



力勁科技集團有限公司
L.K. Technology Holdings Limited

[For Immediate Release]

**L.K. Technology Acquires Leading European Die-Casting Machines
Manufacturer Idra Srl**

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Expects Strong Synergies and Ready to Enlarge Market Share

(Hong Kong, 10 March 2008) — **L.K. Technology Holdings Limited** (“L.K. Technology” or the “Group”; stock code: 0558), a leader in the die-casting machines industry in China, today announced that, through its indirect wholly-owned subsidiary Honest Well Investments Limited (“Honest Well”), it has entered into an agreement with Idra Casting Machines Srl (“ICM”) in Italy to acquire 70% stake of Idra Srl (“Idra”), a world-class die-casting machines manufacturer, at a consideration of €0.70 (HK\$8.05).

The two parties also agreed to inject into Idra total capital of €5,000,000 (approximately HK\$57,500,000) proportionately to their respective shareholdings in Idra, meaning the Group will inject €3,500,000 (approximately HK\$40,250,000) and ICM will inject €1,500,000 (approximately HK\$17,250,000). ICM has to guarantee the consolidated net equity of the Idra as of 31 Dec 2007 is not lower than €1,000,000 (approximately HK\$11,500,000). The transaction is expected to be completed on 2 April 2008 and the Group will finance it using internal resources.

Idra, one of the world-leading die-casting machines manufacturers, mainly designs, manufactures and sells die-casting machines and equipment. Boasting a history of over 60 years, Idra is deemed as among the longest standing companies in the industry and a world leader in die-casting technology. Its products employ technologies, performance and quality considered top grade in the world. Its die-casting machines and equipment carry the **IDRA** brand and are sold to major customers around the world, among who are world-renowned automobile manufacturers including Benz, BMW, Audi, Ford, etc.

Idra underwent a series of restructuring and emerged with a streamlined operation after it was acquired in 2004 by I₂ Capital, an investment bank in Italy. In the process of identifying strategic partners recently, Idra was impressed by the strong competitive advantages of L.K. Technology in the industry. It believes L.K. Technology will help it to fully realize its strength in business development.

The acquisition is expected to bring synergies to the Group and Idra. The Group will capitalise on the Idra’s broad network to take its business to regions outside China and enlarge its revenue base, targeting to increase contribution from overseas market to its total turnover from the current approximately 10% to 25%. Armed with two strong brands, the Group has boosted capability to serve demand of more customers, especially high end customers. The advanced design and production technologies and abundant experiences of Idra will also enhance the Group’s overall technological level and capability in formulating effective product solutions. For Idra, its supply chain and production capability will be strengthened to achieve higher cost-effectiveness and in turn boost competitiveness. It is set to secure more customers and orders.

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Mr. Cao Yang, Chief Executive Officer of L.K. Technology, said, “The acquisition is a very important milestone in the Group’s development. Idra is a major die-casting machines supplier in Europe enjoying worldwide recognition for its brand and quality. We are the largest die-casting machine manufacturer in China. This marriage of strengths will create synergies for both parties and give the Group a strong foundation for taking its business forward in the future.

“We expect to see the businesses of Idra and the Group turn into growing contribution in the long run after they are fully integrated. Our production scale and cost effective products and Idra’s strong brand name and global sales network complement each other. Apart from taking the Group into the international market, this acquisition will make us among the largest die-casting machines manufacturers in the world.”

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About L.K. Technology Holdings Limited

Established in 1985, L.K. Technology is a leading die-casting machines manufacturer in China and was listed on the Main Board of Hong Kong Stock Exchange in October 2006. The Group engages in design, manufacture and sell of hot chamber and cold chamber die-casting machines and plastic injection moulding machines. The Group also sells Computerized Numerical Control (CNC) machining centres.

Media Enquiries:

Strategic Financial Relations Limited

Iris Lee	+(852) 2864 4829	iris.lee@sprg.com.hk
Shirley Lo	+(852) 2864 4847	shirley.lo@sprg.com.hk
Brenda Liu	+(852) 2864 4851	brenda.liu@sprg.com.hk
Angela Wong	+(852) 2864 4817	angela.wong@sprg.com.hk
Fax:	+(852) 2804 2789	