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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)

## **EXERCISE OF PUT OPTION**

The Board announces that Honest Well, a wholly-owned subsidiary of the Company, was notified on 23 July 2010 by Intek in writing that Intek would like to exercise the put option pursuant to the Put Option Agreement requiring Honest Well to purchase 50% of Intek's Quota in Idra, representing 15% of the equity interest in Idra, for a consideration of €838,020 (equivalent to approximately HK\$8,468,000) pursuant to the terms of the Put Option Agreement.

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

Idra is a limited liability company registered in Italy and owned as to 70% by Honest Well, a wholly-owned subsidiary of the Company, and 30% by Intek. The 70% interest in Idra was acquired by Honest Well pursuant to the Agreement. Details of the Agreement and the transactions contemplated thereunder were disclosed by the Company in the Company's announcement dated 7 March 2008 and the Company's circular dated 20 March 2008.

Pursuant to the Agreement, at completion of the Agreement, Honest Well and Intek entered into, among others, the Put Option Agreement pursuant to which Intek would have the option to require Honest Well to (i) purchase 50% of Intek's Quota in Idra within the First Option Period at the First Transfer Price; and (ii) subject to the exercise of the first option, purchase Intek's remaining 50% Quota in Idra within the Second Option Period at the Second Transfer Price.

On 23 July 2010, Honest Well was notified by Intek in writing that Intek would like to exercise the put option pursuant to the Put Option Agreement requiring Honest Well to purchase 50% of Intek's Quota in Idra, representing 15% of the equity interest in Idra, for a consideration of €838,020 (equivalent to approximately HK\$8,468,000) pursuant to the terms of the Put Option Agreement. The consideration is based on the First Transfer Price, being the higher of (a) 50% of the Intek pro-quota value of 8 times Idra's net profit after taxes for the year ended 31 December 2009 provided that in no case the above value may exceed the amount of €2,500,000; and (b) 50% of the share of Capital Injection paid in by Intek, as

yearly adjusted in accordance with the simple interest rate of 5% per annum. As Idra did not record profit for the year ended 31 December 2009, the consideration is based on 50% of the share of Capital Injection paid in by Intek, as yearly adjusted in accordance with the simple interest rate of 5% per annum.

Upon completion of the acquisition of the 15% equity interest in Idra from Intek, Honest Well's interest in Idra would be increased from 70% to 85%.

This announcement is made pursuant to Rule 14.74(2) of the Listing Rules.

## **DEFINITIONS**

“Agreement”	the investment and quotaholders' agreement dated 3 March 2008 entered into between Honest Well and Intek in respect of the acquisition of 70% interest in Idra and the Capital Injection
“Board”	the board of Directors of the Company
“Capital Injection”	the amount contributed by Honest Well (which amounts to € 3,500,000) and Intek (which amounts to € 1,500,000)
“Company”	L.K. Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“First Option Period”	the period commencing on the day of approval by the Quotaholders of the Idra Group financial statements for the year ending 31 December 2009 and expiring on the 90 <sup>th</sup> day thereafter (both dates inclusive)
“First Transfer Price”	the higher of (a) 50% of the Intek pro-quota value of 8 times Idra's net profit after taxes for the year ended 31 December 2009 provided that in no case the above value may exceed the amount of € 2,500,000; and (b) 50% of the share of Capital Injection paid in by Intek, as yearly adjusted in accordance with the simple interest rate of 5% per annum
“Honest Well”	Honest Well Investments Limited, a limited liability company incorporated in the British Virgin Islands
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Intek”	Intek Capital Spa (formerly known as Idra Casting Machines Srl when the Agreement was entered into on 3 March 2008), a limited liability company registered in Italy
“Idra”	Idra Srl, a limited liability company registered in Italy
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock

Exchange

“Put Option Agreement”	the put option agreement entered into by Honest Well and Intek on 2 April 2008 at completion of the Agreement pursuant to which Intek shall have the option to require Honest Well to purchase all of its interest in Idra
“Quota”	the participation interest in the share capital of Idra expressed as a percentage of ownership
“Quotaholders”	all those persons holding quotas in the capital of Idra and who are parties to the Agreement from time to time
“Second Option Period”	the period commencing on the day of approval by the Quotaholders of the Idra Group financial statements for the year ending 31 December 2010 and expiring on the 90 <sup>th</sup> day thereafter
“Second Transfer Price”	the higher of (a) 100% of the Intek pro-quota value of 8 times Idra’s net profit after taxes for the year ending 31 December 2010, provided that in no case the above value exceeding the amount of € 2,500,000; and (b) 50% of the share of Capital Injection paid in by Intek, as yearly adjusted in accordance with the simple interest rate of 5% per annum
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“€”	Euro dollars, the lawful currency of the European Community
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

*Amounts denominated in € have been converted, for the purpose of illustration only, into HK\$ at a rate of €1.00 to HK\$10.105*

By Order of the Board  
**L.K. Technology Holdings Limited**  
**Wong Kin Ming**  
*Company Secretary*

Hong Kong, 27 July 2010

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