



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

**FURTHER RESPONSE TO SGX QUERY ON THE HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2005**

With reference to the announcement made by the Company on 14 February 2006, to enable the investors have a better understanding of the above matter, the Board of Directors of Karin Technology Holdings Limited (the “Company”) wishes to further elaborate on one of the main reasons for increase in “Foreign Exchange gains, net”.

The Company has approximately over 21% of its cost of the total purchase which are denominated in Japanese Yen (total purchase is approximately HK\$516 million for the period under review). Japanese Yen against Hong Kong dollars depreciated approximately by 4.2% from JPY/HK 14.4 as at 1 July 2005 to JPY/HK 15.0 as at 31 December 2005 which resulted in the decrease of our payable when we converted to HK\$ on the settlement date, thus having a positive impact on our earnings.

The “Foreign Exchange gains, net” mainly comprised of:-

	<u>HK\$’m</u>
Realised gain on settlement of certain payable in Japanese Yen	4.249
Unrealised loss on translation of certain monetary items denominated in foreign currencies (mainly cash, accounts receivables, trade and bills payables) into Hong Kong dollars as at balance sheet date	(1.380)
Exchange gain, net	<b>2.869</b>

**BY ORDER OF THE BOARD**

Tso Sze Wai, Jackson

Company Secretary

16 February 2006