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**力勁科技集團有限公司**

**L.K. Technology Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 558)**

**CONNECTED TRANSACTION IN RELATION TO  
SALE OF MACHINERY TO GAOYAO HONGTAI**

On 29 November 2006, SZ Leadwell as vendor entered into a Sale and Purchase Agreement with Gaoyao Hongtai as purchaser in relation to the sale and purchase of the Machinery at a consideration of RMB3,893,000. The Sale and Purchase Agreement is on normal commercial terms and the Transaction is conducted in the ordinary and usual course of the business of the Company.

SZ Leadwell is an indirect wholly-owned subsidiary of the Company. Gaoyao Hongtai is a company whose 40% of its shareholding is owned by Broad Rich, which is in turn wholly-owned by Girgio, the controlling shareholder of the Company. The Transaction therefore constitutes a connected transaction for the Company under Rule 14A.13(1) of the Listing Rules.

As the relevant percentage ratios represented by the aggregate amount of the consideration for the Transaction exceed 0.1% but are less than 2.5% as determined in accordance with Rule 14A.32 of the Listing Rules, the Transaction is exempt from the independent shareholders' approval requirement but is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

On 29 November 2006, SZ Leadwell as vendor entered into a Sale and Purchase Agreement with Gaoyao Hongtai as purchaser in relation to the sale and purchase of the Machinery at a consideration of RMB3,893,000 (equivalent to HK\$3,893,000).

### **Date**

29 November 2006

### **Parties**

- (1) SZ Leadwell as the vendor
- (2) Gaoyao Hongtai as the purchaser

### **The Machinery**

Cold chamber die-casting machines and accessories manufactured by SZ Leadwell for Gaoyao Hongtai as a connected person.

### **Consideration**

The consideration for the Machinery in the Transaction is RMB3,893,000 (equivalent to HK\$3,893,000). The sum of RMB1,167,900 being the Deposit is payable in cash upon execution of the Sale and Purchase Agreement and the remaining balance of RMB2,725,100 will be paid to SZ Leadwell within two months from the date of the Sale and Purchase Agreement. The consideration is determined pursuant to arm's length negotiation, with reference to SZ Leadwell's historic sales records of such products and market price of similar products. The terms offered to Gaoyao Hongtai are no less favourable than terms available to independent third parties.

### **Conditions**

There are no conditions precedent to the performance of the Transaction.

### **Delivery of the Machinery to Gaoyao Hongtai**

Delivery of the Machinery shall take place within sixty days upon the execution of the Sale and Purchase Agreement and the receipt of the Deposit which is payable upon execution of the Sale and Purchase Agreement or such date as mutually agreed by SZ Leadwell and Gaoyao Hongtai.

## **REASONS AND BENEFITS FOR THE TRANSACTION**

The principal activities of SZ Leadwell are manufacture and sale of die-casting machines and plastic injection moulding machines. The Transaction is therefore conducted in the ordinary and usual course of the business of the Company. The negotiations for the Sale and Purchase Agreement were conducted at arm's length and the Sale and Purchase Agreement is on normal commercial terms.

The principal activities of Gaoyao Hongtai are manufacture and sale of alloy die-casting parts and components used in escalators, automotives, communication equipment and electrical and mechanical products. Hence,

the purchase of Machinery by Gaoyao Hongtai is necessary for it to carry on its production business.

As such, the Transaction is in the commercial benefit and interest of both SZ Leadwell and Gaoyao Hongtai on a reciprocal basis.

## **THE GROUP'S BUSINESS**

The Group is principally engaged in the design, manufacture and sale of hot chamber and cold chamber die-casting machines and plastic injection moulding machines.

## **CONNECTED TRANSACTION**

SZ Leadwell is an indirect wholly-owned subsidiary of the Company. Gaoyao Hongtai is a company whose 40% of its shareholding is owned by Broad Rich, which is in turn wholly-owned by Girgio, a controlling shareholder of the Company. Girgio holds 750,000,000 shares in the Company, which represents 75% of the total issued share capital of the Company as at the date of this announcement. The Transaction therefore constitutes a connected transaction for the Company under Rule 14A.13(1) of the Listing Rules.

As the relevant percentage ratios represented by the aggregate amount of the consideration for the Transaction exceed 0.1% but are less than 2.5% as determined in accordance with Rule 14A.32 of the Listing Rules, the Transaction is exempt from the independent shareholders' approval requirement but is subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

## **GENERAL**

The Board, including its Independent Non-executive Directors, considers the Transaction to be in the commercial benefit and interests of the Company and its shareholders as a whole, on normal commercial terms and fair and reasonable so far as the Company and its shareholders are concerned.

## **DEFINITIONS**

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

|              |  |
|--------------|--|
| “associate”  | having the meaning ascribed to it in the Listing Rules;  |
| “Board”      | board of directors of the Company;   |
| “Broad Rich” | Broad Rich Limited, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Girgio; |

|                    |   |
|--------------------|---|
| “Company”          | L.K. Technology Holdings 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 (Stock code: 558);  |
| “connected person” | having the meaning ascribed to it in the Listing Rules;   |
| “Deposit”          | the amount of RMB1,167,900 equivalent to 30% of the consideration for the Transaction;  |
| “Gaoyao Hongtai”   | 高要鴻泰精密壓鑄有限公司 (Gaoyao Hongtai Precision Die-Casting Company Limited*), a company incorporated in the PRC with limited liability and 40% of its shareholding is owned by Broad Rich, which is in turn indirectly wholly-owned by Girgio;                          |
| “Girgio”           | Girgio Industries Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling shareholder of the Company;  |
| “the Group”        | the Company and its subsidiaries;   |
| “HK\$”             | Hong Kong dollars, the lawful currency of Hong Kong;  |
| “Hong Kong”        | Hong Kong Special Administrative Region of the People’s Republic of China;  |
| “Listing Rules”    | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;   |
| “Machinery”        | cold chamber die-casting machines and accessories;  |
| “Main Board”       | the stock market operated by the Stock Exchange prior to the establishment of the Growth Enterprise Market (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with the Growth Enterprises Market; |
| “PRC”              | the People’s Republic of China;   |
| “RMB”              | Reminbi, the lawful currency of the PRC;  |

|                               |  |
|-------------------------------|--|
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 29 November 2006 and made between SZ Leadwell as the vendor and Gaoyao Hongtai as the purchaser, in relation to the Transaction; |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited;   |
| “substantial shareholder”     | having the meaning ascribed to it in the Listing Rules;  |
| “SZ Leadwell”                 | 深圳領威科技有限公司 (Shenzhen Leadwell Technology Co. Ltd.*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company;  |
| “Transaction”                 | the sale by SZ Leadwell to Gaoyao Hongtai and the purchase by Gaoyao Hongtai from SZ Leadwell of the Machinery; and  |
| “%”                           | per cent.  |

For the purpose of illustration only, HK\$ to RMB is translated at the rate of HK\$1 = RMB1.

\* *For identification purpose only*

By Order of the Board  
**L.K. Technology Holdings Limited**  
**Chong Siw Yin**  
*Chairperson*

Hong Kong, 1 December 2006

*As at the date of this announcement, the executive Directors are Ms. Chong Siw Yin, Mr. Cao Yang, Mr. Liu Zhao Ming and Mr. Chung Yuk Ming, and the independent non-executive Directors are Dr. Low Seow Chay, Dr. Hon. Lui Ming Wah, SBS, JP, Mr. Tsang Yiu Keung, Paul, Mr. Chan Wah Tip, Michael and Mr. Liu Chee Ming.*

“Please also refer to the published version of this announcement in The Standard.”