



Karin achieves 8.0% revenue growth boosted by significant IT Infrastructure project wins

- Proposes a final dividend of 3.88 Hong Kong cents per share, together with the interim dividend paid of 4.90 Hong Kong cents per share, brings total dividend to 8.78 Hong Kong cents per share.
- With the absence of one-off gain on disposals of properties in Singapore and the PRC in FY2023, profitability dropped in FY2024.

12 months ended 30 Jun (HK\$' million)	FY2024	FY2023	% Change
Segment Revenue			
• IT Infrastructure	1,634.4	1,349.8	21.1
• Components Distribution (“CD”)	387.1	446.5	(13.3)
• Consumer Electronics Products (“CEP”)	180.5	243.3	(25.8)
Total Revenue	2,202.0	2,039.6	8.0
Gross profit	187.0	172.6	8.4
Profit before tax	24.0	57.0	(57.9)
Profit for the year	17.4	46.1	(62.3)

SINGAPORE – 28 August 2024 – SGX Mainboard-listed Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“Karin”, the “Company”, or together with its subsidiaries, the “Group”), a leading Hong Kong-based IT solutions distributor and electronic and industrial components and outsourcing service provider, has achieved a healthy 8.0% year-on-year (“yoy”) increase in revenue to HK\$2,202.0 million for the 12 months ended 30 June 2024 (“FY2024”).

The topline growth was driven mainly by the strong showing from its IT Infrastructure segment and partially offset by weaker performances from both the CD and CEP segments. During the year under review, the IT infrastructure segment secured several mega projects, which boosted the segment’s revenue by 21.1% yoy to HK\$1,634.4 million from HK\$1,349.8 million in the previous 12 months (“FY2023”). However, sales from the CD and CEP segments declined 13.3% yoy to HK\$387.1 million and 25.8% yoy to HK\$180.5 million respectively in FY2024, mainly due to the adverse impact of China’s slower-than-expected post-pandemic recovery on business and consumer sentiments.

The Group's gross profit rose 8.4% yoy to HK\$187.0 million in tandem with higher revenue and also due to a reversal of inventory write-down of HK\$4.0 million in FY2024 as compared to an inventory write-down of HK\$4.7 million in FY2023.

Other income and gains in FY2024 fell 80.6% yoy to HK\$9.1 million. This was mainly due to the absence of one-off gains of HK\$38.8 million in FY2023 from disposal of properties in the PRC and in Singapore that were held for own use and for investment. As a result of this and also due to fair value loss on investment property, the Group's profit for the year declined to HK\$17.4 million in FY2024 from HK\$46.1 million in FY2023.

As at 30 June 2024, the Group's cash and cash equivalent rose to HK\$127.2 million from HK\$90.1 million as at 30 June 2023, mainly due to prompt payment of a major contract that was secured in June 2024.

Business Outlook

Looking ahead, the outlook remains cautious for China and Hong Kong's overall business environment, with the components and retail segments expected to continue facing headwinds into 2025. China is grappling with a prolonged real estate crisis, rising unemployment among youths and a slowdown in its manufacturing activity, while Hong Kong's retail sector is facing a protracted slump amid inflation, an unfavourable interest rate and exchange rate environment, as well as intense competition from e-commerce players.

As such, Karin expects the performance of its CD and CEP segments to remain weak in the short term. However, the Group is cautiously optimistic of sustained growth from its IT Infrastructure segment, which has been fuelled by strong demand for cloud computing, cybersecurity, enterprise software and network equipment. The Group will make the necessary investments to support this growing segment, which it believes will partially mitigate the softer CD and CEP segments.

Karin's Chief Executive Officer and Executive Director, Mr. Michael Ng, said: *"We are heartened by the performance of our IT Infrastructure segment, we believe it will spearhead our Group's growth over the next few years. As more companies embrace digitalisation and apply Artificial Intelligence to their operations, the requirements for secure and high-performance IT infrastructure becomes increasingly sophisticated and*

complex. Karin is well-positioned to partner with our customers on their digital journey and our growing reputation in this area is evidenced by several major deals that we had secured in recent years.

“At the same time, we continue to pursue opportunities for our CEP and CD segments by maintaining a dynamic portfolio of brands and products that can satisfy customer needs. With the economy remaining uncertain, we continue to prudently manage inventory levels in keeping with market conditions.”

Dividend

In keeping with Karin’s track record of paying yearly dividends, the Board of Directors has proposed a final tax exempt dividend of 3.88 Hong Kong cents per share subject to shareholders’ approval at the forthcoming AGM. Including the interim dividend of 4.90 HK cents per share, this brings total dividend in respect of FY2024 to 8.78 HK cents per share, which represents a payout ratio of nearly 100.0% of net profit attributable to shareholders.

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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 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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