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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)

ANNOUNCEMENT

The directors (the “**Directors**”) of Leoch International Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) make the following disclosures in compliance with Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Pursuant to the term of a loan facility agreement (the “**Facility Agreement**”) dated 7 May 2020 and entered into, among other parties, the Company as borrower, six of its subsidiaries as guarantors, China Citic Bank International Limited, Hang Seng Bank Limited and The Hongkong and Shanghai Banking Corporation Limited as mandated lead arrangers and bookrunners, and various financial institutions as lenders, a term loan facility of US\$100,000,000 (the “**Loan**”) is made available to the Group for (i) refinance the facility agreement entered into by the Company on 8 May 2017 and (ii) financing the working capital of the Group.

The Loan is repayable in five instalments on the dates and in the amounts set out in the table below:-

Instalment no.	Repayment date	Repayment amount (as % of the Loan utilised)
1	the date falling 12 months after the utilisation of the Loan (the “ Utilisation Date ”)	15%
2	the date falling 18 months after the Utilisation Date	15%
3	the date falling 24 months after the Utilisation Date	15%
4	the date falling 30 months after the Utilisation Date	15%
5	the date falling 36 months after the Utilisation Date	40%

As common with other syndicated loan facilities, the Facility Agreement provides that if, among other matters: (i) Mr. Dong Li ("**Mr. Dong**") does not or ceases to own, directly or indirectly, at least 51% of the beneficial interest in the Company carrying at least 51% of the voting right, free from any security ;(ii) Mr. Dong does not or ceases to have management control over the Company; and (iii) Mr. Dong is not or ceases to be the chairman of the Board of Directors of the Company, it will be an event of default under the Facility Agreement, in which event all or any part of the commitments under the Loan may be cancelled and all amounts outstanding under the Loan may immediately become due and payable.

Disclosure of the above will also be included in the subsequent interim and annual reports of the Company for so long as the said event of default provision continues to exist.

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

Hong Kong, 7 May 2020

As of the date of this announcement, the executive Directors are Mr. DONG Li and Ms. YIN Haiyan; and the independent non-executive Directors are Mr. CAO Yixiong Alan, Mr. LAU Chi Kit and Dr. ZHU Ping.