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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)

PROFIT WARNING AND INSIDE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

PROFIT WARNING

The Board wishes to inform shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2013, the Group is expected to record a substantial decline in profit for the year ending 31 March 2013 as compared with that for the year 2012.

INSIDE INFORMATION

Based on a preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2013 and the current information available, it is expected that the Company would not be able to fulfill one of the financial covenants under the Facility Agreements. Non-fulfillment of the financial covenant, unless relevant waiver from the majority lenders is obtained, would constitute an event of default under the Facility Agreements. Such default would entitle the lenders to declare any commitments under the Facility Agreements to be cancelled and/or declare all outstanding amounts together with interests accrued thereon to be immediately due and payable. The Group has applied to the agent bank which acts on behalf of all the other lending banks for the relevant waiver.

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

This announcement is made by L.K. Technology Holdings Limited (the “Company”) and together with its subsidiaries (the “Group”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the

Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “SFO”).

PROFIT WARNING

The Board of Directors of the Company (the “Board”) wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2013, the Group is expected to record a substantial decline in profit for the year ending 31 March 2013 as compared with that for the year 2012.

The substantial decline in profit is primarily attributable to the decline in the Group’s turnover and gross profit margin due to the global economic downturn.

INSIDE INFORMATION

Reference is made to the announcements of the Company dated 2 August 2011 and 5 September 2012 in relation to the following two facility agreements respectively (the “Facility Agreements”):

1. On 2 August 2011, L.K. Machinery Company Limited (a wholly-owned subsidiary of the Company) as borrower, and the Company as a guarantor, entered into a facility agreement with, inter alia, Hang Seng Bank Limited as the facility agent and other financial institutions as lenders for a three-year term loan/revolving credit facility of HK\$475,000,000.
2. On 5 September 2012, Power Excel International Limited (a wholly-owned subsidiary of the Company) as borrower, and the Company as a guarantor, entered into a facility agreement with, inter alia, Hang Seng Bank Limited as the facility agent and other financial institutions as lenders for a three-year term loan facilities of HK\$60,000,000 and US\$42,300,000 (equivalent to total HK\$390,000,000).

The facilities under the Facility Agreements have been fully drawn down as at the date of this announcement.

Pursuant to the terms of the Facility Agreements, the Company is required to satisfy certain financial covenants, non-fulfillment of which, unless relevant waiver from the majority lenders is obtained, would constitute an event of default under the Facility Agreements. Such default would entitle the lenders to declare any commitments under the Facility Agreements to be cancelled and/or declare all outstanding amounts together with interests accrued thereon to be immediately due and payable.

Based on a preliminary review of the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2013 and the current information available, it is expected that the Company would not be able to fulfill one of the financial covenants under the Facility Agreements. The Group has applied to the agent bank which acts on behalf of all the other lending banks for the relevant waiver. The Company will make further announcement(s) as and when appropriate if there is material development in relation to the Facility Agreements and the application of waiver.

GENERAL

The information contained in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the ten months ended 31 January 2013 and the current information available. Further details of the Group's financial results and performance will be disclosed in the Company's annual results announcement to be published by the end of June 2013.

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

By order of the Board
Wong Kin Ming
Company Secretary

Hong Kong, 22 March 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, Mr. Tsang Yiu Keung, Paul and Mr. Chan Wah Tip, Michael.