuer
"Vendor 1"	The Company, holder of 75% of the entire registered share capital of the Target Company
"Vendor 2"	Launch Europe Gmbh, holder of 25% of the entire registered share capital of the Target Company
"Vendors"	collectively Vendor 1 and Vendor 2
"%"	per cent

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)

Executive Directors
Mr. Liu Xin *(Chairman)*
Mr. Liu Guozhu
Ms. Huang Zhao Huan
Mr. Jiang Shiwen

Non-executive Director
Mr. Peng Jian

Independent non-executive Directors
Ms. Zhang Yanxiao
Mr. Lin Lichao
Mr. Bin Zhichao

Registered office
Launch Industrial Park,
No. 4012 North of Wuhe Road,
Bantian Street,
Longgang District,
Shenzhen, the PRC

Principal place of business
Launch Industrial Park,
North of Wuhe Road,
Banxuegang,
Longgang District,
Shenzhen, the PRC

Launch Shanghai Base
No. 661 Baian Road,
Angtin Zhen,
Jiading District,
Shanghai, the PRC

Principal place of business in Hong Kong
Unit 1104, Crawford House,
70 Queen's Road Central,
Hong Kong

21 October 2022

To the Shareholders

Dear Sir or Madam,

(I) MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN THE TARGET COMPANY AND (II) NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 30 August 2022.

On 30 August 2022 (after trading hours of the Stock Exchange), the Company and Launch Europe Gmbh, a direct wholly-owned subsidiary of the Company, the Target Company and the Purchaser entered into the Equity Transfer Agreement, pursuant to which the Vendors have conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Capital at the total Consideration.

Upon Completion, the Company will cease to hold any interests in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal; (ii) the valuation report on the Equity Interest of the Target Company; (iii) the valuation report on the Property; (iv) notice of the SGM; and (v) other disclosures required under the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarized as follows:

Date:	30 August 2022 (after trading hours of the Stock Exchange)
Vendor 1:	Launch Tech Company Limited*（深圳市元征科技股份有限公司）(stock code: 2488), holder of 75% of the entire registered share capital of the Target Company
Vendor 2:	Launch Europe Gmbh, holder of 25% of the entire registered share capital of the Target Company
Purchaser:	Shanghai Anting United Investment Economic Development Co., Ltd* (上海安亭聯投經濟發展有限公司)
Target Company:	Shanghai Launch Mechanical Equipment Co., Ltd. (上海元征機械設備有限責任公司)

Asset to be disposed

Pursuant to the Equity Transfer Agreement, the Vendors conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Sale Capital, representing the entire registered capital of the Target Company.

As at the date of this Circular, the principal asset of the Target Company is the Property. Further details of the Target Company are set out in the section headed "Information on the Target Company" in this circular.

Consideration

The total Consideration is RMB350,000,000. Pursuant to the Equity Transfer Agreement, the Purchaser shall pay 75% of the Consideration to Vendor 1, being RMB262,500,000 and 25% of the Consideration to Vendor 2, being RMB87,500,000.

The Consideration was arrived at after arm's length commercial negotiations between the Vendors and the Purchaser and was determined with reference to:

1. the indicative fair value of the Property of approximately RMB279,450,000 as at 30 June 2022 as prepared by the Valuer;

2. the fair value of (i) the 100% equity interest of the Target Company of RMB354,011,177 and (ii) the Property, Plant and Equipment and Intangible assets of the Target Company of approximately RMB281 million *(Note)* as at 30 June 2022 as prepared by the Valuer which figures can be found on page II-7 of this circular;

3. the unaudited net asset value of the Target Company of approximately RMB147,522,290 as at 30 June 2022, which figure can be found on page II-7 of this circular; and

4. the benefits to be derived by the Group from the Disposal as stipulated in the section headed "Reasons for and Benefits of the Disposal" in this document.

Note: As at the date of the entering into of the Equity Transfer Agreement, the Target Company was already net off/devoid of those assets as set out on page II-7 (other than the Property Plant and Equipment and Intangible assets) and the liabilities as set out on page II-7 was mostly settled (in the approximate amount of RMB35 million as at 31 August 2022, representing approximately 69% of the total liabilities of the Target Company) with the remaining balance to be settled shortly, the Vendors and the Purchaser had adopted the fair value of the Property, Plant and Equipment and Intangible assets of the Target Company as at 30 June 2022 (which is in the approximate amount of RMB281 million) for purpose of determination of the Consideration.

The excess of the Consideration over the net asset value of the Target Company as at 30 June 2022 is RMB202,477,710.28.

The excess of the Consideration over the fair value of the Target Company as at the date of the Equity Transfer Agreement is approximately RMB70 million.

In view of the excess/premium of the Consideration referred to above, the Board is of the view that the Consideration is fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Payment conditions

The Consideration for the Disposal shall be payable by the Purchaser to the Vendors in the following manner:

1. the first instalment: the Purchaser shall pay to Vendor 1 RMB5,000,000 within 3 Business Days after the Effective Date;

2. the second instalment ("**Second Instalment**"): the Vendors shall, within 30 days after the Effective Date of the Equity Transfer Agreement and after receiving the first instalment of the Consideration, release certain encumbrances namely the mortgage of the Property, charge on the equity interest of the Target Company and guarantee of the Target Company, as required under the Equity Transfer Agreement. The Vendors shall produce documents in relation to such releases to the Purchaser and the Purchaser shall confirm with the Vendors within 3 Business Days after receiving such documents that the Purchaser has no objections (in the event the Purchaser fails to confirm within the time limit, the Purchaser shall be deemed to have no objection). After the Purchaser has confirmed it has no objection, the Purchaser shall pay RMB45,000,000 to Vendor 1 within 5 Business Days after the Purchaser's confirmation of no objection; in addition to the above, the Vendors shall, within 30 days after the Effective Date, terminate the employment between the Target Company and 90% of the Target Company's employees and compensate such employees according to the relevant labor law ("**90% Employees Termination**"). Upon settling such compensations which is estimated to be in the approximate amount of RMB7 million, the Vendors shall provide the Purchaser with a list of compensations ("**List of Employee Compensation**") for the purpose of distributing such compensation costs between the Vendors and the Purchaser in accordance with the Equity Transfer Agreement. The Purchaser's confirmation of the List of Employees Compensation and of the release of the encumbrances under this Second Instalment paragraph are also pre-conditions to the payment of the Second Instalment;

3. the third instalment ("**Third Instalment**"): Within 7 days after the fulfillment of the following conditions, the Purchaser shall pay to Vendor 1 RMB168,750,000 and to Vendor 2 RMB78,750,000 respectively:

   (1) within 3 Business Days after receiving the Second Instalment, the Vendors shall pay off or transfer other creditor's rights and debts of the Target Company in the approximate amount of RMB46 million to a third-party company ("**Debt Settlement**"), and hand over the information in relation to the Debt Settlement to the Purchaser; should there be any delay in the Debt Settlement, the Purchaser shall be entitled to terminate the Equity Transfer Agreement according to the arrangements under the heading "Termination" below;

(2) within 3 Business Days after receiving information in relation to the Debt Settlement, the Vendors shall cooperate with the Purchaser in handling the application to the relevant government authority for registration of the Disposal;

(3) the Vendors having wholly delivered the Property to the Purchaser for purpose of conducting site inspection and devising development plan;

(4) the business registration regarding the Disposal having been approved, and the Purchaser has obtained the new business license as the sole shareholder of the Target Company; and

(5) prior to the business registration regarding the Disposal having been approved, the Purchaser having verified the status in relation to the Debt Settlement;

in addition to the above, the Vendors' completion of the 90% Employees Termination is also a pre-condition to payment of the Third Instalment;

the Vendors undertake to, within 3 Business Days after handling (1) – (5) above, cooperate with the Purchaser in handling change of business registrations as required by the Purchaser. The Vendors shall provide relevant materials within 2 Business Days after receiving notification from the Purchaser requesting for assistance to effect the change. Should there be any delay in satisfying this condition, the Purchaser shall be entitled to terminate the Equity Transfer Agreement according to the arrangements under the heading "Termination" below;

4. the fourth instalment ("**Fourth Instalment**"): within 2 months after Completion, the Purchaser shall pay 5% of the Consideration to Vendor 1, being RMB 17,500,000;

   in addition to the above, the Vendors shall, within 2 months from Completion and the payment of the Third Instalment, terminate the employment between the Target Company and the remaining 10% of the Target Company's employees and compensate such employees which is estimated to be in the approximate amount of RMB700,000. ("**10% Employees Termination**"). The Vendors' completion of the 10% Employees Termination is also a pre-condition to the payment of the Fourth Instalment.

5. the fifth instalment: within 1 year after Completion, the Purchaser shall pay 9% of the Consideration to the Vendors, being RMB23,625,000 to Vendor 1 and RMB7,875,000 to Vendor 2; and

6. the sixth instalment: within 3 years after Completion, the Purchaser shall pay 1% of the Consideration to the Vendors, being RMB2,625,000 to Vendor 1 and RMB875,000 to Vendor 2.

Having considered the governmental background of the Purchaser, the current market situation, the premium of the Consideration over the fair value of the Target Company as at the date of the Equity Transfer Agreement in the approximate amount of RMB70 million (the "**Premium**"), the slim possibility of disposal in the short run, the fact that 99% of the Consideration can be received within 1 year after Completion, the existence of penalty mechanism for late payment of the Purchaser, the Target Company owns the Property which is of substantial value and the ownership of the sale shares in the Target Company will be converted back to the Vendors in the event that Transaction cannot be completed and the disadvantage of the impact of potential interest receivable for receiving the 5th and 6th installment payment after Completion (if the Group is engaging in banking or lending business) has been fully covered and outweighed by the advantage of the Premium enjoyed by the Company, the Board considered that the instalment payment arrangement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Delivery of Property

The Vendors shall deliver the Property ("**Delivery of Property**") to the Purchaser in the following manner:

The Vendors shall, prior to 31 August 2022, deliver to the Purchaser the rental portion of the Property (Towers 8-11) and relevant information of the rental portion of the Property (except for the title certificate).

The Vendors shall, prior to 30 September 2022, deliver to the Purchaser the self-used portion of the Property (Towers 1-6).

The parties have agreed that the Property's rental income prior to 31 August 2022 shall belong to the Vendors, whereas the Property's rental income from 1 September 2022 onwards shall belong to the Purchaser.

With regards to the deposits collected by the Vendors and the Target Company prior to 1 September 2022 in the amount of RMB2,728,775 (or the actual deposit amount otherwise received), the Purchaser shall be entitled to deduct such amount from the payment from the Third Instalment.

The Purchaser shall be responsible for cancelling the rental arrangements in relation to Property and for expenses and compensations arising from the cancellation of such rental arrangements.

Conditions Precedent

Completion shall be conditional upon and subject to the fulfillment and satisfaction of the followings ("**Conditions Precedents**"):

1. relevant PRC government authorities (including but not limited to the State Administration for Market Regulation and tax authority) have approved the Disposal and issued relevant licenses;

2. the changes of legal representative of the Target Company as stated in the relevant business and taxed related qualification certificates have been completed;

3. the Purchaser having confirmed in writing its receipt of all such documents such as licenses, financial ledgers, asset certificates and bank account opening materials handed over by the Vendors (the Purchaser shall confirm in writing within 3 Business days after receipt of such documents);

4. the physical delivery of the assets and business premises of the Target Company have been completed; and

5. the passing of the ordinary resolution(s) to approve the Equity Transfer Agreement and the transactions contemplated thereunder by the Shareholders at the SGM to be convened and held in accordance with the Listing Rules and the applicable laws and regulations.

None of the Conditions Precedents is capable of being waived by the Parties of the Equity Transfer Agreement.

Completion

Completion shall take place upon the fulfilment of the Conditions Precedents and shall not be later than the Long Stop Date.

As at the date of this Circular, the Company, as Vendor 1, is interested in 75% of the entire registered share capital of the Target Company and Vendor 2 is interested in 25% of the entire registered share capital of the Target Company which collectively comprise the entire registered share capital of the Target Company. Upon Completion, the Vendors will cease to hold any interest in the Target Company.

Events of Default

Vendors' Default

From the Effective Date, in an event of default ("**Vendors' Default**") by the Vendors under the Equity Transfer Agreement, the Vendors shall be jointly liable to the Purchaser for a penalty ("**Vendors' Penalty**") amounting to 20% of the Consideration or the actual loss suffered by the Purchaser (whichever is higher). The Purchaser shall be entitled to directly deduct the Vendor's Penalty from the unpaid portion of the Consideration. Vendors' Default include the followings:

1. the Vendors' violation of any undertakings or warranties under the Equity Transfer Agreement, causing significant adverse impact on the Target Company or the Purchaser;

2. the Target Company's undeclared debts and/or unpaid taxes exceed RMB500,000 (including, but not limited to, those found in financial due diligence but not paid, except for taxes that have not been paid for the time being based on laws and regulations or tax collection and management/payment practices but have been paid for afterwards); save for where such liabilities are repaid within 10 Business Days from the date when the Vendors become aware of them;

3. if within 30 Business days after the Purchaser calls for payment, the Vendors still fail to repay the undeclared debts or unpaid taxes of the Target Company;

4. the Vendors provided false or erroneous information, concealed facts, misleading the Purchaser to purchase the Sale Capital;

5. prior to Completion, the Vendors unauthorizedly disposed of the Sale Capital or the Property, created certain new liabilities which are restricted by the Equity Transfer Agreement, or other acts which may adversely affect the Purchaser's interests; or

6. the Vendors' failure to perform any obligation under the Equity Transfer Agreement for more than 30 days from the relevant due date and have not performed such obligations within 10 days after the Purchaser has provided a written reminder notice.

Either Party's Default

If for the Vendors' reason, the Delivery of Property or the Disposal is not completed within the designated time periods, the Vendors shall be jointly liable to pay a penalty of RMB30,000 each per day to the Purchaser until the Delivery of Property or the Disposal (as the case may be) is completed.

Likewise, if for the Purchaser's reason (and not the Vendors'), the Consideration is not settled in the time and manner as agreed, the Purchaser shall be liable to pay a penalty of RMB30,000 per day to the Vendors until the Consideration is fully settled.

Termination

Neither party shall unilaterally terminate the Equity Transfer Agreement.

In the event of a breach by a party causing the Equity Transfer Agreement to be unable to be performed, the breaching party shall be liable to pay 20% of the total Consideration to the non-breaching party as a penalty. The total liability for breach under the Equity Transfer Agreement shall be limited by such amount.

Upon settlement of such penalty, the Equity Transfer Agreement shall be terminated ("**Termination**"), and all parties shall return any Consideration obtained from the counterparty under the Equity Transfer Agreement within 30 days from termination, restore any change of business registration, and restore to the position prior to the signing of the Equity Transfer Agreement.

INFORMATION OF THE VENDORS

The Company, as Vendor 1, a joint stock limited company incorporated in the PRC with limited liability and whose H Shares are listed on the main board of the Stock Exchange and holds 75% of the entire registered share capital of the Target Company, is an investment holding company.

Vendor 2 is a company incorporated in Germany and a direct wholly-owned subsidiary of the Company, which principally engages in the business of sales of computer software and hardware, consulting services of electronic products and technical and holds 25% of the entire registered share capital of the Target Company.

The Group is principally engaged in the provision of products and services serving the automotive aftermarket and the automobile industry in the PRC and certain overseas countries such as Germany, Japan and Korea. Their services cover the research, development and production of automotive diagnosis, testing, maintenance and tire equipment.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the PRC with limited liability which principally engages in the business of investment, in particular, using rentable real estate and available funds to acquire high quality operating resources.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

The Purchaser is a company incorporated in the PRC with limited liability with 20 shareholders which comprise (i) 19 村民委員會 ("**Villagers' Committees**") of various villages at 安亭鎮 and 黃渡鎮 in Jiading District 嘉定區 and (ii) 上海安亭實業發展有限公司 ("**Shanghai Anting**").

Shanghai Anting is a company incorporated in the PRC with limited liability and held as to 60.9375% by 嘉定區安亭鎮塔廟村民委員會 with Chen Ting being the legal representative and as to 39.0625% by 嘉定區安亭鎮人民政府 respectively.

Each of the 19 Villagers' Committees is holding approximately 4.8784% registered share capital of the Purchaser while Shanghai Anting is holding approximately 7.3105% registered share capital of the Purchaser and is regarded as the single largest shareholder of the Target Company. None of them is holding one third or more equity interest which is capable of exercising control (whether directly or indirectly) in the Purchaser.

The Villagers' Committee is the primary mass organization of self-government, in which the villagers manage their own affairs, educate themselves and serve their own needs and in which election is conducted, decision adopted, administration maintained and supervision exercised by democratic means. A Villagers' Committee shall be composed of three to seven members, including the chairman, the vice-chairman (vice-chairmen) and the members. The members of a Villagers' Committee shall include an appropriate number of women.

Villagers' Committee shall implement the democratic decision mechanism, which is that the minority is subordinate to the majority, apply the principle of openness and transparency, and establish and improve various work systems and is responsible for managing the public affairs and public welfare undertakings of the village, mediate disputes among the villagers, help maintain public order, and convey the villagers' opinions and demands and make suggestions to the people's government.

Any profit or benefit or return of/to the Target Company (the "**Distribution**") will not be distributed to the individual committee member of the Villagers' Committee. Instead, the Distribution will be determined in the general meeting of the Villagers' meeting and the Distribution will be distributed among the villagers. The members of the Villagers' Committee bear liabilities to the villagers jointly and severally.

As far as the Board is aware and according to available public information, the respective responsible persons of each of the aforesaid 20 Villagers' Committees are Independent Third Parties.

INFORMATION ON THE TARGET COMPANY

The Target Company is a Sino-foreign cooperative joint venture set up in the PRC by the Vendors in accordance with the laws of the PRC. The Target Company was established to operate the Group's automotive lift factory in Shanghai. The principal business of the Target Company is manufacturing and selling of automotive lifting machine and other self-produced automobile repairing products (primarily lifting machines) and property management.

Set out below is the financial information of the Target Company as extracted from its audited consolidated financial statements prepared under generally accepted accounting principles of the PRC for the two financial years ended 31 December 2020 and 2021:

	For the year ended 31 December 2021 *RMB* (audited)	For the year ended 31 December 2020 *RMB* (audited)
Revenue	251,562,896.58	208,926,810.77
Profit/Loss before taxation	2,900,343.93	(131,492.10)
Profit/Loss after taxation	1,246,421.90	(144,857.87)

As at 30 June 2022, according to the unaudited accounts of the Target Company, the unaudited net asset value of the Target Company was RMB147,522,289.72.

As at 30 June 2022, according to an independent professional valuer, the indicative fair value of the Property is approximately RMB279,450,000.

As at 30 June 2022, according to an independent valuer, the fair value of 100% equity interest of the Target Company is RMB354,011,177.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is of the view that the Disposal is in line with the Group's business development plans. In the second half of the current financial year, the Group plans to cease its automotive lift production business in Shanghai. The original automotive lift production business will shift to be produced by the cooperative manufacturers.

While the Group's automotive lift production business in Shanghai has sustained a stable performance in recent years, the Group observed that the costs for maintaining this business area has been escalating. In the past two years, the Group's automotive lift production business has accounted for approximately 20% of the Group's total business, demonstrating stability in its performance. However, the cost of raw materials as well as maintenance and upgrade of production equipment has increased, causing the gross profit margin to gradually decline to approximately 4% in year 2021. In order to improve its gross profit margin, the Group seeks to shift to production by cooperative manufacturers, thus minimizing the costs of sourcing raw materials as well as maintaining heavy equipment. By doing so, the Group expects to enhance the profitability of the Group's automotive lift business.

As the Target Company mainly holds the Property on which the factory for the automotive lift production is situated, which primarily serves the Group's automotive lift production business, the cessation of the automotive lift production business in Shanghai will cause the Group's demand for the Target Company and its assets to sharply decline. As such, the Group has decided to dispose of the entire share capital held by it in the Target Company, thus converting such assets into available resources for other viable business aspects of the Group.

The Group expects the impact of the Disposal to be minimal on the Group's business. The annual rental income of the Property (should it not be disposed) is expected to be approximately RMB12,000,000, whereas the annual operating expenses saved by the Disposal is expected to be approximately RMB11,000,000. As such, it is expected that the amount saved from the Disposal will be able to offset expected income which could have been derived from the Target Company and the Property had they not been disposed of. As the existing loans of the Group secured by the Target Company's guarantee and the Property will be replaced by other properties of the Group, the existing loans of the Group will not be affected by the Disposal. As such, the Disposal will not materially disrupt the ordinary business of the Group.

Following the Disposal and after deducting the various expenses arising from the Disposal, the Group expects to generate additional liquid capital of approximately RMB330,000,000 and an expected gain of approximately RMB260,000,000. The increased liquid capital can be used by the Group as its general working capital and research and development of high-tech projects related to the automotive industry.

Having considered all of the above-mentioned factors, the Board considers that the terms of the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder (including the Consideration) are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The Company intends to apply the entire net proceeds from the Disposal of approximately RMB330,000,000 to the general working capital of the Group.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to hold any interests in the Target Company and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results (including the earnings, assets and liabilities) of the Target Company will no longer be consolidated into the consolidated financial statements of the Company.

It is expected that the Group will record an unaudited gain before taxation and after transaction cost on the Disposal of approximately RMB260,000,000 and the unaudited net change on the net assets of the Company of approximately RMB260,000,000 after the Disposal, which is calculated based on the total Consideration (i) less the unaudited net asset value of the Target Company as at 30 June 2022 of RMB147,522,289.72; (ii) add the unaudited net asset value adjustment of the Target Company for the period from 1 July 2022 to the date of the Equity Transfer Agreement of approximately RMB78,000,000 and (iii) deduct the related costs and expenses of the Group for the Disposal of approximately RMB20,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

Set out from pages SGM-1 to SGM-3 of this circular is the notice of the SGM containing, inter alia, the resolution approving the Equity Transfer Agreement and the transactions contemplated thereunder.

To the best knowledge of the Directors after making all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is materially interested in the Equity Transfer Agreement and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting on the resolution approving the Equity Transfer Agreement and the transactions contemplated thereunder. Pursuant to Rule 13.39(4) of the Listing Rules, the resolution to be proposed at the SGM will be taken by poll, the results of which will be announced after the SGM.

A form of proxy for use at the SGM is also enclosed. If you are able to attend the SGM in person or not, you are urged to complete and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event no later than 24 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

LISTING RULES REQUIREMENT ON VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the SGM will therefore demand a poll for every resolution put to the vote of the SGM. An announcement will be made by the Company following the conclusion of the SGM to inform the Shareholders of the results of the SGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board considers that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the resolutions approving the Equity Transfer Agreement and the transactions contemplated thereunder at the SGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Launch Tech Company Limited*
Liu Xin
Chairman and Executive Director

* *for identification purpose only*

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the three years ended 31 December 2021, together with the accompanying notes to the financial statements, are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (https://en.cnlaunch.com/):

Interim report for the six months ended 30 June 2022 (pages 1-3):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0921/2022092100415.pdf

Annual report for the year ended 31 December 2021 (pages 39 to 218):

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800794.pdf

Annual report for the year ended 31 December 2020 (pages 40 to 230):

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042700623.pdf

Annual report for the year ended 31 December 2019 (pages 31 to 226):

https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0503/2020050300073.pdf

2. STATEMENT OF INDEBTEDNESS

Borrowings

As at 31 August 2022, being the latest practicable date for the purpose of preparing this statement of indebtedness prior to the printing of this circular, the Group had total borrowings with a carrying amount of approximately RMB955 million, comprising (i) approximately RMB415 million of unsecured and unguaranteed bank and other borrowings, (ii) approximately RMB30 million of unsecured and guaranteed bank and other borrowings, (iii) approximately RMB510 million of secured and guaranteed bank and other borrowings. Certain bank borrowings were secured by charges over property, plant, property rental income, inventories, accounts receivable, equity interest in a subsidiary held by the Company and guaranteed by related party.

Amounts due to related parties

As at 31 August 2022, the Group had non-trade amounts due to related parties of RMB 7 million which were unsecured and unguaranteed.

Lease liabilities

As at 31 August 2022, the Group had lease liabilities of RMB3 million which were secured by rental deposits and unguaranteed.

Save as disclosed above and apart from intra-group liabilities the Group does not have any outstanding mortgages, charges, debt securities, term loans, overdrafts, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, other borrowings or indebtedness in the nature of borrowings or any guarantees or other material contingent liabilities as at the Latest Practicable Date.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the Group's internally generated funds, the existing banking and other borrowing facilities available, the existing cash and bank balances and the net proceeds from the Disposal, the working capital available to the Group is sufficient for the Group's requirements for at least 12 months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Company since 31 December 2021, being the date to which the latest published audited financial results of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Upon Completion, the Group will cease to have any interests in the Target Company which holds the Property on which the factory for the automotive lift production is situated and cease to be involved in the automotive lift production business. The Group expects the impact of the Disposal to be minimal on the Group's business. The Board considers that it is economically more beneficial and cost-effective to the Group to contract out the automotive lift production business to cooperative manufacturers rather than to manufacture by itself. It is expected that the amount saved from the Disposal will be able to offset expected income which could have been derived from the Target Company and the Property had they not been disposed of. Following the Disposal and after deducting the various expenses arising from the Disposal, the Group expects to generate additional liquid capital and research and development of high-tech projects related to the automotive industry. For details of the benefits of the Disposal to the Group, please refer to the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL' in this circular.

Meanwhile, the Group will continue its operations in the provision of products and services serving the automative aftermarket and the automobile industry in the PRC and certain overseas countries. The Directors believe that the Disposal provides a good opportunity for the Company to improve its gross profit margin. The Disposal will also enhance the Group's focus on other core business segments with faster return and improve the overall financial position of the Group.

The Group will continue to expand its global business to achieve steady growth in sales revenue and profit and meet customer needs in depth and improve customer satisfaction through the supply of high-quality and high-technology products and services; actively and vigorously lay out new energy businesses, efficiently expand new businesses and focus on new growth areas by streamlining operational processes and personnel; and establish a system of self-learning and improvement to continuously enhance it's innovation capabilities and lay a solid foundation for long-term development of the Group.

The following is the text of a letter prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuation as of 30 June 2022 of the equity interests of the Target Company.

Masterpiece
Valuation
睿力評估諮詢

Suite 403, 93-103 Wing Lok Street,
Sheung Wan, Hong Kong

WEB: www.mpval.com

The Board of Directors

Launch Tech Company Limited
Launch Industrial Park
No. 4012 North of Wuhe Road Bangtian Street,
Longgang District Shenzhen, the PRC

21 October 2022

Dear Sirs / Madams,

Re: Valuation of 100% Equity Interest of 上海元征機械設備有限責任公司

In accordance with your instruction, Masterpiece Valuation Advisory Limited ("**Masterpiece**" or "**we**") has conducted a fair value valuation in connection with the 100% equity interest of 上海元征機械設備有限責任公司 ("元征機械" or the "**Target Company**") as of 30 June 2022 (the "**Valuation Date**"). We understand that Launch Tech Company Limited ("**Launch**", the "**Company**", or "**you**") (holder of 75% of the entire issued share capital of the Target Company) and Launch Europe Gmbh (holder of 25% of the entire issued share capital of the Target Company), a direct wholly-owned subsidiary of the Company, intend to sell 100% shareholding of the Target Company (the "**Proposed Deal**").

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the "**Directors**") and used for the Proposed Deal solely for your internal reference purpose. This report (the "**Report**") does not constitute an opinion on the commercial merits and structure of the Proposed Deal. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis, assumptions, and explains the analysis methodology adopted in this appraisal process to calculate the value.

BASIS OF ANALYSIS

We have appraised the fair value of 100% equity interest of the Target Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

COMPANY BACKGROUND

The Target Company is principally engaged in production and sales of car maintenance machinery and equipment in the People's Republic of China (the "**PRC**").

We understand that the Company and Launch Europe Gmbh (the "**Vendors**") intend to sell certain equity interest of the Target Company. As such, they would like to assess the fair value of the 100% equity interest of the Target Company as of the Valuation Date.

SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company's representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target Company, including the legal documents, financial statements, etc. made available to us;
- Discussed with the Company and the Target Company to understand the history, business model, operations, business development plan, etc. of the Target Company for valuation purpose;
- Carried out researches in the sector concerned and collected relevant market data from reliable sources for analysis;
- Studied the information of the Target Company made available to us and considered the bases and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyze the market data and derived the estimated fair value of the Target Company; and

- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records, and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target Company and their authorized representatives.

INDUSTRY OVERVIEW

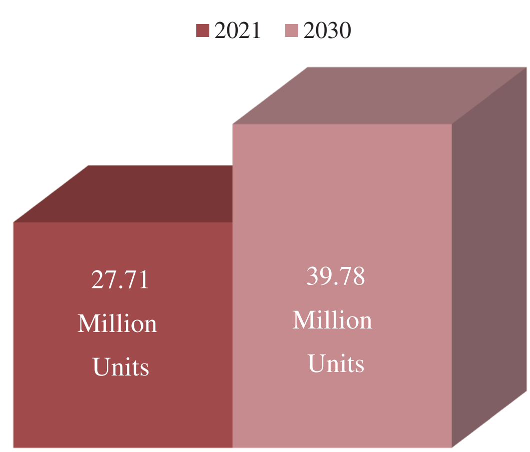
PRC Economy

The PRC's economy has grown significantly in the last decade. Nominal GDP in the PRC increased to RMB114,367 billion in 2021, with an average year-on-year real growth rate of approximately 5.98% from 2017 to 2021. Despite the impact of COVID-19, PRC's economy quickly rebounded from the lockdown in February 2019, and most of the economic activities resumed full productivity by the third quarter of 2020. Since then, the economic activity has not been affected by the pandemic, unlike the rest of the world. Following real GDP growth of 2.2 percent in 2020, China's economy grew by 8.1 percent in 2021, largely driven by base effects. For population, PRC's total population increases from approximately 1,371 million in 2016 to approximately 1,413 million in 2021.

PRC'S AUTONOMOUS VEHICLE INDUSTRY

The automotive sector is one of the top pillar industries for China's economy. Moreover, enjoying over a decade of surging growth, the Chinese automotive market is reaching a critical point in its development. According to the Renub Research analysis, China Automobile Market was 27.71 million Units in 2021.China Automotive Vehicle Industry is expected to grow with a CAGR of 4.10% from 2021-2030.

China Automotive Vehicle Market 2021 - 2030



In addition, the broad industry space and great policy support have spawned some independent third-party maintenance suppliers which win a large number of users by accurate market positioning, alternative maintenance services and user-friendly prices.

In market end, China auto market has a bright future and maintenance market capacity continues to grow at a respectable rate, expected to reach 1.7 trillion by 2025. The CAGR will exceed 14% from 2018 to 2022. In the coming years, China's automobile maintenance industry will have a good prospect with in-depth industry development, more market players, lower maintenance costs, stronger overall competitiveness based on chain operation, higher automobile penetration and older average age of vehicles.

Source: Renub Research, Market Research, Masterpiece's research and analysis

LIMITATIONS OF THE REPORT

The Report is addressed strictly to the Directors for their internal reference only. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target Company).

The Report does not constitute an opinion on the commercial merits and structure of the Proposed Deal. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Deal. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Proposed Deal and such remain the sole responsibility of the Directors and the management of the Company.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report especially for the financial information of the Target Company as of 30 June 2022 provided by the management of the Company, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

The outbreak of COVID-19, as declared by the World Health Organization as a global pandemic on 11 March 2020, has been adversely affecting the global economy as well as the financial markets. As such, the subsequent impact due to COVID-19 has imposed an unprecedented set of circumstances on which to base a valuation judgement as of the Valuation Date. In particular, the increased volatilities in political, legal, fiscal, economic conditions and/or other market situations as a result of COVID-19 would bring higher uncertainties to the underlying assumptions. Consequently, higher degree of caution should be attached to our valuation than would normally be the case.

VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target Company and specific competitive environments affecting the industry;
- the business risks of the Target Company;
- the experience of the management team of the Target Company and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

VALUATION APPROACH

General Valuation Approaches

There are three generally accepted approaches to appraise the fair value of the equity value of the Target Company, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target Company:

Income Approach The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for income approach is the discounted cash flow ("**DCF**") method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

Cost Approach

The cost approach (asset-based approach) refers to the general term for various valuation techniques that determine the value of the valuation target on the basis of a reasonable evaluation of the value of the assets and liabilities of the enterprise. The valuation scope includes current assets, fixed assets, projects under construction, intangible assets, deferred income tax assets and current liabilities.

Market Approach

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

Selected Valuation Approach

Among the three approaches to valuation as mentioned above, the asset-based approach is considered to be the most appropriate one for measuring the fair value of the Target Company. The principle underlying the asset-based approach is that the value of ownership of an enterprise is equivalent to the fair value of its assets less the fair value of its liabilities. An operating entity which is mainly a property holding enterprise might best be valued using the asset-based approach.

In the asset-based approach, each recorded asset held by the Target Company is examined and adjusted to its fair value. Once the assets of the Target Company have been restated to fair values, all liabilities restated to fair value if necessary are then subtracted from them to derive the fair value of the Target Company.

The assets and liabilities of the Target Company are restated to their respective fair value under the following approaches:

Assets/Liabilities	**Carrying Value as at 30 June 2022** *(RMB)*	**Fair Value as at 30 June 2022** *(RMB)*
Assets		
Property, Plant and Equipment and Intangible assets *(Note 1)*	74,863,047	281,351,934
Deferred income tax assets *(Note 2)*	4,323,302	4,323,302
Prepayment *(Note 2)*	2,353,882	2,353,882
Inventories *(Note 2)*	45,612,501	45,612,501
Bank balances and cash *(Note 2)*	5,257,203	5,257,203
Bills receivable and Accounts receivable *(Note 2)*	62,223,220	62,223,220
Other receivables *(Note 2)*	4,194,354	4,194,354
Total Assets	**198,827,509**	**405,316,396**
Liabilities *(Note 3)*		
Bills payable and Accounts payable	(48,408,519)	(48,408,519)
Employee remuneration payable	(2,183,292)	(2,183,292)
Tax payables	337,162	337,162
Other payables	(1,050,570)	(1,050,570)
Total Liabilities	**(51,305,219)**	**(51,305,219)**
Net Assets	**147,522,290**	**354,011,177**

Notes:

1. Property, plant and equipment and Intangible assets involved land and buildings and plant and equipment used by the Target Company for carrying out their normal course of businesses. They comprise buildings (with a carrying value of RMB64,542,825); land (with a carrying value of RMB8,422,284); and plant and equipment (with a carrying value of RMB1,897,938). Plant and equipment which do not have material resale value, as confirmed with the Management and analyzing their natures, we assume that the net book values of the Plant and equipment should reasonably represent their fair values as of the Valuation Date. Property and Intangible assets (i.e. land and buildings) have been valued by market approach at a fair value. The fair value of the land and buildings were 279.45 million as of 30 June 2022. For the details of the land and buildings, please refer to Appendix III.

   - The property located at No. 661 Bai An Road, An Ting Town, Jia Ding District, Shanghai City, the PRC, comprises a parcel of land with a total site area of approximately 69,426.00 square metres and various blocks of industrial buildings with a total gross floor area of approximately 70,462.43 square metres erected thereon completed from 2005 to 2013.

   - The fair value of Property, Plant and Equipment and Intangible assets was 281.35 million; where the fair value of the property and intangible assets (i.e. land and buildings) was 279.45 million and the fair value of plant and equipment was 1.9 million.

2. For Deferred income tax assets, Prepayment, Inventories, Bank balances and cash, Bills receivable and Accounts receivable and Other receivables, as confirmed with the Management and analyzing their natures, we assume that the net book values of the above assets should reasonably represent their fair values as of the Valuation Date.

3. All items of liabilities are cited from the financial statement as of 30 June 2022. As confirmed with the management, all liabilities stated in the financial statement have fully reflected the indebtedness of the Target Company. Therefore, the entire amount of liabilities has been adopted in the valuation.

Assumptions

Our appraisal included discussions with the management of the Target Company in relation to the history and nature of the business; a study of its financial statements; a review of the information provided by the management in connection with the strategy of and the plan of action to be taken to implement the business plan. We have assumed that such information, opinions and representation provided to us are true and accurate. Before arrived at our opinion of value, we have considered the following major factors:

i. the nature and prospects of the business underlying the Target Company;

ii. the assets held by the Target Company;

iii. the specific economic and competitive elements affecting the Target Company, the industry and the market which it is operating

iv. the business risk of the Target Company; and

v. the financial position of the Target Company as revealed from its financial statements.

In view of the general environment and the particular situation in which the Target Company is operating, the following assumptions have been adopted in our appraisal in order to sufficiently support our concluded value of the Target Company:

i. there will be no major change in the existing political, legal and economic conditions in the regions in which the Target Company is operated;

ii. there will be no major change in the current taxation law in those regions, that the rates of tax payable by the Target Company remain unchanged and that all applicable laws and regulations will be complied with by it;

iii. the interest rates and exchange rates will not differ materially from those presently prevailing;

iv. all operating facilities as set out in the fixed asset registry provided to us can perform efficiently according to the purposes for which they have been designed and built and are in a physical condition commensurate with its post installation/out-factory age;

v. save for those liabilities as reported in the financial statement of the Target Company, it is free and clear of any lien, charge, option, pre-emption rights, damages, compensation, trade payables, mortgage and charge;

vi. the Target Company has obtained all necessary permits and approvals to carry out its business and the production process and technology utilized by the Target Company in carrying out its business do not infringe any relevant regulations, law and industrial safety directives; and

vii. the Target Company shall secure and retain competent management, key personnel, marketing and technical staff to carry out and support its business.

CONCLUSION OF VALUE

Based on our investigation and analysis method employed, it is our opinion that the fair value of the 100% equity interest of the Target Company as of the Valuation Date is RMB354,011,177.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in Launch Tech Company Limited nor the value reported.

Yours faithfully,
For and on behalf of
Masterpiece Valuation Advisory Limited

Oswald Au
MHKIS (GP), AAPI, MSc (RE),
Registered Professional Surveyor (GP)
Managing Director

Analyzed and Reported by:
Paul Hau
CPA
Associate Director

Note: Mr. Oswald W. Y. Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

APPENDIX – GENERAL LIMITATIONS AND CONDITIONS

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.

- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the property appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.

- We have not verified particulars of property, including their areas, sizes, dimensions, and descriptions, which we have used or have referred to in connection with the preparation of this Report, unless otherwise stated in this Report. Any information regarding areas, sizes, dimensions, and descriptions of property mentioned in this Report are for identification purposes only, and no one should use such information in any conveyance or other legal document. Any plans or graphical illustrations presented in this Report are intended only for facilitating the visualization of the property and its surroundings and such plans or graphical illustrations should not be regarded as a survey or a scale for size.

- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.

- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial advisor and/or its independent financial advisor for their respective work in relation to the Proposed Deal, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.

- Prior written consent must be obtained from Masterpiece Valuation Advisory Limited for publication of this Report. Except for disclosure in the Circular in relation to the Proposed Deal, no part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

- No environmental impact study has been carried out, unless otherwise stated in this Report. We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.

- Unless otherwise stated in this Report, the value estimate set out in this Report excludes the impact of presence of any harmful substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination. For purposes of evaluating potential structural and/or environmental defects, where their existence could have a material impact on value of the property, we would recommend that advices from the relevant experts, such as a qualified structural engineer and/or industrial hygienist, should be sought.

The following is the text of a letter and a valuation certificate prepared for the purpose of incorporation in this circular received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its valuation as of 31 July 2022 of the Property.

Masterpiece Valuation
睿力評估諮詢

Suite 403, 93-103 Wing Lok Street,
Sheung Wan, Hong Kong

WEB: www.mpval.com

21 October 2022

The Board of Directors
Launch Tech Company Limited
Launch Industrial Park, No. 4012 North of Wuhe Road, Bangtian Street, Longgang District, Shenzhen, the PRC

Dear Sirs / Madams,

INSTRUCTIONS

In accordance with the instructions of Launch Tech Company Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for us to carry out the valuation of the property interests located in No. 661 Bai An Road, An Ting Town, Jia Ding District, Shanghai City, the People's Republic of China (the "**PRC**") held by the Group. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as of 31 July 2022 (the "**Valuation Date**").

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a Market Value basis, which is defined as "*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*".

VALUATION ASSUMPTIONS

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the property in the PRC, we have assumed that the grantees or the users of the property have free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted.

Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as "**continued uses**").

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests in the PRC. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. In the course of our valuation, we have relied considerably on the legal opinion given by the Company's PRC legal adviser – Beijing Dentons (Shenzhen) Law Firm, concerning the validity of title of the property interests in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 3 August 2022 by Ken Feng (Director) and Cassie Li (Analyst). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
Masterpiece Valuation Advisory Limited
Sr Oswald W Y Au
MHKIS(GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Managing Director

Note: Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

VALUATION CERTIFICATE

Property interests held by the Group in the PRC

Property	**Description and tenure**	**Particulars of occupancy**	**Market value in existing state as at 31 July 2022** *RMB*
Various blocks of Industrial buildings located in No. 661 Bai An Road, An Ting Town, Jia Ding District, Shanghai City, the PRC	The property comprises 1 parcel of land with a total site area of approximately 69,426.00 sq.m. and various blocks of industrial buildings erected thereon completed from 2005 to 2013. The buildings have a gross floor area of approximately 70,462.43 sq.m. and include 10 blocks of industrial buildings and 1 block of a dormitory. The property is located in Jia Ding District, Shanghai City, near SAIC Shanghai International Circuit, with approximately 5km to Anting North Train Station and 36km to Shanghai Hongqiao International Airport. The land use rights of the property have been granted for a term expiring on 27 August 2053 for industrial use.	As advised by the Group, as of the valuation date, the portion of the property with a gross floor area of approximately 36,500.00 sq.m. was leased to various third parties via various tenancy agreements for various terms with the latest expiry date 30 November 2026 at a total monthly rent of approximately RMB937,100 for industrial purpose and the remaining portion was occupied by the Group.	273,900,000 (100% interest attributable to the Target Company: 273,900,000)

Notes:

i. Pursuant to the Shanghai Certificate of Real Estate Ownership – Hu Fang Di Jia Zi (2014) Di No. 036945 dated 28 October 2014 with a total site area of approximately 69,426.00 sq.m. and the buildings with a total gross floor area of approximately 69,062.43 sq.m. have been vested to Launch Shanghai Machinery Co., Ltd (上海元征機械設備有限責任公司), for a term expiring on 27 August 2053 for industrial use.

ii. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:

a. Launch Shanghai Machinery Co., Ltd has legally obtained both the land use right and building ownership of the property;

b. The property can be legally transferred, leased and disposed by Launch Shanghai Machinery Co., Ltd;

c. The tenancy agreements are valid; and

d. The property was pledged.

iii. In undertaking our valuation, we have assigned no commercial value to the property with a total gross floor area of approximately 1,400.00 sq.m. since it has not obtained valid title certificates and could not be freely transferred in the market. For reference purpose, we are of the opinion that the estimated value of the property as of the valuation date would be RMB5,550,000, assuming the property has obtained valid title certificates and could be freely transferred in the market.

iv. For indication purpose, we are of the opinion that the aggregated amount of the whole property as of the valuation date would be RMB279,450,000.

v. In our valuation, we have made reference to some transaction/asking price references of similar properties nearby the development. We have adopted the range of unit rates between RMB3,300 to RMB4,400 per sq.m. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price references have been considered to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

vi. A summary of major certificates/licenses is shown as follows:

a. Shanghai Certificate of Real Estate Ownership Yes

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) Directors, supervisor and chief executive's interests and short positions in the securities of the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors, supervisors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to (i) Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors or chief executives of the Company were taken or deemed to have under such provisions of the SFO); (ii) Division 2 and 3 of Part XV of the SFO; (iii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iv) required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by the Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules, were as follows:

(i) Domestic Shares

Name of Director	Capacity in which Shares were held	Number of domestic Shares	Approximate percentage of the Company's issued domestic Shares	Approximate percentage of the Company's total issued Shares
Mr. Liu Xin	Beneficiary owner	79,200,000	34.43%	18.32%
	Interest in a controlled company	59,318,400	25.79% *(Note 1)*	13.72%
	Interest in a controlled company	11,938,200	5.19% *(Note 2)*	2.76%
	Interest in a controlled company	35,160,000	15.29% *(Note 3)*	8.14%

Notes:

(1) Mr. Liu Xin holds 60.00% interest in 深圳市浪曲科技開發有限公司 (“**Shenzhen Langqu**”) which holds approximately 25.79% interest in the issued domestic shares of the Company. By virtue of Mr. Liu Xin’s holding more than one-third interest in Shenzhen Langqu, Mr. Liu Xin is deemed, under Part XV of the SFO, to be interested in approximately 25.79% interest in the issued domestic shares of the Company apart from his personal interest of 34.43% interest in the issued domestic shares of the Company.

(2) Mr. Liu Xin holds 40.00% interest in 深圳市得時域投資有限公司 (“**Shenzhen De Shi Yu**”) which holds approximately 5.19% interest in the issued domestic shares of the Company. By virtue of Mr. Liu Xin’s holding more than one-third interest in Shenzhen De Shi Yu, Mr. Liu Xin is deemed, under the Part XV of the SFO, to be interested in 5.19% interest in the issued domestic shares of the Company apart from his personal interest of 34.43% interest in the issued domestic shares of the Company.

(3) Shenzhen Yuan Zhong Cheng You Consultancy Limited Partnership (Limited Partnership)* (深圳市元眾成有諮詢有限合夥(有限合夥)) (“**Shenzhen Yuan Zhong**”) is a limited partnership established in PRC and controlled by Mr. Liu Xin for holding 35,160,000 Domestic Shares, which amounts to approximately 15.29% interest in the issued domestic shares of the Company. The general partner of Shenzhen Yuan Zhong is Mr. Liu Xin and the limited partner of Shenzhen Yuan Zhong is Shenzhen Gu Lu Yun Intelligent Technology Co., Ltd.* (深圳市軲轆雲智能科技有限公司), which is a PRC limited company wholly-owned by Mr. Liu Xin.

(ii) H Shares

Name of Director	Capacity in which Shares were held	Number of H Shares	Approximate percentage of the Company’s issued H Shares	Approximate percentage of the Company’s total issued Shares
Nil				

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, supervisors or any chief executive of the Company and their associates had an interest or short position in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she has taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code contained in the Listing Rules to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(B) Substantial Shareholders' interests and short positions in Shares and underlying Shares of the Company and its associated corporations

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to any Directors or chief executives of the Company, the following persons/corporations (other than the Directors, supervisors and the chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Long positions in shares and underlying shares in the Company

(i) Domestic Shares

Name	Capacity in which Shares were held	Number of domestic Shares	Approximate percentage of the Company's issued domestic Shares	Approximate percentage of the Company's total issued Shares
Shenzhen Langqu	Beneficial Owner	59,318,400	25.79%	13.72%
Shenzhen Yuan Zhong	Beneficial Owner	35,160,000	15.29%	8.14%

(ii) H Shares

Name	Capacity in which Shares were held	Number of H Shares	Approximate percentage of the Company's issued H Shares	Approximate percentage of the Company's total issued Shares
Nil				

3. DISCLOSURE OF INTERESTS IN CONTRACTS AND ASSETS

Interests in assets

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which have been since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Interests in contracts

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

4. DIRECTOR'S INTERESTS IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in businesses (apart from businesses of the Group) which compete or were likely to compete, either directly or indirectly, with the principal businesses of the Group as required to be disclosed pursuant to the Listing Rules.

5. DIRECTORS SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service agreement with any members of the Group, excluding contracts expiring or determinable by the Group within one year without payment of any compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or claims of material importance known to the Directors to be pending or threatened against the Group.

7. EXPERTS AND CONSENTS

The following is the qualification of the expert who have given opinion or advice which is contained or referred to in this circular:

Name	Qualification
Masterpiece Valuation Advisory Limited	Independent professional valuer

As at the Latest Practicable Date, the above expert had given and had not withdrawn its written consent to the issue of this circular with the inclusion herein of their letters or their names in the form and context in which they appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which had been since 31 December 2021 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (the date to which the latest published audited consolidated financial statements of the Group were made up).

9. MATERIAL CONTRACTS

Save for the following, there was no contract (not being contracts entered into in the ordinary course of business) entered into any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, which is or may be material:

(a) an equity interests transfer agreement dated 23 February 2021 entered into between the Company and Launch Software Development Co., Ltd.* (深圳市元征軟件開發有限公司) as the sellers; Xi'an Hang Yue Cheng Yi Co., Ltd.* (西安杭樾承頤實業有限公司) as the purchaser; and Xi'an Launch Software Technology Co., Ltd.* (西安元征軟件科技有限責任公司), as the target company in relation to the disposal of the entire equity interest in the target company, for a total consideration of RMB300,000,000 (comprising payment in the amount of RMB166,000,000 and shareholders loan owed by the Target Company to the Company in the amount of RMB134,000,000). Please refer to the Company's announcement dated 23 February 2021 for further details of this agreement;

(b) an equity transfer agreement entered on 17 December 2021 between Mr. Liu Xin as the seller; the Company as the purchaser; and Shenzhen Yicheng Autopilot Technology Co., Ltd.* (深圳市易成自動駕駛技術有限公司), as the target company regarding the acquisition of 20% of the equity interests in the target company for a total consideration of RMB70,000,000. Please refer to the Company's announcement dated 17 December 2021 for further details of this agreement;

(c) a termination agreement entered on 8 September 2022 between Mr. Liu Xin and the Company regarding the termination of the above equity transfer agreement dated 17 December 2021. Please refer to the Company's announcement dated 8 September 2022 for further details of this agreement; and

(d) the Equity Transfer Agreement.

10. GENERAL

(a) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

(b) The company secretary of the Company is Mr. Liu Chunming, a member of the Association of Chartered Certified Accountants.

(c) The registered office of the Company is Launch Industrial Park, No. 4012 North of Wuhe Road, Bangtian Street, Longgang District, Shenzhen, the PRC and the principal place of business of the Company in Hong Kong is located at Unit 1104, Crawford House, 70 Queen's Road Central, Hong Kong.

(d) The Company's Hong Kong branch share registrar is Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (https://www.hkexnews.hk) and the Company (https://en.cnlaunch.com/) for a period of not less than 14 days before the date of the SGM and will also be available for inspection at the SGM:

(a) the Equity Transfer Agreement;

(b) the valuation report on the Equity Interest of the Target Company;

(c) the valuation report on the Property;

(d) the written consents referred to in the paragraph headed "Experts and consents" in this appendix;

(e) this circular; and

(f) the material contracts referred to in the paragraph headed "Material Contracts" of this appendix.

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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the "**SGM**") of Launch Tech Company Limited* (the "**Company**") will be held at 10/F R&D Block, Launch Industrial Park, No. 4012 North of Wuhe Road, Bantian Street, Longgang District, Shenzhen, the PRC (or any adjournment thereof) on 7 November 2022 at 10 a.m., for the purpose of considering and, if thought fit, passing (with or without modifications), the following resolution. Unless otherwise specified, capitalised terms used in this notice shall have the same meanings as defined in the circular dated 21 October 2022.

ORDINARY RESOLUTIONS

"THAT:

1. the equity transfer agreement dated 30 August 2022 (the "**Equity Transfer Agreement**") entered into between Launch Tech Company Limited* (深圳市元征科技股份有限公司) and Launch Europe Gmbh as the vendors, and Shanghai Anting United Investment Economic Development Co., Ltd (上海安亭聯投經濟發展有限公司) as the purchaser in respect of the sale and purchase of the entire registered capital of Shanghai Launch Mechanical Equipment Co., Ltd. (上海元征機械設備有限責任公司), the details of which are set out in the circular of the Company dated 21 October 2022 (a copy of which is marked "A" and signed by the chairman of the Meeting for identification purpose and has been tabled at the Meeting), and the transactions contemplated thereunder and all other transactions in connection therewith and any other ancillary documents, be and are hereby approved, confirmed and ratified, subject to such addition or amendment as any director(s) of the Company (the "**Director(s)**") may consider necessary, desirable or appropriate; and

2. any one of the Directors be and is hereby authorised to do all such acts and things, to sign, execute and deliver such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she considers necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Equity Transfer Agreement and all transactions contemplated thereunder and any ancillary documents and

transactions thereof, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided for in the Equity Transfer Agreement) as are, in the opinion of such Director, in the interest of the Company and its shareholders as a whole."

By order of the Board
Launch Tech Company Limited*
Liu Xin
Chairman and Executive Director

21 October 2022
Shenzhen, the PRC

* *for identification purpose only*

Executive Directors:
Mr. Liu Xin *(Chairman and Chief executive officer)*
Mr. Liu Guozhu
Ms. Huang Zhao Huan
Mr. Jiang Shiwen

Non-executive Director:
Mr. Peng Jian

Independent Non-executive Directors:
Ms. Zhang Yanxiao
Mr. Lin Lichao
Mr. Bin Zhichao

Registered Office:
Launch Industrial Park,
No. 4012 North of Wuhe Road,
Bantian Street,
Longgang District,
Shenzhen, the PRC

Principal Place of Business in Hong Kong:
Unit 1104,
Crawford House,
70 Queen's Road Central,
Hong Kong

Principal place of business
Launch Industrial Park
North of Wuhe Road,
Banxuegang, Longgang District,
Shenzhen, the PRC

Launch Shanghai Base
No. 661 Baian Road,
Angtin Zhen, Jiading District,
Shanghai, the PRC

Notes:

(A) Any Shareholder entitled to attend and to vote at the SGM shall be entitled to appoint a proxy who need not be a Shareholder, to attend and to vote on his behalf. A member who is the holder of two or more shares may appoint more than one proxy.

(B) To be valid, the proxy forms for the use of Shareholders and, if such proxy is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be to the Company not less than 24 hours before the time scheduled for holding the SGM or its adjourned meetings of the Company.

(C) The SGM is expected to last for half an hour. Shareholders and their proxies attending the SGM shall be responsible for the transportation and accommodation expenses on their own.

(D) Completion and return of the proxy form will not affect the right of the shareholders of the Company to attend and to vote at the SGM in person. In such event, the form of proxy will be deemed to have been revoked.

(E) Holders of Domestic Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority to the Company's principal place of business in the PRC.

(F) Holders of H Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(G) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

(H) Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.