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Leoch International Technology Limited
理士國際技術有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 842)

ANNOUNCEMENT:
SUPPLEMENTAL INFORMATION
IN RELATION TO THE ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual results announcement (the “**Results Announcement**”) for the year ended 31 December 2022 (“**FY2022**”) of Leoch International Technology Limited published on 24 March 2023. Unless otherwise stated, capitalized terms used in this announcement shall bear the same meaning as those defined in the Results Announcement.

As stated in the Results Announcement, the Group’s selling and distribution costs decreased by 33.6% from RMB586.1 million for 2021 to RMB389.2 million for the FY2022 mainly due to the inclusion of the transportation cost of the products in the cost of sales during the FY2022.

If such transportation cost was to be recorded as a selling and distribution cost in 2022 like 2021, the Group's selling and distribution costs would be increased by 38.6% from RMB586.1 million for 2021 to RMB812.0 million for the FY2022 and the gross profit of the Group would be increased from RMB1,509.7 million in 2021 to RMB2,017.7 million for the FY2022, representing an increase of about 33.6%. The gross margin would then be increased from about 13.4% for 2021 to 15.7% for the FY2022.

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

Hong Kong, 4 April 2023

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