



嘉靈集團  
KARIN  
GROUP

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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## CORPORATE UPDATES ON KARIN'S HEALTHY CASH FLOW POSITION

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The Board of Directors (the "Board") of Karin Technology Holdings Ltd (the "Company") wishes to respond to queries relating to the impact of the current global crisis will have on the Company raised by shareholders through various channels lately.

The Board recognizes that the global economic "tsunami" will very likely have an adverse impact to different degrees on the performance of many companies in general. However, the Company (in its course of constant review of its internal control and risk management systems) has in the past 6 months put in place and implemented extra credit risk management processes. We believe that the additional credit risk management processes have been effective and have contributed to our relatively healthy FY2009 first quarter performance.

Out of the trade and bills receivable balance of HK\$443.9 million as at 30 June 2008 as disclosed in our 2008 Annual Report, over 90% of that balance has been collected as at the current date. As a result, our current bank borrowings and gearing ratio have improved substantially from the last reporting date.

The Management team is working together to maintain a healthy cash flow for the Company and its subsidiaries (the "Group") and will exert its best effort to reward shareholders. We believe the Group's fundamentals are still sound as they are underpinned by substantial domestic consumption in the Mainland China. The Board continues to look for opportunities to grow the Group both organically and otherwise.

On behalf of the Board  
Ng Yuk Wing, Philip  
Executive Chairman

30 October 2008