



## Karin Technology achieves 7.5% increase in net profit to HK\$11.5 million in 1HY2025

- Declares a tax exempt interim cash dividend of 4.9 HK cents per share, representing 98.4% of net attributable profit in 1HY2025

6 months ended 31 Dec (HK\$'M)	1HY2025	1HY2024	%Change
Segment Revenue			
– Information Technology Infrastructure (“IT Infrastructure”)	772.6	859.9	(10.2)
– Components Distribution (“CD”)	181.8	185.5	(2.0)
– Consumer Electronics Products (“CEP”)	90.9	123.9	(26.6)
Total Revenue	<b>1,045.3</b>	1,169.4	(10.6)
Gross profit	<b>95.8</b>	92.9	3.1
Gross profit margin (%)	<b>9.2</b>	7.9	1.2% pts
Profit before tax	<b>15.5</b>	12.7	42.9
Net profit for the period	<b>11.5</b>	10.7	7.5
Basic EPS (HK cts) <sup>a</sup>	<b>4.98</b>	4.99	(0.2)
NAV per share (HK cts) <sup>b</sup>	<b>189.4</b> (as at 31 Dec 2024)	188.1 (as at 30 Jun 2024)	0.7

a. Based on the weighted average number of 216,323,400 and 216,348,000 ordinary shares in issue as at 31 December 2024 and 31 December 2023 respectively.

b. Based on the issued share capital excluding treasury shares of 216,323,400 ordinary shares as at 30 June 2024 and December 2024.

**SINGAPORE – 13 February 2025** – 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 7.5% year-on-year (“**yoy**”) increase in net profit to HK\$11.5 million despite a 10.6% fall in topline to HK\$1,045.3 million for the six months ended 31 December 2024 (“**1HY2025**”).

In 1HY2025, all three of Karin’s business segments achieved lower sales. The Group’s IT Infrastructure segment, which is the biggest contributor to topline, recorded a 10.2% yoy fall in revenue to HK\$772.6 million. The decrease was mainly due to fewer new mega projects secured during the period under review.



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Revenue from the Group's CD segment fell 2.0% yoy to HK\$181.8 million mostly due to poor economic sentiment in the PRC. However, the segment recorded improved profitability due to a shift in focus to new components with higher margins.

The Group's CEP segment continued to be affected by Hong Kong's soft retail sector as consumer spending remained cautious. However, the segment's profitability improved due to tighter cost control measures that were implemented in 1HY2025.

Despite the weaker topline performance, the Group recorded growth in net profit in 1HY2025 due to several factors. These included a 3.1% year-on-year rise in gross profit to HK\$95.8 million. Additionally, the Group also incurred lower administrative expenses and finance costs during the year. These savings were partially offset by higher tax and other net expenses during the period under review as well as lower share of profit of an associate.

As at 31 December 2024, the Group's financial position remained healthy with cash and cash equivalents of approximately HK\$105.6 million (HK\$127.2 million as at 30 June 2024) and low gearing of 0.27 times.

In appreciation of shareholders' continued support, Karin's Board of Directors has declared a tax-exempt interim cash dividend of 4.9 HK cents per share, representing 98.4% of net attributable profit in 1HY2025. This will be payable on 13 March 2025.

## Outlook

Karin projects that the next 12 months will continue to be difficult for businesses due to geopolitical tensions that have created more uncertainty in the world's commercial environment. Against this backdrop, the Group believes that operating conditions in the PRC will remain challenging across all industries. In Hong Kong, the Group expects intense volatility to continue as the local government grapples with a large budget deficit that is likely to reduce public spending.

Given the anticipated decrease in interest rates as well as inflationary pressures, the Group will concentrate on cost controls and on increasing operational efficiency in order to protect margins and maintain agility in capturing growth possibilities.



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The Group believes that the global acceleration in AI and digital transformation will continue to offer growth prospects, while demand for electronic products may be impacted by potential US tariffs and the resulting effect on goods and services with exposure to the US market.

**Karin's Chief Executive Officer and Executive Director, Mr. Michael Ng,** said: *"We believe our ongoing investment to enhance our expertise in providing IT Infrastructure services has put us in a strong position to capitalise on the increasing adoption of AI and the rising demand for cloud solutions. We will leverage our track record of completed and ongoing projects to actively pursue contracts both in the public and private sectors. At the same time, we are closely monitoring the geopolitical situation and trade tensions for developments that may impact our business."*

Looking ahead, the Group will continue to focus its resource planning and allocation on growth sectors. It will also implement the necessary cost cutting initiatives as well as rationalising labour costs across its operations to protect its profitability. At the same time, the Group will continue to strengthen and expand a comprehensive portfolio of products and solutions across our segments to meet business demands, and explore geographical expansion as a medium-term strategy to capture new markets.

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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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