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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)

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

Reference is made to the announcements (the “**Announcements**”) made by L.K. Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 14 September 2023 and 29 September 2023 in relation to, among other things, (i) the entering into of the Capital Injection Agreement and other Transaction Documents by the Company, Shenzhen LK, Shenzhen Leadwell, Ningbo LK (all being indirect wholly-owned subsidiaries of the Company), the Existing Shareholders and the Other Related Individuals with FIIF; and (ii) the additional information in relation to the Capital Injection Agreement and other Transaction Documents. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

THE SUPPLEMENTAL AGREEMENT

On 24 October 2023, the Parties entered into a supplemental agreement to the Capital Injection Agreement (the “**Supplemental Agreement**”), whereby the Parties have agreed that, among other things:

- (a) FIIF conditionally agreed to subscribe for approximately 9.47% of the enlarged registered capital of Shenzhen LK (as enlarged also by the capital injection of the Employee Stock Ownership Platform) by way of capital contribution in cash for the sum of RMB1,150,000,000, of which RMB54,747,249 will be accounted as paid-in registered capital of Shenzhen LK, while the balance will be accounted as its capital reserve;

- (b) the Condition Precedent that “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” shall cease to be one of the Conditions Precedent; and
- (c) if, prior to the date of the release of the funds from the co-signing supervision, the Parties fail to, in relation to the Capital Injection, the establishment and subscription of Shenzhen LK’s registered capital of RMB24,936,635 through the Employee Stock Ownership Platform and/or Board Reorganization, obtain the internal and external approvals or resolutions required for the aforementioned transactions (where applicable), and 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, FIIF shall have the right to terminate the Capital Injection Agreement by written notice to the Parties.

The terms of the Supplemental Agreement have been arrived at after arm’s length negotiations between the Parties. The Directors are of the view that the terms and conditions of the Supplemental Agreement 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

The Board is pleased to announce that all Conditions Precedent (as supplemented by the Supplemental Agreement) have been fulfilled, and the Completion took place on 24 October 2023 pursuant to the terms and conditions of the Capital Injection Agreement.

Upon the Completion, but before the capital injection of the Employee Stock Ownership Platform, the registered capital of Shenzhen LK will be increased to RMB553,479,949, of which approximately 76.34% of the enlarged equity interest of Shenzhen LK will be owned by the Company (through Power Excel), approximately 13.77% of the enlarged equity interest of Shenzhen LK will be owned by the Company (through LK Machinery), and approximately 9.89% 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 90.11% after the Completion. Upon the Completion, 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.

Immediately following Completion, the shareholding structure of Shenzhen LK is set out as follows:

Name of shareholder of Shenzhen LK	Immediately before Completion		Immediately upon Completion, but before the capital injection of the Employee Stock Ownership Platform	
	Capital contribution <i>(RMB million)</i>	Shareholding <i>(approximate %)</i>	Capital contribution <i>(RMB million)</i>	Shareholding <i>(approximate %)</i>
Power Excel	422.53	84.72	422.53	76.34
LK Machinery	76.20	15.28	76.20	13.77
FIIF	—	—	54.75	9.89
Total	498.73	100.00	553.48	100.00

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

Hong Kong, 24 October 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.