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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)**

**DISCLOSEABLE TRANSACTION**  
**DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY**

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The Board is pleased to announce that on 14 September 2023, the Company, Shenzhen LK, Shenzhen Leadwell, Ningbo LK (all being indirect wholly-owned subsidiaries of the Company), Existing Shareholders, Other Related Individuals entered into the Capital Injection Agreement and other Transaction Documents with FIIF, pursuant to which FIIF has conditionally agreed to subscribe for not less than approximately 9.47% and not more than 12% of the enlarged registered capital of Shenzhen LK by way of Capital Injection in cash for the sum of not less than RMB1,150.0 million and not more than RMB1,500.0 million into Shenzhen LK to increase its registered capital and capital reserve.

**REPURCHASE OPTION**

On 14 September 2023, the Company, Shenzhen LK, Shenzhen Leadwell, Ningbo LK (all being indirect wholly-owned subsidiaries of the Company), Existing Shareholders, Other Related Individuals entered into the Shareholders Agreement with FIIF, pursuant to which, among others, the Repurchase Option has been granted by the Repurchase Obligor to FIIF whereby, if any of the specified repurchase events occurs during the period when FIIF holds equity interest in Shenzhen LK, FIIF shall be entitled to require the Repurchase Obligor to purchase all or part of its equity interest in Shenzhen LK at the Repurchase Price.

## **LISTING RULES IMPLICATIONS**

Shenzhen LK is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Assuming Completion is proceeded based on the maximum capital injection amount of RMB1,500.0 million, it is contemplated that the percentage of the Group's equity interest in Shenzhen LK will reduce to approximately 83.81% following the completion of the Capital Injection by FIIF. The Capital Injection, if materialized, will constitute a deemed disposal by the Company under Rule 14.29 of the Listing Rules.

Even if the Repurchase Option may not materialize in the future, it is treated as if it had been exercised upon the execution of the Capital Injection Agreement and the Shareholders Agreement as the exercise of the Repurchase Option is not at the Company's discretion. The materialization of the Repurchase Option is subject to the occurrence of circumstances set out in the paragraph headed "Conditions for the exercise of the Repurchase Option". As at the date of this announcement, the Repurchase Option has not been exercised.

Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of each of the Capital Injection and the grant of the Repurchase Option (assuming Completion is proceeded based on the maximum capital injection amount of RMB1,500.0 million) exceeds 5% but all are less than 25%, the transactions contemplated under the Capital Injection Agreement and the Repurchase Option contemplated under the Shareholders Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement under the Listing Rules.

**Completion of the Capital Injection is subject to the satisfaction and/or waiver of the Conditions Precedent set out in the Capital Injection Agreement. In addition, the Capital Injection Agreement and the Shareholders Agreement may be terminated in certain circumstances. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## **THE CAPITAL INJECTION AGREEMENT**

On 14 September 2023, the Company, Shenzhen LK, Shenzhen Leadwell, Ningbo LK (all being indirect wholly-owned subsidiaries of the Company), Existing Shareholders and Other Related Individuals entered into the Capital Injection Agreement and other Transaction Documents with FIIF, pursuant to which FIIF has conditionally agreed to subscribe for not less than approximately 9.47% and not more than 12% of the enlarged registered capital of Shenzhen LK by way of Capital Injection in cash for the sum of not less than RMB1,150.0 million and not more than RMB1,500.0 million into Shenzhen LK to increase its registered capital and capital reserve.

## **Principal terms of the Capital Injection Agreement**

The principal terms of the Capital Injection Agreement are set out below:

### **Date**

14 September 2023

### **Parties**

- (1) the Company;
- (2) Shenzhen LK, an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
- (3) Existing Shareholders;
- (4) Shenzhen Leadwell and Ningbo LK, indirect wholly-owned subsidiaries of the Company as at the date of this announcement;
- (5) Other Related Individuals; and
- (6) FIIF.

collectively referred to as the “**Parties**”, and each, a “**Party**”.

To the best knowledge, information and belief of the Directors, having made all reasonable enquires, FIIF and its ultimate beneficial owners are independent third parties as at the date of this announcement.

### **Capital Injection**

As at the date of this announcement, the registered capital of Shenzhen LK is RMB498,732,700. Pursuant to the Capital Injection Agreement, FIIF has conditionally agreed to subscribe for not less than approximately 9.47% and not more than 12% of the enlarged registered capital of Shenzhen LK by way of capital contribution in cash for the sum of not less than RMB1,150.0 million and not more than RMB1,500.0 million, of which not less than RMB54,747,249 and not more than RMB71,409,455 will be accounted as paid-in registered capital of Shenzhen LK, while the balance will be accounted as its capital reserve.

Upon completion of the Capital Injection, Shenzhen LK's total registered capital will be increased to not less than RMB578,416,584 and not more than RMB595,078,790 and its equity interest will be owned as to approximately 71% to 73.05% by Power Excel, approximately 12.81% to 13.17% by LK Machinery, approximately 4.19% to 4.31% by Employee Stock Ownership Platform and approximately 12% to 9.47% by FIIF, assuming the capital injection amount is at the high-end of RMB1,500.0 million or at the low-end of RMB1,150.0 million, respectively.

The Parties shall negotiate and agree on the final capital injection amount in writing in the form as stipulated in the Capital Injection Agreement before Completion, otherwise completion of the Capital Injection shall proceed based on the capital injection amount of RMB1,150 million.

### **Subscription price and basis of determination**

The consideration of the Capital Injection was determined based on arm's length negotiations between the Parties on normal commercial terms with reference to the value of the assets of Shenzhen LK and the Parties' assessment of the future development prospects of Shenzhen LK.

### **Payment of the consideration**

The consideration of the Capital Injection amounted to not less than RMB1,150.0 million and not more than RMB1,500.0 million. FIIF shall settle the consideration of the Capital Injection upon Completion in cash, which shall be payable by FIIF within ten (10) business days (or any other date agreed by the Parties) after fulfilment or waiver in writing of all Conditions Precedent to the co-signed account of Shenzhen LK (with the nominee of FIIF as one of the co-signees).

Upon FIIF confirmed the satisfaction or waiver of certain conditions (including, without limitation, the Completion), and after the completion of the registration of changes with the competent market regulation authorities, the funds (including interest) in the co-signed account shall be released from co-signing supervision.

### **Conditions precedent**

The performance by FIIF of its obligation to pay the capital injection amount into the co-signed account and Completion is conditional upon fulfilment of, among other things, the following conditions (the "**Conditions Precedent**"), unless otherwise agreed to be waived in writing by FIIF of the respective Conditions Precedent:

- (1) there are no judgments, awards, rulings, or injunctions from applicable laws, courts, arbitration bodies, or relevant government authorities that restrict, prohibit, or cancel the Capital Injection and Internal Group Restructuring, and there are no pending or potential litigations, arbitrations, judgments, awards, rulings, or injunctions that could have a material adverse effect on the Capital Injection;

- (2) (i) the board of directors and the shareholders at the general meeting of Shenzhen LK have approved the execution of the Transaction Documents, the Capital Injection, and the reorganization of the board of directors of Shenzhen LK; (ii) a representative appointed by FIIF has been duly appointed as a director of Shenzhen LK, and the board of directors of Shenzhen LK has been duly constituted according to the Shareholders Agreement and articles of association of Shenzhen LK (the “**Board Reorganization**”); and (iii) the Existing Shareholders have waived their applicable pre-emptive rights in writing accordingly;
- (3) the Target Group has obtained all necessary third-party consents, including all applicable approval from the Company and its related parties, if any, to execute and perform the Transaction Documents. In addition, executing and performing the Transaction Documents will not result in a breach of any applicable law or any contract, agreement, or other document applicable to the Target Group;
- (4) the Parties have successfully completed the execution of the Transaction Documents, including the Capital Injection Agreement, the Shareholders Agreement, the articles of association or amendments to the articles of association of Shenzhen LK, and other ancillary agreements, resolutions, and documents required to complete the Capital Injection, including all business filings related to the Capital Injection. FIIF has received the original signed the Shareholders Agreement and the Capital Injection Agreement;
- (5) the representations and warranties made by the Covenantors and the Other Related Individuals, for the avoidance of doubt, representations and warranties made by the Other Related Individuals are applicable only to the explicit references pertaining to themselves, continue to be true, complete, and accurate, that they have fulfilled the undertakings specified in the Transaction Documents that are due to be performed on or before the date of Completion, and that there has been no breach of the agreement in the Transaction Documents;
- (6) there have been no material adverse changes in the Target Group;
- (7) the co-signed account has been established and completed and there are no other authorized signatories to the co-signed account other than the contemplated signatories;
- (8) FIIF has completed financial, operational and legal due diligence and is satisfied with the results of the due diligence investigation;
- (9) FIIF has obtained the approval of its investment decision committee for the Capital Injection; and
- (10) the Employee Stock Ownership Platform has become a party to the Capital Injection Agreement and the Shareholders Agreement in a manner satisfactory to FIIF and has assumed the rights and obligations of the Employee Stock Ownership Platform and the Existing Shareholders under the Capital Injection Agreement and the Shareholders Agreement.

FIIF may waive the Conditions Precedent at any time before the date of Completion by notice in writing.

## **Completion**

Completion shall take place within ten (10) business days after the date on which all of the Conditions Precedent have been fulfilled (or waived by FIIF in writing), or any other date as agreed by the Parties.

## **Termination**

The Capital Injection Agreement shall be effective upon the date of execution and may be terminated under the following circumstances before Completion:

- (1) the Capital Injection Agreement may be terminated by unanimous written consent of the Parties thereto;
- (2) prior to the date of Completion and the release of the funds from the co-signing supervision, FIIF shall have the right to terminate the Capital Injection Agreement by written notice to the Parties, if any of the following circumstances occurs:
  - (i) there is any material inaccuracy or material omission in the statements, representations, warranties or undertakings of the other parties;
  - (ii) there is a breach by the Covenantors and/or the Other Related Individuals of the covenants, representations, warranties, undertakings, or any other obligations and a failure to take effective remedial action to the satisfaction of FIIF within ten (10) business days after a written notice is sent by FIIF;
  - (iii) there is any change in the signatory(ies) of the co-signed account without the consent of FIIF, or any transfer or payment of funds in the co-signed account without the consent of the account signatory;
  - (iv) the Parties fail to complete the Capital Injection within sixty (60) business days from the date of the Capital Injection Agreement or any other date as agreed by the Parties; or
  - (v) the Parties fail to, in relation to the Capital Injection and Board Reorganization, complete the change of registration and obtain a business license from the market supervision and administration department and complete the reporting procedures from the competent commercial department within sixty (60) business days from the date of Completion or any other date as agreed by the Parties.

If the Conditions Precedent have been confirmed by FIIF to be fully satisfied but Completion does not occur within fifteen (15) business days thereafter due to reasons attributable to FIIF, the Covenantors shall have the right to notify the other Parties in writing to terminate the Capital Injection Agreement.

Each Party shall return the consideration received from the other Party based on principles of fairness, reasonableness, honesty, and good faith, and endeavour to restore the *status quo* before the Capital Injection Agreement was signed. If FIIF has already paid the Capital Injection amount, Shenzhen LK shall return it, along with any interest in the co-signed account, within three (3) business days of termination.

Certain provisions relating to compensation undertakings, transaction expenses, confidentiality, governing law and dispute resolution, and other ancillary provisions in the Capital Injection Agreement shall still be legally binding on Parties to the Capital Injection Agreement after its termination.

## **LISTING RULES IMPLICATIONS OF CAPITAL INJECTION**

Shenzhen LK is an indirect wholly-owned subsidiary of the Company as at the date of this announcement. Assuming Completion is proceeded based on the maximum capital injection amount of RMB1,500.0 million, it is contemplated that the percentage of the Group's equity interest in Shenzhen LK will reduce to approximately 83.81% following the completion of the Capital Injection by FIIF. The Capital Injection, if materialized, will constitute a deemed disposal by the Company under Rule 14.29 of the Listing Rules.

Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Injection (assuming Completion is proceeded based on the maximum capital injection amount of RMB1,500.0 million) exceeds 5% but all are less than 25%, the transactions contemplated under the Capital Injection Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirement under the Listing Rules.

## **THE SHAREHOLDERS AGREEMENT**

### **Date**

14 September 2023

### **Parties to the Shareholders Agreement**

- (1) the Company;
- (2) Shenzhen LK, an indirect wholly-owned subsidiary of the Company as at the date of this announcement;

- (3) Existing Shareholders;
- (4) Shenzhen Leadwell and Ningbo LK, indirect wholly-owned subsidiaries of the Company as at the date of this announcement;
- (5) Other Related Individuals; and
- (6) FIIF.

collectively referred to as the “**Parties**”, and each, a “**Party**”.

### **Shareholders’ rights and obligations**

The Shareholders Agreement sets out the rights and obligations of the Parties thereto in relation to the management and operations of Shenzhen LK and shall take effect upon the Completion. In particular, it contains the following key provisions in relation to FIIF rights and obligations as a shareholder of Shenzhen LK:

#### *Director appointment right*

FIIF shall have the right to appoint one (1) director to the board of directors of Shenzhen LK.

#### *Pre-emptive right, right of first refusal and tag-along rights*

FIIF shall enjoy the pre-emptive right, right of first refusal and tag-along rights that are customary and not subordinated to other shareholders of Shenzhen LK.

#### *Anti-dilution*

Shenzhen LK shall not issue any equity securities that would result in any form of dilution of FIIF shareholding or equity interest unless approved by FIIF. Without the prior written consent of FIIF, the unit transfer price at which the Restricted Shareholders transfer their direct or indirect interest in Shenzhen LK shall not be less than the unit subscription price of the Capital Injection of FIIF (except for the transfer of equity interest, in whole or in part, held directly or indirectly in Shenzhen LK among the Restricted Shareholders with certain restrictions subject to the fulfilment of certain conditions (the “**Transfer Exemption**”)). FIIF shall be entitled to demand Shenzhen LK or the Covenantors to adopt anti-dilution measures such as making cash compensation or equity compensation to FIIF so far as permitted by applicable laws and regulations.

## ***Repurchase Option***

### Conditions for the exercise of the Repurchase Option

FIIF shall have the right to demand the Repurchase Obligor to repurchase all or part of the equity interest held by FIIF in Shenzhen LK upon the occurrence of specified repurchase events (the “**Repurchase Option**”).

Specific repurchase events primarily comprise the following:

- (1) Shenzhen LK fails to complete the Qualified IPO within the specified timeframe, or fails to apply for the Qualified IPO, the relevant stock exchange or other overseas securities issuance review and approval authorities mutually recognized by the Parties and accepted by the corresponding listing authorities within the specified timeframe;
- (2) there is a material change in the existing principal business of the Target Group or if any member of the Target Group loses or is unable to continue to obtain the necessary qualifications to operate, such that the Target Group is unable to continue to operate the existing principal business; and
- (3) there is a change in the de facto controller of Shenzhen LK.

### Repurchase Price

The Repurchase Obligor shall pay FIIF the repurchase price (the “**Repurchase Price**”) in cash within three years from the date of receipt the notice of the exercise of the repurchase option issued by FIIF, or before the expiration of the fund term of FIIF (whichever is earlier).

In the event FIIF fails to receive the Repurchase Price and late fee on any due date, the Repurchase Obligor shall have the right to identify a third party transferee to purchase the equity interest in Shenzhen LK that FIIF requested to be repurchased and complete the payment of the transfer price within the following 90 days (the “**Disposition Period**”). Upon expiration of the Disposition Period, if a third party seeks to acquire over 50% of Shenzhen LK’s equity or the majority of assets and/or business of the Target Group (an “**Overall Sale**”), and Shenzhen LK’s valuation equals or surpasses the Overall Sale price, upon agreement of FIIF, FIIF shall issue a written notice to other shareholders of Shenzhen LK for divestment of their equity holdings on identical terms, or to support Shenzhen LK in selling its assets and/or business.

### Listing Rules Implications of the Repurchase Option

Even if the Repurchase Option may not materialize in the future, it is treated as if it had been exercised upon the execution of the Capital Injection Agreement and the Shareholders Agreement as the exercise of the Repurchase Option is not at the Company’s discretion. The materialization of the

Repurchase Option is subject to the occurrence of circumstances set out in the paragraph headed “Conditions for the exercise of the Repurchase Option” above. As at the date of this announcement, the Repurchase Option has not been exercised.

Since one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the grant of the Repurchase Option exceeds 5% but all are less than 25%, the Repurchase Option contemplated under the Shareholders Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the notification and announcement requirement under the Listing Rules.

### ***Priority liquidation rights***

If Shenzhen LK is liquidated for any reason such as bankruptcy, reorganization, dissolution, merger, demerger or acquisition, the remaining property of Shenzhen LK after payment of various expenses and settlement of debts and taxes in accordance with the law shall be distributed to FIIF in cash in preference to the other shareholders of Shenzhen LK (the “**Priority Liquidation Rights**”).

The occurrence of any of the following events (the “**Deemed Liquidation Events**”) shall be deemed to be the occurrence of liquidation of Shenzhen LK:

- (i) the occurrence of a merger, demerger, merger and acquisition, reorganization, transfer of equity, exchange of shares, capital injection, or other similar transaction or series of transactions of a group member that results in Other Related Individuals not being able to continue to be recognized as the *de facto* controller of a member of the Target Group;
- (ii) the sale, transfer, lease, or disposal of all or a substantial part of the business or assets of the members of the Target Group (or a series of transactions leading to the sale, transfer, lease, or disposal of all or a substantial part of the company’s business or assets);
- (iii) exclusive and irrevocable licensing of all or a substantial part of the intellectual property rights of a member of the Target Group to a third party; or
- (iv) other circumstances provided for by law that would result in a change of control of a member of the Target Group.

In the event of any of the Deemed Liquidation Events, the investing party shall have the right to request Shenzhen LK and/or all its shareholders to realise, in a reasonable manner and in compliance with laws and regulations, the Priority Liquidation Rights.

### **FINANCIAL EFFECTS OF THE CAPITAL INJECTION**

Upon the completion of the Capital Injection, the registered capital of Shenzhen LK will be increased to not less than RMB578,416,584 and not more than RMB595,078,790, of which approximately 71% to 73.05% of the total equity interest of Shenzhen LK will be owned by the Company (through Power

Excel), approximately 12.81% to 13.17% of the total equity interest of Shenzhen LK will be owned by the Company (through LK Machinery), approximately 4.19% to 4.31% of the total equity interest of Shenzhen LK will be owned by the Employee Stock Ownership Platform, and approximately 9.47% to 12% of the total equity interest of Shenzhen LK will be owned by FIIF. Hence, the Group's interest in Shenzhen LK will be diluted from 100% to not more than approximately 86.22% and not less than approximately 83.81% after the completion of the Capital Injection. Upon the completion of the Capital Injection, Shenzhen LK will remain as a subsidiary of the Company and its financial results will continue to be consolidated in the Company's consolidated financial statements.

The Capital Injection is expected to be recorded as an equity transaction in accordance with Hong Kong Financial Reporting Standards and the accounting policies of the Group. The Directors do not expect to recognize any material gain/loss from the transactions contemplated under the Capital Injection Agreement. The actual amount of gain/loss from the Capital Injection to be recorded by the Company (if any) will be subject to review by the auditor of the Company.

## INFORMATION OF THE GROUP AND SHENZHEN LK

### The Group

The Group is principally engaged in the design, manufacture, and sales of die-casting machines, PIMMs, computerised numerical controlled machining centres and related accessories, and is also engaged in steel casting.

### Shenzhen LK

Shenzhen LK is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement, which is principally engaged in the design, manufacture and sales of die-casting machines globally. Set out below is a summary of the unaudited pro forma consolidated financial information of the Target Group for the years ended 31 March 2022 and 31 March 2023 (assuming the relevant restructuring involved under the Capital Injection Agreement has been completed as at the end of the periods indicated), respectively, prepared in accordance with Hong Kong GAAP:

	<b>For the year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HKD' 000</b>	<b>HKD' 000</b>
	<i>(approximately)</i>	<i>(approximately)</i>
Profit attributable to the assets of the Target Group (before taxation)	656,598	618,373
Profit attributable to the assets of the Target Group (after taxation)	563,596	528,937

The unaudited pro forma net asset of the Target Group (assuming the relevant restructuring involved under the Capital Injection Agreement has been completed) prepared according to Hong Kong GAAP as at 31 March 2023 was HK\$2,407,338,000.

## **INFORMATION OF FIIF**

FIIF is a limited partnership established in the PRC in 2019, mainly investing in fields including life science, intelligent NEV, smart manufacturing as well as information & communication technology. The general partner of FIIF is CS Capital Co., Ltd. (國投招商投資管理有限公司).

## **USE OF PROCEEDS**

The proceeds from the Capital Injection shall be applied to the working capital of Shenzhen LK for the development of Shenzhen LK's principal business.

## **REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION**

The Directors consider that the Capital Injection can enhance the working capital and expand the capital base of the Target Group, as well as provide capital support for the operations and development of the Target Group to satisfy its business needs and growth.

Taking into account the factors mentioned above, the Board considers that the terms and conditions of the Capital Injection Agreement and the Shareholders Agreement, the Capital Injection as contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

**Completion of the Capital Injection is subject to the satisfaction and/or waiver of the Conditions Precedent set out in the Capital Injection Agreement. In addition, the Capital Injection Agreement and the Shareholders Agreement may be terminated in certain circumstances. Shareholders and investors are advised to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

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

“Board”	the board of Directors of the Company
“Capital Injection”	the proposed subscription for no less than approximately 9.47% and no more than 12% of the enlarged registered capital of Shenzhen LK by way of capital injection of not less than RMB1,150.0 million and not more than RMB1,500.0 million in cash pursuant to the Capital Injection Agreement

“Capital Injection Agreement”	the capital injection agreement dated 14 September 2023 entered into among the Company Side and FIIF in connection with the subscription and injection of capital in Shenzhen LK
“Company”	L.K. Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Hong Kong Stock Exchange
“Company Side”	the Company, Shenzhen LK, Existing Shareholders, Shenzhen Leadwell, Ningbo LK, Miss Liu, Mr. Liu ZM, Mr. Liu SS and Ms. Chong
“Completion”	completion of the Capital Injection pursuant to the Capital Injection Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Covenantors”	the Target Group, LK Machinery, Power Excel and the Company
“Director(s)”	the director(s) of the Company
“Employee Stock Ownership Platform”	a limited partnership or other form of entity to be established prior to the completion of Capital Injection which is to subscribe for a certain portion of the registered capital of Shenzhen LK for the purpose of granting equity incentives to employees of members of the Target Group or other entities controlled by the Company
“Existing Shareholders”	LK Machinery and Power Excel, the existing shareholders of equity interest of Shenzhen LK of approximately 15.28% and 84.72%, respectively as at the date of this announcement
“FIIF”	Future Industry Investment Fund II (先進製造產業投資基金二期(有限合夥)), a limited partnership established in the PRC in 2019
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“independent third party(ies)”	the independent third party who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of and not connected with the Company and the connected person(s) of the Company
“Internal Group Restructuring”	the internal restructuring of the Target Group and related acquisition(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“LK Machinery”	L.K. Machinery (Shenzhen) Co., Ltd. (力勁機械(深圳)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Miss Liu”	Miss Liu Ying Ying, a daughter of Ms. Chong and Mr. Liu SS, and a sister of Mr. Liu ZM
“Mr. Liu ZM”	Mr. Liu Zhuo Ming, the chief executive officer and an executive Director, and a son of Ms. Chong and Mr. Liu, and a brother of Miss Liu
“Mr. Liu SS”	Mr. Liu Siong Song, the spouse of Ms. Chong, and the father of Mr. Liu ZM and Miss Liu
“Ms. Chong”	Ms. Chong Siw Yin, the chairperson of the Board and an executive Director, the spouse of Mr. Liu SS, and the mother of Mr. Liu ZM and Miss Liu
“Ningbo LK”	Ningbo L.K. Technology Co., Ltd. (寧波力勁科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Other Related Individuals”	Miss Liu, Mr. Liu ZM, Mr. Liu SS and Ms. Chong
“Power Excel”	Power Excel International Limited (力卓國際有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“Qualified IPO”	an initial public offering of the shares of Shenzhen LK on a stock exchange mutually recognized by the parties (excluding a listing on the National Equities Exchange and Quotations System)
“related party(ies)”	(i) in respect of any entity (including a legal person, unincorporated entity or natural person), that is, any other legal person, unincorporated entity or natural person directly or indirectly controlled by it or any other legal person, unincorporated entity or natural person directly or indirectly controlling such entity or jointly controlled with such entity by another person; and (ii) in respect of a natural person, the spouse, child, brother, sister, parent, spouse's parent, trustee of any trust of which such natural person or a member of his/her immediate family is a beneficiary or discretionary trustee, or any entity or company controlled by the foregoing shall also be deemed to be a related party. The foregoing "control" or "controlled" shall mean the possession, directly or indirectly, of the power to give directions or to oblige others to give directions with respect to the management and decision-making of such entity, whether through the holding of voting rights, by contract or otherwise, or such other relationship which in fact constitutes de facto control
“Restricted Shareholders”	Existing Shareholders and Other Related Individuals
“Repurchase Option”	FIIF option to require the Company and Target Group to purchase all or part of the equity interest in Shenzhen LK at the Repurchase Price
“Repurchase Obligor”	the Target Group and the Company (with the Target Group prioritised for performance of such repurchase obligation)
“RMB”	renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Share(s)
“Shareholders Agreement”	the shareholders agreement dated 14 September 2023 entered into among the Company Side and FIIF
“Shenzhen Leadwell”	Shenzhen Leadwell Technology Co. Ltd.* (深圳領威科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Shenzhen LK”	Shenzhen L.K. Technology Co., Ltd.* (深圳力勁科技有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company immediately before the completion of the Capital Injection
“Target Group”	Shenzhen LK and its subsidiaries
“Transaction Documents”	the Capital Injection Agreement, the Shareholders Agreement and the other documents or agreements entered into or delivered in connection with the Capital Injection by and among the Company Side (and their subsidiaries and affiliates, if applicable) and FIIF (and their subsidiaries and affiliates, if applicable)
“%”	per cent

By order of the Board  
**L.K. Technology Holdings Limited**  
**Chung Wing Man**  
*Company Secretary*

Hong Kong, 14 September 2023

*As at the date of this announcement, the executive directors of the Company are Ms. Chong Siw Yin, Mr. Liu Zhuo Ming and Mr. Tse Siu Sze; and the independent non-executive directors of the Company are Dr. Low Seow Chay, Dr. Lui Ming Wah, SBS, JP, Mr. Tsang Yiu Keung, Paul and Mr. Look Andrew.*

*\* for identification purpose only*