



Karin Technology Holdings Limited
(Incorporated in Bermuda on 30 August 2002)
(Registration No. 32514)
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Karin Technology FY2012 revenue rises 49.1% to HK\$3.23 billion

- *Key growth driver: Consumer Electronics Products segment grows 144.4% from the license to sell the full range of Apple products at the Group's retail stores*
- *Net profits increase 15.7% to HK\$59.7 million*
- *Board proposes a final cash dividend of HK 7.1 cents, lifting total dividend for the year to HK 14.1 cents which represents a payout of 49.3%*

Financial Highlights

Year ended 30 Jun (HK\$'m)	FY2012	FY2011	% Change
Revenue	3,232.3	2,167.4	↑49.1
Gross profit	190.2	169.3	↑12.3
Profit before tax	76.6	60.6	↑26.4
Net profit attributable to owners of the Company	59.7	51.6	↑15.7
EPS (HK cts)*	28.6	25.1	↑13.9
NAV per share (HK cts)*	216.8	186.5	↑16.2

*Based on weighted average of 208,976,678 shares in FY2012 and 205,887,259 shares in FY2011

SINGAPORE – 28 August 2012 - SGX Mainboard-listed Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“Karin” or together with its subsidiaries, the “Group”), a leading Hong Kong-based electronic and industrial components and IT solutions distributor and outsourcing service provider, has achieved double-digit growth in both its top- and bottom-line for its latest financial year.

For the 12 months ended 30 June 2012 (“FY2012”), the Group’s net profit attributable to owners grew 15.7% to HK\$59.7 million which was achieved on the back of a 49.1% rise in revenue to HK\$3,232.3 million. This compared to net profit attributable to owners of HK\$51.6 million and revenue of HK\$2,167.4 million in the previous year (“FY2011”).

The Group's performance for FY2012 was underpinned by its Consumer Electronics Products ("CEP") segment which obtained the license to sell the full range of Apple products at the Group's retail stores, "In-Smart", in Hong Kong.

Commenting on the Group's FY2012 results, Mr Philip Ng, Executive Chairman and Executive Director of Karin, said, "Despite the challenging economic environment, Karin has achieved a commendable financial performance in FY2012. Our long-term strategies of building a sustainable business model by diversifying our revenue streams and focusing on prudent cash management are paying off and we believe that these strategies will put us on a path of steady growth in the years to come."

Final Dividend

In view of the Group's performance in FY2012, Directors have proposed a final (tax not applicable) cash dividend of HK 7.1 cents per share, payable on 15 November 2012. Together with the interim dividend of HK 3.5 cents and a special cash dividend of HK3.5 cents that the Group would have paid, shareholders would receive a total dividend of HK 14.1 cents for FY2012, representing a payout ratio of 49.3%.

By Business Segments

Year ended 30 Jun (HK\$m)	FY2012	FY2011	% Change
Components Distribution	538.9	582.1	▼7.4
Integrated Circuit Application Design ("ICAD")	152.4	173.6	▼12.2
Information Technology Infrastructure ("IT Infrastructure")*	820.5	707.8	▲15.9
Consumer Electronics Products ("CEP")*	1,720.5	703.9	▲144.4
Total Revenue	3,232.3	2,167.4	▲49.1

* Revenue from CEP singled-out from IT Infrastructure segment in FY2012 and as such, corresponding comparative figures in IT Infrastructure segment in FY2011 has been reclassified.

Revenue generated by Karin's **Components Distribution** segment decreased 7.4%, to HK\$538.9 million in FY2012, from HK\$582.1 million a year ago. The decrease was mostly attributed to softened demand in various components and temporary suspensions in certain infrastructure projects, as a result of the tough global economic conditions.

As a result of falling demand in USA and Western Europe for toys embedded with our application design solution, revenue from the Group's **ICAD** segment fell by 12.0%, from HK\$173.6 million in FY2011 to HK\$152.4 million in FY2012.

In December 2011, CEP segment was established and separated from the IT Infrastructure segment. In FY2012, revenue from the Group's **IT Infrastructure** segment increased 15.9% to HK\$820.5 million, from HK\$707.8 million a year ago. This increase was attributed to higher demand for network security products and enterprise software and hardware products.

Comparing with last year, revenue from the Group's new **CEP** segment grew by an impressive 144.4%, from HK\$703.9 million in FY2011 to HK\$1,720.5 million in FY2012 due to the sale of the full range of Apple products at the Group's retail stores in Hong Kong compared to the distribution of a limited range previously.

By Geography

Year ended 30 Jun (HK\$m)	FY2012	FY2011	% Change
Hong Kong	3,086.3	1,675.5	▲84.2
Mainland China	114.6	337.9	▼66.1
Others	31.4	154.0	▼79.6
Total Revenue	3,232.3	2,167.4	▲49.1

In line with the strong sales performance of the Group's retail stores, Hong Kong grossed the highest revenue for the Group at HK\$3,086.3 million – a remarkable jump of 84.2% year-on-year. In contrast, Mainland China and Others markets recorded 66.1% and 79.6% fall in revenue respectively due to weakened demand for electronic components and temporarily suspension of certain infrastructure projects in the earlier part of the year.

Stable Financial Position

In line with the Group's long term strategy of prudent management, the Group continues to maintain a healthy balance sheet.

As at 30 June 2012, the Group's cash and cash equivalents stood at HK\$77.0 million. Its total interest bearing loans and borrowings as at 30 June 2012 amounted to HK\$108.6 million. This translates to a gearing ratio of 0.24 times.

Based on the weighted average number of ordinary shares in issue, net asset value per share as at 30 June 2012 was HK 216.8 cents, compared to HK 186.5 cents a year ago.

Outlook

With a successful FY2012 behind it, the Group is now busy with its growth blue-print for its various business segments in FY2013.

Mr Ng elaborated, "Given the current economic uncertainty with no clear indications of recovery, Karin plans to diversify our earnings streams in order to build a sustainable business model. Our "In-Smart" retail stores are a good example of our efforts in this area. We are also teaming up with selected state-of-the-art networking security vendors to explore the networking security market, which is a promising area for our IT Infrastructure business."

In view of these various initiatives, the Group is cautiously optimistic of its performance in the next 12 months.

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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 outsourcing service 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 applications in the 1990s. In 2011, Karin added a retail business arm to its operations under the trade name “In-Smart”. To date, the Group has five In-Smart stores in Hong Kong.

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

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