



KARIN Technology Holdings Limited
(Incorporated in Bermuda on 30 August 2002)
(Company Registration Number 32514)
Karin Building, 166 Wai Yip Street,
Kwun Tong, Kowloon, Hong Kong, China
Tel: 852-2763 3188 Fax: 852-2372 6333

MEDIA RELEASE

KARIN ACHIEVES RECORD FY08 NET PROFIT OF HK\$61.3 MILLION WITH YEAR ON YEAR GROWTH OF 49.2%

- *Strong growth across all business segments contributed to Group's revenue growth of 31.1% from HK\$1,444.1 m in FY07 to HK\$1,893.9 m in FY08*
- *Net profit after tax grew 54.6% from HK\$40.2 m in FY07 to HK\$62.2 m in FY08*
- *Net profit attributable to shareholders increased by 49.2% year-on-year from HK\$41.1 m in FY07 to HK\$61.3 m in FY08*
- *Proposed final dividend per share of 8.1 HK cents in FY08 compared with 4.8 HK cents in FY07 as KARIN continues dividend payout*
- *Total dividend per share of 13.2 HK cents, representing a year on year rise of 4.1 HK cents or 45.1%.*

Financial Highlights (in HK\$'000)	12 months ended 30 June		
	2008	2007	% Change
Turnover	1,893,938	1,444,106	31.1
Gross Profit	182,340	140,689	29.6
Profit before Tax	73,754	50,351	46.5
Profit after Tax	62,171	40,227	54.6
Net Profit attributable to shareholders	61,334	41,117	49.2

SINGAPORE, 28 August 2008 – Singapore Exchange (“SGX”) Mainboard-listed KARIN Technology Holdings Limited (“KARIN” or the “Group”) (嘉灵控股集团有限公司), a leading IT and Components Solution and Service Provider in Hong Kong and the PRC, is pleased to announce another set of record revenue and net profit for the 12 months ended 30 June 2008 (“FY08”) with year-on-year growth of 31.1% and 49.2% respectively. Strong demand across its diverse business segments contributed to the impressive financial performance in FY08.

Turnover grew 31.1% to HK\$1,893.9 million in FY08 from HK\$1,444.1 million for the 12 months ended 30 June 2007 (“FY07”). This was attributed to high domestic consumption growth in the PRC. The Group had also witnessed strong demand in IT solution and services due to the rapid growth of customers’ requirements in the Financial Services Industry.

Gross profit increased 29.6% from HK\$140.7 million in FY07 to HK\$182.3 million in FY08. Gross profit margin remains stable at 9.6% in FY08 compared with 9.7% in FY07.

Profit after tax for the year came in at HK\$62.2 million for FY08 versus HK\$40.2 million for FY07, a rise of 54.6%. Net profit attributable to equity holders of the parent increased 49.2% from HK\$41.1 million in FY07 to HK\$61.3 million in FY08. The increase is in line with our 31.1% increase in revenue and gross profit.

Mr Philip Ng, Executive Chairman of KARIN Technology said, “***We are thrilled by the sterling results in FY08 as we continue to see strong growth momentum across the PRC and Hong Kong markets. Our growth strategies remain intact – to pursue organic growth, to focus on generating positive cash flow and deliver better margin products and services. Despite the current negative sentiments in the global markets, we are cautiously optimistic that many opportunities abound.***”

STRONG CONTRIBUTION FROM BUSINESS SEGMENTS

Revenue from the Components Distribution, IC Application Design and IT infrastructure segments increased HK\$132.9 million, HK\$30.5 million and HK\$286.4 million in FY08 respectively.

Key Business Segments (HK'mil)	FY08	FY07	% Change
Components Distribution	612.1	479.2	27.7
IC Application Design	289.8	259.3	11.8
IT infrastructure	992.0	705.6	40.6

The fastest growth segment for FY08 came in the IT infrastructure segment with a rise of 40.6% year on year. The revenue increase from the IT infrastructure segment was attributable to the strong demand in the Financial Services Industry. This was possible as the Group had strong sales and technical team. During the period under review, the Group had also taken steps to increase the headcount for the sales and technical team in support of increased business activities going forward.

Component distribution demonstrated strong growth as well with year on year revenue growth of 27.7% in this financial year. The increase in the contributions of Components Distribution segment was due to the high domestic demand for electronic components in mobile phones and computers. Continued strong demand for industrial materials and instrumentation in telecommunication and lighting industries (in the PRC) also contributed to this increase.

HORIZONTAL AND VERTICAL EXPANSION WILL CONTINUE

The present sub-prime and credit problems in the US will affect the global economy and could have certain negative effects on Karin's future performance.

However, the Group is confident of its prospects as it continues to expand the market both horizontally and vertically. The Group targets to expand horizontally into new products and solutions to develop new industry applications and hence grow new customer bases. Vertical expansions allow enhancement of each

product, service and solution. Through these, the Group will be able to develop more business opportunities with new and existing customers.

“Innovation is critical to our success as we need to continue to stay relevant to our principals and vendors on one hand, and our customers on the other. This will be our top priority. Our management team, technical and operating staff have worked hard and will continue to seek improvements in their respective areas of operation,” said Mr Philip Ng.

With all these strategies in place, the Group is cautiously optimistic about its overall performance in the next twelve months.

DIVIDEND PAYOUT

In view of the stellar results in FY08, the Board of Directors has proposed a dividend payout of 8.1 HK cents per share. If approved, the total dividend payout for FY08 would be 13.2 HK cents, representing an increase of 4.1 HK cents or 45.1% over FY07.

“I would like to assure all shareholders that their investment in our Group is and will be well taken care of by our great team of committed and driven professionals. Karin is committed to grow and share its fruits of labour through its dividend payments.” Mr Philip Ng concluded.

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**Issued on behalf of KARIN Technology Holdings Limited by
Cogent Communications Pte Ltd**

Tel: (65) 6323-1060, Fax: (65) 6222-1210

Ms Liew Shi Wei, shiwei@cogentcomms.com (DID: 6323-1193; Mob: 9365-5169)

Mr Roger Poh, roger@cogentcomms.com (DID: 6323-3178; Mob: 9455-2690)

About KARIN Technology Holdings Limited

Listed on the Mainboard of Singapore Exchange (SGX) in March 2005, KARIN is a leading IT & Electronic Solutions and Services Group in Hong Kong and the People's Republic of China with a strong track record of more than 30 years.

Since 1977, they have been primarily engaged in the electronic components and computer distribution business for various segments of the electronics industry including the communications, computer, electrical appliances and utility segments. In 1990s, they expanded their business to include outsourcing services such as IC application design solutions and data storage management solutions.

Since its listing on the SGX's Main Board, KARIN has carved out a growing presence in three core segments - Components Distribution, IC Application Design and IT Infrastructure Solutions – in the PRC and Hong Kong markets.

With these focused segments under its stable, KARIN has witnessed compounded annual growth rates (CAGR) in excess of 30% on its Group revenue performance since 2005. In 2007, KARIN acquired I M I Kabel Pte Ltd, a Singapore-based distributor of control cables for a variety of industries ranging from industrial automation to port and shipyard, offshore oilfields and petrochemical facilities.