



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 of the Company and investors that the Group's results for the year ended 31 March 2007 are expected to be unfavourably affected.

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

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

The board of directors (the "Board") of L.K. Technology Holdings Limited (the "Company") and together with its subsidiaries (the "Group") wishes to inform the shareholders of the Company and investors that due to reasons as stated below, it is expected that the Group's results for the year ended 31 March 2007 will be unfavourably affected.

In order to further develop its business, to increase its market share in China and overseas markets and to facilitate the launch of new products, the Group has established offices for sales and services in the northeastern and southwestern regions of China and the overseas new markets and a Research & Development centre in Taiwan. This resulted in increase in distribution costs, administrative and R&D expenses and unfavourably affected the Group's results. Moreover, the change of policy in preferential tax treatment in China also unfavourably affected the Group's results.

The Board considers that the overall operations of the Group as a whole remain sound and has not been affected.

Further details of the Group's performance will be disclosed when the final results for the year ended 31 March 2007 is announced.

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

By order of the Board  
**L.K. Technology Holdings Limited**  
**Chung Yuk Ming**  
*Executive Director*

Hong Kong, 16 May 2007

*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; and the independent non-executive Directors are Dr. Low Seow Chay, Dr. Hon. Lui Ming Wah, SBS, JP, Mr. Tsang Yiu Keung, Paul, Mr. Chan Wah Tip, Michael and Mr. Liu Chee Ming.*