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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)

CONNECTED TRANSACTIONS: PURCHASE AGREEMENTS FOR LEAD ACID BATTERY FACILITIES

On 13 August 2015, the Group entered into various Purchase Agreements with the Guangdong Marshell, Shanghai Dongyu and Shanghai Dongming, all being connected persons of the Company, pursuant to which the Group has agreed to purchase certain Lead Acid Battery Facilities from Guangdong Marshell, Shanghai Dongyu, Shanghai Dongming and their related companies at a total consideration of RMB 36 million (equivalent to approximately HK\$43.2 million).

Given that Guangdong Marshell, Shanghai Dongyu, Shanghai Dongming and their related companies are wholly owned by Mr. Dong Li, who is an executive Director and a substantial shareholder of the Company interested in approximately 74.0% of the issued share capital of the Company, they are connected persons of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under the Purchase Agreements constitute connected transactions for the Company under the Listing Rules.

As one or more of the applicable percentage ratios of the transactions contemplated under the Purchase Agreements in aggregate exceed 0.1% but are less than 5%, the transactions under the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

PURCHASE AGREEMENTS

Date : 13 August 2015

Parties : Leoch Battery (Jiangsu) Corp., Zhaoqing Leoch Battery Technology Co., Ltd, Anhui Uplus Energy Technology Co., Ltd and Anhui Leoch Power Supply Corp., which are wholly owned subsidiaries of the Company (as the purchasers); and

Guangdong Marshell, Shanghai Dongyu and Shanghai Dongming (as the vendors)

Subject matter : The Group has agreed to purchase from Guangdong Marshall, Shanghai Dongyu, Shanghai Dongming and their related companies certain Lead Acid Battery Facilities manufactured by Guangdong Marshall, Shanghai Dongyu, Shanghai Dongming and their related companies.

Consideration : Total consideration for the purchases under the Purchase Agreements is RMB36 million (equivalent to approximately HK\$43.2 million), which shall be paid by the Group in cash within 90 days after the receipt of the Lead Acid Battery Facilities from Guangdong Marshall, Shanghai Dongyu, Shanghai Dongming and their related companies and upon the Group has provided a confirmation of acceptance of the Lead Acid Battery Facilities.

The consideration was determined after arm's length negotiation and was agreed at an 8% discount to the average purchase price of the similar Lead Acid Battery Facilities as obtained from two independent third parties before the date of the purchases by the Group.

REASONS FOR ENTERING INTO THE PURCHASE AGREEMENT

The Group is principally engaged in the sale, development and manufacture of lead-acid batteries.

The Group has commenced to update and upgrade its Lead Acid Battery Facilities and will continue to update and upgrade such facilities in accordance with the environmental requirements in PRC. The Group has been continually purchasing certain Lead Acid Battery Facilities from Mr. Dong Li's controlled companies from time to time since 2013 to ensure the application of advanced industrial technologies, the quality and due delivery of the relevant Lead Acid Battery Facilities and the protection of technology secrets, with the results of these objectives being achieved satisfactorily. On 17 April 2014, the Group signed a purchase agreement with Guangdong Marshall for the purchase of certain reserve power batteries and related products for a total consideration of not more than RMB25 million up to the year ended 31 December 2014 (details of which please refer to the announcement of the Company dated 17 April 2014).

Accordingly, Directors, including independent non-executive Directors, are of the view that the Purchase Agreements and the transactions contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group, are fair and reasonable and in the interest of the Company and its shareholders as a whole.

Mr. Dong Li had abstained from voting on the relevant resolutions of the Board approving the Purchase Agreements and the transactions contemplated thereunder pursuant to the articles of association of the Company. Save as disclosed above, none of the Director has a material interest in the subject transactions and is required to abstain from voting on the relevant resolutions of the Board.

LISTING RULES IMPLICATIONS

Given that Guangdong Marshall, Shanghai Dongyu, Shanghai Dongming and their related companies are wholly owned by Mr. Dong Li, who is an executive Director and a substantial shareholder of the Company interested in approximately 74.0% of the issued share capital of the Company, they are connected persons of the Company for the purposes of the Listing Rules. Accordingly, the transactions contemplated under the Purchase Agreements constitute connected transactions for the Company under the Listing Rules. As one or more of the applicable percentage ratios of the transactions contemplated under the Purchase Agreements in aggregate exceed 0.1% but are less than 5%, the transactions under the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Leoch International Technology Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guangdong Marshall”	Guangdong Marshall Electric Vehicle Co., Ltd., a company incorporated in the PRC with limited liability principally engaged in, among other things, the manufacture and sale of Lead Acid Battery Facilities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Lead Acid Battery Facilities”	environmental protection facilities, manufacture facilities and inspection facilities for lead acid batteries and related products
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchase Agreements”	the seven agreements for the purchases of Lead Acid Battery Facilities entered into between the Purchasers as purchasers, and Guangdong Marshall, Shanghai Dongyu and Shanghai Dongming as vendors all dated 13 August 2015
“Purchasers”	Leoch Battery (Jiangsu) Corp., Zhaoqing Leoch Battery Technology Co., Ltd, Anhui Uplus Energy Technology Co., Ltd and Anhui Leoch Power Supply Corp., all being wholly-owned subsidiaries of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Dongming”	Shanghai Dongming Marshall Electric Vehicle Co., Ltd., a company incorporated in the PRC with limited liability principally engaged in, among other things, the

manufacture and sale of Lead Acid Battery Facilities

“Shanghai Dongyu”

Shanghai Dongyu Electric Vehicle Co., Ltd., a company incorporated in the PRC with limited liability principally engaged in, among other things, the manufacture and sale of Lead Acid Battery Facilities

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

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

Hong Kong, 14 August 2015

As of the date of this announcement, the executive Directors are Mr. Dong Li, Ms. Zhao Huan and Mr. Philip Armstrong Noznesky and the independent non-executive Directors are Mr. Liu Yangsheng, Mr. Cao Yixiong Alan, Mr. Lau Chi Kit and Dr. Gong Fangxiong.