



**Karrie International Announces 2017/18 Annual Results  
Profit For the Year From Continuing Operations Up  
by Approximately 15% to HK\$217,707,000  
Proposes Final Dividend Payment of HK4.75 Cents Per Share**

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**Maintains Core Industrial Business  
Actively Expands Real Estate Business to Boost Corporate Value**

(Hong Kong, 25 June 2018) — **Karrie International Holdings Limited** (“Karrie” or the “Group”, stock code: 1050) announced today its annual results for the year ended 31 March 2018.

During the year under review, the Group’s turnover amounted to HK\$2,919,880,000, up by approximately 8% year-on-year, owed mainly to the increase in turnover from both Metal and Plastic business and Electronic Manufacturing Services (“EMS”) business. Profit for the year from continuing operations rose by approximately 15% year-on-year to HK\$217,707,000, which was mainly attributable to the merging of plants and continuous strengthening of automation application that helped enhance production effectiveness and efficiency. In addition, revenue from Real Estate business recoded revenue of approximately HK\$48,540,000, ten times more than the previous review year, mainly due to the recognition of revenue from the sales of more than 30 units of Castfast Villa, Area B. As at 31 March 2018, the Group has disposed and discontinued Consumer and Services business and will continue to focus on developing its industrial and real estate business. The Group recommended payment of a final dividend of HK4.75 cents per share.

**Mr. Ho Cheuk Fai, Chairman and CEO of Karrie**, said, “During the year under review, the Group’s turnover continued to grow and profit from continuing operations also managed a decent climb, thanks to the Group’s persistence in plant integration and taking automation to the depth, which resulted in significant improvement in production efficiency while lowering operating costs. Apart from Industrial business maintaining stable growth, Real Estate business also started generating revenue for the Group. The potential revenue of the business is going to be gradually realized and the Group’s profitability shall be further strengthened.”

During the year under review, turnover from the Metal and Plastic business climbed by approximately 10% to HK\$1,576,143,000, a result of increase in shipment spurred by the rising demand for servers. As for the EMS business, income slightly rose by approximately 3% to HK\$1,294,778,000, which was mainly due to an increase in sales with consolidation of the storage product market driving customer demand. Furthermore, the Group’s Industrial business achieved remarkable results as a leader in the international server casing manufacturing market. It was able to gain ISO certification and pass more stringent Responsible Business Alliance (“RBA”) Code of Conduct audit shortly after the plant merger, thus allowed the Group to stay competitive and ahead of its peers. To improve the production system, the Group brought in the Manufacturing Execution System (MES) to help enhance product quality and move yet another step towards smart production.

Real Estate business is another revenue source of the Group. Urban renewal projects make up the bulk of the Group's real estate projects. They typically charge lower land premium and are near Shenzhen, thus covered in the development plan of the Guangdong-Hong Kong-Macao Big Bay Area and boast promising development potential. The original Guanjingtou Plant, the Group's urban renewal project, had a site area of over 60,000 square meters and gross floor area of approximately 120,000 square meters. The Plant was relocated to Yuquan, Fenggang, Dongguan and will be developed into the Fourth and Fifth Phase of Castfast Villas which sub-structure work permit for the project has been obtained and started related works. Moreover, the Third Phase of Castfast Villas that is in corporation with the Group's substantial shareholder has more than 600 residential units has completed construction of the main buildings, pre-sale of the first batch units received overwhelming response, with more than 200 units sold so far. Additionally in February 2017, the Group won the tender for a land parcel in Boluo County, Huizhou for residential development with a gross floor area of approximately 30,000 square meters. Demolition work on the site was completed and foundation pit work is underway and progressing satisfactorily. Regarding development of the land plot of the Yantian Plant, the Group is actively discussing on the plan of the change in land use to enhance the potential value of the land with relevant local authorities.

**Mr. Ho Cheuk Fai** concluded, "Looking ahead, the Group will continue to pursue its core Industrial business, seeking guidance from the country's 'Made in China 2025' plan and applying its own highly effective edges, and via innovation continue to deliver good performances. On top of developing Industrial business, the Group will also actively develop Real Estate business to enhance its corporate value and bring fruitful returns to shareholders. We will focus on pursuing profit growth, but more importantly we will pay particular attention on the quality of profit growth, and also fulfill our corporate social responsibility by adopting clean production and working in harmony with society. We will, in honouring our mission of realising sustainable growth, lay a solid foundation for Karrie to thrive as a renowned enterprise for a hundred years and beyond."

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#### **About Karrie International Holdings Limited**

Karrie International is an industry-leading, one-stop manufacturer of mechanical parts. It holds a leading position in the international server casing production market with a market share of 10%, serving major customers including HPE, Lenovo and IBM. Since 2011/2012, Karrie has embarked on production automation at full thrust deploying more than 300 sets of six-axis industrial robots operating in its production lines. Having recently completed relocation and merging of its plants, Karrie now benefits from enhanced production efficiency and lower costs. Karrie International was founded in 1980 and listed on the Main Board of the Stock Exchange of Hong Kong Limited in 1996. The Group is stepping up its efforts in diversifying revenue sources, to further develop Real Estate business: urban renewal, real estate project investment, property lease and development.

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