



嘉靈控股集團有限公司

嘉靈集團  
KARIN  
GROUP

Karin Technology Holdings Limited



Contact Information:

**iGlobal Investor Relations Pte Ltd**

Tel: 6438 1671 Fax: 6438 1672

Adeline Chew – [adeline.chew@iglobal.com.sg](mailto:adeline.chew@iglobal.com.sg)

Goh Sue Lin – [suelin@iglobal.com.sg](mailto:suelin@iglobal.com.sg)

**Karin Technology Holdings Limited**

Tel: 852 2763 3188

Fax: 852 2372 6333

Clarence Wong/ Kim Chan

Investment@karingroup.com

**NEWS RELEASE**

## Karin Technology Reports Net Profit Surges of 33.1% to HK\$40.2 million

- Record YoY Revenue growth of 31.3%
- Broad-based improvement in all business segments
- Final dividend payout increased 29.7% to HK\$9.7 million
- Further growth to be driven by strong economy in Hong Kong and PRC

Financial Highlights (in HK\$'m)	Full Year Ended 30 June		
	FY 2007	FY 2006	% Change
Revenue	1,444.1	1,099.5	+31.3
Profit Before Tax	50.4	35.4	+42.4
Net Attributable Profit	40.2	30.2	+33.1
Final Dividend (cents)	4.8	3.7	+29.7

Singapore, August 27, 2007 – Singapore Exchange (“SGX”) Mainboard-listed Karin Technology Holdings Limited (“Karin” or “The Group”) (嘉靈控股集團有限公司), a diversified and value-added electronic components, integrated circuit (“IC”) software and IT infrastructure solutions provider, is pleased to announce its record breaking results for the year ended 30 June 2007 (“FY07”).

Page 1 of 4

### **Operating Revenue**

Karin's revenue increased 31.3% from HK\$1,099.5 million in FY06 to HK\$1,444.1 million in FY07. The surge of HK\$344.6 million resulted from the Group's efforts in building its strong sales, technical services and supporting teams in line with the positive market conditions. The Group's revenue also benefited from the widening of the range of products and technical services during the year.

<b>Business Segments (in HK\$m)</b>	<b>Revenue</b>		
	<b>FY 2007</b>	<b>FY 2006</b>	<b>% Change</b>
<b>Components Distribution</b>	479.2	436.4	+9.8
<b>IC Application Design</b>	259.3	173.8	+49.2
<b>IT Infrastructure</b>	705.6	489.4	+44.2

The Group's overall performance continued to maintain its outstanding growth on a year to year basis, an increase in all three core business segments of Components Distribution, IC Application and IT Infrastructure.

IT infrastructure was the main contributor for the Group's revenue in FY07, with the segment increasing 44.2% from HK\$489.4 million in FY06 to HK\$705.6 million in FY07. The increase in segmental revenue was due to efforts in strengthening the sales and technical teams who secured significant contracts from reputable clients across various industries.

The Group's IC Application Design segment reported an increase of 49.2% in revenue from HK\$173.8 million in FY06 to HK\$259.3 million in FY07 due to the Group's efforts to widen the product application range of the IC application design solutions. The Group's Components Distribution segment posted an increase in revenue of 9.8% from HK\$436.4 million in FY06 to HK\$479.2 million. The increase resulted from the continual growth in the

PRC's mobile phone market, as well as strong demand for components in computer, audio and video products.

### **Net Profit**

The Group's gross profit increased by approximately HK\$36.3 million or 34.8% from HK\$104.4 million in FY06 to HK\$140.7 million in FY07. Karin's gross profit margin increased moderately by 0.2% due to the demand for the Group's products, a more extensive higher margins products range and providing customers with higher value-added technical services support. Net profit for FY07 increased HK\$10.0 million, representing an increase of about 33.1% from FY06. The increase was in line with the higher revenue reported for FY07.

Mr. Philip Ng (伍鈺榮), Executive Chairman of Karin commented; "Such significant increases in our revenue and net profit have further reinforced our confidence that we have a sound business model in place. With demands of our products and technical services expected to rise on the back of growing economy in both Hong Kong and China, we will capitalize on new business opportunities to expand into new markets. For instance, the components core business will work hand in hand with new components vendors in color LCD modules and application specific ICs to modify the applications with new designs, catering to needs of new customers. We will continue to seek opportunities to expand our services and refine our products, so as to better serve our growing base of customers around the world and generate greater successes in the near future."

### **Dividend**

To reward shareholders for the Group's record performance, the directors have proposed a final dividend of HK4.8 cents per share. The expected final dividend payout for FY07 is HK\$9.7 million.

Barring unforeseen circumstances, the Group remains optimistic of prospects in FY08.

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## **About Karin Technology Holdings Limited**

Listed on the Mainboard of Singapore Exchange in March 2005, we are an electronic components and computer products distributor and out-sourcing service provider. Since 1977, we have been principally engaged in the components distribution and trading business for various segments of the electronics industry including the communication, computer, electrical appliances, utility, watch and toy segments in Hong Kong and the PRC. In 1990, in view of the increasing demand for IC software application solutions, we expanded our business to include the provision of IC software application design solutions for a wide range of electronic products and electrical appliances. In 1996, we further diversified our business and commenced our IT infrastructure services and computer data storage management solutions business.

