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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)

INSIDE INFORMATION:

PROPERTY PROJECT IN JIANGSU PROVINCE

This announcement is made by Leoch International Technology Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that Jiangsu Siting Real Estate Co., Ltd. (“**Jiangsu Siting**”), a wholly owned subsidiary of the Company established in the People’s Republic of China principally engaged in the development of the Group’s staff quarter and the sale of properties, entered into a binding construction and management agreement on 6 August 2015 (the “**Agreement**”) with an independent third party (the “**Contractor**”), which is an individual not connected with the Company and its connected persons (as defined in the Listing Rules), to develop some of the Group’s staff quarters and to sell the properties (the “**Project**”). The Project is situated on a piece of land owned by Jiangsu Siting with an area of 60,715 square meters in Jiangsu Province (the “**Land**”) that is near Leoch Battery (Jiangsu) Corp., a wholly owned investment holding and manufacture and sale of lead-acid batteries subsidiary of the Company. Jiangsu Siting has paid RMB60 million as deposit for the acquisition of the Land.

Pursuant to the Agreement, the Contractor shall pay RMB30 million to Jiangsu Siting within 7 days upon obtaining the construction permit for the Project and shall pay another RMB30 million to Jiangsu Siting within another 6 months to reimburse the deposit paid by Jiangsu Siting for the Land. The Contractor shall be solely responsible for the construction, management and funding of the Project and shall be entitled to all proceeds on the sale of the properties after they are completed, except that Jiangsu Siting shall be entitled to retain 16,000 square meters of the Land for the Group's staff quarters purpose (with an estimated market value at around RMB55 million). The Project is expected to be completed in 5 years' time. The performance of the Agreement by the Contractor is guaranteed by another independent third party which is principally engaged in property development.

The Group is principally engaged in the sale, development and manufacture of lead-acid batteries. The Project will enable the Group to have the Contractor to build the staff quarters for the Group without cost. The Board considers that the terms of the Agreement, which were negotiated on arm's length basis, are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

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

Hong Kong, 7 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 Fangxiang.