



Karin Technology Holdings Limited
(Incorporated in Bermuda on 30 August 2002)
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(Registration No. 32514)

For Immediate Release

NEWS RELEASE

Karin Restructures Group's Investment to Streamline Operations

Singapore, 31 December 2008 – Mainboard listed Karin Technology Holdings Limited (“Karin” or the “Group”), a leading IT and components solutions and services provider in Hong Kong and the People’s Republic of China (“PRC”), is pleased to announce that the Group’s wholly-owned subsidiary, Karin Technology (BVI) Limited (“Karin BVI”), has on 31 December 2008 increased its investment in Take Talent Investments Limited (“Take Talent”) from 70% to 75% by the acquisition of 1,250 ordinary shares from the existing director cum shareholder, Mr Robson Chan Lap Sun (“Mr Chan”) for a cash consideration of HK\$1.00 (“Transaction”).

The Group is in the process of restructuring and streamlining Karin BVI’s operations. During this period, any extra resources who are presently assigned to Karin BVI will be relocated back to Hong Kong office. Mr Chan will resign as director after the completion of the acquisition and will be relocated back to the Group’s Hong Kong office.

The transaction was arrived at on a willing buyer and a willing seller basis. The cash consideration of HK\$1.00 for the 5% stake resulted as Take Talent is in a net liability position. An individual shareholder will be holding on the remaining 25% equity stake of Take Talent.

Executive Chairman of Karin, Mr. Philip Ng, commented on the rationale of the increase in investment, “In the coming months, we see an increasingly

challenging business environment. As such, we will be employing measures to drive our business through restructuring, so as to keep our cost as low as possible to enhance our cost savings efficiency.”

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

None of the Directors and the controlling shareholders of the Group have any interest, direct or indirect, in the transaction.

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About Karin Technology Holdings Limited

Listed on the Mainboard of the Singapore Exchange in 2005, Karin is a leading IT and components solutions and services provider in Hong Kong and the People's Republic of China (“PRC”). Since 1977, we have been principally engaged in the electric components and computer distribution business for various segments of the electronics industry, including the communications, computer, electrical appliances and utility segments. In view of the increasing demand for IC software application solutions in the 1990s, we expanded our business to include the provision of outsourcing services such as IC application design solutions and data storage management solutions.

Karin has also in 2007 acquired IMI Kabel Pte Ltd, a Singapore based distributor of a full range of cable products, including data control cables, connectors, power voltage cables, connectively cable products, accessories and equipment for various applications for a variety of industries ranging from industrial automation to port and shipyard, offshore oilfields and petrochemical facilities.

For more information, please visit our website at <http://www.karingroup.com/eng/global/home.php>

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