嘉靈控股集團有限公司

嘉靈集團 KARIN GROUP

Karin Technology Holdings Limited

(Incorporated in Bermuda with Company Registration Number 32514)

RECEIPT OF NOTICE OF TERMINATION OF BUSINESS PARTNER AGREEMENT

The Board of Directors of Karin Technology Holdings Limited (the "**Company**" or together with its subsidiaries, the "**Group**") wishes to inform shareholders that the Company's wholly-owned subsidiary, Compucon Computers Limited (the "**CCL**"), has recently received a written notice of termination (the "**Termination Notice**") from IBM China/Hong Kong Limited and IBM Singapore Pte Ltd (the "**IBM Partners**") notifying CCL of the termination of the IBM Business Partner Agreement entered into between CCL and the IBM Partners (the "**Agreement**"). The IBM Partners are major vendors of CCL, under which CCL was appointed as an authorised distributor for certain IBM products and services.

According to the Termination Notice, the termination will take effect from 31 December 2026. The IBM Partners have indicated in the Termination Notice that they are simplifying and consolidating their distributor landscape globally with a limited number of strategic global distributors. As part of this global restructuring exercise, the distribution territories of these strategic global distributors will be expanded, resulting in termination of arrangements with certain other regional distributors, including CCL. For clarity, IBM has expressed their appreciation for our business collaboration and confirmed that the Agreement is not terminated due to any poor performance or breach of any obligations on the part of CCL.

To assist shareholders in assessing the historical significance of the Agreement, based on the audited financial statements of CCL and of the Group for the financial year ended 30 June 2025 ("**FY2025**"), sales under the Agreement are estimated to have contributed no more than 15% of the Group's consolidated revenue for FY2025. As at the date of this announcement, as the Group's unaudited financial statements for the financial year ended 30 June 2026 ("**FY2026**") are still being finalized, the Company is not yet in a position to estimate the contribution of sales under the Agreement to the Group's FY2026 results.

Having regard to the above, the Board is of the preliminary view that the termination may have a material impact on the Group's revenue and profitability for the financial year ending 30 June 2027 ("**FY2027**"). The Company is currently reviewing its rights and obligations under the Agreement and assessing the full extent of the financial and operational impact on the Group, including on the net tangible assets per share and earnings per share for FY2027, and will make further announcements as and when there are material developments.

Meanwhile, the Company is taking steps to mitigate the impact of the termination, including engaging with IBM and the customers, fulfilling our existing contractual obligations, exploring alternative suppliers or partnerships, and realigning resources in our business portfolios.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above matter, other than through their respective shareholdings in the Company (if any).

Shareholders and potential investors of the Company are advised to read this announcement and any further announcement(s) by the Company carefully. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and in the event of any doubt as to the actions they should take, shareholders and potential investors of the Company should consult their professional advisers.

By Order of the Board

Lam Cheuk Yin, Kenneth
Finance Director and Joint Company Secretary

14 July 2026