



嘉靈集團
KARIN
GROUP

嘉靈控股集團有限公司

Karin Technology Holdings Limited

(Incorporated in Bermuda on 30 August 2002)

(Company Registration Number 32514)

**INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024 (UNAUDITED)**

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

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KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	Note	Group					
		Six months	Six months	% increase/ (decrease)	Full year	Full year	% increase/ (decrease)
		ended 30.6.2024 HK\$'000	ended 30.6.2023 HK\$'000		ended 30.6.2024 HK\$'000	ended 30.6.2023 HK\$'000	
REVENUE	5	1,032,630	876,826	17.8	2,201,995	2,039,621	8.0
Cost of sales		<u>(938,536)</u>	<u>(787,530)</u>	19.2	<u>(2,014,974)</u>	<u>(1,867,065)</u>	7.9
Gross profit		94,094	89,296	5.4	187,021	172,556	8.4
Other income and gains, net		7,368	36,387	(79.8)	9,067	46,756	(80.6)
Selling and distribution costs		(40,240)	(40,864)	(1.5)	(78,377)	(75,863)	3.3
Administrative expenses		(40,756)	(39,108)	4.2	(78,762)	(78,108)	0.8
Other expenses, net		(3,886)	(474)	719.8	(6,118)	(1,369)	346.9
Finance costs		(6,215)	(6,522)	(4.7)	(11,766)	(10,374)	13.4
Share of profit of associates, net		895	1,947	(54.0)	2,938	3,353	(12.4)
PROFIT BEFORE TAX	6	11,260	40,662	(72.3)	24,003	56,951	(57.9)
Income tax expense	7	<u>(4,612)</u>	<u>(6,178)</u>	(25.3)	<u>(6,621)</u>	<u>(10,852)</u>	(39.0)
PROFIT FOR THE PERIOD/ YEAR		<u>6,648</u>	<u>34,484</u>	(80.7)	<u>17,382</u>	<u>46,099</u>	(62.3)

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (continued)

	Group					
	Six months ended 30.6.2024 HK\$'000	Six months ended 30.6.2023 HK\$'000	% increase/ (decrease)	Full year ended 30.6.2024 HK\$'000	Full year ended 30.6.2023 HK\$'000	% increase/ (decrease)
PROFIT FOR THE PERIOD/ YEAR	6,648	34,484	(80.7)	17,382	46,099	(62.3)
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations	(1,824)	(3,148)	(42.1)	(1,048)	(7,880)	(86.7)
Share of other comprehensive income of associates	(216)	(267)	(19.1)	(70)	(479)	(85.4)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR, NET OF TAX	(2,040)	(3,415)	(40.3)	(1,118)	(8,359)	(86.6)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR	4,608	31,069	(85.2)	16,264	37,740	(56.9)
Profit for the period attributable to:						
Owners of the Company	8,210	35,635	(77.0)	19,005	46,965	(59.5)
Non-controlling interests	(1,562)	(1,151)	35.7	(1,623)	(866)	87.4
	6,648	34,484	(80.7)	17,382	46,099	(62.3)
Total comprehensive income attributable to:						
Owners of the Company	6,020	32,250	(81.3)	17,959	38,956	(53.9)
Non-controlling interests	(1,412)	(1,181)	19.6	(1,695)	(1,216)	39.4
	4,608	31,069	(85.2)	16,264	37,740	(56.9)

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30 June 2024 HK\$'000	30 June 2023 HK\$'000	30 June 2024 HK\$'000	30 June 2023 HK\$'000
NON-CURRENT ASSETS					
Property, plant and equipment	9	6,187	20,751	–	–
Investment properties	10	–	–	–	–
Goodwill		1,059	2,098	–	–
Investment in subsidiaries		–	–	76,308	76,308
Investment in associates		7,371	7,350	–	–
Deferred tax assets		5,142	6,212	–	–
Right-of-use assets		4,965	10,825	–	–
Amount due from an associate		4,879	–	–	–
Prepayments and other assets		40,252	37,136	–	–
Total non-current assets		69,855	84,372	76,308	76,308
CURRENT ASSETS					
Inventories		248,766	258,013	–	–
Trade and bills receivables		470,152	416,012	–	–
Prepayments, other receivables and other assets		183,999	171,472	2	2
Amounts due from subsidiaries		–	–	50,865	52,077
Financial asset at fair value through profit or loss		1,040	1,284	–	–
Derivative financial instruments		770	8	–	–
Cash and cash equivalents		127,206	90,071	321	210
		1,031,933	936,860	51,188	52,289
Assets classified as held for sale	11	67,097	71,031	–	–
Total current assets		1,099,030	1,007,891	51,188	52,289
CURRENT LIABILITIES					
Trade and bills payables		330,882	249,750	–	–
Other payables and accruals		274,311	209,668	1,769	1,255
Amount due to a subsidiary		–	–	1,672	2,294
Tax payable		6,982	7,586	–	–
Derivative financial instruments		–	–	–	–
Interest-bearing bank and other borrowings	12	105,553	146,443	–	–
Lease liabilities		2,730	9,371	–	–
		720,458	622,818	3,441	3,549
Liabilities directly associated with assets classified as held for sale	11	1,789	1,592	–	–
Total current liabilities		722,247	624,410	3,441	3,549
NET CURRENT ASSETS		376,783	383,481	47,747	48,740

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	Group		Company	
		30 June	30 June	30 June	30 June
		2024	2023	2024	2023
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities		7,241	7,058	–	–
Other payables		37,385	32,424	–	–
Other borrowings	12	359	–	–	–
Lease liabilities		1,786	1,673	–	–
Total non-current liabilities		<u>46,771</u>	<u>41,155</u>	<u>–</u>	<u>–</u>
Net assets		<u>399,867</u>	<u>426,698</u>	<u>124,055</u>	<u>125,048</u>
EQUITY					
Equity attributable to owners of the Company					
Issued capital	13	21,636	21,636	21,636	21,636
Treasury shares	13	(61)	(19)	(61)	(19)
Reserves		<u>385,313</u>	<u>410,407</u>	<u>102,480</u>	<u>103,431</u>
		406,888	432,024	124,055	125,048
Non-controlling interests		<u>(7,021)</u>	<u>(5,326)</u>	<u>–</u>	<u>–</u>
Total equity		<u>399,867</u>	<u>426,698</u>	<u>124,055</u>	<u>125,048</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to owners of the Company											
	Issued capital	Treasury shares	Share premium account	Contributed surplus	Land and buildings revaluation reserve	General reserve	Other reserves	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022	21,476	(19)	45,885	898	57,810	6,150	(890)	6,013	289,125	426,448	(3,498)	422,950
Profit for the year	-	-	-	-	-	-	-	-	46,965	46,965	(866)	46,099
Other comprehensive income for the year:												
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(7,530)	-	(7,530)	(350)	(7,880)
Share of other comprehensive income of an associate	-	-	-	-	-	-	-	(479)	-	(479)	-	(479)
Total comprehensive income for the year	-	-	-	-	-	-	-	(8,009)	46,965	38,956	(1,216)	37,740
Issue of shares	160	-	3,050	-	-	-	-	-	-	3,210	-	3,210
Final 2022 dividend paid	-	-	-	-	-	-	-	-	(25,340)	(25,340)	-	(25,340)
Interim 2023 dividend paid	-	-	-	-	-	-	-	-	(11,250)	(11,250)	-	(11,250)
Dividend payable to a non-controlling shareholder	-	-	-	-	-	-	-	-	-	-	(612)	(612)
At 30 June 2023	21,636	(19)	48,935	898	57,810	6,150	(890)	(1,996)	299,500	432,024	(5,326)	426,698

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to owners of the Company											
	Issued capital	Treasury shares	Share premium account	Contributed surplus	Land and buildings revaluation reserve	General reserve	Other reserves	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2023	21,636	(19)	48,935	898	57,810	6,150	(890)	(1,996)	299,500	432,024	(5,326)	426,698
Profit for the year	-	-	-	-	-	-	-	-	19,005	19,005	(1,623)	17,382
Other comprehensive income for the year												
Exchange difference on translation of foreign operations	-	-	-	-	-	-	-	(976)	-	(976)	(72)	(1,048)
Share of other comprehensive income of associates	-	-	-	-	-	-	-	(70)	-	(70)	-	(70)
Total comprehensive income for the year	-	-	-	-	-	-	-	(1,046)	19,005	17,959	(1,695)	16,264
Share buy-back	-	(42)	-	-	-	-	-	-	-	(42)	-	(42)
Final 2023 dividend paid	-	-	-	-	-	-	-	-	(32,452)	(32,452)	-	(32,452)
Interim 2024 dividend paid	-	-	-	-	-	-	-	-	(10,601)	(10,601)	-	(10,601)
At 30 June 2024	21,636	(61)	48,935	898	57,810	6,150	(890)	(3,042)	275,452	406,888	(7,021)	399,867

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company	Issued capital	Treasury shares	Share premium account	Contributed surplus	Retained profits	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2022	21,476	(19)	45,885	36,311	18,856	122,509
Profit for the year and total comprehensive income for the year	–	–	–	–	35,919	35,919
Issue of shares	160	–	3,050	–	–	3,210
Final 2022 dividend paid	–	–	–	–	(25,340)	(25,340)
Interim 2023 dividend paid	–	–	–	–	(11,250)	(11,250)
At 30 June 2023 and 1 July 2023	21,636	(19)	48,935	36,311	18,185	125,048
Profit for the year and total comprehensive income for the year	–	–	–	–	42,102	42,102
Share buy-back	–	(42)	–	–	–	(42)
Final 2023 dividend paid	–	–	–	–	(32,452)	(32,452)
Interim 2024 dividend paid	–	–	–	–	(10,601)	(10,601)
At 30 June 2024	21,636	(61)	48,935	36,311	17,234	124,055

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2024	2023
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,003	56,951
Adjustments for:		
Interest income	(651)	(740)
Fair value loss on investment property	3,300	1,200
(Reversal of)/write-down of inventories	(4,003)	4,703
Depreciation of property, plant and equipment	8,654	10,525
Depreciation of right-of-use assets	9,828	9,786
Fair value gain on derivative financial instruments	(762)	(26)
Fair value loss on financial asset at fair value through profit or loss	244	161
Reversal of impairment of trade receivables, net	(431)	(2,367)
Gain on disposal of investment properties	–	(1,008)
Loss/(gain) on disposal of property, plant and equipment	1,536	(37,809)
Finance costs	11,766	10,374
Share of profit of associates, net	(2,938)	(3,353)
Gain on deregistration of a subsidiary	(89)	–
Impairment of goodwill	1,039	–
	<hr/>	<hr/>
Operating cash flows before changes in working capital	51,496	48,397
Changes in working capital		
Decrease/(increase) in:		
Inventories	13,218	(4,102)
Trade and bills receivables	(54,344)	38,089
Prepayments, other receivables and other assets	(15,176)	652
Increase/(decrease) in:		
Trade and bills payables	81,292	(25,747)
Other payables and accruals	70,294	7,341
	<hr/>	<hr/>
Cash flows from operations	146,780	64,630
Interest paid	(11,766)	(10,374)
Income tax paid	(5,354)	(9,652)
	<hr/>	<hr/>
Net cash flows from operating activities	129,660	44,064
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,080)	(3,785)
Proceeds from disposal of property, plant and equipment	6,297	64,840
Proceeds from sale of investment properties	–	5,608
Dividends from an associate	3,084	408
Interest received	651	740
Investment in an associate	(237)	–
Increase in amount due from an associate	(4,879)	–
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Net cash flows from investing activities	2,836	67,811
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KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Group	
	2024	2023
	HK\$'000	HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares buy-back	(42)	–
Proceeds from bank and other borrowings	708,522	324,118
Repayment of bank and other borrowings	(749,436)	(420,731)
Principal portion of lease payments	(10,086)	(10,073)
Dividends paid to owners of the Company	(43,053)	(36,590)
Dividend paid to non-controlling interests	(612)	–
	<hr/>	<hr/>
Net cash flows used in financing activities	(94,707)	(143,276)
	<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	37,789	(30,861)
Cash and cash equivalents at beginning of financial year	90,071	123,751
Cash and cash equivalents included in assets classified as held for sale	643	(627)
Effect of foreign exchange rate changes, net	(1,297)	(2,192)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	127,206	90,071
	<hr/> <hr/>	<hr/> <hr/>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Karin Technology Holdings Limited (the “Company”) is a limited liability company incorporated in Bermuda. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda. The principal place of business of the Company is at 9th Floor, The Whitney, 183 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- (i) the distribution of electronic components (“Components Distribution”);
- (ii) the provision of computer data storage management solutions and services; provision of professional services in IT infrastructure, cloud solutions, network and security solutions. (“IT Infrastructure”); and
- (iii) the distribution and retailing of consumer electronics products (“Consumer Electronics Products”).

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The condensed interim consolidated financial statements for the six months and full year ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023.

The Group’s accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim consolidated financial statements are presented in Hong Kong dollars and all values in the tables are rounded to the nearest thousand (“HK\$’000”) except when otherwise indicated.

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards effective as of 1 July 2023. The application of these new standards did not result in changes in the Group’s accounting policies and has no material effect on the amounts reported for the current reporting period or prior years. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. SEASONAL OPERATIONS

Save for the effect of releasing new consumer electronic products by a leading multinational technology company that specialises in consumer electronics products, the Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION

	Components Distribution	IT Infrastructure	Consumer Electronics Products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the six months ended 30 June 2024				
Segment revenue	201,598	774,463	56,569	1,032,630
Segment results	1,705	21,512	(2,636)	20,581
<i>Reconciliation:</i>				
Bank interest income				509
Fair value loss on financial asset at fair value through profit or loss				(218)
Fair value gain on derivative financial instruments				754
Fair value loss on investment property				(3,300)
Gain on disposal of property, plant and equipment				163
Impairment of goodwill				(1,039)
Finance costs				(6,215)
Share of profit of associates, net				895
Corporate and other unallocated expenses				(870)
Profit before tax				11,260
Income tax expense				(4,612)
Profit for the period				6,648
Other segment information				
Depreciation				9,176
Other non-cash expenses/(income), net	(4,574)	(3,484)	517	(7,541)
Capital expenditure				1,182

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the six months ended 30 June 2023				
Segment revenue	216,558	578,507	81,761	876,826
Segment results	4,625	6,156	1,525	12,306
<i>Reconciliation:</i>				
Bank interest income				683
Fair value loss on financial asset at fair value through profit or loss				(147)
Fair value loss on derivative financial instruments				(296)
Fair value loss on investment property				(1,200)
Gain on disposal of investment property				27
Gain on disposal of property, plant and equipment				34,449
Finance costs				(6,522)
Share of profit of an associate				1,947
Corporate and other unallocated expenses				(585)
Profit before tax				40,662
Income tax expense				(6,178)
Profit for the period				34,484
Other segment information				
Depreciation				9,802
Other non-cash expenses/(income), net	(4,269)	(324)	168	(4,425)
Capital expenditure				1,869

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution	IT Infrastructure	Consumer Electronics Products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the year ended 30 June 2024				
Segment revenue	387,074	1,634,409	180,512	2,201,995
Segment results	(2,189)	44,438	(2,502)	39,747
<i>Reconciliation:</i>				
Bank interest income				651
Fair value loss on financial asset at fair value through profit or loss				(244)
Fair value gain on derivative financial instruments				762
Fair value loss on investment property				(3,300)
Loss on disposal of property, plant and equipment				(1,536)
Impairment of goodwill				(1,039)
Gain on deregistration of a subsidiary				89
Finance costs				(11,766)
Share of profit of associates, net				2,938
Corporate and other unallocated expenses				(2,299)
				<hr/>
Profit before tax				24,003
Income tax expense				(6,621)
				<hr/>
Profit for the year				17,382
				<hr/>
Segment assets	194,530	721,382	28,886	944,798
<i>Reconciliation:</i>				
Investment in associates				7,371
Amount due from an associate				4,879
Deferred tax assets				5,142
Derivative financial instruments				770
Financial asset at fair value through profit or loss				1,040
Cash and cash equivalents				127,206
Assets classified as held for sale				67,097
Corporate and other unallocated assets				10,582
				<hr/>
Total assets				1,168,885
				<hr/> <hr/>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the year ended 30 June 2024 (continued)				
Segment liabilities	44,935	528,616	36,474	610,025
<i>Reconciliation:</i>				
Tax payable				6,982
Interest-bearing bank and other borrowings				105,912
Deferred tax liabilities				7,241
Liabilities directly associated with assets classified as held for sale				1,789
Corporate and other unallocated liabilities				37,069
				<hr/> 769,018 <hr/>
Other segment information				
Depreciation				18,482
Other non-cash expenses/(income), net	(2,207)	(3,316)	1,089	(4,434)
Capital expenditure				2,080
				<hr/> 2,080 <hr/>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the year ended 30 June 2023				
Segment revenue	446,484	1,349,845	243,292	2,039,621
Segment results	(4,843)	28,233	4,234	27,624
<i>Reconciliation:</i>				
Bank interest income				740
Fair value loss on financial asset at fair value through profit or loss				(161)
Fair value gain on derivative financial instruments				26
Fair value loss on investment property				(1,200)
Gain on disposal of investment property				1,008
Gain on disposal of property, plant and equipment				37,809
Finance costs				(10,374)
Share of profit of an associate				3,353
Corporate and other unallocated expenses				(1,874)
Profit before tax				56,951
Income tax expense				(10,852)
Profit for the year				46,099
Segment assets	243,345	617,928	33,379	894,652
<i>Reconciliation:</i>				
Investment in an associate				7,350
Deferred tax assets				6,212
Derivative financial instruments				8
Financial asset at fair value through profit or loss				1,284
Cash and cash equivalents				90,071
Corporate and other unallocated assets				92,686
Total assets				1,092,263

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the year ended 30 June 2023 (continued)				
Segment liabilities	45,421	374,187	53,464	473,072
<i>Reconciliation:</i>				
Tax payable				7,586
Interest-bearing bank and other borrowings				146,443
Deferred tax liabilities				7,058
Liabilities directly associated with assets classified as held for sale				1,592
Corporate and other unallocated liabilities				29,814
Total liabilities				<u>665,565</u>
Other segment information				
Depreciation				20,311
Other non-cash expenses/(income), net	1,981	(277)	632	2,336
Capital expenditure				<u>3,785</u>

5. REVENUE

An analysis of the Company's revenue is as follows:

	For the year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers	2,201,995	2,039,621
		<u>2,039,621</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
Six months ended 30 June 2024				
Type of goods or services				
Sales of goods	201,598	564,412	56,569	822,579
Provision of professional and warranty services	–	210,051	–	210,051
Total revenue from contracts with customers	201,598	774,463	56,569	1,032,630
Geographical markets				
Hong Kong	60,792	705,664	56,563	823,019
Mainland China	121,783	13,987	–	135,770
Others	19,023	54,812	6	73,841
Total revenue from contracts with customers	201,598	774,463	56,569	1,032,630
Timing of revenue recognition				
Goods and services transferred at a point in time	201,598	672,333	56,569	930,500
Services transferred over time	–	102,130	–	102,130
Total revenue from contracts with customers	201,598	774,463	56,569	1,032,630

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE

An analysis of the Company's revenue is as follows:

Revenue from contracts with customers

(i) Disaggregated revenue information

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
Six months ended 30 June 2023				
Type of goods or services				
Sales of goods	216,558	465,890	81,761	764,209
Provision of professional and warranty services	–	112,617	–	112,617
Total revenue from contracts with customers	216,558	578,507	81,761	876,826
Geographical markets				
Hong Kong	64,741	507,368	80,230	652,339
Mainland China	127,492	11,708	–	139,200
Others	24,325	59,431	1,531	85,287
Total revenue from contracts with customers	216,558	578,507	81,761	876,826
Timing of revenue recognition				
Goods and services transferred at a point in time	216,558	488,011	81,761	786,330
Services transferred over time	–	90,496	–	90,496
Total revenue from contracts with customers	216,558	578,507	81,761	876,826

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the year ended 30 June 2024				
Type of goods or services				
Sales of goods	387,074	1,254,536	180,512	1,822,122
Provision of professional and warranty services	–	379,873	–	379,873
Total revenue from contracts with customers	387,074	1,634,409	180,512	2,201,995
Geographical markets				
Hong Kong	114,772	1,392,214	179,099	1,686,085
Mainland China	237,650	34,457	–	272,107
Others	34,652	207,738	1,413	243,803
Total revenue from contracts with customers	387,074	1,634,409	180,512	2,201,995
Timing of revenue recognition				
Goods and services transferred at a point in time	387,074	1,408,484	180,512	1,976,070
Services transferred over time	–	225,925	–	225,925
Total revenue from contracts with customers	387,074	1,634,409	180,512	2,201,995

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	Components Distribution HK\$'000	IT Infrastructure HK\$'000	Consumer Electronics Products HK\$'000	Total HK\$'000
For the year ended 30 June 2023				
Type of goods or services				
Sales of goods	446,484	1,127,623	243,292	1,817,399
Provision of professional and warranty services	–	222,222	–	222,222
Total revenue from contracts with customers	446,484	1,349,845	243,292	2,039,621
Geographical markets				
Hong Kong	139,020	1,193,207	239,726	1,571,953
Mainland China	249,199	33,440	–	282,639
Others	58,265	123,198	3,566	185,029
Total revenue from contracts with customers	446,484	1,349,845	243,292	2,039,621
Timing of revenue recognition				
Goods and services transferred at a point in time	446,484	1,142,158	243,292	1,831,934
Services transferred over time	–	207,687	–	207,687
Total revenue from contracts with customers	446,484	1,349,845	243,292	2,039,621

A breakdown of sales

	Full year ended 30.6.2024 HK\$'000	Group Full year ended 30.6.2023 HK\$'000	%increase/ (decrease)
(a) Sales reported for the first half year	1,169,365	1,162,795	0.6
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	10,734	11,615	(7.6)
(c) Sales reported for the second half year	1,032,630	876,826	17.8
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	6,648	34,484	(80.7)

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30.6.2024 HK\$'000	Six months ended 30.6.2023 HK\$'000	Full year ended 30.6.2024 HK\$'000	Full year ended 30.6.2023 HK\$'000
Cost of inventories sold	892,359	744,969	1,917,063	1,745,516
Cost of services provided	52,780	47,433	101,914	116,846
(Reversal of)/write-down of inventories	(6,603)	(4,872)	(4,003)	4,703
Lease payments not included in the measurement of lease liabilities	1,944	1,336	2,624	1,899
Depreciation of property, plant and equipment	4,226	4,919	8,654	10,525
Depreciation of right-of-use assets	4,950	4,883	9,828	9,786
Foreign exchange gain	(3,249)	(1,046)	(3,962)	(165)
Interest expense on bank and other borrowings	6,050	6,324	11,429	10,004
Interest expense on lease liabilities	165	198	337	370
(Reversal of)/impairment of trade receivables	(938)	447	(431)	(2,367)
Fair value loss on financial asset at fair value through profit or loss	218	147	244	161
Fair value (gain)/loss on derivative financial instruments	(754)	296	(762)	(26)
Fair value loss on investment property	3,300	1,200	3,300	1,200
Gain on disposal of investment properties	–	(27)	–	(1,008)
Loss/(gain) on disposal of property, plant and equipment	(163)	(34,449)	1,536	(37,809)
Gain on deregistration of a subsidiary	–	–	(89)	–
Impairment of goodwill	1,039	–	1,039	–

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the reporting year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2021/2022. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30.6.2024 HK\$'000	Six months ended 30.6.2023 HK\$'000	Full year ended 30.6.2024 HK\$'000	Full year ended 30.6.2023 HK\$'000
Current				
Charge for the period	5,448	3,909	7,457	7,669
(Over)/under-provision in prior years	(2,062)	449	(2,062)	1,363
	3,386	4,358	5,395	9,032
Deferred	1,226	1,820	1,226	1,820
	4,612	6,178	6,621	10,852

8. DIVIDENDS

	For the year ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interim dividend paid during the year	10,601	11,250
Proposed final dividend	8,393	32,452
Total	18,994	43,702
Dividend per share (in HK cents)	8.8 cents	20.2 cents

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2024, the Group acquired assets amounting to HK\$2,080,000 (2023: HK\$3,785,000) and disposed of assets amounting to net book value of HK\$7,894,000 (2023: HK\$27,031,000).

Room 1905, Level 19, Tower A, Sanlitun SOHO, No. 8 Workers' Stadium North Road, Chaoyang District, Beijing, The PRC were sold during the reporting year. For further details of the disposals, please refer to the Company's announcements dated 1 November 2023.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

10. INVESTMENT PROPERTIES

	2024 HK\$'000	2023 HK\$'000
Carrying amount at beginning of financial period/year	–	4,506
Disposal	–	(4,600)
Exchange realignment	–	94
	<hr/>	<hr/>
Carrying amount at end of financial year	–	–
	<hr/>	<hr/>

11. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

	2024 HK\$'000	2023 HK\$'000
Property, plant and equipment	66,088	44,479
Investment property	–	24,900
Prepayments, deposits and other receivables	287	287
Cash and cash equivalents	722	1,365
	<hr/>	<hr/>
Total assets classified as held for sale	67,097	71,031
	<hr/>	<hr/>
Other payables and accruals	93	106
Tax payable	284	133
Deferred tax liabilities	1,412	1,353
	<hr/>	<hr/>
Total liabilities directly associated with assets classified as held for sale	1,789	1,592
	<hr/>	<hr/>
Net assets	65,308	69,439
	<hr/>	<hr/>

Note : For further details of assets classified as held for sale/liabilities directly associated with assets classified as held for sale, please refer to Note 23 to the Annual Report 2023.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Maturity	2024 HK\$'000	2023 HK\$'000
Current			
Lease liabilities	FY2025	87	63
Bank loans, unsecured	FY2025	105,466	146,380
		<hr/> 105,553	<hr/> 146,443
Non-current			
Lease liabilities	FY2026	359	–
		<hr/> 105,912	<hr/> 146,443

The Group's bank loans bear interest at floating rates ranging from 2.3% to 6.8% (30 June 2023: 1.6% to 6.0%) per annum.

As at 30 June 2024, bank borrowings of HK\$105,466,000 (2023: HK\$146,380,000) were covered by corporate guarantees given by the Company and certain subsidiaries.

13. SHARE CAPITAL

(i) Shares

	Group and Company			
	30 June 2024		30 June 2023	
	Number of shares '000	Amount HK\$'000	Number of shares '000	Amount HK\$'000
Beginning of the year	216,360	21,636	214,760	21,476
Issued during the year	–	–	1,600	160
End of the year	<hr/> 216,360	<hr/> 21,636	<hr/> 216,360	<hr/> 21,636

On 4 January 2023, pursuant to Karin Performance Share Plan, 1,600,000 shares were granted and issued to Independent Directors (600,000 shares) and executives (1,000,000 shares) of the Company. For further details, please refer to the announcement released by the Company on 4 January 2023.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. SHARE CAPITAL (continued)

(i) Shares (continued)

	2024 HK\$'000	2023 HK\$'000
Issued and fully paid: 216,360,000 (2023: 216,360,000) ordinary shares of HK\$0.1 each	21,636	21,636

(ii) Treasury shares

	30 June 2024		30 June 2023	
	Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
Beginning of the year	12,000	19	12,000	19
Share buy-back during the year	24,600	42	–	–
End of the year	36,600	61	12,000	19

14. RELATED PARTY DISCLOSURES

(a) Transactions and balances with related parties

Other than the related party transactions and balances disclosed elsewhere in the financial statements, the Group had no material transaction with related parties during the year and at the end of the reporting period.

(b) Remuneration of directors

	2024 HK\$'000	2023 HK\$'000
Fees	967	861
Other emoluments	6,101	5,483
Share-based payments (<i>Note</i>)	–	1,204
	7,068	7,548

Note: 600,000 shares were issued and awarded to Independent Directors in 2023.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

14. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (including directors' remuneration) of the Group

	2024 HK\$'000	2023 HK\$'000
Fees	967	861
Short term employee benefits	15,888	15,091
Post-employment benefits	105	208
Share-based payments	–	2,097
	16,960	18,257

15. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

30 June 2024

Financial assets

	Group			Company
	Financial assets at fair value through profit or loss HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000	Financial assets at amortised cost HK\$'000
Amount due from an associate	–	4,879	4,879	–
Trade and bills receivables	–	470,152	470,152	–
Financial assets included in prepayments, other receivables and other assets	–	6,316	6,316	–
Financial asset at fair value through profit or loss	1,040	–	1,040	–
Derivative financial instruments	770	–	770	–
Amounts due from subsidiaries	–	–	–	50,865
Cash and cash equivalents	–	127,206	127,206	321
	1,810	608,553	610,363	51,186

KARIN TECHNOLOGY HOLDINGS LIMITED

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows: (continued)

30 June 2024 (continued)

Financial liabilities

	Group			Company
	Financial liabilities at fair value through profit or loss HK\$'000	Financial liabilities at amortised cost HK\$'000	Total HK\$'000	Financial liabilities at amortised cost HK\$'000
Trade and bills payables	–	330,882	330,882	–
Financial liabilities included in other payables and accruals	–	17,405	17,405	574
Interest-bearing bank and other borrowings other than lease liabilities	–	105,466	105,466	–
Amount due to a subsidiary	–	–	–	1,672
	–	453,753	453,753	2,246

30 June 2023

Financial assets

	Group			Company
	Financial assets at fair value through profit or loss HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000	Financial assets at amortised cost HK\$'000
Trade and bills receivables	–	416,012	416,012	–
Financial assets included in prepayments, other receivables and other assets	–	7,002	7,002	–
Financial asset at fair value through profit or loss	1,284	–	1,284	–
Derivative financial instruments	8	–	8	–
Amounts due from subsidiaries	–	–	–	52,077
Cash and cash equivalents	–	90,071	90,071	210
	1,292	513,085	514,377	52,287

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

30 June 2023 (continued)

Financial liabilities

	Group			Company
	Financial liabilities at fair value through profit or loss HK\$'000	Financial liabilities at amortised cost HK\$'000	Total HK\$'000	Financial liabilities at amortised cost HK\$'000
Trade and bills payables	–	249,750	249,750	–
Financial liabilities included in other payables and accruals	–	15,359	15,359	544
Interest-bearing bank and other borrowings other than lease liabilities	–	146,380	146,380	–
Amount due to a subsidiary	–	–	–	2,294
	–	411,489	411,489	2,838

Since the carrying amounts of the Group's financial instruments approximate to their fair values, no separate disclosure of the fair values of the Group's financial instruments is made in these interim condensed consolidated financial statements.

16. EVENTS AFTER THE REPORTING PERIOD

There are no known subsequent events which have led to adjustments to the condensed annual financial statements.

On 2 August 2024 the Company's indirect wholly-owned subsidiary, KIMIG Limited entered into a share transfer agreement with COSEL Co., Ltd. ("Cosel") to sell all of its interest in its associated company, Shanghai Cosel International Trading Co. Ltd. to Cosel. For further details, please refer to the announcement released by the Company on 6 August 2024.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

Other information

1. Review

For the six months and full year ended 30 June 2024, the condensed interim consolidated statements of financial positions of Karin Technology Holdings Limited and its subsidiaries and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

2(i) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 1 July 2023, the Company held 12,000 (1 July 2022: 12,000) treasury shares. During the year ended 30 June 2024, pursuant to the 2009 Share Buyback mandate (last renewed on 26 October 2023), the Company had purchased 24,600 (30 June 2023: Nil) of its own shares (the "Shares") and holds such Shares as treasury shares. All the 24,600 Shares were market purchases at purchase price per shares paid by the Company of S\$0.295 amounting to an aggregate purchase price of S\$7,288 equivalent to HK\$42,094.

As at 30 June 2024, the Company held 36,600 (30 June 2023: 12,000) treasury shares or 0.0169% (30 June 2023: 0.0055%) of the Company's issued shares.

On 4 January 2023, pursuant to Karin Performance Share Plan, 1,600,000 shares were issued and awarded to Independent Directors (600,000 shares) and eligible employees of the Company. For further details, please refer to the announcement released by the Company on 4 January 2023.

As at 30 June 2024 and 30 June 2023, the Company's share capital was HK\$21,636,000 comprising 216,360,000 ordinary shares.

There were no share options outstanding as at 30 June 2024 and 30 June 2023.

During the year ended 30 June 2024, the Company did not have any shares subdivision nor consolidation.

During the year ended 30 June 2024, the Company's subsidiaries did not purchase nor hold any of the Company's shares.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

- 2(ii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total number of issued shares excluding treasury shares as at 30 June 2024 and 30 June 2023 were 216,323,400 and 216,348,000 respectively.

- 2(iii) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation nor use of treasury shares during the year under review (30 June 2023: Nil).

- 2(iv) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation nor use of subsidiary holdings during the year under review (30 June 2023: Nil).

- 3. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

Not applicable.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

4. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

The Group

	30 June 2024	30 June 2023
	HK\$'000	HK\$'000
Earnings per ordinary share of the Group, after deducting any provision for preference dividends (in HK cents):		
- Based on weighted average number of ordinary shares on issue (HK cents)	8.8	21.8
	<hr/>	<hr/>
Profit attributable to the owners of the Company for earnings per share (HK\$'000)	19,005	46,965
	<hr/> <hr/>	<hr/> <hr/>

The calculation of basic earnings per share for the years ended 30 June 2024 and 2023 is based on the profit attributable to the ordinary shareholders of the Company for the respective years and the weighted average of 216,345,446 and 215,528,274 ordinary shares in issue, respectively, which has taken into account the effect of treasury shares.

The Group has no potentially dilutive ordinary shares in issue during the year ended 30 June 2024 and 2023.

5. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30 June 2024	As at 30 June 2023	As at 30 June 2024	As at 30 June 2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Net asset value per ordinary share (HK cents)	188.1	199.7	57.3	57.8

Net asset value per ordinary share as at 30 June 2024 and 30 June 2023 was calculated based on the issued share capital (excluding treasury shares) of 216,323,400 and 216,348,000 ordinary shares as at 30 June 2024 and 30 June 2023 respectively.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2024

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

6. Review of performance of the group

Profit and loss

Revenue

Consolidated revenue of the Group increased by approximately HK\$162.4 million or 8.0% to HK\$2,202.0 million for the year ended 30 June 2024 (“**FY2024**”) from HK\$2,039.6 million for the year ended 30 June 2023 (“**FY2023**”).

Revenue from our Components Distribution (“**CD**”) segment declined by HK\$59.4 million, or 13.3%, to HK\$387.1 million for the year under review, compared to HK\$446.5 million for the year ended 30 June 2023. The decrease was mainly due to the sluggish economic recovery in China, following the relaxation of its strict zero-COVID measures.

Revenue from our Information Technology Infrastructure (“**IT Infrastructure**”) segment surged by HK\$284.6 million or 21.1% to HK\$1,634.4 million for the current year, up from HK\$1,349.8 million for the year ended 30 June 2023. The significant growth was primarily driven by the securing of a few mega projects during the year under review.

Revenue from our Consumer Electronics Products (“**CEP**”) segment fell by HK\$62.8 million, or 25.8%, to HK\$180.5 million for the current year, down from HK\$243.3 million for the year ended 30 June 2023. This decline was primarily driven by weak consumer sentiment and reduced spending in the local CEP market.

Gross profit

Gross profit rose by HK\$14.4 million, or 8.4%, to HK\$187.0 million for the year ended 30 June 2024, compared to HK\$172.6 million for the year ended 30 June 2023. The increase in gross profit was due mainly to: (1) higher revenue from the IT Infrastructure segment; and (2) a net reversal of write down of inventories of HK\$4.0 million in the current year.

Other income and gains, net

Other income and gains, net decreased by HK\$37.7 million or 80.6% to HK\$9.1 million for the year ended 30 June 2024 from HK\$46.8 million for the year ended 30 June 2023. The decrease was mainly because the previous year included non-recurring gains of HK\$38.8 million from the disposal of investment properties and properties held for own use.

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6. Review of performance of the group (continued)

Profit and loss (continued)

Selling and distribution costs

Selling and distribution costs increased by HK\$2.5 million or 3.3% to HK\$78.4 million for the year ended 30 June 2024 from HK\$75.9 million for the year ended 30 June 2023.

Administrative expenses

Administrative expenses decreased by HK\$0.7 million or 0.8% to HK\$78.8 million for the year ended 30 June 2024 from HK\$78.1 million for the year ended 30 June 2023.

Other expenses, net

Other expenses, net increased by HK\$4.7 million or 346.9% to HK\$6.1 million for the year ended 30 June 2024 from HK\$1.4 million for the year ended 30 June 2023. The increase was mainly due to (1) the increase in fair value loss on investment property of HK\$2.1 million; (2) loss on disposal of property, plant and equipment of HK\$1.5 million in relation to the Beijing property and (3) impairment of goodwill of HK\$1.0 million relating to component distribution business in the PRC.

Finance costs

Finance costs increased by HK\$1.4 million or 13.4% to HK\$11.8 million for the year ended 30 June 2024 from HK\$10.4 million for the year ended 30 June 2023. The increase was mainly due to (1) increase in bank borrowings interest rate during the current year; and (2) temporary increase in bank borrowings during the year to finance the purchase of goods to meet the increased demand in the IT Infrastructure segment.

Income tax expenses

The decrease was mainly due to the reversal of over provision of Income tax expenses in prior year.

Net profit

Net profit attributable to owners of the Company decreased by HK\$28.0 million or 59.5% to HK\$19.0 million for the year ended 30 June 2024 from HK\$47.0 million for the year ended 30 June 2023. The decrease was mostly due to the absence in current year of HK\$38.8 million gain on disposals of properties held for own use and investment in the PRC and Singapore in last year.

Non-controlling interests

Non-controlling interests represented the non-controlling shareholders' share of losses of our non-wholly owned subsidiaries.

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6. Review of performance of the group (continued)

Statement of financial position

Non-current assets

At 30 June 2024, non-current assets amounted to HK\$69.8 million, representing approximately 6.0% of the total assets. Non-current assets decreased by HK\$14.4 million or 17.2% to HK\$69.8 as at 30 June 2024 from HK\$84.4 million as at 30 June 2023. The decrease was mostly due to the disposal of property in Beijing.

Current assets

As at 30 June 2024, current assets amounted to HK\$1,099.0 million, an increase of HK\$91.1 million compared to the preceding financial year end as at 30 June 2023. The increase was mainly due to (1) increase in trade and bills receivables of HK\$54.1 million which was in line with the increase in revenue; (2) increase in cash and cash equivalents of HK\$37.1 million mainly due to a mega deal sale in June 2024 for which the customer made an immediate payment; and (3) increase in prepayments and other receivables of HK\$12.5 million.

Current liabilities

As at 30 June 2024, current liabilities amounted to approximately HK\$722.2 million, an increase of HK\$97.8 million compared to the preceding financial year end as at 30 June 2023. The increase was mainly due to (1) increase in trade and bills payables by HK\$81.1 million due to the supply of goods related to the mega deal mentioned above; (2) increase in other payables and accruals by HK\$64.6 million from the increase in advance payments from customers; and (3) set off by a decrease in interest-bearing bank and other borrowings by HK\$40.9 million which was due to the receipt of the mega deal settlement mentioned above.

Non-current liabilities

Non-current liabilities amounted to HK\$46.8 million, representing 6.1% of the total liabilities as at 30 June 2024. The amount comprised deferred tax liabilities, long term contract liabilities and long-term lease liabilities. Deferred tax liabilities were recognised as a result of temporary differences between the carrying amounts and tax bases of property, plant and equipment due to depreciation and withholding tax on retained profits on PRC subsidiaries.

Liquidity and cash flows

As at 30 June 2024, cash and cash equivalents amounted to HK\$127.2 million. Total interest-bearing loans and borrowings as at 30 June 2024 were HK\$105.5 million (30 June 2023: HK\$146.4 million). The gearing ratio (total interest-bearing borrowings to total equity) is 0.26 times (2023: 0.34 times).

7. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

8. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Like the ebb and flow of the economy, businesses ride the waves of prosperity and hardship. After 47 years in the components sector, our Group faces unprecedented challenges in maintaining profitability. The prolonged downturn in the retail segment is something we've never encountered in Hong Kong's market.

The business environments in China and Hong Kong have encountered significant difficulties in 2023 and 2024, with the manufacturing sector in China and Hong Kong's retail industry struggling. This downturn is exacerbated by a prolonged housing slump, impacting economic growth and investment sentiment. In response, our Components business focused on prudently managing inventory balance.

However, the retail industry in Hong Kong, where our Consumer Electronic Products (CEP) segment is focused, has languished due to reduced discretionary spending amid high inflation, interest rates and unfavourable exchange rates. Physical stores have seen declining foot traffic and sales, while e-commerce has intensified competition, further squeezing retail margins.

In contrast, our information technology infrastructure (IT) segment has emerged as a bright spot, driven by the urgent need for infrastructure upgrades and increased investment in AI technologies. Strong growth has been seen in cloud computing, cybersecurity, enterprise software, and networking equipment, allowing IT companies to expand their capabilities, customer base, and revenues. This growth has provided some relief to the struggling components distribution and retail segments.

While a better interest rate environment may offer some assistance in the coming year, the markets in China and Hong Kong remain under significant economic pressure. Our businesses must stay alert to potential credit crunches that could affect our businesses.

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. However, the IT industry is likely to be a key driver of activity and performance, helping us navigate broader macroeconomic challenges. Our management teams across all segments are committed to adapting to this changing landscape by embracing innovation, technology, and strategic partnerships.

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9. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Tax not applicable final dividend of HK 3.88 cents per share amounting to HK\$8,393,000 have been proposed and will be subject to shareholders' approval at the forthcoming Annual General Meeting (AGM).

Name of dividend	Interim (paid)	Final
Dividend type	Cash	Cash
Dividend amount per share (in HK cents)	4.9 cents per share	3.88 cents per share
Par value of share (in HK cents)	10 cents	10 cents
Tax rate	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of dividend	Interim (paid)	Final
Dividend type	Cash	Cash
Dividend amount per share (in HK cents)	5.2 cents per share	15.0 cents per share
Par value of share (in HK cents)	10 cents	10 cents
Tax rate	Not applicable	Not applicable

(c) Date payable

14 November 2024

(d) Books closure date

The Register of Members and Share Transfer Books of Karin Technology Holdings Limited (the "**Company**") will be closed on 29 October 2024, for the preparation of dividend warrants to the proposed final dividend of HK 3.88 cents per ordinary share for the financial year ended 30 June 2024. ("**Final Dividend**")

Duly completed registrable transfers in respect of the shares in the Company received up to 5.00 p.m. on 28 October 2024 ("**Record Date**") by the Company's Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 will be registered to determine Members' entitlements to the Final Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on the Record Date will be entitled to the Final Dividend.

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- 10. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

Not applicable.

- 11. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No IPT mandate has been obtained.

- 12. Negative confirmation pursuant to Rule 705(5).**

Not applicable

- 13. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

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14. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Mr. Ng Yuk Wing, Philip	75	He is the father of Ng Mun Kit, Michael and brother of Ng Kin Wing, Raymond. Mr. Ng Mun Kit, Michael is the Chief Executive Officer and an Executive Director while Mr. Ng Kin Wing, Raymond is the Executive Chairman of the Group.	He is the Executive Director and took on the role as Chairman Emeritus. He is responsible to provide counsel and assistance in setting out policies as well as charting the strategic direction for the Group. He is one of the founders of the Group since 1977.	Nil
Mr. Ng Kin Wing, Raymond	74	He is uncle of Ng Mun Kit, Michael and brother of Ng Yuk Wing, Philip.	He is the Executive Chairman and Executive Director and is responsible for the overall strategic planning and business development of the Group. He is one of the founders of the Group since 1977.	Nil
Mr. Ng Mun Kit, Michael	46	He is son of Ng Yuk Wing, Philip and nephew of Ng Kin Wing, Raymond.	He is an Executive Director and Chief Executive Officer and is responsible for overseeing the entire operations and general management of the Group.	Nil

BY ORDER OF THE BOARD

Ng Kin Wing
Executive Chairman/Executive Director

28 August 2024