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LAUNCH

深圳市元征科技股份有限公司

LAUNCH TECH COMPANY LIMITED*

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2488)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FRAMEWORK PURCHASE AGREEMENT

On 30 June 2026, the Company and the Supplier entered into the Framework Purchase Agreement, pursuant to which the Group has agreed to purchase the Goods from the Supplier Group for a term of 2.5 years commencing on 1 July 2026 and ending on 31 December 2028.

LISTING RULES IMPLICATIONS

As at the date of this announcement, approximately 47.25% of the equity interest in the Supplier is controlled by Mr. Liu Jun, of which approximately 28.87% is beneficially owned by Mr. Liu Jun and approximately 18.37% is controlled by Mr. Liu Jun acting as the executive partner of a limited partnership enterprise. Mr. Liu Jun holds 40% equity interest in Langqu, which holds approximately 14.46% equity interest in the Company. Accordingly, Mr. Liu Jun is a substantial shareholder (as defined in the Listing Rules) of the Company and is therefore a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As approximately 47.25% of the equity interest in the Supplier is held/controlled by Mr. Liu Jun, the Supplier is an associate (as defined in the Listing Rules) of Mr. Liu Jun and is therefore also a connected person of the Company. Accordingly, the Purchase Transactions contemplated under the Framework Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Proposed Annual Caps under the Framework Purchase Agreement exceeds 0.1% but all are less than 5%, the Purchase Transactions contemplated under the Framework Purchase Agreement are subject to the reporting, announcement and annual review requirements and are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

* For identification purpose only

THE FRAMEWORK PURCHASE AGREEMENT

The key terms of the Framework Purchase Agreement are summarized as follows:

Date:	30 June 2026
Parties:	<p>(1) the Company (for itself and on behalf of the Group as the purchaser); and</p> <p>(2) the Supplier (for itself and on behalf of the subsidiaries of the Supplier, collectively the “Supplier Group”, as the supplier)</p> <p>(each a “Party” and collectively as the “Parties”)</p>
Subject matter:	The Group will purchase and the Supplier Group will sell the Goods from time to time in accordance with the terms of the Individual Agreements.
Individual agreements:	<p>During the Term, respective members of the Group and the Supplier Group may from time to time enter into individual agreements (the “Individual Agreements”) which will set out the terms, including the price, the terms of settlement, and the terms of delivery of the individual Purchase Transactions negotiated based on the following principles and pricing basis:</p> <p>(a) the Purchase Transactions would be on normal commercial terms or better following arm’s length negotiations after considering factors such as quality, costs of production and sourcing third party suppliers of the Goods and market conditions, etc.;</p> <p>(b) the prices of the Goods would be determined with reference to, among others, (i) the prices of the same or comparable products sold by the Supplier Group to other third parties under comparable conditions and comparable scale; and (ii) the prevailing market prices of comparable products from independent third parties under comparable conditions;</p> <p>(c) the terms and conditions of each of the Purchase Transactions, including the prices, order quantity, terms of settlement, delivery and shipment, when considered as a whole, would be no less favourable to the Group than those available from independent third party suppliers under comparable conditions from time to time; and</p> <p>(d) the terms and conditions of each of the Purchase Transactions will comply with the terms of the Framework Purchase Agreement.</p>
Term:	2.5 years commencing on 1 July 2026 and ending on 31 December 2028 (the “ Term ”).

ANNUAL CAPS

Historical figures of the Purchase Transactions

The Existing Annual Caps and the transaction amounts of the Purchase Transactions under the Existing Framework Purchase Agreement are set out as follows:

	For the year ended 31 December 2024 (audited) RMB'000	For the year ended 31 December 2025 (audited) RMB'000	For the five months ended 31 May 2026 (unaudited) RMB'000
Existing Annual Cap*	80,000	94,000	44,000
Actual transaction amount*	32,000	83,000	42,000

* *Before value-added tax*

Proposed Annual Caps

The Proposed Annual Caps of the Purchase Transactions under the Framework Purchase Agreement are set out as below:

	For the six months ending 31 December 2026 RMB'000	For the year ending 31 December 2027 RMB'000	For the year ending 31 December 2028 RMB'000
Proposed Annual Cap*	50,000	100,000	100,000

* *Before value-added tax*

Basis and assumptions for determining the Proposed Annual Caps

The Goods to be purchased by the Group from the Supplier Group pursuant to the Framework Purchase Agreement comprise components, semi-finished goods, or OEM products designed or planned by the Group and manufactured by the Supplier Group. Such Goods will be further configured, assembled, or processed by the Group, and ultimately sold in its business operations. The Proposed Annual Caps reflect the expected costs of purchase of the Goods. The Proposed Annual Caps has been determined on arm's length negotiations between the Company and the Supplier Group having considered, among others, the following basis and assumptions:

1. Historical purchase amount of the Goods by the Group from the Supplier Group;
2. Historical price of Goods for the years ended 2024 and 2025 and the five months ended 31 May 2026;
3. Estimated market demand of the end-products during the Term and the anticipated business development capabilities of the Group; and
4. Estimated market price of the Goods having regard to the costs of the raw materials and general production costs involved in the production of the Goods, in particular, consideration is given to the estimated market price trends of raw materials and logistics, incorporating a reasonable buffer to accommodate potential inflationary pressures and macroeconomic fluctuations over the duration of the Framework Purchase Agreement.

The Directors (including the independent non-executive Directors) are of the view that the Proposed Annual Caps in respect of the Purchase Transactions contemplated under the Framework Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES

The Purchase Transactions contemplated under the Framework Purchase Agreement are on a non-exclusive basis, where the Group may source the Goods from and the Supplier Group may market the same to any third parties.

To safeguard the interests of the Shareholders as whole, including the minority Shareholders, the Company has adopted internal approval and monitoring procedures relating to the transactions under the Framework Purchase Agreement, which include the followings:

- as an active market participant, through market research, obtain sufficient market intelligence to enable it to ascertain the prevailing market rate, payment terms and practices as well as the latest market and independent third party information regularly;
- in respect of procurement of products under the 2026 Framework Purchase Agreement, where sufficient comparable transactions are available, invite quotations from independent suppliers to obtain a reference on the prevailing prices for the relevant products to be procured to the extent that those products are of comparable nature, quality, quantity and condition. Such quotations will be reviewed and evaluated from the commercial perspective by a designated team composed of various relevant departments of the Group and compared against the quotation from the Supplier Group. The head of the relevant departments will approve the proposed transactions to ensure that the products to be procured from the Supplier Group are of prices for such products no higher than those being offered by independent third parties;
- for products/services in respect of which there is no sufficient comparable transaction available, the prices will be determined after arm's length negotiation according to the historical price of the products/services purchased/supplied in the past and by reference to the cost analysis to be conducted; and
- the production quality department of the supply chain center and the supplier development department of the procurement center are responsible for conducting semi-annual and annual appraisal and evaluation on the existing suppliers and their products, including the Supplier Group and the products it supplied. There should be checks on pricing, product quality, punctuality of delivery and after-sales services.

By following the procurement and evaluation procedures under the internal control policy and taking into consideration of various factors, including the pricing and quality of products the Supplier Group, the corporate background, reputation, reliability and quality of customer and after-sales services of the Supplier Group, the Company has determined that the Supplier Group offers more favourable terms to the Group than other independent third party suppliers for the purchase of the Goods.

Therefore, the Board believes that sourcing the Goods from the Supplier Group would help maintain the effectiveness of the Group's production and bring benefits to the Group's operation as a whole. Going forward, the Group will continue carrying out regular review and evaluation on the performance of contracts by the Supplier Group and other suppliers.

The Company has adopted, among others, the following internal control measures over its continuing connected transactions:

- the Company’s external auditor will conduct an annual review and provide their independent confirmation to the Board that nothing comes to their attention which causes them to believe that, inter alia, the Purchase Transactions are not conducted in accordance with the pricing policies of the Group and the relevant annual caps are exceeded;
- the Company’s audit committee will regularly review the internal control system to ensure that the internal control procedures are effectively implemented over the individual Purchase Transactions;
- the independent non-executive Directors will review the Purchase Transactions based on quarterly reports on the status of the Purchase Transactions, including, among others, the costs and quality of the Goods, utilization rates of the annual caps, market updates including performance of the Group in different markets, pricing trends and other relevant information and will ascertain the implementation of the relevant internal control measures to ensure that the annual caps are not exceeded and the Purchase Transactions are conducted in accordance with the terms of the Individual Agreements; and
- the Directors (including the independent non-executive Directors) will regularly monitor and review the continuing connected transactions contemplated to ensure that, inter alia, the terms are fair and reasonable and they are in the interests of the Company and its shareholders as a whole.

Given the Purchase Transactions contemplated under the Framework Purchase Agreement have to adhere strictly to their respective pricing policies as disclosed in this announcement, the Directors (including the independent non-executive Directors) are of the view that the procedures adopted by the Group to govern the Purchase Transactions are sufficient and adequate to ensure that the terms and conditions of the Framework Purchase Agreement will be conducted under normal commercial terms, on terms no less favourable to the Group than those available from or offer to independent third parties, and are not prejudicial to the interest of the Company and its minority Shareholders.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK PURCHASE AGREEMENT

The Group is engaged in the research and development, production and sales of automotive diagnostics and repair equipment and software products. As part of the ongoing business operations of the Group, the Group requires highly specific and tailored components and/or OEM products for its final processing.

As a result, the specifications of the Goods purchased by the Group are not commonly available on the market and/or manufactured by other suppliers. During the past years, the Supplier Group has demonstrated itself as a reliable and trustworthy business partner of the Group. Through the close and long-term cooperation relationship, the Supplier Group has established a thorough understanding of the standards and requirements of the Group which enable it to provide more reliable goods or products and/or quality services to the Group. The continuation of such continuing connected transactions is essential for the continued operation and growth of the business of the Group.

By entering into the Framework Purchase Agreement, the Group will ensure a continuous and stable supply of the Goods for the Group's final processing, reduce supply risk, and maintain stable sales to its customers. In addition, the Purchase Transactions with the Supplier Group will help to save the Group's operational cost in locating suitable suppliers in the market on the long term.

The Directors (including the independent non-executive Directors) consider that the Purchase Transactions contemplated under the Framework Purchase Agreement are conducted in the ordinary and usual course of business of the Group, the terms of the Framework Purchase Agreement have been negotiated on an arm's length basis and are on normal commercial terms, fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE SUPPLIER

The Company, together with its subsidiaries, is principally engaged in the research and development, production and sales of automotive diagnostics and repair equipment and software products.

The Supplier is a limited company incorporated in the PRC and, together with its subsidiaries, is principally engaged in the research, development, production and sales of equipment related to the inspection, maintenance and calibration of intelligent automobile and new energy automobile in the PRC. The Supplier is held (i) as to approximately 28.87% by Mr. Liu Jun, (ii) as to approximately 18.37% by Shenzhen Zhiweicheng Investment Centre (Limited Partnership) (深圳市志偉成投資中心(有限合夥)), of which Mr. Liu Jun acts as the executive partner, and (iii) as to approximately 12.01% by the Company, being the three largest shareholders of the Supplier. The remainder of the shareholding in the Supplier is diversely held by 18 minority shareholders. Apart from Mr. Liu Jun and Shenzhen Zhiweicheng Investment Centre (Limited Partnership) and the Company itself, each of the rest of the shareholders of the Supplier is an Independent Third Party.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the equity interest in the Supplier is controlled as to approximately 47.25% by Mr. Liu Jun, whereby approximately 28.87% is beneficially owned by Mr. Liu Jun and approximately 18.37% is controlled by Mr. Liu Jun as the executive partner of a limited partnership enterprise. Mr. Liu Jun, holds 40% equity interest in Langqu which holds approximately 14.46% equity interest in the Company. As such, Mr. Liu, Jun is a substantial shareholder (as defined in the Listing Rules) of the Company and hence a connected person of the Company under Rule 14A.07(1) of the Listing Rules. As the Supplier is held/controlled as to approximately 47.25% by Mr. Liu Jun, the Supplier is an associate (as defined in the Listing Rules) of Mr. Liu Jun and hence a connected person of the Company. As such, the Purchase Transactions contemplated under the Framework Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Proposed Annual Caps under the Framework Purchase Agreement exceeds 0.1% but all are less than 5%, the Purchase Transactions contemplated under the Framework Purchase Agreement are subject to the reporting, announcement and annual review requirements and are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Except for Mr. Liu Xin, being the sibling of Mr. Liu Jun, who is deemed to have material interests in the Purchase Transactions contemplated under the Framework Purchase Agreement, none of the Directors had material interests in the Purchase Transactions contemplated under the Framework Purchase Agreement and hence no Director (save and except Mr. Liu Xin) is required to abstain from voting on the Board resolutions approving the Framework Purchase Agreement in accordance with Rule 13.44 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set forth opposite them:

“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Goods”	collectively means the components, semi-finished products or OEM products which are planned or designed by the Purchaser and manufactured by the Supplier Group, and which will be further configured, assembled or processed by the Purchaser before being ultimately sold in its business operations;
“Company”	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 PRC with limited liability (Stock Code: 2488);

“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Existing Annual Caps”	the annual caps of the transaction amounts of the Purchase Transactions under the Existing Framework Purchase Agreement;
“Existing Framework Purchase Agreement”	the framework purchase agreement entered into between the Company and the Supplier in relation to the Purchase Transactions dated 1 January 2024, with a term from 1 January 2024 to 30 June 2026;
“Group”	the Company and its subsidiaries;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules);
“Supplier”	深圳市易檢車服科技有限公司 (SHENZHEN SMARTSAFE TECH CO., LTD.*), a company incorporated under the laws of the People’s Republic of China;
“Supplier Group”	the Supplier 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;
“Langqu”	深圳市浪曲科技開發有限公司 (Shenzhen Langqu Technology Development Co. Ltd.*), a company incorporated under the laws of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Proposed Annual Caps”	The proposed annual caps of the transaction amounts of the Purchase Transactions under the Framework Purchase Agreement;

“Framework Purchase Agreement”	the framework purchase agreement entered into between the Company and the Supplier dated 30 June 2026 in relation to the Purchase Transactions;
“Purchase Transaction(s)”	the Group’s purchase of the Goods from the Supplier Group under the Framework Purchase Agreement;
“RMB”	Renminbi (人民幣), the lawful currency of the PRC;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules; and
“%”	per cent.

By Order of the Board of
Launch Tech Company Limited
Liu Xin
Chairman

Hong Kong, 30 June 2026

As at the date of this notice, the board of directors of the Company comprises Mr. Liu Xin (Chairman), Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Mr. Liu Guozhu as employee Director, Mr. Peng Jian as non-executive Director, and Ms. Zhang Yanxiao, Ms. He Xujin and Mr. Bin Zhichao as independent non-executive Directors