



Karin Technology achieves 1HFY2024 NPAT of HK\$10.8 million on the back of HK\$1,169.4 million in sales

- Healthy performance driven by IT Infrastructure segment, which secured and commenced key projects during the period under the review.
- Declares an interim cash dividend of 4.9 HK cents per share, representing 98.1% of 1HFY2024 NPAT.

6 months ended 31 Dec (HK\$'M)	1HFY2024	1HFY2023	%Change
Segment Revenue			
– Information Technology Infrastructure (“IT Infrastructure”)	859.9	771.3	11.5
– Components Distribution (“CD”)	185.5	229.9	(19.3)
– Consumer Electronics Products (“CEP”)	123.9	161.5	(23.3)
Total Revenue	1,169.4	1,162.8	0.6
Gross profit	92.9	83.3	11.6
Gross profit margin (%)	7.9	7.2	0.7% pts
Profit before tax	12.7	16.3	(21.8)
Net profit attributable to owners of the Company	10.8	11.3	(4.7)
EPS (HK cts) ^a	4.99	5.28	(5.5)
NAV per share (HK cts) ^b	187.6 (as at 31 Dec 2023)	197.2 (as at 30 Jun 2023)	(4.9)

a. Based on the weighted average number of 216,348,000 and 214,748,000 ordinary shares in issue as at 31 December 2023 and 31 December 2022 respectively.

b. Based on the issued share capital (excluding treasury shares) of 216,348,000 ordinary shares as at 30 June 2023 and December 2023.

SINGAPORE – 8 February 2024 – Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“Karin” or together with its subsidiaries, the “Group”) has delivered a healthy set of results for the six months ended 31 December 2023 (“1HFY2024”) despite slowing growth in its PRC market.

The Group recorded a modest 0.6% year-on-year (“yoy”) uptick in total sales to HK\$1,169.4 million in 1HFY2024 driven mainly by strong double-digit revenue growth from its IT Infrastructure segment, which cushioned the weak performance of its CD and CEP segments.



The IT Infrastructure segment achieved an 11.5% growth in revenue to HK\$859.9 million in 1HFY2024 from HK\$771.3 million in the six months ended 31 December 2022 (“1HFY2023”) due to an increase in projects secured and the commencement of work for these projects during the period under review.

Meanwhile, sales from the CD and CEP segments fell 19.3% and 23.3% yoy to HK\$185.5 million and HK\$123.9 million respectively as demand from these segments were affected by slow recovery in these markets after the pandemic.

Gross profit rose 11.6% from HK\$83.3 million in 1HFY2023 to HK\$92.9 million in 1HFY2024 mainly due to lower write-down of inventories to net realisable value of HK\$7.0 million between the two periods as well as higher revenue from the IT Infrastructure segment. Gross profit margin increased to 7.9% in 1HFY2024 from 7.2% in 1HFY2023, lifted by higher margins fetched by projects secured by the IT Infrastructure segment.

The Group’s other income and gains fell 83.6% from HK\$10.4 million in 1HFY2023 to HK\$1.7 million in 1HFY2024 mainly because there were a one-off gain on disposal of properties, a reversal of impairment of trade receivables in 1HFY2023 coupled with a decrease in Government COVID-19 subsidies in 1HFY2024 following the lifting of all pandemic restrictions.

The Group’s overall expenses rose in 1HFY2024 mainly due to higher selling and distribution costs, finance costs and certain non-recurring items, including a loss incurred from the disposal of a property in China and impairment of trade receivables. The escalation in selling and distribution costs can be attributed to a rise in headcount and wages, while the rise in finance costs is mainly engendered by an increase in bank borrowing rates. These increases were partially offset by lower income tax expenses and a slight reduction in administrative expenses.

As a result of the aforementioned, net profit attributable to shareholders registered a mild yoy dip of HK\$0.5 million to HK\$10.8 million in 1HFY2024.

Business Plans & Outlook

Karin expects the next 12 months to be challenging as business and consumer sentiments continue to be weighed down by ongoing geopolitical tensions and conflicts, inflationary pressures and an uncertain economic climate. These factors as well as slowing growth in its



PRC market will continue to put pressure on the country's manufacturing sector and hence the components distribution business and also the demand for electronics products.

Karin has commenced an internal review with plans to deploy and allocate more resources to the growth sectors. Following the review, the Group intends to expand its IT Infrastructure segment to capitalise on the rising demand for solutions from China. It will also restructure its CD segment to focus on new component applications as the market for traditional components remains challenging. In recent years, the Group has been involved in the clean energy and green technology sectors and will continue to focus on this growing space as the global race towards net-zero intensifies. Meanwhile, it will continue to maintain an attractive portfolio of consumer electronics products to drive sales for its CEP segment.

Karin's Chief Executive Officer and Executive Director, Mr. Michael Ng, said: *"Karin was able to deliver a healthy set of interim results despite the macroenvironment because we have been constantly and proactively monitoring the market, thereby enabling us to stay ahead of trends and seize opportunities as they arise. This strategic edge that has been instrumental in sustaining profitability since our inception in 1977. Looking ahead, we believe the optimum allocation of resources following our internal review, will further enhance our ability to capitalise on growth sectors while maintaining our hold on traditional sectors."*

With these plans, the Group is cautiously optimistic about the prospects of its business over the next 12 months. In view of the above, and in recognition of shareholder support, the Board of Directors is pleased to declare an interim dividend of 4.9 Hong Kong cents per share, representing 98.1% of net attributable profit for 1HFY2024.

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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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