



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

---

## DISPOSAL OF PROPERTY

---

### 1. INTRODUCTION

- 1.1 The Proposed Disposal (as defined and described below) is considered a “Non-Disclosable transaction” under Rule 1008(1) of the Listing Manual as the relative figures computed under Rule 1006 of the Listing Manual does not exceed 5%. Notwithstanding that, the Company wishes to announce the Proposed Disposal pursuant to Rule 1008(2) of the Listing Manual, in accordance with good corporate governance
- 1.2 The board of directors (the “**Directors**” or the “**Board**”) of Karin Technology Holdings Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that New Spirit Electronic Technology Development (Shenzhen) Co., Ltd. (the “**Vendor**”), an indirect wholly-owned subsidiary of the Company entered into a preliminary sale and purchase agreement on 31 October 2023 (the “**Preliminary SPA**”) with 北京巨康科技有限公司 (Beijing Ju Kang Technology Co., Ltd.)<sup>1</sup> (the “**Purchaser**”), for the sale of the Group’s property known as Room 1905, Level 19, Tower A, Sanlitun SOHO, No. 8 Workers’ Stadium North Road, Chaoyang District, Beijing, The People’s Republic of China (the “**Property**”) for a consideration of RMB5,900,000 or approximately HK\$6,297,000<sup>2</sup> (the “**Consideration**”) on the terms and conditions of the Preliminary SPA (the “**Proposed Disposal**”).

### 2. INFORMATION ON THE DISPOSAL AND SALIENT TERMS OF THE PRELIMINARY AGREEMENT

#### 2.1 Information on the Property

The Group first acquired the Property on 11 July 2014, which has a tenure of 50 years from 2004. The Property is an office unit and has an estimated gross floor area of 209.51 square meters. The Property has been used as an office space for the Group.

Based on the Group’s audited consolidated financial statements for the financial year ended 30 June 2023, the carrying amount of the Property as at 30 June 2023 was approximately HK\$8,157,000 and the Proposed Disposal is expected to result in a loss on disposal of approximately HK\$1,949,000<sup>3</sup> (after deducting estimated related expenses).

A valuation of the Property was undertaken by an independent professional valuer for the purpose of the Group’s consolidated financial statements for the financial year ended 30 June 2023. The valuation report dated 18 August 2023 estimates the market value of the Property as

---

<sup>1</sup> The English translation is for identification purposes.

<sup>2</sup> Computed based on the currency exchange of RMB1: HK\$1.0673 as at 30 October 2023

<sup>3</sup> *ibid.*

at 30 June 2023, based on the comparison approach of valuation, at RMB8,200,000 or approximately HK\$8,752,000<sup>4</sup>.

## 2.2 Information on the Purchaser and the Property Agent

The Purchaser is 北京巨康科技有限公司 (Beijing Ju Kang Technology Co., Ltd.)<sup>5</sup>, who is not an interested person as defined under the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Property Agent in relation to the Disposal is 北京中恒嘉业商业管理有限公司 (Beijing Zhong Heng Jia Ye Business Management Co., Ltd)<sup>6</sup> (the “**Property Agent**”). Neither the Purchaser nor the Property Agent is related or connected to the Group, its Directors or substantial shareholders of the Company and their respective associates.

## 2.3 Consideration

The Consideration shall be fully satisfied in cash and was arrived at after arms’ length negotiations and based on a willing-buyer willing-seller basis, having taken into account, *inter alia*, prevailing market conditions, the current market prices of the properties in the surrounding vicinity of the Property, and the net book value of the Property as well as the factors described at paragraph 3.1 below. The Group did not engage an independent property valuer for the purposes of determining the Consideration.

Under the terms of the Preliminary SPA, the Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) a total deposit of RMB590,000 shall be paid to the Vendor on date of the Preliminary SPA; and
- (b) the balance of the Consideration of RMB5,310,000 shall be payable on or before 30 November 2023.

The Vendor has received the deposit of RMB 590,000 from the Purchaser on 31 October 2023.

## 3. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

3.1 This Proposed Disposal is in line with the Group’s strategy of realizing its properties. Due to rightsizing of our manpower, only a small part of the Property is being used as office space for the Group. Moreover, to the best of our knowledge, a major renovation for the whole building of which the Property is a part or unit is expected to be carried out in the years to come. Additionally, economic conditions or market dynamics in China may change, thereby resulting in a lower demand for property. Based on these considerations, despite a lower Consideration vis-à-vis the net book value of the Property, the Board is of the view that the Proposed Disposal is in the best interest of the Group.

3.2 The Group intends to use the proceeds from the Proposed Disposal for the working capital of the Group.

---

<sup>4</sup> *ibid.*

<sup>5</sup> The English translation is for identification purposes.

<sup>6</sup> The English translation is for identification purposes.

#### 4. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal set out below, based on the Group's audited consolidated financial statements for the financial year ended 30 June 2023 ("FY2023"), are purely for illustrative purposes only and do not reflect the actual financial position and performance of the Company or the Group after the completion of the Proposed Disposal. The *pro forma* financial effects of the Proposed Disposal on the Group's consolidated net tangible assets ("NTA") and consolidated earnings per share ("EPS") are set out below, and have been prepared on the basis of an exchange rate of RMB1 : HK\$1.0673 as at 30 October 2023.

##### 4.1 NTA

The effect of the Proposed Disposal on the consolidated NTA of the Group for FY2023, assuming the Proposed Disposal was completed on 30 June 2023, is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA of the Group (HK\$'000)	424,600	422,562
Number of Shares ('000)	216,348	216,348
NTA per share (HK\$)	1.96	1.95

##### 4.2 EPS

The effect of the Proposed Disposal on the consolidated EPS of the Group for FY2023, assuming that the Proposed Disposal was completed on 1 July 2022 is as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Net Profit (HK\$)	46,099	44,150
Weighted average number of Shares	216,348	216,348
Earning/Loss per Share (HK\$)	0.21	0.20

##### 4.3 Book Value

The Net Book Value ("NBV") of the Property is approximately RMB7,643,000 or HK\$8,157,000 based on the audited financial statements of the Group for FY2023. The aggregate consideration of RMB5,900,000 (or approximately HK\$6,297,000) represents a deficit to the NBV of the Property of RMB1,743,000 (or approximately HK\$1,860,000)..

## 5. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE LISTING MANUAL

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual of the SGX-ST based on the audited financial statements of the Group for FY2023 are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. Not applicable to an acquisition of assets	1.91% <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	0.00% <sup>(2)</sup>
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	1.52% <sup>(3)</sup>
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>(4)</sup>
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves	Not Applicable <sup>(5)</sup>

### Notes:

- (1) Based on the Property's NAV of approximately HK\$8,157,000 and the Group's NAV of approximately HK\$426,698,000 as at 30 June 2023.
- (2) No profit is attributable to the Property during the period of 1 July 2022 to 30 June 2023.
- (3) Based on the Consideration of HK\$6,297,000 and the Company's market capitalization of approximately HK\$413,225,000 on 30 October 2023 (being the last market day preceding the date of the Preliminary SPA), computed based on the Company's volume weighted average price of HK\$1.91 per share and the Company's issued and paid-up capital of 216,348,000 shares excluding treasury shares.
- (4) Rule 1006(d) of the Listing Manual is not applicable as this is not an acquisition.
- (5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas Company.

The Proposed Disposal is considered a "Non-Disclosable transaction" under Rule 1008(1) of the Listing Manual as the relative figures computed above do not exceed 5%, and shareholders' approval is not required for the Proposed Disposal. Notwithstanding that, the Company wishes to announce the Proposed Disposal pursuant to Rule 1008(2) of the Listing Manual, in accordance with good corporate governance practices.

## **6. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal, and no service contract will be entered into by the Company with any such person in connection with the Proposed Disposal.

## **7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal other than through their respective directorships and/or shareholdings in the Company.

## **8. DOCUMENTS AVAILABLE FOR INSPECTION**

The Preliminary SPA is available for inspection during normal business hours from 9.00 am to 5.00 pm at the principal office of the Company at 9/F, The Whitney, 183 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong for a period of three (3) months from the date of this announcement.

## **9. CAUTION IN TRADING**

Shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed or that no changes will be made to the terms thereof. The Company will make the appropriate announcements as and when there are any material updates or developments on the Proposed Disposal. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

## **10. DIRECTORS RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Preliminary SPA, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Wong Chi Cheung, Clarence  
Financial Controller /Joint Company Secretary  
1 November 2023