



嘉靈控股集團有限公司

Karin Technology Holdings Ltd.



KARIN TECHNOLOGY HOLDINGS LIMITED

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

ACQUISITION OF SHARES IN KCF A STORE LIMITED

The board of directors (the “**Board**” or the “**Directors**”) of Karin Technology Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) would like to announce that the Company’s wholly-owned subsidiary, Karin Technology (BVI) Limited (“**KTBVI**”) had entered into an Agreement for Sale and Purchase (the “**Agreement**”) with Mr. Shum Wai Kit (“**Mr. Shum**”), the present sole shareholder of KCF A Store Limited (“**KCF**”), for the acquisition of an aggregate 2,000,000 ordinary shares in KCF by KTBVI, representing 80% of the existing issued and paid-up share capital of KCF A Store Limited (“**KCF**”), at a cash consideration of HK\$2,000,000/-, on the terms and conditions of the Agreement (the “**Acquisition of Shares**”).

CONSIDERATION

The consideration for the Acquisition of Shares of HK\$2,000,000 (the “**Consideration**”) was arrived at on a willing-buyer, willing-seller basis, taking into account the net asset value of KCF based on the latest audited financial statements for the year ended 30 June 2017 and business prospects of KCF taking into consideration the market condition.

The Consideration was paid in cash to Mr. Shum on the shares transfer date. The Acquisition of Shares was funded through internal resources.

There are no other material conditions attached to the Acquisition of Shares.

RATIONALE

KCF is principally engaged in the operation of retail chain stores selling the full range of Apple products. In view of the present market conditions especially in the sale of Apple products, the Board considers it is in the best interest of the Group to re-invest in KCF and extends the Group’s business into retail market.

RELATIVE FIGURES UNDER LISTING RULE 1006

The relative figures computed on the bases pursuant to Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), in relation to the Acquisition of Shares (based on the unaudited consolidated financial statements of the Company for the six months ended 31 December 2017) are as follows:

Rule 1006 (a) – Net asset value of assets disposed of compared with the net assets value of the Group	Not applicable as this transaction is an acquisition of assets.
Rule 1006 (b) – Net profits attributable to the assets acquired or disposed of compared with the consolidated net profits of the Group ⁽¹⁾	-2.4%

Rule 1006 (c) – Aggregate value of consideration given, compared with the Company’s market capitalisation ⁽²⁾	0.46%
Rule 1006 (d) – Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable as the Company is not issuing equity securities as consideration.
Rule 1006 (e) – The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves	Not applicable as this basis is applicable to a Acquisition of mineral, oil and gas assets by a mineral, oil and gas company but not to an acquisition of assets.

Notes:

- (1) The restated consolidated net profit of the Company for the year ended 30 June 2017 was HK\$35,829,000. Audited financial statements for the year ended 30 June 2017 of KCF was a loss of HK\$852,000.
- (2) The Company’s market capitalisation is S\$73.0 million and is based on the total number of issued shares and the weighted average price of the Company’s shares transacted on 27 February 2018, being the last market day preceding the date of the Agreement.

As the relative figure computed on the basis set out in the Rule 1006(c) of the Listing Manual of the SGX-ST is below 5%, the Acquisition of Shares does not constitute a disclosable transaction as defined under Chapter 10 of the Listing Manual of the SGX-ST.

Following the Acquisition of Shares, KCF becomes a subsidiary company.

The Acquisition of Shares is not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Group for the financial year ending 30 June 2018.

None of the Directors or substantial shareholders of the Company have any interest, directly or indirectly, in the said transaction save for their interest arising by way of their shareholdings and/or directorships, as the case may be, in the above transaction.

By Order of the Board

Wong Chi Cheung, Clarence
Financial Controller / Joint Company Secretary

28 February 2018