



Karin Technology delivers sales growth in 1HY2026 despite broader economic headwinds

- Delivered 15% revenue growth and improved Adjusted Net Profit¹, successfully offsetting margin pressures through rigorous cost-optimisation
- Achieved a substantial reduction in bank borrowings, permanently lowering interest expenses and strengthening the Company's financial position
- Launching a Share Buyback Program to enhance long-term EPS accretion

6 months ended 31 Dec (HK\$'M)	1HY2026	1HY2025	%Change
Segment Revenue			
– Information Technology Infrastructure	956.2	803.8	19.0
– Components Distribution	153.9	181.8	(15.4)
– Others ²	86.5	59.7	44.9
Total Revenue	1,196.6	1,045.3	14.5
Gross profit	87.5	95.8	(8.6)
Gross profit margin (%)	7.3	9.2	(1.9% pts)
Net (loss) / profit for the period	(26.1)	11.5	NM
Adjusted net profit for the period	12.4¹	11.5	7.8

SINGAPORE – 13 February 2026 – Karin Technology Holdings Limited (嘉靈控股集團有限公司) (“Karin”, the “Company”, or together with its subsidiaries, the “Group”) has delivered a 14.5% year-on-year (“YOY”) increase in revenue to HK\$1,196.6 million for the six months ended 31 December 2025 (“1HY2026”) driven by growth in sales from its Information Technology Infrastructure Division (“IT Infrastructure Division”) and Others segments, and partially offset by weaker performance from its Components Distribution Division (“CD Division”).

In 1HY2026, revenue from the Group’s IT Infrastructure Division increased 19.0% year-on-year (“YOY”) to HK\$956.2 million due to more new large projects secured during the period.

¹ Computed by excluding the catch-up depreciation of HK\$35.3 million and the attendant deferred tax expense of HK\$3.2 million (arising from the reclassification of the Karin Building as PPE) from the Net Loss for the period. For clarity, this is a non-IFRS measure.

² Including consumer electronics products segment.



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Revenue from the Group's CD Division declined 15.4% YOY to HK\$153.9 million in 1HY2026, primarily due to greater competition from domestic players in the PRC. The Group's Others segment delivered revenue growth of 44.9% YOY to HK\$86.5 million driven by a surge in consumer product sales during the period.

Gross profit decreased by HK\$8.3 million or 8.6% during the period which was mainly due to the competitive market environment for both the IT Infrastructure and CD business segments.

Operational Resilience and Strategic Efficiency

To counteract industry-wide margin pressures, the Group successfully executed a dual-track strategy focused on operational efficiency and financial discipline through (1) rigorous cost-optimisation measures to protect the bottom line and streamline the corporate structure; and (2) financial de-leveraging by reducing its average bank borrowings, resulting in substantial savings on finance costs for the period.

Accounting Adjustments and Profitability

On an IFRS reporting basis, the Group recorded a net loss for the period. This stems primarily from some non-cash, technical accounting adjustments regarding Karin Building. In accordance with IFRS 5, the asset was reclassified from "Assets held for sale" back to Property, Plant, and Equipment (PPE), triggering a one-time catch-up depreciation charge of HK\$35.3 million and the attendant deferred tax expense of HK\$3.2 million. These one-off technical accounting adjustments have no impact on the Group's cash flows, liquidity, or core business operations. The Group has maintained its hold on the asset to preserve shareholder value, declining to divest at suboptimal prices despite prevailing property market conditions in HK.

To provide a clearer view of its core performance, the Group computed an Adjusted Net Profit³ which excludes these non-cash technical items. Supported by 15% revenue growth and lower operating expenses and interest costs, the Adjusted Net Profit of HK\$12.4 million increased by about 8% over the corresponding period last year.

³ See footnote 1



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Value-Driven Capital Allocation

No dividend has been declared for the period as the Board deems it prudent to conserve cash to fund new business initiatives and strategic projects intended to drive future growth. Additionally, in view of the current market conditions and the reported net loss, the Board intends to maintain greater financial flexibility to optimise the Group's capital structure with a view to enhancing long-term total shareholder return. In this regard, the Board will be launching a Share Buyback Program on the terms of the Share Buyback Mandate, as approved by shareholders at the last AGM held on 28 October 2025, subject to compliance with the Companies Law, Singapore Companies Act and rules and regulations of the SGX-ST. The Board believes that at current share price levels, repurchasing the Company's shares is a more value-accretive use of capital than a dividend distribution.

Outlook

The Company is navigating a transitional phase—investing in future-facing AI capabilities while managing legacy segment pressures. The path to sustained profitability centres on successfully reversing margin erosion and executing transformation without disrupting current growth engines. With disciplined cost management and continued strength in AI-driven IT sales, the business has clear and viable pathways to recovery and growth, though near-term volatility can be expected.

The deliberate shift of IT spending toward AI infrastructure and solutions aligns with secular technology trends. Strong sales growth in China-backed IT products suggests successful execution in a high-growth segment and potential for sustained IT revenue expansion as AI adoption accelerates. In addition, the Company is developing the audio and video IT business, which is focused on distributing a comprehensive and workspace audio and video IT solutions for the customers from different sectors.

To tackle the weakening sales in the Components Division, Karin will continue to focus on improving the efficiency and cost structure despite structural market challenges. In addition, the Group anticipates a stable recovery in both consumer product sales and margins driven by higher smartphone sales and strategic product mix initiatives.



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Karin's Chief Executive Officer and Executive Director, Mr. Michael Ng, said: "Despite broader economic headwinds, Karin was able to deliver overall sales growth in 1HY2026, which demonstrates underlying demand resilience and market relevance."

"Looking ahead, we expect continued revenue growth in AI-related IT solutions and consumer sentiment recovery. Margin pressure will likely persist while we keep transforming to higher margin business and cost improvement. As we anticipate the demand for AI solutions to keep growing, we will focus on expanding our AI products and services to drive margin and profitability. In addition, the growth of China-backed IT products may further solidify our competitive advantage in the market."

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About Karin Technology Holdings Limited

Founded in 1977 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) since March 2005, Karin Technology Holdings Limited (“**Karin**” or, collectively with its subsidiaries, the “**Group**”) has established itself as a leading provider of IT solutions and components distribution, with headquarters in Hong Kong and offices in Macau as well as various key cities in the People’s Republic of China. Karin’s strength lies in its diversified and synergistic portfolio, organised into three core business segments — IT Infrastructure (“**IT**”), Components Distribution (“**CD**”), and Others.

The **IT Division** is the Group’s fastest growing and largest business segment. It encompasses a comprehensive portfolio of enterprise-grade IT solutions and services from global and mainland China vendors in network and cybersecurity, server and storage, data and software applications, audio and video IT solutions, as well as rapidly expanding AI infrastructure, tools and platforms.

Karin’s **CD Division** has evolved beyond traditional distribution to offer high-value services such as integrated circuit application design, computing solutions, and outsourcing services. The **Others segment** covers direct retail through the Group’s “**In-Smart**” brand stores in Hong Kong, offering consumers a curated selection of leading consumer electronics.

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