



Karin Technology Holdings Limited
(Incorporated in Bermuda on 30 August 2002)
(Registration No. 32514)
2/F, Karin Building, 166 Wai Yip Street,
Kwun Tong, Kowloon, Hong Kong, China

Karin 1H2012 continued to perform, proposes interim and special dividends

- *Net profit to owners of the Company rises 6.5% to HK\$22.8 million from HK\$21.4 million in 1H2011*
- *Improvement due to the impressive performance of its IT Infrastructure business segment*
- *Proposing an interim dividend of HK 3.5 cents per share as well as a special dividend of HK 3.5 cents per share*

6 months ended 31 Dec (HK\$m)	1H2012	1H2011	% Change
Revenue	1,519.4	901.1	↑ 68.6
Gross profit	88.9	85.4	↑ 4.1
Profit before tax	28.4	26.3	↑ 8.0
Net profit to owners of the Company	22.8	21.4	↑ 6.5
EPS (HK cts)*	10.9	10.4	↑ 4.8
NAV per share (HK cts)#	190.4	152.2	↑ 25.1

* Based on 208,970,164 and 205,053,913 weighted average ordinary shares in issue in 1H2012 and 1H2011 respectively.

Based on 208,765,000 and 205,150,000 issued share capital excluding treasury shares in 1H2012 and 1H2011 respectively

SINGAPORE – 13 February 2012 - Singapore Exchange (“**SGX**”) Mainboard-listed Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“**Karin**” or the “**Group**”), a leading electronic and industrial components and IT solutions distributor and outsourcing service provider based in Hong Kong, has posted strong interim results for what is looking to be a strong financial year.

For the six months ended 31 December 2011 (“**1H2012**”), the Group’s net profit to owners of the Company rose 6.5% to HK\$22.8 million from HK\$21.4 million in the previous corresponding period (“**1H2011**”) on the back of strong revenue growth.

This latest set of interim results pushed up earnings per share (“**EPS**”) to HK 10.9 cents, based on 208,970,164 issued shares, from HK 10.4 cents a year ago.

Topline of the Group during the six-month period grew 68.6% to HK\$1,519.4 million from HK\$901.1 million in 1H2011. Revenue growth was driven mainly by strong sales performance of the Information Technology Infrastructure (“**IT Infrastructure**”) segment.

In tandem with the strong revenue growth, Karin’s gross profit rose by 4.1% to HK\$88.9 million in 1H2012 from HK\$85.4 million in 1H2011.

Breakdown by Business Segments

Revenue for 6 months ended 31 Dec (HK\$'m)	1H2012	1H2011	% Change
Components Distribution	262.0	302.1	↓ 13.3
Integrated Circuit Application Design (“ ICAD ”)	76.1	89.3	↓ 14.8
Information Technology Infrastructure (“ IT Infrastructure ”)	1,181.3	509.7	↑ 131.8

Revenue from the Group’s Components Distribution segment decreased 13.3% to HK\$262.0 million in 1H2012 due mainly to the fall in demand for components in various industries as a result of decrease in demand for components in various industries which was in line with the trend of lower exports in Mainland China.

Revenue from the ICAD segment fell 14.8% to HK \$76.1 million in 1H2012 due mainly to the continuing weak economic environment in Northern America and Western Europe that had affected the demand for toys embedded with Karin’s application design solutions.

Revenue from the IT Infrastructure segment rose an impressive 131.8% to HK\$1,181.3 million in 1H2012 as compared to 1H2011, due to increase in demand for network security products, enterprise software products and iPad products in Hong Kong and Macau.

The Group recorded higher cost of sales at HK\$1,430.5 million in 1H2012, a 75.3% rise from HK\$815.8 million in 1H2011. Correspondingly, selling and distribution costs increased by 9.2% to HK\$29.3 million, due mostly to increase in sales commission paid to sales staff, which was in line with the increase in revenue during the period under review.

As at 31 December 2011, the Group's non-current assets decreased slightly to HK\$222.5 million, compared to HK\$224.9 million as at 30 June 2011. The Group's cash and cash equivalents amounted to approximately HK\$93.3 million in the period under review, while its total interest bearing loans and borrowings stood at HK\$27.2 million. As such, the Group's gearing ratio continues to remain low at 0.07 times.

The Group's net asset value ("NAV") per share was HK 190.4 cents as at 31 December 2011.

Commenting on the Group's 1H2012 results, Executive Chairman, Mr Phillip Ng (伍鈺榮) said, "Our positive results for the period under review is testament to the success of the Group's strategy to deepen and broaden its portfolio of products, solutions and services through the widening our vendor base. Barring any unforeseen circumstances, we are optimistic that our efforts will continue to yield results in the next reporting period."

Looking Ahead

To mitigate export risks, the Group's Components Distribution business segment has been exploring products which are good for domestic consumption in Mainland China. Its IT Infrastructure segment is also capitalizing on the rising trend in demand for network security products and enterprise software products to further grow its revenue.

In October 2011, the Group had also announced its entry into a new business segment – the retail consumer electronics products and accessories market, Mr Ng commented, “Against an uncertain economic backdrop, the Group sought to further diversify its business by entering into this new market. The initial performance has been encouraging and we will continue to pursue growth for this operation.”

Dividend

In line with the sterling interim performance, the Group has proposed an interim tax not applicable dividend of HK 3.5 cents per share as well as a special tax not applicable dividend of HK 3.5 cents per share amounting to a total of HK\$7,387,800 and HK\$7,387,800 respectively. Both are payable on 9 March 2012.

###

About Karin Technology Holdings Limited

Listed on the Mainboard of the Singapore Exchange since 2005, Karin is a leading electronic and industrial components and IT solutions distributor and services provider in Hong Kong and the People’s Republic of China (“PRC”). Established in 1977, Karin has been principally engaged in the electronic and industrial components and computer distribution business for various segments of the electronics industry, including the communications, computer, electrical appliances and utility segments. Karin expanded its business to include the provision of outsourcing services such as IC application design solutions and data storage management solutions, riding on the increasing demand for IC software application solutions and IT Infrastructure products in the 1990s.

For more information, please visit: <http://www.karingroup.com/eng/global/home.php>

For further information, please contact:

Issued on Behalf of: Karin Technology Holdings Limited
By: August Consulting Pte Ltd.

For August

Contact: Silvia HENG
Email: silvia@august.com.sg
Contact: Wrisney TAN
Email: wrisney@august.com.sg
