



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

DISPOSAL OF 70% INTEREST IN A SUBSIDIARY

The Disposal

The Board of Directors (the “**Board**”) of Karin Technology Holdings Limited (the “**Company**”) wishes to announce that Karin Technology (BVI) Limited (the “**Vendor**”), a direct wholly-owned subsidiary of the Company, has on 19 December 2008 entered into a share transfer agreement (the “**Agreement**”) with Mr. Yip Shun Yeung, (the “**Purchaser**”) for the disposal of 70% of the issued share capital of Gamatech Limited (“**Gamatech**”) representing 7,000 ordinary shares of HK\$1 each and the related shareholder’s loan to the Purchaser (the “**Disposal**”). The Purchaser is currently a director and shareholder of Gamatech holding the remaining 30% of the issued share capital of Gamatech representing 3,000 ordinary shares of HK\$1 each and was the original founding member of Gamatech’s management team.

The Disposal includes a shareholder loan of HK\$982,577 (“the **Loan**”) due from Gamatech to the Vendor. Under the terms of the Agreement, the Loan will be assigned by the Vendor to the Purchaser. Following the completion of the Disposal, all liability for debts and obligations arising out of or in connection with the business operations of Gamatech after 31 October 2008 shall be borne by the Purchaser and no longer assumed by the Vendor.

The consideration for the Disposal shall be HK\$595,401 in cash. The consideration was arrived at on an arm’s length basis, and with reference to Karin’s 70% share of the unaudited net liability of HK\$553,109 of Gamatech and the Loan as at 31 October 2008. The Loan shall be fully repaid to the Vendor upon completion of the Disposal.

The proceeds from the Disposal will be used for general working capital purposes.

The relative figures for the Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited amount to less than 5%.

The Disposal is not expected to have any material impact on the net earnings per share and net tangible assets per share of the Company for the financial year ending 30 June 2009.

None of the directors and controlling shareholders of the Company have any interest, directly or indirectly, in the Disposal.

Subsequent to the Disposal, Gamatech will cease to be an indirect subsidiary of the Company.

Rationale for the Disposal

As Gamatech has not been performing up to the Board’s expectation, the Board is of the view that the Disposal is in the best interests of the Company and its shareholders as the Disposal is in line with the Company’s strategic plan in gearing up its operation for tougher times ahead by reinforcing its profitable core businesses.



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Information on Gamatech

Gamatech is an information technology consulting firm, a company established in Hong Kong, with focuses on:

- Identity and Access Management (IAM) Solutions
- Web Application Security Solutions and Assessment Services
- Enterprise Linux Implementations
- Security Solution Integrations

Gamatech's customers are enterprises from industries such as transportation, education, entertainment, finance, government, logistics, utilities and telecommunications.

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

19 December 2008