

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)

**TERMINATION OF MAJOR TRANSACTIONS
IN RELATION TO THE URBAN RENEWAL PROJECT**

This announcement is made by L.K. Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 14.36 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (i) the announcements of the Company dated 12 January 2021, 18 January 2021 and 27 January 2021, and the circular of the Company dated 4 March 2021 (the “**Circular**”) relating to the Cooperation Agreement and the Transactions which constituted major transactions for the Company; and (ii) the announcement of the Company dated 18 January 2023 (the “**Update Announcement**”) in relation to certain updates on the Cooperation Agreement and the Transactions. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

As stipulated in the Cooperation Agreement, the Urban Renewal Approval (立項完成) in relation to the Urban Renewal Project shall be obtained by the Purchaser within two years after the Shareholders’ Approval (i.e., on or before 17 January 2023). As at the date of this announcement, such Urban Renewal Approval (立項完成) has not been obtained by the Purchaser.

Pursuant to the terms of the Cooperation Agreement, in case where Urban Renewal Approval (立項完成) is not obtained within the stipulated timeframe, (a) the Vendor, L.K. Machinery (Shenzhen) Co., Ltd.* (力勁機械(深圳)有限公司) which is an indirectly wholly-owned subsidiary of the Company, may unilaterally terminate the Cooperation Agreement, and upon which the Vendor shall return 50% of the paid Performance Deposit; or (b) if concrete progress of the Urban Renewal Project has been made by the Purchaser, the timeframe for Urban Renewal Approval (立項完成) in relation to the Urban Renewal Project may further extend for a year with the prior written consent of the Vendor. If

Urban Renewal Approval (立項完成) in relation to the Urban Renewal Project is still not obtained within the extended timeframe, the Vendor may terminate the Cooperation Agreement in the manner stated in (a) above.

Upon the discussion between the Vendor and the Purchaser on the subsequent arrangements of the Cooperation Agreement, as mentioned in the Update Announcement, the parties came to the view that the progress of the Urban Renewal Project was severely impacted by various factors such as policy and market conditions, and there was a lack of substantial progress thus far.

On 26 July 2023, the Vendor and the Purchaser entered into a termination agreement (the “**Termination Agreement**”), whereby the parties have agreed that, among others, (i) the Cooperation Agreement and the Transactions be terminated, and (ii) 50% of the paid Performance Deposit of RMB70 million, that is, RMB35 million, shall be returned to the Purchaser (the “**Performance Deposit Return**”) by the Vendor by 31 August 2023 (the “**Return Deadline**”) without interest. In the event that the Vendor fails to fulfil the Performance Deposit Return by the Return Deadline, the Vendor shall pay the Purchaser a sum of liquidated damages calculated on the basis of the overdue and unpaid monetary amount of the Performance Deposit Return, at a rate of 0.05% per day, until the day when the Performance Deposit Return is fulfilled.

Upon such termination, the Vendor regains full rights and interests over the Properties involved in the Urban Renewal Project. The Company’s operation is still on-going at the Properties, no demolition nor relocation works have begun.

Accordingly, the Board considers that the termination of the Cooperation Agreement and the Transactions will not have any material adverse impact on the business, financial position and operation of the Group as a whole. The Board is of the view that the entering into of the Termination Agreement is in the best interest of the Company and its Shareholders as a whole in the circumstances.

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

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

Hong Kong, 26 July 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.

** for identification purpose only*