



嘉靈控股集團有限公司

Karin Technology Holdings Limited

(Incorporated in Bermuda on 30 August 2002)

(Company Registration Number 32514)

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## INCORPORATION OF A NEW SUBSIDIARY AND JOINT VENTURE COMPANY

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The Board of Directors of Karin Technology Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Karin Group**”) wishes to announce that the Company, has through its wholly-owned subsidiary Karin Technology (BVI) Limited, established a wholly-owned subsidiary in the British Virgin Islands under the name “Kancef Limited” (“**Kancef**”).

Kancef has an initial share capital of US\$1.00 and is an investment holding company which was established for the purpose of incorporating a joint venture company in Hong Kong under the name, “KCF A Store Limited (“**KCF**”).

The principal activity of KCF will be the operation of retail chain stores selling a full range of Apple products. Kancef will hold an equity interest of 60% in KCF, while the remaining 40% equity interest of KCF will be held by Mutual Profit Holdings Limited (“Mutual Profit”), a third party company incorporated in Hong Kong.

The authorised share capital of KCF will be HK\$100 million with an initial paid-up share capital of HK\$5 million. Kancef shall contribute HK\$3 million in cash (in proportion to its equity shareholdings), and the balance shall be contributed by Mutual Profit by way of cash.

Shareholders of Mutual Profit are engaged in the operation of chain stores marketing various brands of consumer electronic products.

The establishment of KCF will enable the Karin Group to sell the full range of Apple products as the present distributorship agreement with Apple only covers CPU products, including iPads.

The relative figures for the aforementioned transactions, computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Securities Trading Limited, is either not applicable or less than 5%.

The investment in Kancef and KCF will be funded entirely through internal sources. Depending on the sales of the Apple products, the incorporation of Kancef and KCF may have positive contribution to the earnings and net tangible assets per share of the Company for the current financial year ending 30 June 2012.

To the best of the Directors’ knowledge, none of the Directors, or substantial shareholders of the Company have any interest, direct or indirect, in the above said transactions, save through their shareholdings in the Company and none of the Directors or substantial shareholders of the Company is related to Mutual Profit.

The Company will provide updates as and when there are material developments in relation to the aforementioned.

By Order of the Board  
Wong Chi Cheung, Clarence  
Financial Controller / Joint Company Secretary

27 October 2011