

INTERIM  
REPORT  
2024

深圳市元征科技股份有限公司  
LAUNCH TECH COMPANY LIMITED



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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)

#### 2024 INTERIM REPORT

#### I. FINANCIAL INFORMATION

(All amounts in RMB'000 unless otherwise stated)

#### CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	<b>30 June 2024</b>	31 December 2023 (Audited)
<b>Current assets:</b>			
Bank balances and cash		522,801	619,527
Trading financial assets		26,043	6,053
Bills receivable		30,567	31,825
Accounts receivable	4	220,540	227,937
Accounts receivable financing		21,100	7,523
Prepayments		104,890	30,615
Other receivables		34,574	46,965
Inventories	5	249,233	207,176
Other current assets		29,650	27,949
		<b>1,239,398</b>	1,205,570
<b>Non-current assets:</b>			
Investment in other equity instruments		24,255	20,590
Investment Property		46,344	48,831
Fixed assets		104,029	106,772
Construction in progress		329,262	309,069
Right-in-use assets		12,224	15,994
Intangible assets		47,210	56,104
Goodwill		109,427	88,187
Long-term deferred expenditure		513	501
Deferred income tax assets		162	158
Other non-current assets		803	3,443
		<b>674,229</b>	649,649
Total non-current assets		<b>674,229</b>	649,649
Total assets		<b>1,913,627</b>	1,855,219

\* For identification purpose only

	<i>Notes</i>	<b>30 June 2024</b>	31 December 2023 (Audited)
<b>Current liabilities:</b>			
Short-term borrowings		<b>179,658</b>	177,992
Bills payable		<b>7,411</b>	–
Accounts payable	6	<b>210,610</b>	163,899
Contract liabilities		<b>78,163</b>	95,861
Employee remuneration payable		<b>20,251</b>	46,405
Tax payables		<b>16,859</b>	8,253
Dividends payable		<b>36,164</b>	12,648
Other payables		<b>28,850</b>	19,919
Non-current liabilities due within one year		<b>171,972</b>	26,502
Other current liabilities		<b>25,298</b>	35,868
		<hr/> <b>775,236</b>	<hr/> 587,347
<b>Non-current liabilities:</b>			
Long-term borrowings		–	176,280
Lease liabilities		<b>6,424</b>	9,251
Deferred income		<b>6,748</b>	7,502
		<hr/> <b>13,172</b>	<hr/> 193,033
Total non-current liabilities		<hr/> <b>13,172</b>	<hr/> 193,033
Total liabilities		<hr/> <b>788,408</b>	<hr/> 780,380
<b>Shareholders' equity:</b>			
Share capital		<b>415,788</b>	415,788
Capital reserve		<b>393,801</b>	393,801
Other comprehensive income		<b>-364</b>	-1,383
Surplus reserve		<b>72,470</b>	72,470
Undistributed profit	7	<b>239,157</b>	186,552
		<hr/> <b>1,120,852</b>	<hr/> 1,067,228
Total owners' equity attributable to parent company		<hr/> <b>1,120,852</b>	<hr/> 1,067,228
Minority shareholders' equity		<b>4,367</b>	7,611
		<hr/> <b>1,125,219</b>	<hr/> 1,074,839
Total shareholders' equity		<hr/> <b>1,125,219</b>	<hr/> 1,074,839
Total liabilities and shareholders' equity		<hr/> <b>1,913,627</b>	<hr/> 1,855,219

## CONSOLIDATED INCOME STATEMENT

		<b>For the six months ended 30 June</b>	
	<i>Notes</i>	<b>2024</b>	2023
<b>Operating income</b>	<i>3</i>	<b>999,046</b>	721,153
Less: Operating costs		<b>568,537</b>	438,394
Tax and surcharge		<b>5,735</b>	4,175
Selling expenses		<b>105,752</b>	83,868
Administrative expenses		<b>46,396</b>	47,224
R&D expenses		<b>90,270</b>	82,105
Finance costs		<b>(8,424)</b>	2,005
Other revenue		<b>18,687</b>	14,795
Gain in investment		<b>973</b>	1,003
Impairment loss on assets and credit and loss on fair value change	<i>8</i>	<b>52,823</b>	12,127
<b>Operating profit</b>		<b>157,617</b>	67,053
Add: Non-operating income		<b>128</b>	336
Less: Non-operating expenses		<b>501</b>	242
<b>Total profit</b>		<b>157,244</b>	67,147
Less: Income tax expenses	<i>9</i>	<b>4,662</b>	2,110
<b>Net profit</b>		<b>152,582</b>	65,037
Profit or loss attributable to minority shareholders		<b>129</b>	–
Net profit attributable to owners of parent company		<b>152,453</b>	65,037
<b>Earnings per share:</b>			
Basic earnings per share (RMB)	<i>10</i>	<b>0.367</b>	0.150

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

**For the six  
months  
ended 30 June  
2024**

Net cash flows from operating activities	<b>71,052</b>
Net cash flows from investment activities	<b>(61,377)</b>
Net cash flows from financing activities	<b>(107,441)</b>
Impact on cash and cash equivalents by changes in foreign exchange rates	<b>2,052</b>
Net increase in cash and cash equivalents	<b>(95,714)</b>
Cash and cash equivalents at the beginning of the period	<b>610,732</b>
Cash and cash equivalents at the end of the period	<b>515,018</b>
Restricted bank balances and cash	<b>7,783</b>
Bank balances and cash	<b>522,801</b>

## CONDENSED CONSOLIDATED STATEMENT OF MOVEMENT ON OWNERS' EQUITY

**For the six  
months  
ended 30 June  
2024**

Beginning total shareholders' equity	<b>1,074,839</b>
Change in other comprehensive income	<b>1,019</b>
Change in minority shareholders' equity	<b>(3,244)</b>
Change in undistributed profit in the current period	<b>52,605</b>
Ending total shareholders' equity	<b>1,125,219</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Company carried out recognition and measurement on a going concern and actual transaction and event basis in accordance with the Basic Standard and specific standards of the Accounting Standards for Business Enterprises issued by the Ministry of Finance, and the Application Guidance for Accounting Standard for Business Enterprises, Interpretations of Accounting Standards for Business Enterprises and other relevant regulations (hereafter referred to as “the Accounting Standards for Business Enterprises”), in combination with the Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 – General Provisions on Financial Reporting (amended in 2023) issued by the China Securities Regulatory Commission (CSRC) and prepared the Financial Statements. The accounting policies are consistent with those adopted in the preparation of the Group’s 2023 annual report.

In addition, the Financial Statements have also complied with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

### 2. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND COMPILATION METHOD OF CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Accounting period

The Reporting Period is six months from 1 January to 30 June 2024.

#### (2) Reporting currency

Renminbi was adopted as the reporting currency. The Company’s foreign subsidiaries choose their reporting currencies on the basis of the primary economic environment in which they operate and converted into RMB when preparing financial statements.

**(3) Method of preparing consolidated financial statements**

*All subsidiaries were included in the consolidated financial statements*

The subsidiaries that are within the scope of consolidation of the consolidated financial statements shall have the same accounting policies and the accounting periods with those of the Company. In preparing the consolidated financial statements, where the accounting policies and the accounting periods are inconsistent between the Company and subsidiaries, the financial statements of subsidiaries are adjusted in accordance with the accounting policies and accounting periods of the Company. Based on the financial statements of the Company and its subsidiaries, the consolidated financial statements are prepared by the Company according to other relevant information and after the long-term equity investments in the subsidiaries are adjusted in accordance with the equity method. When consolidating the financial statements, the effects of intra-transactions between the Company and its subsidiaries, and among subsidiaries on the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in owners' equity shall be offset.

**3. OPERATING INCOME**

Income from main operations includes the net value of the received and receivable for the sales of different types of vehicle maintenance equipment, and provision of internet upgrade service.

	<b>For the six months ended 30 June</b>	
	<b>Current year</b>	Previous year
Income from main operations	<b>875,129</b>	697,359
Income from other operations: rental income and sales of other materials	<b>123,917</b>	23,794
	<b><u>999,046</u></b>	<u>721,153</u>



#### 4. ACCOUNTS RECEIVABLE

##### Accounts receivable

The Company basically used credit terms when dealing with customers and offered credit period from 30 days to 210 days. Should a customer possessed long and good records or in case of being a major customer of the Company or under the circumstances that the Company would like to maintain prolong operational relationship, and then a different credit period might be considered by the Company.

	At the period end	At the beginning of the year
Accounts receivables	266,090	253,486
Less: provision for bad debts	<u>45,550</u>	<u>25,549</u>
<b>Net amount</b>	<b><u>220,540</u></b>	<b><u>227,937</u></b>
<b>Aging</b>		
Within 1 year	248,040	237,798
Over 1 year	<u>18,050</u>	<u>15,688</u>
	<b><u>266,090</u></b>	<b><u>253,486</u></b>

#### 5. INVENTORIES

	At the period end	At the beginning of the year
Raw materials	18,674	21,915
Work in progress	3,641	10,218
Finished goods	205,647	160,680
Consigned processing materials	17,650	11,712
In-house WIP	<u>3,621</u>	<u>2,651</u>
	<b><u>249,233</u></b>	<b><u>207,176</u></b>

6. ACCOUNTS PAYABLE

Aging	At the period end	At the beginning of the year
Within 1 year	197,952	152,769
Over 1 year	12,658	11,130
	<u>210,610</u>	<u>163,899</u>

7. UNDISTRIBUTED PROFITS

Current year

	Amount
As at the beginning of the period	186,552
Less: final dividend	99,848
Add: net profit attributable to owners of parent company in the current period	<u>152,453</u>
As at the end of the period	<u>239,157</u>

8. IMPAIRMENT LOSS ON ASSETS AND CREDIT AND LOSS ON FAIR VALUE CHANGE

	Current year	Previous year
Impairment loss on credit	16,021	932
Impairment loss on assets	36,805	11,161
Loss on disposals of assets	<u>–</u>	<u>34</u>
	<u>52,823</u>	<u>12,127</u>

## 9. INCOME TAX EXPENSE

Name of taxpayers	Income tax rate
The Company	15.00%
Launch Software	15.00%
Launch Europe GmbH	19.00%
Golo IOV	15.00%
Xi'an Launch	25.00%
PJS	25.00%
Launch International	16.50%
Nanjing Launch	25.00%
Launch Future	25.00%
NJG	25.00%
Hainan Launch	25.00%
Launch Italy GmbH	24.00%
SYXLH	25.00%
SYKLC	12.50%
Launch Information	25.00%
Yisheng New Energy	25.00%
LAUNCH NORTH AMERICAN CORP	29.84%
LAUNCH TECH (USA)	29.84%
Launch Japan Co., Ltd.	15.00%
SYXYX	Tax exempted
Launch Investment	25.00%
Launch Consulting	25.00%
SMRDT	15.00%
SMRZK	25.00%
Nrblockchain	25.00%
SZXG	25.00%

## 10. EARNINGS PER SHARE

### (1) Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit for holders of ordinary share of the parent company by average weighted number of outstanding ordinary shares of the parent company.

Items	Current year	Previous year
Consolidated net profit for holder of ordinary shares of the parent company	<b>152,453</b>	65,037,000
Average weighted number of outstanding ordinary shares of the parent company	<b>415,788,100</b>	432,216,600
	<b>Shares</b>	Shares
Basic earnings per share (RMB/share)	<b>0.367</b>	0.150
After adjustment (RMB/share)	<b>0.367</b>	0.150

### (2) Diluted earnings per share

As there was no ordinary share with dilutive potential for the years 2024 and 2023, thus no diluted earnings per share is presented.

## 11. DIVIDEND

The Board resolved to declare an interim dividend for the six months ended 30 June 2024 of RMB0.20 per share, which is expected to be distributed on or before 13 September 2024 (2023: RMB0.34).

## 12. CONTINGENT LIABILITY

At the end of the Reporting Period, the Company did not have any significant contingent liability.

## 13. PLEDGE OF ASSETS

As at 30 June 2024, the Company pledged land, properties and buildings with original value of approximately RMB254,000,000 for certain bank borrowings.

## 14. CAPITAL AND OPERATING COMMITMENT

As at 30 June 2024, the Company did not have any significant capital and lease commitment.

## 15. POST-BALANCE SHEET EVENT

There is no material post-balance sheet event which is required to be disclosed but has not been disclosed.

## II. MANAGEMENT DISCUSSION AND ANALYSIS

### Review for the first half of 2024

The automobile industry in the PRC continued to grow this year, with production and sales volumes reaching approximately 13,900,000 and 14,050,000 vehicles, respectively, representing an increase of approximately 5% and 6% year-on-year, respectively. Based on the growth of the industry, the Group implemented its new strategy, which resulted a continued growth in its businesses.

### Financial

For the first half of this year, the operating income of the Group amounted to approximately RMB999,000,000, representing an increase of 39% over the same period in last year (the “YOY Increase”). The consolidated net profit attributable to the parent company was approximately RMB152,000,000, representing the YOY increase of 134%; and the net profit margin was 15%, increasing by more than 6 percentage points over the same period in last year.

The increase in results was mainly due to the application of intelligent algorithms and AI technology. Based on intelligent algorithms, the Group launched digital operation. Our overseas business (including overseas e-commerce) was at an all-time high in the first half of this year, realizing a revenue of approximately RMB629 million, accounting for 63% of total revenue. Based on AI technology, the Group analyzed user behaviors and intelligent pricing, which have effectively enhanced the proportion of customers who make the payment. In the first half of the year, the revenue of the software business was approximately RMB81 million, achieving a new high.

Meanwhile, the super remote diagnostics of the Group has become a leading online diagnostic service platform for automobiles in the world. Since the launch of the charging model in March this year, the service revenue has been realized approximately RMB5 million in the three months, and the business volume achieved the YOY Increase of approximately 187%. The Group developed the automotive data business, with the data revenue of approximately RMB5 million, representing the YOY Increase of 149%.

At the same time, the Group strengthened the cost control. In the first half of this year, the ratio of cost from principal operation to income decreased by 9%; the proportion of four expenses (management expenses, R&D expenses, sales expenses, and financial expenses) over the income from principal operation decreased by 4%; the inventory turnover days were approximately 72 days, representing a year-on-year decrease of 25%.

Based on the Group’s performance during the Reporting Period, the Board recommended an interim dividend of RMB0.20 per share.

## **Customers**

Customers of the Group include repair shops, mechanics, vehicle manufacturers, vehicle owners and vehicle repair schools, insurance companies and second-hand vehicle dealers, covering every aspect of the whole life cycle of automobiles. As of 30 June of this year, the Group had cumulatively established connections with over 350 million vehicles globally through vehicle diagnostic equipment, with the number of active automotive diagnostic terminals of vehicle diagnostic equipment exceeding 3.10 million, one million automotive diagnostic reports were generated on average daily, and the cumulative number of automotive diagnostic reports exceeded 1,500 million.

The Group has more than 3 million end users in various countries and regions around the world, among them, nearly one million registered users in both China and the United States.

With “customer service” as the starting point, the Group has built an intelligent, localized and grid-based service system, to continuously improve customer satisfaction.

## **Internal Operations**

The Group launched three major strategies, namely ADS, AAS and EVS, during the year.

1. AI Diagnostic Service (ADS), the purpose is to make vehicle diagnostics smarter. The Group will enhance the intelligence of vehicle diagnostics, and develop the super remote diagnosis business.
2. AI Auto Service (AAS), means that we will utilize AI technology to make vehicle service easier. The Group will integrate multi-dimensional data, and provide automotive AI services for vehicle owners, repair shops, vehicle manufacturers, and parts dealers, that is LAUNCH AI (AutoGPT), and the product has currently been put on the market for testing.
3. Electric Vehicle Service (EVS), which aims at new energy vehicles, helps global auto repair shop customers to upgrade. The Group has developed the LAUNCH EVS to provide customers with new energy vehicle repair station transformation, vehicle test drive and sales, and after-sales service. Currently, the LAUNCH EVS has established 33 stations in China, and is implementing in six overseas countries, including Korea and Mexico.

## **Learning and Growth**

The Group strengthened the research and development of patent technologies, and obtained 56 authorized invention patents in the first half of this year, with R&D personnel accounting for approximately 50% of the total number of employees.

## **Outlook and Future Strategy**

The Group has been focusing on the automotive diagnostics field for nearly 30 years, and has accumulated profound technology. In the future, the Group will leverage its advantages, based on the above three major strategies, transform from a manufacturing enterprise to an intelligent enterprise, apply AI technology to the automotive industry, and strive to become the world's leading brand of automotive AI.

The Group will:

1. Increase overseas business, expand the volume of super remote diagnostics transactions, and develop the LAUNCH AI, striving to significantly increase overseas revenue, software revenue, service revenue, and data revenue.
2. Establish digital and intelligent customer relationships.
3. Continue to reduce internal operating costs and product costs, and improve the work efficiency through AI and advanced tools.
4. Introduce more strategic talents.

## FINANCIAL ANALYSIS

Analysis of financial status during the Reporting Period is as follows:

### *Profit position*

	Current year	Last year
Gross profit margin of principal operations	47.3%	38.5%
Net profit margin	15.3%	9.0%

Analysis of profit changes in the first half of the year compared with the same period of last year is as follows (in RMB million):

Increase in gross profit due to the increase in sales	148
Increase in operating expenses	(22)
Increase in R&D expenses	(8)
Decrease in finance costs	10
Increase in assets and credit impairment loss	(41)
Others	1
	<hr/>
	88
	<hr/> <hr/>

In the first half of the year, the turnover and gross profit increased, but at the same time, the main expenses rose quickly too. With the effective increase of the gross profit margin in terms of operations to 47.3% in the first half of the year, the net profit margin also rose to 15.3%.

The change in impairment loss on credit was approximately RMB15 million, was mainly made through the evaluation of the aging and recovery rate of receivable items.

The change in impairment loss on assets was approximately RMB25 million, of which it was mainly due to the inventory impairment loss of RMB15 million in the current period, on finished goods and corresponding raw materials of the old product series with a longer history; the remaining asset impairment loss changes came from the provision for impairment loss on goodwill with reference to the review of the expected future cash flow of the performance of the relevant asset portfolio.



<b><i>Other income and expenses (RMB million)</i></b>	<b>Current year</b>	<b>Previous year</b>
Rental income	<b>17</b>	16
Interest income	<b>9</b>	2
Interest expense	<b>8</b>	8
Depreciation and amortisation	<b>22</b>	17

### ***Position of assets, liabilities and equity interests***

Total assets value amounted to RMB1,914,000,000 during the Reporting Period, representing an increase of 3% from the beginning of the year, which was mainly due to an increase in construction in progress. Total liabilities amounted to RMB789,000,000, increased by 1% as compared with the beginning of the year, mainly due to an increase in accounts payable. Total equity interests attributable to shareholders amounted to RMB1,125,000,000. As at the end of the period, the Company's gearing ratio (total liabilities/interests attributable to shareholders) further decreased to 0.70 (at the beginning of the period: 0.72).

### ***Principal Sources and Usage of Fund***

As at the end of the Period, cash has decreased by approximately RMB96,000,000.

### ***Cash Flows from Operating Activities***

The Company's cash inflow from operating activities during the Reporting Period was mainly derived from revenue of goods selling. Cash outflow was mainly related to production and operating activities. The Company's net cash inflow from operating activities for the Reporting Period amounted to RMB71,000,000.

### ***Cash Flows from Investing Activities***

Cash inflow from investing activities of the Company during the Reporting Period was insignificant. Net cash outflow from investing activities amounted to RMB61,000,000, parts of which were used for capital expenditure on purchase of commercial properties, equipment and R&D, followed by cash paid for acquisition of subsidiaries. The above expenditures were mainly financed by the Company's internal resources.

### ***Cash Flows from Financing Activities***

Net cash outflow from financing activities during the Reporting Period amounted to RMB107,000,000 and mainly relating to distribution of final dividend and repayment of bank loans.

### **III. NOTES TO OTHER MATERIAL EVENTS**

#### **1. Scope of consolidation**

During the Reporting Period, there was no material change in respect of the scope of consolidation.

#### **2. Review of Financial Statements for the Reporting Period by the Audit Committee**

The 2024 interim financial report has been reviewed and confirmed by the audit committee of the Board of the Company.

#### **3. Code on Corporate Governance Practices**

During the Reporting Period, the Company was in compliance with the code provisions set out in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

#### **4. Model Code for Securities Transactions by Directors and Supervisors**

During the Reporting Period, the Company has adopted a set of code of practice regarding securities transactions by directors and supervisors on terms no less exacting than the standards set out in the Model Code in Appendix 10 to the Listing Rules. Having made specific enquiry to all directors and supervisors, the Company confirmed that, each of the Directors and supervisors has complied with the required standards regarding securities transactions by directors set out in the Model Code within the six months ended 30 June 2024.

#### **5. Pre-emptive Rights**

There are no provisions for pre-emptive rights under the Company's articles of association, the laws of the PRC, which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

#### **6. Major Clients and Suppliers**

Total operating income from the top five customers of the Company was approximately RMB230,000,000, accounting for approximately 26% of total operating income for the period. The largest customer accounted for approximately 9% of the total operating income for the period.

Total purchases from top five suppliers of the Company amounted to approximately RMB401,000,000, accounting for approximately 68% of the total purchases for the period. The largest supplier accounted for approximately 26% of the total purchases for the period.

None of the directors, their respective associates, or any shareholders (which to the knowledge of the directors own more than 5% of the share capital of listed issuer) had any interest in any of the five largest customers or the five largest suppliers.

## 7. Share Capital

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares or had any share options granted under the share option scheme.

## IV. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVES' INTERESTS IN SECURITIES

### (a) Interests and Short Positions of Directors, Chief Executives and Supervisors of the Company in the Share Capital of the Company and its Associated Corporations

As at 30 June 2024, the Directors, chief executives and supervisors of the Company have the following interests and short positions in the shares, debentures or underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which have been 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 they are taken or deemed to have under such provisions of the SFO) or which have been required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which have been required, pursuant to the Model Code For Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange, were as follows:

#### *Long Positions in Shares*

##### *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	31.23%	19.05%
	Interest in a controlled company	59,318,400	23.39% (Note 1)	14.27%
	Interest in a controlled company	11,938,200	4.71% (Note 2)	2.87%
	Interest in a controlled company	35,160,000	13.87% (Note 3)	8.46%

*Notes:*

- (1) Mr. Liu Xin holds 60.00% interests in 深圳市浪曲科技開發有限公司 (“Shenzhen Langqu”) which holds approximately 23.39% interests 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 23.39% interests in the issued domestic shares of the Company apart from his personal interest of 40.00% interests in the issued domestic shares of the Company.
- (2) Mr. Liu Xin holds 40.00% interests in 深圳市得時域投資有限公司 (“Shenzhen De Shi Yu”) which holds approximately 4.71% interests in the issued domestic shares of the Company. By virtue of Mr. Liu Xin’s holding more than one-third interests in Shenzhen De Shi Yu, Mr. Liu Xin is deemed, under the Part XV of the SFO, to be interested in 4.71% interests in the issued domestic shares of the Company apart from his personal interest of 40.00% interests 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 the PRC and controlled by Mr. Liu Xin for holding 35,160,000 Domestic Shares. The executive partners of Shenzhen Yuan Zhong are Mr. Liu Xin and a company which is 99% held by Liu Xin and 1% held by Liu Yong.

Save as disclosed above, as at 30 June 2024, none of the Directors, chief executives or supervisors of the Company has any personal, family, corporate or other interests or short positions in any shares, debentures or underlying shares of the Company or any of its associated corporations as defined in the SFO.

**(b) Persons and Substantial Shareholders Who Have an Interest or Short Position Which is Discloseable under Divisions 2 and 3 of Part XV of the SFO**

So far as known to the Directors, as at 30 June 2024, the following (not being a Director or supervisor of the Company) have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions of 2 and 3 of Part XV of the SFO or 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 member of the Group:

***Long Positions in Shares and Underlying Shares in the Company***

*(i) Domestic Shares*

<b>Name</b>	<b>Capacity in which shares were held</b>	<b>Number of domestic shares</b>	<b>Approximate percentage of the Company's issued domestic shares</b>	<b>Approximate percentage of the Company's total issued shares</b>
Nil				

*(ii) H Shares*

<b>Name</b>	<b>Capacity in which shares were held</b>	<b>Number of domestic shares</b>	<b>Approximate percentage of the Company's issued H Shares</b>	<b>Approximate percentage of the Company's total issued shares</b>
Nil				

**V. DIRECTORS' INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS**

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period ended 30 June 2024.

## VI. PAYMENT OF CASH DIVIDENDS AND THE CLOSURE OF REGISTER OF MEMBERS

The Board resolved the payment of Interim Cash Dividends of RMB0.20 per Share (inclusive of applicable tax). In accordance with the Articles of Association, Cash Dividends will be denominated and declared in RMB. The dividends for Domestic Shares will be paid in RMB and the dividends for H Shares will be paid in HK\$ at HK\$0.2185 per share.

The method of payment of the dividend by the Company is as follows:

- (1) In accordance with the relevant requirements and the articles of association of the Company (the “**Articles of Association**”), dividend payable to holders of H Shares shall be calculated in Renminbi and paid in Hong Kong dollars. The following conversion formula shall apply:

$$\begin{array}{l} \text{Dividend in} \\ \text{Hong Kong} \\ \text{Dollar} \end{array} = \frac{\text{Dividend in Renminbi}}{\text{Average mean price in Hong Kong Dollar} \\ \text{published daily by The People's Bank of China} \\ \text{over a period of one calendar week prior to the declaration} \\ \text{of the dividend}}$$

For the purpose of the Cash Dividend, the date of declaration is 9 August 2024. The average mean price of one Hong Kong dollar published daily by The People’s Bank of China over a period of one calendar week prior to the declaration of the dividend (i.e. 2 August 2024 to 8 August 2024) is RMB0.91517 or RMB1 to HK\$1.0927. Applying that average price to the above formula, the dividend for each H Share is HK\$0.2185.

- (2) Pursuant to the Articles of Association, the Company has appointed Bank of China (Hong Kong) Trustees Limited (the “Receiving Agent”), which is registered as a trust company under the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong), to receive on behalf of holders of H Shares dividend declared in respect of the H Shares. The dividend warrants of the H Shares will be issued by the Receiving Agent and will be posted by ordinary mail to holders of H Shares at their own risk on or before 13 September 2024.

According to the Articles of Association, for the purpose of identifying holders of H Shares who are entitled to receive the Final Dividend, the register of members of H Shares of the Company will be closed from 24 August 2024 to 29 August 2024 (both days inclusive) during which period no registration of transfer of H Shares will be effected. In order to qualify for the Cash Dividend mentioned above, holders of H Shares whose transfers have not been registered must lodge the transfer forms and the relevant share certificates at the Company’s H Share registrar, Computershare Hong Kong Investor Services Limited (address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong), for registration no later than 4:30 p.m. on 23 August 2024. The record date is 29 August 2024.

## VII. INTERIM REPORT AND OTHER INFORMATION

This report will be set out on the websites of the Company ([www.cnlaunch.com](http://www.cnlaunch.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

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

Shenzhen, the PRC  
9 August 2024

*As at the date of this report, the Board of the Company comprises Mr. Liu Xin (Chairman), Mr. Liu Guozhu, Ms. Huang Zhao Huan and Mr. Jiang Shiwen as executive Directors, Mr. Peng Jian as a non-executive Director, and Ms. Zhang Yanxiao, Mr. Bing Zhichao and Ms. He Xujin as independent non-executive Directors.*

# 元征 LAUNCH

深圳市元征科技股份有限公司  
LAUNCH TECH COMPANY LIMITED

於中華人民共和國註冊成立之股份有限公司  
A Joint Stock Limited Company Incorporated  
In The People's Republic Of China With Limited Liability

股份代號：HK2488  
STOCK CODE：HK2488

官網 / official website : [www.cnlaunch.com](http://www.cnlaunch.com)  
服務熱線 / TEL : 4000 666 666