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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)

**RENEWAL OF CONTINUING CONNECTED TRANSACTION –
CONSULTANCY AGREEMENT**

Reference is made to the announcement of the Company dated 1 December 2020 regarding the continuing connected transaction under the Existing Consultancy Agreement with Mr. Liu Siong Song.

As the term of the Existing Consultancy Agreement will expire on 1 December 2023, the Company and Mr. Liu Siong Song will enter into the Renewed Consultancy Agreement for a further term of three years commencing from 1 December 2023.

The Board is pleased to announce that the Company will enter into the Renewed Consultancy Agreement with Mr. Liu Siong Song on 1 December 2023 to appoint him as strategic and technical consultant of the Company. His appointment will be effective from 1 December 2023 to 30 November 2026. The consultancy fee payable by the Company for the consultancy services is at the rate of HK\$250,000 per month. During the term of his appointment, the Company will have benefits of the advisory services and contributions of Mr. Liu Siong Song with respect to the long term business and corporate development and strategies and product development of the Group.

The Renewed Consultancy Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. It is subject to the reporting, announcement and annual review requirements but is exempt from the circular and independent shareholders' approval requirement.

INTRODUCTION

Reference is made to the announcement of the Company dated 1 December 2020 regarding the continuing connected transaction under the Existing Consultancy Agreement with Mr. Liu Siong Song.

As the term of the Existing Consultancy Agreement will expire on 1 December 2023, the Company and Mr. Liu Siong Song will enter into the Renewed Consultancy Agreement for a further term of three years commencing from 1 December 2023.

THE RENEWED CONSULTANCY AGREEMENT

The Board is pleased to announce that the Company will enter into the Renewed Consultancy Agreement with Mr. Liu Siong Song on 1 December 2023 to appoint him as strategic and technical consultant of the Company. The material terms are summarized below:

Date: 1 December 2023

Parties: The Company and Mr. Liu Siong Song as strategic and technical consultant.

Mr. Liu Siong Song is the controlling shareholder of the Company. His spouse, Ms. Chong Siw Yin is an Executive Director and Chairperson of the Company. His son Mr. Liu Zhuo Ming is an Executive Director and Chief Executive Officer of the Company.

Term: The appointment is for three years commencing from 1 December 2023 to 30 November 2026 (both dates inclusive).

Services: During the term of his appointment, Mr. Liu Siong Song will give advice with respect to the formulation and development of the business and corporate development strategies and directions for the Group and to give advice and technical advice with regard to the production, operation, sales, management and product development of the Group. Drawing on his experience and expertise as founder of the Group, Mr. Liu Siong Song will offer assistance and contributions, as strategic and technical consultant, to the Company in developing the holistic corporate and business development goals of the Group.

CONSULTANCY FEE AND ANNUAL CAP

In consideration of the consultancy services provided, the Company will pay a consultancy fee at the rate of HK\$250,000 per month. This was determined with reference to his experience, duties and responsibilities as a consultant within the Group and the range of comparable market price for such services.

Based on the consultancy fee payable during the term of the Renewed Consultancy Agreement, the annual caps for each of the years endings 31 March 2024, 2025, 2026 and 2027 will be HK\$1,250,000, HK\$3,000,000, HK\$3,000,000 and HK\$1,750,000.

Historical Transaction Aggregate Amount and Annual Cap

Historical transaction amounts and the annual caps under the Existing Consultancy Agreement for each of the years ended 31 March 2021, 2022 and 2023 and year ending 2024 were HK\$2,000,000 (2021 annual cap: HK\$2,000,000), HK\$6,000,000 (2022 annual cap: HK\$6,000,000), HK\$6,000,000 (2023 annual cap: HK\$6,000,000) and HK\$4,000,000 (2024 annual cap: HK\$4,000,000).

The Company and Mr. Liu Siong Song may terminate the Renewed Consultancy Agreement by giving not less than three months' notice in writing at any time during the service period.

REASONS FOR AND BENEFITS OF THE RENEWED CONSULTANCY AGREEMENT

Mr. Liu Siong Song is the founder of the Group. He is currently the Vice President of Guangdong Association of Enterprises with Foreign Investment, Vice President of Shenzhen Association of Enterprises with Foreign Investment, Honorary Chairman of Hong Kong Foundry Association, General Committee Member of The Chinese Manufacturers' Association of Hong Kong, Honorary Chairman and Adviser of Hong Kong Plastic Machinery Association, Honorary Vice President of The Toys Manufacturers' Association of Hong Kong, Vice Chairman of China Intelligent Foundry Industry Alliance, and Vice Chairman of Foundry Institution of Chinese Mechanical Engineering Society. Mr. Liu Siong Song is a member of the 10th and 11th Anhui Provincial Committee of The Chinese People's Political Consultative Conference and an executive director of Anhui Fraternity Association (Hong Kong) Limited.

Mr. Liu Siong Song was awarded "Young Industrialist Awards of Hong Kong" by Hong Kong Young Industrialists Council in 1996 and was awarded "China Foundry Industry Lifetime Achievement Award" by China Foundry Association in 2020. He was selected into the list of "40 Brands to Tribute to Special Zones for 40 Years" in 2020 (jointly organized by the Shenzhen Federation of Industry and Shenzhen 11th District (New District) Government (Administrative Committee)).

The Board is of the view that the appointment of Mr. Liu Siong Song as strategic and technical consultant of the Company will be a key factor to the Group's success taking into account: (i) Mr. Liu Siong Song's strategic role as founder of the Group; and (ii) his experience and expertise necessary for continuity and stability of the Group's business operations and corporate development. Through this appointment, the Company will have the benefits of his advisory services and contributions in furtherance of the interests of the Group.

The terms of the Renewed Consultancy Agreement were agreed to after arm's length negotiations. The Directors (including the Independent Non-executive Directors) considered that the Renewed Consultancy Agreement is on normal commercial terms and believed that they are fair and reasonable, and in the interests of the Group and the Company's shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Liu Siong Song directly and indirectly holds 857,905,754 shares, representing approximately 62.33% of the issued share capital of the Company. Therefore, Mr. Liu Siong Song is the controlling shareholder of the Company and a connected person of the Company. Therefore, the Renewed Consultancy Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Ms. Chong Siw Yin, the spouse of Mr. Liu Siong Song and an Executive Director and the Chairperson of the Company and Mr. Liu Zhuo Ming, the son of Mr. Liu Siong Song, an Executive Director and the Chief Executive Officer of the Company are taken to have material interests in the Renewed Consultancy Agreement. All of them had abstained from voting on the Board resolution approving the Renewed Consultancy Agreement. Save as disclosed above, none of the Directors has a material interest in the Renewed Consultancy Agreement and would be required to abstain from voting on the board resolution approving the Renewed Consultancy Agreement.

As one or more applicable percentage ratios calculated (as prescribed under Rule 14.07 of the Listing Rules) in respect of transactions contemplated under the Renewed Consultancy Agreement exceeds 0.1% but is less than 5% and the annual cap not exceed HK\$3,000,000. Accordingly, the Renewed Consultancy Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The principal activities of the Group are the design, manufacture and sale of die-casting machines, plastic injection moulding machines and computerised numerical controlled (CNC) machining centres.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“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

“connected person”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Existing Consultancy Agreement”	the Consultancy Agreement dated 1 December 2020
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Liu Siong Song”	Mr. Liu Siong Song, the founder of the Group and the controlling shareholder of the Company
“Renewed Consultancy Agreement”	the Renewed Consultancy Agreement dated 1 December 2023
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 1 December 2023

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