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L.K. TECHNOLOGY HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 558)

CONTINUING CONNECTED TRANSACTION IN RELATION TO TENANCY AGREEMENT

The Board announces that, on 29 August 2008, L.K. Machinery International Limited, an indirect wholly-owned subsidiary of the Company as the Tenant, entered into the Tenancy Agreement with Wheelfit Investment Limited as the Landlord in respect of the lease of the Premises for a term of two years commencing from 1 September 2008.

Since the Landlord is owned as to 50% by Mr. Liu Siong Song, who is an associate of Girgio Industries Limited, the Controlling Shareholder of the Company, the Landlord is therefore a connected person of the Company and the Tenancy Agreement constitutes a continuing connected transaction for the Company for the purpose of the Listing Rules.

As the annual rental payable by the Group to the Landlord under the Tenancy Agreement is more than HK\$1 million and each of the applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules in relation to the annual rental is more than 0.1% but less than 2.5%, the Tenancy Agreement will be subject to the reporting and announcement requirements pursuant to Rule 14A.34 of the Listing Rules and exempt from the independent shareholders' approval requirement.

TENANCY AGREEMENT DATED 29 AUGUST 2008

The principal terms of the Tenancy Agreement are summarized as follows:

Landlord: Wheelfit Investment Limited, a limited company incorporated in Hong Kong and is owned as to 50% by Mr. Liu Siong Song, who is an associate of the Controlling Shareholder. It is principally engaged in property investment.

Tenant: L.K. Machinery International Limited, a company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company

Premises: Unit A on ground floor (with a gross floor area of approximately 12,104 sq.ft.) in Mai Wah Industrial Building, Nos. 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong

Term: 1 September 2008 to 31 August 2010

Rental: HK\$100,000 per month, exclusive of management fees, rates, government rent and operating expenses (such as water and electricity expenses), payable to the Landlord. Monthly rental will be settled by cheque payment at the beginning of each month.

ANNUAL CAP

Based on the terms of the Tenancy Agreement, the annual cap for the rental payable by the Group to the Landlord will be HK\$1,200,000.

REASONS FOR THE TRANSACTION

The Group has leased from the Landlord the Premises as auxiliary office for a term of two years from 1 September 2006 to 31 August 2008 at a monthly rental of HK\$93,000. The Group has been leasing the Premises as auxiliary office which is close to the main office of the Group. As the lease will be expired on 31 August 2008, the Tenant and the Landlord entered into the Tenancy Agreement for a term of 2 years. The terms of the Tenancy Agreement were reached on an arm's length basis with reference to comparable rental transactions as available in the market. The Directors, including the independent non-executive Directors, consider that the entering into of the Tenancy Agreement is in the ordinary course of business of the Company, on normal commercial terms which are fair and reasonable and in the interests of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Landlord is owned as to 50% by Mr. Liu Siang Song, who is an associate of Girgio Industries Limited, the Controlling Shareholder of the Company, the Landlord is therefore a connected person of the Company and the Tenancy Agreement constitutes a continuing connected transaction for the Company for the purpose of the Listing Rules.

As the annual rental payable by the Group to the Landlord under the Tenancy Agreement is more than HK\$1 million and each of the applicable percentage ratios as defined under Rule 14A.10 of the Listing Rules in relation to the annual rental is more than 0.1% but less than 2.5%, the

Tenancy Agreement will be subject to the reporting and announcement requirements pursuant to Rule 14A.34 of the Listing Rules and exempt from the independent shareholders' approval requirement.

GENERAL INFORMATION

The Group is principally engaged in the design, manufacture and sale of die-casting machines and plastic injection moulding machines.

DEFINITIONS

“Board”	the board of Directors
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	Girgio Industries Limited, a limited company incorporated in the British Virgin Islands and is beneficially owned as to 95% by Fullwit Profits Limited as trustee of The Liu Family Unit Trust and 5% by Mr. Liu Siong Song
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Landlord”	Wheelfit Investment Limited, a limited company incorporated in Hong Kong and is owned as to 50% by Mr. Liu Siong Song, who is an associate of the Controlling Shareholder. It is principally engaged in property investment
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises”	Unit A on ground floor (with a gross floor area of approximately 12,104 sq.ft.) in Mai Wah Industrial Building, Nos. 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreement”	The tenancy agreement dated 29 August 2008 entered into between the Landlord and the Tenant in respect of the Premises
“Tenant”	L.K. Machinery International Limited, a limited company incorporated in Hong Kong and is an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 29 August 2008

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