



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 PROPERTY

The Board of Directors of Karin Technology Holdings Limited (the “Company” or together with its subsidiaries, the “Karin Group”) wishes to announce that its wholly-owned subsidiary, Karin International Trading (Shanghai) Co., Ltd. (“Karin Shanghai”) had granted an option (“Option”) to Chen Chen (“Purchaser”) to purchase the property located at Unit 710 on Level 7, Tower 1, Kerry Everbright City, No. 218 Tian Mu Road West, Zhabei District, Shanghai, PRC (the “Property”)(the “Sale”).

Rationale

The Company is of the view that the Sale of the Property is in the best interests of the Company as the Sale of the Property will enable the Company to realise the value of the Property and improve the overall cash flow position of the Company.

Principal terms of the option

Under the terms of the Option, the sale price of the Property is RMB3,180,000. The Sale Consideration was arrived at on a “willing-buyer, willing-seller” basis after taking into account various commercial factors including the prevailing market conditions, the location of the Property and the comparison of recent transacted prices in the vicinity. There was no material condition attached to the Sale.

Upon exercise of the Option on 18 November 2019, a deposit payment of RMB50,000 was paid by the Purchaser to the solicitors of the Company as stakeholders, pending completion of the Sale of Property (“Completion”). The balance of the Sale consideration will be paid at Completion, which will take place on or before 16 January 2020.

Valuation of the Property

A valuation of the Property was carried out on 30 June 2019 by BMI Appraisals Limited and the Property was valued at RMB2,860,000.

Excess of proceeds over book value

The book value of the Property is RMB2,860,000 and the sale proceeds is RMB3,180,000. Hence, excess of the Sale of Property over the book value is RMB320,000 which is the fair value gain of the Property.

The Company intends to use the net sale proceeds for the working capital of its core business.

Relative figures under Rule 1006 of the Listing Manual

The relative figures for the Sale computed using applicable bases under Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) is as follows:

- Rule 1006(a)

The net asset value of the Property to be disposed of is 0.7% compared with the Group’s net asset value.

- Rule 1006(b)

The net profits attributable to the Property to be disposed of is 0.3% compared with the Group’s net profits.

- Rule 1006(c)

The Sale consideration for the Sale of the Property constitutes approximately 0.9% of the market capitalization of the Company based on relative figures computed pursuant to Rule 1006 (c) of the Listing Manual of the SGX-ST. The market capitalisation of the Company based on the weighted average price of the Company’s shares transacted on 15 November 2019 was HK\$389,158,000.

- Rule 1006(d)

Rule 1006(d) of the Listing Manual is not applicable as no equity securities will be issued.

As the relative figures set out under Rule 1006 do not exceed 5%, the Sale 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

19 November 2019