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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Leoch International Technology Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

PROPOSALS FOR

- (i) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;**
- (ii) REFRESHMENT OF SCHEME MANDATE LIMIT OF SHARE OPTION SCHEME;**
- (iii) AMENDMENT OF SHARE OPTION SCHEME;**
- (iv) RE-ELECTION OF RETIRING DIRECTORS;**
- (v) CLOSURE OF REGISTER OF MEMBERS;**
- AND**
- (vi) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (“AGM”) of the Company to be held at 10:00 a.m. on Friday, 18 May 2018 at 5th Floor, Xin Bao Hui Building, No. 2061, Nanshai Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC, is set out on pages 20 to 26 of this circular.

A form of proxy for use by the shareholders of the Company at the AGM (or any adjournment thereof) is also enclosed. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible, but in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting in person at the AGM or any adjourned meeting should you so wish.

18 April 2018

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Accompanying: Form of proxy for AGM

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 10:00 a.m. on Friday, 18 May 2018 at 5th Floor, Xin Bao Hui Building, No. 2061, Nanhai Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC
“Articles”	the articles of association of the Company
“Board”	the board of Directors
“close associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Company”	Leoch International Technology Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules, and for the context of this circular, shall mean Mr. DONG Li and Master Alliance Investment Limited
“core 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general mandate to be granted to the Directors at the AGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of an ordinary resolution granting such mandate

DEFINITIONS

“Latest Practicable Date”	9 April 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Pre-IPO Share Option Scheme”	the Pre-IPO Share Option Scheme adopted by the Company on 14 June 2010
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to repurchase the Shares up to 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution granting such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 14 October 2010
“Shareholders”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. DONG Li (*Chairman*)

Ms. ZHAO Huan (*Chief Executive Officer*)

Non-executive Director:

Mr. Philip Armstrong NOZNESKY

Independent non-executive Directors:

Mr. LAU Chi Kit

Mr. LIU Yangsheng

Mr. CAO Yixiong Alan

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Headquarters in the PRC:

5th Floor, Xin Bao Hui Building

No.2061, Nanhai Avenue

Nanshan District

Shenzhen, Guangdong Province

the PRC

Principal place of business in

Hong Kong:

Unit C, 33th Floor,

TML Tower

No. 3 Hoi Shing Road,

Tsuen Wan, New Territories

Hong Kong

18 April 2018

*To the Shareholders and, for information only,
the holders of share options of the Company,*

Dear Sir/Madam,

PROPOSALS FOR

- (i) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;**
- (ii) REFRESHMENT OF SCHEME MANDATE LIMIT OF
SHARE OPTION SCHEME;**
- (iii) AMENDMENT OF SHARE OPTION SCHEME;**
- (iv) RE-ELECTION OF RETIRING DIRECTORS;**
- (v) CLOSURE OF REGISTER OF MEMBERS; AND**
- (vi) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

At the AGM, resolutions will be proposed for the Shareholders to approve, among other things, (i) the proposed grant of the Issue Mandate; (ii) the proposed extension of the Issue Mandate; (iii) the proposed grant of the Repurchase Mandate; (iv) the proposed refreshment of the Scheme Mandate Limit; (v) the proposed amendment to the Share Option Scheme; and (vi) re-election of retiring directors.

1. PROPOSED ISSUE MANDATE AND REPURCHASE MANDATE

At the AGM, the following ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to allot, issue and otherwise deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the ordinary resolution;
- (b) to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution; and
- (c) to extend the Issue Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 1,357,321,666. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 271,464,333 new Shares and the exercise in full of the Repurchase Mandate would enable the Company to repurchase a maximum of 135,732,166 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution). The Directors believe that the grant of the Issue Mandate will provide flexibility and discretion to the Directors in the event that the Company becomes desirous to issue new Shares to raise capital to facilitate any expansion plan as the Directors consider appropriate, and it is in the best interests of the Company and the Shareholders to enable the Directors to repurchase Shares on the market by granting the Repurchase Mandate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

The Issue Mandate shall only continue in force until: –

- (a) the conclusion of the first annual general meeting of the Company following the passing of the resolution approving the Issue Mandate at which time it shall lapse unless, by ordinary resolution passed at that meeting, the Issue Mandate is renewed; or

LETTER FROM THE BOARD

- (b) revoked or varied by ordinary resolutions of the Shareholders in general meeting; or
- (c) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, or any other applicable law of the Cayman Islands to be held.

whichever occurs first.

An explanatory statement, as required by the Listing Rules, on the Repurchase Mandate is set out in Appendix I to this circular. This contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

The Board advises that it has no present intention to repurchase any Shares pursuant to the Repurchase Mandate or issue any new Shares pursuant to the Issue Mandate in the event that the relevant resolutions are approved.

2. PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT

(a) Pre-IPO Share Option Scheme

On 1 June 2010, the Company adopted the Pre-IPO Share Option Scheme for the purpose of providing incentives and reward to eligible persons who contribute to the success of the Group's operations.

The Pre-IPO Share Option Scheme remained in force for a period commencing on 1 June 2010 and expiring on 28 October 2010 (the "Period"). The maximum number of the shares in respect of which options may be granted under the Pre-IPO Share Option Scheme shall be 60,000,000 shares. Refreshment of the Scheme Mandate Limit is not applicable to the Pre-IPO Share Option Scheme and after the expiry of the Period, no further share options could be granted under the Pre-IPO Share Option Scheme. However, the provisions of the Pre-IPO Share Option Scheme shall in all other respects remain in full force and effect and the share options granted under the Pre-IPO Share Option Scheme during their lives may continue to be exercisable in accordance with the Pre-IPO Share Option Scheme and their terms of issue.

(b) Share Option Scheme

The Share Option Scheme was approved and adopted by the Shareholders on 14 October 2010 with the purpose of providing incentive or rewards to eligible persons for their contribution to, and continuing efforts to promote in interests of, the Group and for such other purposes as the Board may approve from time to time. Eligible persons of the Share Option Scheme include any director or employee (whether full time or part time), consultant or advisor of the Group who, in the sole discretion of the Board, has contributed to or will contribute to the Group.

LETTER FROM THE BOARD

On the date of the adoption of the Share Option Scheme, 1,333,334,000 Shares were in issue. The Scheme Mandate Limit is therefore 133,333,400 Shares. As at the Latest Practicable Date, the aggregate number of share options granted by the Company under the Share Option Scheme since its adoption was 51,810,000 share options, of which 1,331,666 share options have been exercised, 10,057,000 share options have lapsed and 13,047,334 have been cancelled. As at the Latest Practicable Date, the number of outstanding share options under the Share Option Scheme was 27,374,000, representing approximately 2.02% of the total number of Shares of the Company in issue as at the Latest Practicable Date.

As at the Latest Practicable Date, the outstanding number of share options granted under the Share Option Scheme are as follows:

Grantee	Outstanding as at the Latest Practicable Date	Date of Grant	Exercise Price	Exercise Period
LIU Yangsheng (<i>Director</i>)	300,000	22 November 2016	1.020	1 December 2017-21 November 2026
Cao Yixiong Alan (<i>Director</i>)	300,000	22 November 2016	1.020	1 December 2017-21 November 2026
LAU Chi Kit (<i>Director</i>)	300,000	22 November 2016	1.020	1 December 2017-21 November 2026
ZHAO Huan (<i>Director</i>)	300,000	04 December 2017	1.442	16 December 2018-3 December 2027
Share Option Scheme (DIRECTORS) – Subtotal	<u>1,200,000</u>			
Other employees in aggregate	2,610,000	20 November 2013	0.900	1 December 2014-19 November 2018
Other employees in aggregate	700,000	21 July 2014	1.860	20 August 2015-20 July 2019
Other employees in aggregate	2,254,000	01 April 2015	1.018	1 May 2016-31 March 2020
Other employees in aggregate	1,500,000	26 November 2015	0.810	1 December 2016-25 November 2020
Other employees in aggregate	6,710,000	22 November 2016	1.020	1 December 2017-21 November 2026
Other employees in aggregate	1,500,000	16 May 2017	1.822	1 June 2018-15 May 2027
Other employees in aggregate	4,350,000	25 May 2017	1.760	1 June 2018-24 May 2027
Other employees in aggregate	6,550,000	04 December 2017	1.442	16 December 2018-3 December 2027
Share Option Scheme (Other employees in aggregate) – Subtotal	<u>26,174,000</u>			
Share Option Scheme – Grand Total	<u><u>27,374,000</u></u>			

LETTER FROM THE BOARD

As the balance of the existing Scheme Mandate Limit that may be granted by the Company under the Share Option Scheme was 81,523,400 share options as at the Latest Practicable Date, representing approximately 6.01% of the issued share capital of the Company, the Directors consider that it is in the interest of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit to 10% provided under Chapter 17 of the Listing Rules in order to provide the Company with greater flexibility in granting share options to eligible persons of the Company under the Share Option Scheme. The Directors consider that the additional flexibility to be able to offer more share options is an important factor for the Company to attract potential recruits and to retain existing Director and employees of the Company.

As at the Latest Practicable Date, there were 1,357,321,666 Shares in issue. Assuming there is no further allotment and issue of Shares prior to the date of the AGM, upon the approval of the refreshment of the Scheme Mandate Limit by the Shareholders at the AGM, the Scheme Mandate Limit as refreshed will allow the Company to grant share options carry right to subscribe for up to 135,732,166 Shares, being 10% of the issued share capital of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit.

The limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the scheme and any other schemes must not exceed 30% of the Shares in issue from time to time.

The refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of an ordinary resolution by the Shareholders at the AGM to approve the refreshment of the Scheme Mandate Limit; and
2. the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise share options to be granted under the refreshed Scheme Mandate Limit of the Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for the obtaining the approval mentioned in paragraph (2) above.

LETTER FROM THE BOARD

3. PROPOSED AMENDMENT OF SHARE OPTION SCHEME

In order to allow the Board to have more flexibility in the administration of the Share Option Scheme and to expand the scope of the Share Option Scheme to include persons who have otherwise made contributions to the Group and improve the attractiveness of the Share Option Scheme as incentive or reward, the Board proposes to amend the eligible Persons under the Share Option Scheme to bring it in line with the current practice. It is proposed the definition of “Eligible Persons” be amended as follows:

“Eligible Persons” – any executive or non-executive director including any independent non-executive director or any employee (whether full-time or part-time) of any member of the Group, any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any employee or business associate of the Group, any adviser or consultant (in the areas of legal, technical, financial or corporate management) to the Group, any provider of goods and/or services to the Group or any other person who the Board considers, in its sole discretion, has contributed to the Group to take up Options under this Scheme”

The nature of the contributions to be considered by the Board for the grant of share options include, but not limited to, efforts of individual grantees towards the growth of the Group, business incentives offered to the Group from suppliers and service providers and performance of the Group’s business based on advices made by advisors or consultants of the Group. Save and except the above proposed amendment to the definition of “Eligible Persons”, all principal terms of the Share Option Scheme remain unchanged and are set out in Appendix VII to the prospectus of the Company dated 3 November 2010. A copy of the amended Share Option Scheme with the above proposed amendments incorporated is available for inspection at the principal place of business of the Company in Hong Kong for a period of 14 days before the date of the AGM and at the AGM.

According to note (2) of Rule 17.03 of the Listing Rules, any alterations to the terms and conditions of the Share Option Scheme which are of a material nature must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. Accordingly, the proposed amendments to the Share Option Scheme shall be approved by the Shareholders at the AGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, there are no Shareholders having a material interest in the proposed amendments to the Share Option Scheme and accordingly no Shareholder is required to abstain from voting in respect of the resolutions approving the amendments of the Share Option Scheme at the AGM. For ease of reference, the original definition of “Eligible Persons” under the Share Option Scheme is reproduced below for comparison:

“Eligible Persons” – being any director or employee (whether full time or part time), consultant or advisor of our Group who in the sole discretion of the Board has contributed to will contribute to our Group

LETTER FROM THE BOARD

4. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. DONG Li and Ms. ZHAO Huan, the non-executive Director was Mr. Philip Armstrong NOZNESKY and the independent non-executive Directors were Mr. CAO Yixiong Alan, Mr. LIU Yangsheng and Mr. LAU Chi Kit.

Pursuant to the Articles, Mr. Dong Li and Mr. Lau Chi Kit shall retire from their respective offices at the AGM, and, being eligible, will offer themselves for re-election.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

5. NOTICE OF AGM

A notice convening the AGM to be held at 10:00 a.m. on Friday, 18 May 2018 at 5th Floor, Xin Bao Hui Building, No. 2061, Nanhai Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC, is set out on pages 20 to 26 of this circular.

Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll (except for those relating purely to a procedural or administrative matter which may be voted on by a show of hands). Accordingly, all the proposed resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday 15 May 2018, to Friday 18 May 2018, (both days inclusive (both days inclusive) for the purpose of determining Shareholders' entitlement to attend and vote at the AGM, during which period no transfer of Shares will be registered. In order to be eligible to attending and vote at the AGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 14 May 2018.

LETTER FROM THE BOARD

7. ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed in this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Such form of proxy for use at the AGM is also published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.leoch.com. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so wish.

8. RECOMMENDATION

The Directors consider that (i) the proposed grant of the Issue Mandate; (ii) the proposed extension of the Issue Mandate; (iii) the proposed grant of the Repurchase Mandate; (iv) the proposed refreshment of the Scheme Mandate Limit; (v) the proposed amendment to the Share Option Scheme; and (vi) the proposed re-election of retiring Directors; are in the interests of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions set out in the AGM notice.

9. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,

For and on behalf of

LEOCH INTERNATIONAL TECHNOLOGY LIMITED

DONG Li

Chairman

This appendix serves as an explanatory statement as required under the Listing Rules, to provide the requisite information to you for consideration of the proposed Repurchase Mandate.

I. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 1,357,321,666 Shares in issue or an issued share capital of HK\$135,732,166.

Subject to the passing of the proposed ordinary resolution approving the proposed Repurchase Mandate and on the basis that none of the outstanding share options is exercised and no further Shares is issued, allotted or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would result in up to a maximum of 135,732,166 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$13,573,216, being repurchased by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the proposed Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

II. REASONS FOR SHARES REPURCHASE

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, they believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. At any time in the future when the Shares are traded at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

III. FUNDING OF REPURCHASE

The Directors propose that the repurchase of Shares under the proposed Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds legally available for such purposes in accordance with the memorandum of association and the Articles and the applicable laws of the Cayman Islands. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares (subject to the Articles and the laws of the Cayman Islands), profit or the proceeds of a new issue of the shares made for such purpose. It is envisaged that the funds required for any repurchase of Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2017) in the event that the proposed Repurchase Mandate were to be carried out in full at any time during the period which the Repurchase Mandate remains in force. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.

The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

IV. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017		
April	2.00	1.63
May	1.99	1.62
June	1.72	1.40
July	1.71	1.37
August	1.73	1.32
September	1.73	1.36
October	1.73	1.49
November	1.65	1.40
December	1.54	1.23
2018		
January	1.48	1.29
February	1.40	1.20
March	1.37	1.19
April (up to the Latest Practicable Date)	1.26	1.17

V. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the proposed Repurchase Mandate in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

VI. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares or other securities to the Company. No core connected person has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the Shareholders.

VII. TAKEOVERS CODE

If, as a result of repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar as the Directors are aware, substantial shareholders of the Company having an interests representing 5% or more in the issued share capital of the Company which are discloseable under Part XV of the SFO are as follows:

Name	Nature of interest	Number of Shares*	Approximate percentage of Shareholding
Mr. DONG Li	Interest of controlled corporation ⁽¹⁾	1,005,059,000 (L)	74.05
Master Alliance Investment Limited	Beneficial owner	1,005,059,000 (L)	74.05

* *The letter "L" denotes long position of the shareholder in the Shares.*

Note:

- Mr. DONG Li is deemed to be interested in 1,005,059,000 Shares held by Master Alliance Investment Limited, a company wholly owned by Mr. DONG Li.

On the basis that no further Shares are issued or repurchased and in the event that the Repurchase Mandate is exercised in full and that there is no change in the shareholding of Master Alliance Investment Limited in the Company, the shareholding of Master Alliance Investment Limited would be increased to approximately 82.27% of the issued share capital of the Company on exercise in full of the Repurchase Mandate. Should such increase arise, Master Alliance Investment Limited would not be required to make a mandatory offer for all Shares not already owned by it or its concert parties under Rule 26 of the Takeovers Code because it already holds more than 50% of the issued share capital of the Company. The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

VIII. SHARES REPURCHASED BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company in the six months preceding the Latest Practicable Date.

RETIRING DIRECTORS SUBJECT TO RE-ELECTION

Mr. DONG Li, aged 51

Position and experience

DONG Li (董李), is an executive director, chairman of the Board and nomination committee and founder of the Company. Mr. Dong has been appointed as executive director since 27 April 2010, the date of the incorporation of our Company.

Mr. Dong obtained an EMBA degree from National University of Singapore in 2015. Mr. Dong graduated from Xi'an International Studies College, the predecessor of Xi'an International Studies University, in 1990 with a Bachelor of Arts degree and Northwest Textile University of Science and Technology, the predecessor of Xi'an Polytechnic University, in 1988 with a Bachelor's degree in Engineering.

Contributing to his business experience and social participation, he received various recognitions and honours in the past including Outstanding China Non Governmental Entrepreneur (中國優秀民營科技企業家), Rising Star Entrepreneur of Shenzhen (深圳「創業新星」), Honorary Citizen (榮譽市民) of Zhaoqing City in China and Texas in the United States.

Mr. Dong also holds the positions of part-time professor of National University of Singapore EMBA degree and Shanghai University and visiting professor of the Xi'an Polytechnic University.

Mr. Dong also holds social positions including Council Member of China Overseas Exchange Association (中國海外交流協會), overseas member of All-China Federation of Returned Overseas Chinese (中國僑聯), Vice Chairman of Supervisory Board of China Overseas Chinese Entrepreneurs Association (中國僑商投資企業協會), Honorary Chairman of the Chinese CEO Organization (美中工商協會), Honorary Chairman of American Chinese National Chamber of Commerce (美國華人總商會), Vice Chairman of Anhui Province Overseas Exchange Association (安徽省海外交流協會), Honorary Chairman of Shenzhen Federation of Returned Overseas Chinese (深圳僑聯), Council Member of Harmony Club of Shenzhen (深圳市同心俱樂部), and Vice President of Guangdong High-Tech Industry Chamber.

Length of service

Pursuant to the service agreement entered into between Mr. DONG Li and the Company, his current term of office is three years commencing on 17 November 2016, which is subject to termination by either party giving not less than three months' written notice. He is also subject to retirement and reelection at the AGM of the Company in accordance with the Articles.

Relationships

Mr. DONG Li is the sole director and sole shareholder of Master Alliance Investment Limited (a controlling shareholder of the Company). Save as disclosed above and in the immediately following section “Interests in shares”, Mr. DONG Li is not connected with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. DONG Li is deemed to be interest in 1,005,059,000 Shares held by Master Alliance Investment Limited, a company wholly owned by Mr. DONG Li. Save as disclosed above, Mr. DONG Li was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director’s emoluments

Pursuant to the service agreement entered into between Mr. DONG Li and the Company, Mr. DONG Li is entitled to receive a fixed salary of RMB69,167 per month. He is also entitled to discretionary bonuses and other allowances and benefits in kind determined by the remuneration committee of the Company. The above emoluments of Mr. DONG Li are determined by the Board by reference to his performance, experience and responsibilities as well as the prevailing market conditions. Apart from the aforesaid, he is also eligible to participate in the share option scheme of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. DONG Li to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. DONG Li that need to be brought to the attention of the Shareholders in relation to his re-election.

LAU Chi Kit (劉智傑), aged 73

Position and experience

LAU Chi Kit (劉智傑) has been appointed as an independent non-executive director, the chairman of the remuneration committee, a member of the nomination committee and a member of the audit committee of the Company since 17 September 2014.

Mr. Lau retired from The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) in December 2000 after more than 35 years’ of service. Among the senior positions in HSBC, he was the Assistant General Manager and Head of Personal Banking Hong Kong and Assistant General Manager and Head of Strategic Implementation, Asia-Pacific Region. He is a Fellow of the Hong Kong Institute of Bankers (“Institute”). He was the chairman of the Institute’s Executive Committee (from January 1999 to December 2000) and is currently an Honorary Advisor of the Institute’s Executive Committee. He served as a member on a number of committees appointed by the Government of Hong Kong Special Administration Region, including the Advisory Council on the Environment (from October 1998 to December 2001), the Advisory Committee on Human Resources Development in the Financial Services Sector (from June 2000 to May 2001), the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption (from January 2000 to December 2003), the Environment and Conservation Fund Committee (from August 2000 to October 2006), the Innovation and Technology Fund (Environment) Projects Vetting Committee (from January 2000 to December 2004) and the Law Reform Commission’s Privacy Sub-committee (from February 1990 to March 2006). He also served as Chairman of the Business Environment Council Ltd. (from September 1998 to December 2001).

Currently, he is also an executive director of Chinlink International Holdings Limited (stock code: 997) and is an independent non executive director of Royale Furniture Holdings Limited (stock code: 1198), Century Sunshine Group Holdings Limited (stock code: 509), Janco Holdings Limited (stock code: 8035), Hin Sang Group (International) Holding Co Ltd (stock code: 6893). The shares of Chinlink International Holdings Limited, Royale Furniture Holdings Limited, Century Sunshine Group Holdings Limited, Hin Sang Group (International) Holding Co Ltd, are listed on the Main Board and Janco Holdings Limited on the GEM Board of The Stock Exchange of Hong Kong. He retired from Hua Long Jin Kong Company Limited (formerly known as Highlight China IoT International Limited) (stock code: 1682) as an executive director in 2017.

Save as disclosed above, Mr. Lau Chi Kit has not held other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Length of service

Pursuant to the appointment letter entered into between Mr. Lau Chi Kit and the Company, his current term of office is three years commencing on 17 September 2017, which is subject to termination by either party giving not less than two months' written notice. He is also subject to retirement and reelection at the annual general meeting of the Company in accordance with the Articles.

Relationships

Mr. Lau Chi Kit is not connected with any other Directors, senior management, substantial shareholders, or controlling shareholders of the Company.

Interests in shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr. Lau Chi Kit was granted options pursuant to the Share Option Scheme which if exercised in full will represent 300,000 shares or approximately 0.02% of the issued share capital of the Company. Save as disclosed above, Mr. Lau Chi Kit was not interested or deemed to be interested in any Shares or underlying Shares or its associated corporations pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the appointment letter entered into between Mr. Lau Chi Kit and the Company, Mr. Lau Chi Kit is entitled to receive a fixed salary of HK\$240,000 per annum. He is also entitled to discretionary bonuses and other allowances and benefits in kind determined by the remuneration committee of the Company. The above emoluments of Mr. Lau Chi Kit are determined by the Board by reference to his performance, experience and responsibilities as well as the prevailing market conditions. Apart from the aforesaid, he is also eligible to participate in the share option scheme of the Company.

Other information and matters that need to be disclosed or brought to the attention of the Shareholders

As far as the Directors are aware, there is no information of Mr. Lau Chi Kit to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules; and there are no other matters concerning Mr. Lau Chi Kit that need to be brought to the attention of the Shareholders in relation to his re-election.

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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Leoch International Technology Limited (the “Company”) will be held at 10:00 a.m. on Friday, 18 May 2018 at 5th Floor, Xin Bao Hui Building, No. 2061, Nanhai Avenue, Nanshan District, Shenzhen, Guangdong Province, the PRC, for the following purposes:

As Ordinary Business

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (collectively, “**Directors**” and individually, a “**Director**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2017.
2. To re-elect Mr. DONG Li, as an executive Director.
3. To re-elect Mr. Lau Chi Kit, as an independent non-executive Director.
4. To authorize the board of Directors (the “**Board**”) to fix the respective Directors’ remuneration.
5. To re-appoint Ernst & Young as Auditors and to authorise the Board to fix their remuneration.

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As Special Business

ORDINARY RESOLUTIONS

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (e) of this Resolution) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period (as defined in paragraph (e) of this Resolution) to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period (as defined in paragraph (e) of this Resolution);
- (c) the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (e) of this Resolution);
 - (ii) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares;

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- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) or a specific authority granted by the Shareholders in general meeting,

shall not exceed 20 per cent of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

- (e) for the purpose of this Resolution:

- (i) “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (aa) the conclusion of the next annual general meeting of the Company;

- (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

- (cc) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.

- (ii) “Rights Issue” means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).”

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7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong, the Cayman Islands, the Articles and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined in paragraph (d) of this Resolution) shall not exceed 10 per cent of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or

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(iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of Resolutions 6 and 7 set out in this notice of annual general meeting dated 18 April 2018 (the “**AGM Notice**”) convening this meeting, the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the general mandate granted under Resolution 6 set out in the AGM Notice be and is hereby extended by the addition thereto of the number of Share which may be repurchased by the Company pursuant to and in accordance with the general mandate granted under Resolution 7 set out in the AGM Notice, provided that such amount shall not exceed 10 per cent of the issued share capital of the Company as at the date of passing of this Resolution.”

9. “**THAT** subject to and conditional upon the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the existing share option scheme of the Company up to a new 10 per cent limit (the “**Refreshed Scheme Mandate Limit**”) be approved provided that:

- (a) the total number of Shares which may be issued upon exercise of options to be granted under such scheme after the date of the passing of this resolution, together with all options to be granted under any other share option scheme (s) of the Company on or after the date of passing this resolution, must not exceed 10 per cent of the number of Shares in issue as at the date of passing this resolution; and
- (b) options granted prior to the date of passing this resolution under such scheme or any other share option scheme (s) of the Company (including without limitation those outstanding, cancelled, lapsed or exercised in accordance with such scheme or such other scheme (s) of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit and any director of the Company be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

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10. “**THAT** the Share Option Scheme, copy of which has been produced to the AGM marked “A” and signed by the chairman of the AGM for the purpose of identification, be amended as follows:

The following definition of “Eligible Persons” be amended. “Eligible Persons” – any executive or non-executive director including any independent non-executive director or any employee (whether full-time or part-time) of any member of the Group, any trustee of a trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any employee or business associate of the Group, any adviser or consultant (in the areas of legal, technical, financial or corporate management) to the Group, any provider of goods and/or services to the Group or any other person who the Board considers, in its sole discretion, has contributed to the Group to take up Options under this Scheme”

and the above amendment to the Share Option Scheme be and is hereby approved and adopted and any one of the Directors be and is hereby authorised to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the amendment to the Share Option Scheme.”

By Order of the Board of
LEOCH INTERNATIONAL TECHNOLOGY LIMITED
DONG Li
Chairman

Hong Kong, 18 April 2018

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Notes:

1. The Board did not recommend the payment of a final dividend for the year ended 31 December 2017 (2016: HK\$5.50 cents per share).
2. The register of members of the Company will be closed from Tuesday 15 May 2018, to Friday 18 May 2018, (both days inclusive) for the purpose of determining shareholders' entitlement to attend and vote at the AGM, during which period no transfer of Share(s) will be registered. In order to be eligible to attend and vote at the AGM, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong) by no later than 4:30 p.m. on Monday, 14 May 2018.
3. Any shareholder entitled to attend and vote at the AGM is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
4. Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of the Article be deemed joint holders thereof.
5. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the AGM or adjournment thereof.
6. Please refer to Appendix II of the circular of the Company dated 18 April 2018 for the details of the retiring Directors subject to reelection at the AGM.

As at the date of this notice, the executive Directors are Mr. DONG Li and Ms. ZHAO Huan, the non-executive Director is Mr. Philip Armstrong NOZNESKY and the independent non-executive Directors are Mr. CAO Yixiong Alan, Mr. LIU Yangsheng and Mr. LAU Chi Kit.