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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the annual report 2020 of Launch Tech Company Limited (the “**Company**”) uploaded on 27 April 2021 (the “**Annual Report**”). Unless otherwise stated, definitions and terms used herein shall bear the same meanings as defined in the Annual Report.

The Company noted that there was an inadvertent clerical mistake made in the Annual Report and would like to clarify that the figures in Income Statement (Parent Company) on page 50 shall be read as follows (with the correction underlined):

INCOME STATEMENT

2020 (Expressed in Renminbi)

	Note XV	2020	2019
Total operating income	4	974,920,448.45	864,066,175.21
Less: Operating costs	4	766,950,651.78	697,330,370.70
Tax and surcharge		2,635,424.87	2,788,467.45
Selling expenses		94,754,116.86	93,460,110.08
Administrative expenses		59,316,353.87	75,583,998.46
Research and development expenses		143,263,073.95	177,798,665.96
Finance costs		30,874,714.30	18,623,138.90
Add: Other revenue		<u>9,565,737.70</u>	12,843,412.00
Add: Investment income	5	<u>56,090,763.29</u>	179,125,341.53
Impairment loss on credit		<u>-88,507,084.96</u>	-87,404,905.71
Impairment loss on assets		<u>-16,378,432.44</u>	-21,258,117.80
Gain on disposals of assets		<u>8,386,973.46</u>	-48,952.34
Operating profit		<u>-153,715,930.13</u>	-118,261,798.66

	<i>Note XV</i>	2020	2019
Add: Non-operating income		<u>253,672.81</u>	246,623.13
Less: Non-operating expenditure		<u>2,758,354.73</u>	1,530,073.56
Total profit		<u>-156,220,612.05</u>	-119,545,249.09
Less: Income tax expenses		<u> =</u>	<u> —</u>
Net profit		<u>-156,220,612.05</u>	<u>-119,545,249.09</u>
Profit from continued operation		<u>-156,220,612.05</u>	<u>-119,545,249.09</u>
Other comprehensive income after tax		<u>-408,563.08</u>	<u>-9,084,127.11</u>
Total comprehensive income		<u>-156,629,175.13</u>	<u>-128,629,376.20</u>

The attached notes are an integral part of these financial statements.

Save as disclosed herein, all other content of the Annual Report remains unchanged and there is no impact on result announcement on 31 March 2021.

By Order of the Board
Launch Tech Company Limited
Liu Chun Ming
Company Secretary

Shenzhen, the PRC
17 May 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Xin (Chairman), Mr. Liu Jun, Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Mr. Peng Jian Hui as non-executive Director, and Ms. Zhang Yan, Mr. Liu Yuan and Mr. Ning Bo as independent non-executive Directors.

* *for identification only*