



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)

ACQUISITION OF OFFICE SPACE

The Board of Directors of Karin Technology Holdings Limited (the "**Company**" or the "**Group**") is pleased to announce that its wholly-owned subsidiary company, Karin Int'l Trading (Shanghai) Co. Ltd, had entered into an agreement today to acquire office space in Shanghai, People's Republic of China (the "**Office Space**") at the purchase price of RMB31.1 million (equivalent to HK\$35.7 million) ("**Acquisition**").

Karin Int'l Trading (Shanghai) Co. Ltd is principally engaged in the trading of electronic components, computer products and peripherals.

The Office Space is situated at 7/F, Tower 1, Kerry Everbright City, 218 Tian Mu Road West, Shanghai, PRC with an area of approximately 1,530 m². The Group intends to utilise the Office Space for its own use. The Acquisition will stabilise its operating expenses against inflating Shanghai office rental cost in the future and avoid the need to negotiate office premises lease terms with property owner. The Office Space will be sufficient for our present use as well as to cater for our future expansion. However, in the interim period, we may consider leasing out some of the excess Office Space to tenants which will generate rental income for the Group.

The purchase consideration was arrived at willing buyer-willing seller basis and after taking into account the current market valuation of similar office units in Shanghai. The initial deposit of RMB500,000 is to be paid on 17 September 2010. The balance of the first 50% down payment is to be paid on 12 October 2010 and the balance of the consideration is to be paid on 28 October 2010. There were no material conditions attached to the Acquisition.

The Acquisition will be funded by internal resources and bank borrowings.

The relative figures for the Acquisition computed using applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") is as follows:

- Net Asset Value

Rule 1006(a) of the Listing Manual of the SGX-ST is not applicable.

- Net Profits

Rule 1006(b) of the Listing Manual of the SGX-ST is not applicable as the Acquisition is not an acquisition of a profit generating business.



嘉靈集團
KARIN
GROUP

嘉靈控股集團有限公司

Karin Technology Holdings Limited



- Aggregate value of purchase consideration

The purchase consideration for the Acquisition constitutes approximately 14.4% of the market capitalization of the Company based on relative figures computed pursuant to Rule 1006 (c) of the Listing Manual of the SGX-ST. The market capitalisation of the Company based on the weighted average price of the Company's shares transacted on 15 September 2010, being the last market day preceding the date of this announcement, was S\$42.8 million (equivalent to HK\$248.3 million).

- Equity securities

Rule 1006(d) of the Listing Manual is not applicable as no equity securities will be issued.

As the relative figure set out under Rule 1006(c) exceeds 5% but does not exceed 20%, the Acquisition constitutes a discloseable transaction as defined under Chapter 10 of the Listing Manual of the SGX-ST.

The Acquisition is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the current financial year ending 30 June 2011.

None of the Directors or substantial shareholders of the Group has any interest, direct or indirect, in the Acquisition.

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

16 September 2010