



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)

REPLY TO QUERIES FROM SGX-ST REGARDING ANNOUNCEMENT ON ADDITIONAL INVESTMENT IN AN INDIRECT SUBSIDIARY

The Board of Directors of Karin Technology Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) would like to respond to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 12 May 2017 (“**SGX-ST Queries**”) relating to the Company’s announcement on the additional investment in an indirect subsidiary on 9 May 2017.

SGX-ST Queries:

1. In accordance with Rule 704(17)(d) which made reference to Rule 1010(3) of the Listing Manual, please provide the subscription price for each share and the basis used in arriving at the subscription price; and
2. In accordance with Rule 704(17)(d) which made reference to Rule 1010(5) of the Listing Manual, please provide the net asset value per share in Matrix Power.

Company’s response to SGX-ST Queries:

The Company had increased its investment in the registered and paid-up capital of Matrix Power Technology (Shenzhen) Co. Ltd 鉅微電源技術(深圳)有限公司 (“**Matrix Power**”) by the subscription of additional cash investment of RMB3,400,000 (“**Additional Investment**”). The other existing registered shareholder, Matrix Engineering Inc. (深圳市鉅微電子技術有限公司) (“**Matrix Engineering**”) did not subscribe for additional share capital in proportion to its 47% equity interest. As a result of non-participation of the other shareholder in the call for additional share capital by Matrix Power, the Company’s equity interest in Matrix Power has increased from 53% to 70%.

The unaudited net asset value of Matrix Power as at 31 December 2016 was HK\$228,000 (equivalent to RMB204,000). The share subscription of RMB3,400,000 is approximately 16.7 times of the aforesaid net asset value of Matrix Power.

Matrix Power has called for additional paid-up share capital of RMB3,400,000 from its existing 2 shareholders to strengthen the capital base so as to meet the minimum capital requirement to tender for certain new projects and also working capital. The amount of share capital called by Matrix Power to each shareholder is in proportion to their shareholdings. Matrix Engineering gave up the right of subscription. As a result, the full amount was subscribed and paid-up by the Company.

Pursuant to the Articles of Association of Matrix Power, it has only registered and paid-up share capital. There is no number of shares issued in Matrix Power.

By Order of the Board
Wong Chi Cheung, Clarence
Financial Controller/Joint Company Secretary

15 May 2017