



KARIN TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Bermuda on 30 August 2002)
(Company Registration Number 32514)

PROPOSED TERMINATION OF APPLE AUTHORISED RESELLER AGREEMENT WITH APPLE ASIA LIMITED

The Board of Directors of Karin Technology Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that its 60%-owned subsidiary, KCF A Store Limited (“**KCF**”) which engages in the selling of Apple products and accessories through its In-Smart retail shops has issued a termination notice to Apple Asia Limited (“**Apple**”) to terminate the Apple Authorised Reseller Agreement in relation to the selling of Apple products today (the “**Proposed Termination**”). Following the Proposed Termination, KCF’s and Apple’s respective obligations and liabilities under its Apple Authorized Reseller Agreement shall cease. All the KCF In-Smart retail shops shall cease to be Apple Authorised Resellers with effect from 30 June 2016.

Due to the current challenging business environment, the Group has decided to focus on other areas and a few new opportunities have emerged. Separate announcements will be made when any of them materializes. Hence, we believe that it is in the best interests of the Company to cease as a reseller of Apple products in due course.

The aforesaid Proposed Termination is expected to have material effect on the Group’s performance for the current financial year ending 30 June 2016.

On the other hand, the distribution agreement between Compucon Computers Limited (“**CCL**”), a wholly owned subsidiary of the Group, and Apple for the distribution of beats products through CCL remains unchanged.

Shareholders are advised to read this announcement carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

By Order of the Board

Wong Chi Cheung, Clarence
Financial Controller/Joint Company Secretary
29 March 2016