



Karin Technology achieves double-digit growth across both top and bottom lines in 1H FY2022

- Good interim performance driven by strong revenue growth from the Consumer Electronics Products segment.
- Declares total interim dividend of 12.8 HK cents per share for the period including an interim dividend of 4.0 HK cents a share and a special interim dividend of 8.8 HK cents a share in celebration of the Group's 45th anniversary.

6 months ended 31 Dec (HK\$'M)	1H FY2022	1H FY2021	% Change
Revenue	1,090.3	984.6	10.7
– Components Distribution (“CD”)	295.8	299.8	(1.3)
– Information Technology Infrastructure (“IT Infrastructure”)	638.1	601.5	6.1
– Consumer Electronics Products (“CEP”)	156.4	83.3	87.8
Gross profit	86.7	66.2	31.0
Gross profit margin (%)	8.0	6.7	1.3 percentage pts
Profit before tax	12.9	7.9	62.9
Net profit attributable to owners of the Company	9.2	6.7	38.1
EPS (HK cts) ^a	4.31	3.12	38.1
NAV per share (HK cts) ^b	205.8 (as at 31 Dec 2021)	212.2 (as at 30 June 2021)	(3.0)

a. Based on the weighted average of 214,748,000 and 214,748,000 ordinary shares in issue respectively, as at 31 December 2021 and 30 June 2021, accounting for the effect of treasury shares.

b. Based on the issued share capital excluding treasury shares of 214,748,000 ordinary shares as at 31 December 2021 and 30 June 2021.

SINGAPORE – 11 February 2022 – In spite of a challenging operating environment, Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“Karin” or together with its subsidiaries, the “Group”) has recorded a strong set of results for the six months ended 31 December 2021 (“1H FY2022”).

The leading Hong Kong-based electronic and industrial components and IT solutions distributor and outsourcing service provider chalked net profit attributable to shareholders of HK\$9.2 million, up 38.1% from HK\$6.7 million in the previous corresponding period ended 31



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GROUP

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Karin Technology Holdings Limited



December 2020 (“**1H FY2021**”). The Group’s 1H FY2022 revenue jumped 10.7% year-on-year (“**YOY**”) to HK\$1,090.3 million from HK\$984.6 million.

The improved 1H FY2022 results came on the back of higher revenue contribution from two of the Group’s three operating segments.

Revenue from the Information Technology Infrastructure (“**IT Infrastructure**”) segment increased 6.1% to HK\$638.1 million in 1H FY2022, from HK\$601.5 million in 1H FY2021. The uptick was attributed to strong demand for network security products, cloud solutions as well as data management solutions and services as people continued to work from home due to ongoing Covid-19 related travel and movement restrictions.

Revenue from the Consumer Electronics Products (“**CEP**”) segment soared 87.8% to HK\$156.4 million in 1H FY2022, from HK\$83.3 million in 1H FY2021 because of the release of new products, which coincided with the launch of the Hong Kong government’s consumption voucher scheme¹ aimed at boosting local consumption.

The stronger sales improvement from the two aforementioned segments was partially offset by weaker performance from the Components Distribution (“**CD**”) segment, which declined 1.3% to HK\$295.8 million in 1H FY2022, from HK\$299.8 million in 1H FY2021 due to slower demand for certain electronic components.

The Group’s gross profit, meanwhile, leapt 31.0% to HK\$86.7 million in 1H FY2022, from HK\$66.2 million in 1H FY2021 with gross profit margin rising 1.3 percentage points to 8.0% over the same period. The increased gross profit was largely due to higher total revenue and lower provision for inventories of HK\$2.1 million.

In line with the Group’s 1H FY2022 performance, earnings per share rose to 4.31 HK cents (1H FY2021: 3.12 HK cents). Net asset value per share was at 205.8 HK cents as at 31 December 2021 (30 June 2021: 212.2 HK cents). The Group maintained its healthy financial position with cash and cash equivalents of HK\$112.7 million with a gearing ratio of 0.52 times as at 31 December 2021 versus HK\$73.7 million and a gearing ratio of 0.29 times as at June 2021.

¹ Reuters article “Hong Kong retail sales rise for 7th month, consumption voucher to support sentiment” dated 30 September 2021.



As a reflection of the good performance and the Group's confidence in the prospect of its business, the Board of Directors has declared a tax not applicable interim cash dividend of 4.0 HK cents a share. In addition, the Board has declared a tax not applicable special interim dividend of 8.8 HK cents a share in celebration of Karin's 45th anniversary. This brings total interim dividend for 1H FY2022 to 12.8 HK cents per share (1H FY2021: 2.8 HK cents a share), representing an interim dividend payout of HK\$27.5 million.

Business Plans & Outlook

Despite the ongoing COVID-19 pandemic, Karin is cautiously hopeful on its performance in 2H FY2022 and over the next 12 months. The Group expects the diversified nature of its business across different segments and multiple product lines to mitigate any adverse performance from individual business units.

Mr. Raymond Ng (伍建榮), Karin's Executive Chairman and Executive Director, said: "As Karin celebrates its 45th anniversary, we will continue to enhance the strengths that have enabled us to remain financially healthy and profitable since inception including prudent financial management and ensuring that we stay on top of technology trends.

"Looking ahead to the next 12 months, we expect some supply chain disruptions to remain due to the ongoing Covid-19 pandemic, but we will work closely with our suppliers to ensure that our customers' needs are met. To weather the challenges ahead, our business segments will continue to establish robust and compelling product lines by signing on new distributorships to expand our portfolio while our project teams will focus on the smooth delivery of existing projects."

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嘉靈控股集團有限公司

Karin Technology Holdings Limited



About Karin Technology Holdings Limited

Listed on the Mainboard of the Singapore Exchange since 2005, Karin is a leading electronic and industrial components distributor and IT solutions integrator and outsourcing service provider in Hong Kong and the People's Republic of China. 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. For more information, please visit: <http://www.karingroup.com/eng/global/home.php>.

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