



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)

SALE OF PROPERTIES

The Board of Directors (“**Board**”) of Karin Technology Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Karin Group**”) refers to the Company’s announcement dated 19 November 2019 (“**Announcement**”).

Further to the Announcement, the Board wishes to announce that its wholly-owned subsidiary, Karin International Trading (Shanghai) Co., Ltd. (“**Karin Shanghai**”) had, on 22 November 2019 granted an option (“**Option**”) to Zhang Tian (“**Purchaser**”) to purchase the property located at Unit 701 and 702 on Level 7, Tower 1, Kerry Everbright City, No. 218 Tian Mu Road West, Zhabei District, Shanghai, PRC (the “**Properties**”) (the “**Sale**”).

The Option had been exercised by the Purchaser on 23 November 2019 and, upon such exercise, the Purchaser has paid a deposit of RMB100,000 to the solicitors of the Company (as stakeholders) pending completion of the Sale (“**Completion**”), which is expected to take place on or before 31 December 2019. The balance of the Consideration (as defined below) will be paid at Completion.

Principal terms of the Option

Under the terms of the Option, the consideration for the Sale is RMB8,890,000 (the “**Consideration**”). The Consideration was arrived at after arm’s length negotiations and on a “willing-buyer, willing-seller” basis after taking into account various commercial factors including the prevailing market conditions, the location of the said properties and the comparison of recent transacted prices in the vicinity. There are no material conditions attached to the Sale.

The Consideration represents an excess of RMB880,000 over the book value of the Properties at RMB8,010,000.

Valuation of Unit 701 & 702

For the purposes of preparing the audited consolidated annual financial statements of Karin Group for the year ended 30 June 2019, the Company commissioned BMI Appraisals Limited, an independent valuer, to perform a valuation on the Properties. Based on the latest available valuation report issued by BMI Appraisals Limited on 30 June 2019, the valuation of the Properties based on their market value is approximately RMB 8,010,000.

Rationale and use of proceeds

The Company is of the view that the Sale is in the best interests of the Company as it will enable the Company to realise the value of the Properties and improve the overall cash flow position of the Company. There will be no impact on the business operations of the Company as the Properties are currently leased out to an independent third party.

Upon Completion, the Company intends to use the net proceeds of the Sale as working capital for its core businesses.

Relative figures under Rule 1006 of the Listing Manual

As stated in the Announcement, Karin Shanghai had on 18 November 2019 granted an option for the sale of Unit 710 on Level 7, Tower 1, Kerry Everbright City, No. 218 Tian Mu Road West, Zhabei District, Shanghai, PRC (“**Sale of Unit 710**”). This option was exercised on 18 November 2019.

The relative figures (and aggregated relative figures) computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in respect of (i) the Sale and (ii) both the Sale and the Sale of Unit 710, based on latest audited consolidated financial statements of the Karin Group for the financial year ended 30 June 2019, are set out follows:

Listing Rule	Relative Figures for the Sale	Aggregated Relative Figures for both the Sale and the Sale of Unit 710
<u>Rule 1006(a)</u> The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	2.0%	2.7%
<u>Rule 1006(b)</u> The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	1.0%	1.3%
<u>Rule 1006(c)</u> The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	2.5% ⁽¹⁾	3.5% ⁽²⁾
<u>Rule 1006(d)</u> Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue.	N.A. ⁽³⁾	N.A. ⁽³⁾

Notes:

- (1) Based on the Consideration (exchange rate RMB1.00:HKD1.1127 and the market capitalisation of the Company of approximately HK\$401,848,000 as at 21 November 2019 (being the full market day preceding the date of the Option). Under Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue excluding treasury shares, and the volume weighted average price of S\$0.320 per share on 21 November 2019.
- (2) Based on an aggregate of the Consideration and the consideration for the Sale of Unit 710 (exchange rate RMB1.00:HKD1.1127 and the market capitalisation of the Company of approximately HK\$401,848,000 as at 21 November 2019 (being the full market day preceding the date of the Option). Under Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue excluding treasury shares, and the volume weighted average price of S\$0.320 per share on 21 November 2019.
- (3) The Sale is not an acquisition of assets.

As all the relative figures set out under Rule 1006 does not exceed 5%, the Sale (and the Sale of Unit 710) constitutes a non-discloseable transaction as defined under Chapter 10 of the Listing Manual of the SGX-ST.

The Sale 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 2020.

To the best knowledge of the Directors, none of the substantial shareholders of the Company has any interest, direct or indirect, in the Sale, save through their shareholdings in the Company. Other than the Directors, Mr. Ng Kin Wing, Raymond, Mr. Ng Mun Kit, Michael and Mr. Lee Yiu Chung, Eugene, who are also directors of Karin Shanghai, none of the directors has any interest, direct or indirect, in the Sale.

By Order of the Board

Wong Chi Cheung, Clarence
Financial Controller /Joint Company Secretary

27 November 2019