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**MEDIA RELEASE**  
**(For Immediate Release)**

## **KARIN ACHIEVES RECORD NET PROFIT GROWTH OF 75.6% FOR 1H08**

- *Group's revenue increased by 29.3% from HK\$702.8 m in 1H07 to HK\$908.4 m in 1H08*
- *Net profit attributable to shareholders increased by 75.6% year-on-year from HK\$21.0 m in 1H07 to HK\$36.9 m in 1H08, the fastest rate of growth since its initial public offering in 2005*
- *Strong consumption demand in the PRC drives growth in all business segments*
- *Optimistic about overall performance in next 12 months with the right strategies in place*

Financial Highlights (in HK\$'000)	6 months ended 31 December		
	2007	2006	% Change
Turnover	908,444	702,850	29.3
Gross Profit	94,160	69,585	35.3
Profit before Tax	43,831	25,889	69.3
Net Profit attributable to shareholders	36,882	21,008	75.6

**SINGAPORE, 14 February 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 Provider in Hong Kong and the PRC, is pleased

to announce their financial result for the 6 months ended 31 December 2007 (“1H08”), with net profit growing at 75.6% year-on-year. Strong demand across its diverse business segments led the way for the impressive performance.

## **Gross and Net Profit Growth Outpaced Turnover Growth**

Turnover grew 29.3% to HK\$908.4 million in 1H08 from HK\$702.8 million for the 6 months ended 31 December 2007 (“1H08”). This was a result of high domestic consumption growth in Mainland China and the Group’s success in its marketing strategies.

In addition to the strong sales performance, gross profit also outpaced the growth of turnover, increasing by 35.3%, from HK\$69.6 million in 1H07 to HK\$94.2 million in 1H08. This increment was mainly attributable to the expansion of the product range with higher margins, achieving high value-added technical services support and most importantly, the strong demand of the products.

The increase in gross profit margins led the way for strong net profit performance. Net profit attributable to shareholders increased significantly by 75.6%, from HK\$21.0 million in 1H07 to HK\$36.9 million in 1H08. This was mainly due to economies of scale derived from the 29.3% increase in revenue. The Group has no further provision for impairment loss on a loan to an associate. The Group’s efficient usage of working capital and cost efficiency also drove up its overall margin performance.

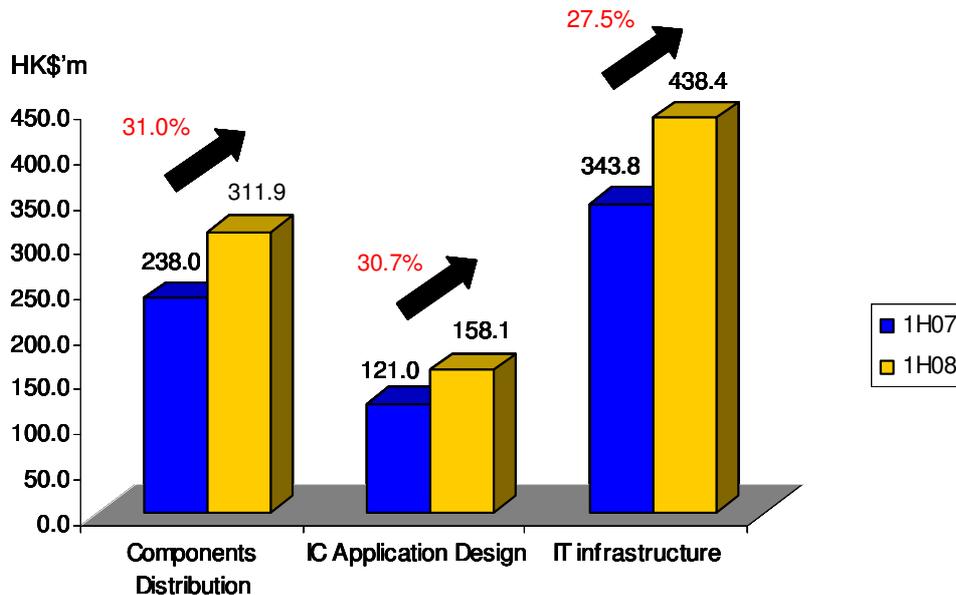
Commenting on this strong set of numbers, Mr Philip Ng, Executive Chairman of KARIN Technology said, “***We are very pleased to witness the strong growth this time round in our 1H08 results, mainly due to the stronger demand for our products and solutions across the PRC and Hong Kong markets. As China continues to prosper, we are confident that we can ride on its growth and further develop our different business segments to generate more opportunities for the company.***”

“***What is even more important for the Group is that despite the competitive PRC and Hong Kong environment, gross profit continues to outstrip the growth in sales. Margin expansion is a result of the concerted effort by the management and staff of KARIN,***” Mr Philip Ng added.

## Strong Contributions from All Key Business Segments

Revenue from the Components Distribution, IC Application Design and IT Infrastructure segments increased by HK\$73.9 million, HK\$37.1 million and HK\$94.6 million in 1H08 respectively.

The components distribution segment experienced a significant demand for electronic components in mobile phones and computers as well as industrial materials for telecommunication and lighting industries in Mainland China.



The revenue increase from the IT infrastructure segment was supported by the widening of their product range and service range as well as strong demand in the banking and financial sector.

## Outlook Remain Positive

With the current sub-prime and credit problems in the United States, some economies may be affected to a certain extent that could cast a negative effect on Karin's performance. However, due to the consistently growing domestic consumption demand in Mainland China, the Group will continue to focus on distributing new products with high profit margins; providing value-added solutions to its customers and extending industry coverage in Mainland China.

***“Now that we have established a foothold in Singapore via the recent acquisition of IMI Kabel in September 2007, this will definitely serve as a great opportunity***

***to venture into Singapore and the ASEAN region markets, and further elevate the Group's reputation as an established technology products distributor in Asia,"*** said Mr Philip Ng of the recent acquisition of IMI Kabel Pte Ltd in Singapore.

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

***"The PRC will continue to be the fuel of our growth in the next 12 months. Nonetheless, we look forward to partnering with well-known industrial specialist from different countries in the Asia Pacific so as to broaden our technological and solutions capabilities. The next 12 months will be exciting for us as we strengthen our capabilities across in the KARIN group and lay the ground work for our success in many more years to come."*** concluded Mr Philip Ng.

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

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### **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 IMI Kabel Pte Ltd, a Singapore-based distributor of data control cables for a variety of industries ranging from industrial automation to port and shipyard facilities.