

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors that the Group is expected to record a loss for the six months ended 30 September 2013 as compared to a profit for the corresponding period in 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the announcement of L.K. Technology Holdings Limited (the “Company”) dated 28 March 2012 in relation to the Group’s disposal of 35% shareholding interest in 阜新力昌鋼鐵鑄造有限公司 (Fuxin Li Chang Steel & Iron Foundry Co., Ltd., the “Target Company”) to 阜新金達鋼鐵鑄造有限公司 (Fuxin Jin Da Steel Casting Company Limited, the “Purchaser”), the 65% shareholder of the Target Company, at a total cash price of RMB69 million, payable in four instalments. As of the date of this announcement, two instalments aggregating RMB15 million have been paid as agreed but the third instalment of RMB27 million, due on 30 October 2013, remains unpaid. The sums unpaid are secured by a share pledge in respect of the 30% equity interests in the Target Company which has been registered with 阜新蒙古族自治縣工商行政管理局 (the Fuxin Mongol Autonomous County Administration for Industry and Commerce). The Purchaser has requested more time for payment in view of continued depression of the iron and steel markets in the PRC, and has undertaken to pay RMB12 million by 28 February 2014 and RMB15 million by 31 May 2014. A fourth instalment of RMB27 million will fall due on 30 October 2014.

In view of the failure of the Purchaser to settle the third instalment of the sale price described above, the Directors expect to make an impairment provision of the full amount receivable from the Purchaser in its financial statements for the six months ended 30 September 2013. Upon making this impairment, the Group expects to post a loss for the six-month period ended 30 September 2013 as compared to a profit for the corresponding period in 2012. Should the Purchaser duly make payments it has undertaken to do, the impairment provision will be reversed. In this regard, the Purchaser has informed the Company that it is seeking to raise funds through bank financing and/or the realization of the iron ore mine held by the Target Company. The Board continues to engage with the Purchaser to require early settlement of sums due while considering other steps for recovery, including possible legal proceedings.

The information contained in this announcement is based on preliminary assessment of the management accounts of the Group and information currently available which has not been audited or reviewed by the Company's auditor. The Company is in the process of finalizing the interim results of the Group for the six months ended 30 September 2013 which is expected to be published by the end of November 2013.

Shareholders and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Wong Kin Ming
Company Secretary

Hong Kong, 7 November 2013

As at the date of this announcement, the executive Directors are Ms. Chong Siw Yin, Mr. Cao Yang and Mr. Chung Yuk Ming; the non-executive Director is Mr. Hu Yongmin and the independent non-executive Directors are Dr. Low Seow Chay, Dr. Lui Ming Wah, SBS, JP and Mr. Tsang Yiu Keung, Paul.

The English translation of Chinese names or words in this announcement are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.