



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 2025 (UNAUDITED)**

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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

	Notes	Group					
		Six months ended 30.6.2025 HK\$'000	Six months ended 30.6.2024 HK\$'000	% increase/ (decrease)	Full year ended 30.6.2025 HK\$'000	Full year ended 30.6.2024 HK\$'000	% increase/ (decrease)
REVENUE	5	884,237	1,032,630	(14.4)	1,929,544	2,201,995	(12.4)
Cost of sales		<u>(803,387)</u>	<u>(938,536)</u>	(14.4)	<u>(1,752,908)</u>	<u>(2,014,974)</u>	(13.0)
Gross profit		80,850	94,094	(14.1)	176,636	187,021	(5.6)
Other income and gains, net		7,735	7,368	5.0	10,263	9,067	13.2
Selling and distribution costs		(38,114)	(40,240)	(5.3)	(76,162)	(78,377)	(2.8)
Administrative expenses		(37,477)	(40,756)	(8.0)	(72,969)	(78,762)	(7.4)
Other expenses, net		(2,371)	(3,886)	(39.0)	(7,938)	(6,118)	29.7
Finance costs		(1,961)	(6,215)	(68.4)	(5,716)	(11,766)	(51.4)
Share of profit of an associate, net		<u>-</u>	<u>895</u>	(100.0)	<u>-</u>	<u>2,938</u>	(100.0)
PROFIT BEFORE TAX	6	8,662	11,260	(23.1)	24,114	24,003	0.5
Income tax expense	7	<u>(3,640)</u>	<u>(4,612)</u>	(21.1)	<u>(7,548)</u>	<u>(6,621)</u>	14.0
PROFIT FOR THE PERIOD/ YEAR		<u>5,022</u>	<u>6,648</u>	(24.5)	<u>16,566</u>	<u>17,382</u>	(4.7)

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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

	Group					
	Six months ended 30.6.2025 HK\$'000	Six months ended 30.6.2024 HK\$'000	% increase/ (decrease)	Full year ended 30.6.2025 HK\$'000	Full year ended 30.6.2024 HK\$'000	% increase/ (decrease)
PROFIT FOR THE PERIOD/ YEAR	5,022	6,648	(24.5)	16,566	17,382	(4.7)
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations	1,627	(1,824)	NM	2,100	(1,048)	NM
Reclassification adjustment on disposal of an associate	606	-	NM	606	-	NM
Share of other comprehensive income of an associate	-	(216)	NM	-	(70)	NM
Actuarial gain on long service payment obligation	272	-	NM	272	-	NM
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/ YEAR, NET OF TAX	2,505	(2,040)	NM	2,978	(1,118)	NM
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/ YEAR	7,527	4,608	63.3	19,544	16,264	20.2
Profit for the period attributable to:						
Owners of the Company	8,384	8,210	2.1	19,151	19,005	0.8
Non-controlling interests	(3,362)	(1,562)	115.2	(2,585)	(1,623)	59.3
	5,022	6,648	(24.5)	16,566	17,382	(4.7)
Total comprehensive income attributable to:						
Owners of the Company	10,915	6,020	81.3	22,151	17,959	23.3
Non-controlling interests	(3,388)	(1,412)	139.9	(2,607)	(1,695)	53.8
	7,527	4,608	63.3	19,544	16,264	20.2

NM: Not Meaningful

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Group		Company	
	Notes	30 June 2025 HK\$'000	30 June 2024 HK\$'000	30 June 2025 HK\$'000	30 June 2024 HK\$'000
NON-CURRENT ASSETS					
Property, plant and equipment	9	4,311	6,187	—	—
Goodwill		1,059	1,059	—	—
Investment in subsidiaries		—	—	76,308	76,308
Investment in associates		—	7,371	—	—
Deferred tax assets		4,263	5,142	—	—
Right-of-use assets		18,409	4,965	—	—
Amount due from an associate		—	4,879	—	—
Prepayments and other assets		25,069	40,252	—	—
Total non-current assets		53,111	69,855	76,308	76,308
CURRENT ASSETS					
Inventories		252,013	248,766	—	—
Trade and bills receivables		385,946	470,152	—	—
Prepayments, other receivables and other assets		153,569	183,999	—	2
Amounts due from subsidiaries		—	—	50,006	50,865
Financial asset at fair value through profit or loss		1,055	1,040	—	—
Derivative financial instruments		327	770	—	—
Cash and cash equivalents		144,025	127,206	1,012	321
		936,935	1,031,933	51,018	51,188
Assets classified as held for sale	10	66,792	67,097	—	—
Total current assets		1,003,727	1,099,030	51,018	51,188
CURRENT LIABILITIES					
Trade and bills payables		248,899	330,882	—	—
Other payables and accruals		298,751	274,311	1,688	1,769
Amount due to a subsidiary		—	—	1,442	1,672
Tax payable		8,789	6,982	—	—
Interest-bearing bank and other borrowings	11	57,507	105,553	—	—
Lease liabilities		8,890	2,730	—	—
		622,836	720,458	3,130	3,441
Liabilities directly associated with assets classified as held for sale	10	1,733	1,789	—	—
Total current liabilities		624,569	722,247	3,130	3,441
NET CURRENT ASSETS		379,158	376,783	47,888	47,747

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Notes	Group		Company	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities		7,247	7,241	—	—
Other payables		15,708	37,385	—	—
Other borrowings	11	267	359	—	—
Lease liabilities		8,629	1,786	—	—
Total non-current liabilities		31,851	46,771	—	—
Net assets		400,418	399,867	124,196	124,055
EQUITY					
Equity attributable to owners of the Company					
Issued capital	12	21,636	21,636	21,636	21,636
Treasury shares	12	(61)	(61)	(61)	(61)
Reserves		388,471	385,313	102,621	102,480
		410,046	406,888	124,196	124,055
Non-controlling interests		(9,628)	(7,021)	—	—
Total equity		400,418	399,867	124,196	124,055

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to owners of the Company										Non– controlling interests	Total equity
	Issued capital	Treasury shares	Share premium account	Contributed surplus	Land and buildings revaluation reserve	General reserve	Other reserves	Exchange fluctuation reserve	Retained profits	Total		
	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 loss for the year:												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	(976)	–	(976)	(72)	(1,048)
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	(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 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Issued capital	Treasury shares	Share premium account	Contributed surplus	Land and buildings revaluation reserve	General reserve	Other reserves	Exchange fluctuation reserve	Retained profits	Total		
	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 2024	21,636	(61)	48,935	898	57,810	6,150	(890)	(3,042)	275,452	406,888	(7,021)	399,867
Profit for the year	–	–	–	–	–	–	–	–	19,151	19,151	(2,585)	16,566
Other comprehensive income for the year												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	2,122	–	2,122	(22)	2,100
Reclassification adjustment on disposal of an associate	–	–	–	–	–	–	–	606	–	606	–	606
Actuarial gain on long service payment obligation	–	–	–	–	–	–	272	–	–	272	–	272
Total comprehensive income for the year	–	–	–	–	–	–	272	2,728	19,151	22,151	(2,607)	19,544
Final 2024 dividend paid	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
Interim 2025 dividend paid	–	–	–	–	–	–	–	–	(10,600)	(10,600)	–	(10,600)
At 30 June 2025	21,636	(61)	48,935	898	57,810	6,150	(618)	(314)	275,610	410,046	(9,628)	400,418

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 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 and 1 July 2024	21,636	(61)	48,935	36,311	17,234	124,055
Profit for the year and total comprehensive income for the year	—	—	—	—	19,134	19,134
Final 2024 dividend paid	—	—	—	—	(8,393)	(8,393)
Interim 2025 dividend paid	—	—	—	—	(10,600)	(10,600)
At 30 June 2025	21,636	(61)	48,935	36,311	17,375	124,196

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2025	2024
	HK\$'000	HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,114	24,003
Adjustments for:		
Interest income	(2,330)	(651)
Interest income from an associate	(584)	–
Fair value loss on investment property	–	3,300
Reversal of write-down of inventories to net realisable value, net	(3,071)	(4,003)
Depreciation of property, plant and equipment	3,324	8,654
Depreciation of right-of-use assets	9,765	9,828
Fair value gain on derivative financial instruments	(280)	(762)
Fair value (gain)/loss on financial asset at fair value through profit or loss	(15)	244
Reversal of impairment of trade receivables, net	(1,133)	(431)
(Gain)/loss on disposal of property, plant and equipment	(48)	1,536
Finance costs	5,716	11,766
Impairment of amount due from an associate	6,086	–
Property, plant and equipment written off	217	–
Gain on disposal of an associate	(291)	–
Reversal of long outstanding trade and other payables	(2,305)	(880)
Share of profit of associates, net	–	(2,938)
Gain on deregistration of a subsidiary	–	(89)
Impairment of goodwill	–	1,039
Operating cash flows before changes in working capital	39,165	50,616
Changes in working capital		
Decrease/(increase) in:		
Inventories	202	13,218
Trade and bills receivables	86,293	(54,344)
Prepayments, other receivables and other assets	46,152	(15,176)
(Decrease)/increase in:		
Trade and bills payables	(80,048)	82,172
Other payables and accruals	2,351	70,294
Cash flows from operations	94,115	146,780
Interest on bank and other borrowing paid	(4,545)	(11,429)
Income tax paid	(4,310)	(5,354)
Net cash flows from operating activities	85,260	129,997

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Group	
	2025	2024
	HKS'000	HKS'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,846)	(2,080)
Proceeds from disposal of property, plant and equipment	265	6,297
Proceeds from exercise of forward currency contracts	723	–
Dividends from an associate	–	3,084
Interest received	2,330	651
Proceeds from disposal of an associate	7,662	–
Investment in an associate	–	(237)
Increase in amount due from an associate	(1,207)	(4,879)
Net cash flows from investing activities	7,927	2,836
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares buy-back	–	(42)
Proceeds from bank and other borrowings	1,273,311	708,522
Repayment of bank and other borrowings	(1,321,362)	(749,436)
Principal portion of lease payments	(8,649)	(10,086)
Dividends paid to owners of the Company	(18,993)	(43,053)
Dividend paid to non-controlling interests	–	(612)
Interest element on lease payment	(1,171)	(337)
Net cash flows used in financing activities	(76,864)	(95,044)
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,323	37,789
Cash and cash equivalents at beginning of financial year	127,206	90,071
Cash and cash equivalents included in assets classified as held for sale	305	643
Effect of foreign exchange rate changes, net	191	(1,297)
CASH AND CASH EQUIVLENTS AT END OF FINANCIAL YEAR	144,025	127,206

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 products and professional services in IT infrastructure, computing, data storage, network and security, as well as audio and video conferencing 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 2025 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 2024.

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 2024, except for the adoption of new standards effective as of 1 July 2024. 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 2025

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 2025				
Segment revenue	162,570	667,121	54,546	884,237
Segment results	(5,772)	22,218	(2,902)	13,544
<i>Reconciliation:</i>				
Bank interest income				723
Interest income from an associate				165
Fair value gain on financial asset at fair value through profit or loss				43
Fair value gain on derivative financial instruments				611
Gain on disposal of property, plant and equipment				90
Impairment of amount due from an associate				(3,323)
Property, plant and equipment written off				(217)
Finance costs				(1,961)
Corporate and other unallocated expenses				(1,013)
				<hr/>
Profit before tax				8,662
Income tax expense				(3,640)
				<hr/>
Profit for the period				5,022
				<hr/>
Other segment information				
Depreciation				6,005
Other non-cash expenses/(income), net	(275)	(6,167)	109	(6,333)
Capital expenditure				992
				<hr/>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 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 loss 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 an associate				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 2025

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 2025				
Segment revenue	344,347	1,439,711	145,486	1,929,544
Segment results	(6,553)	43,140	(1,612)	34,975
<i>Reconciliation:</i>				
Bank interest income				2,330
Interest income from an associate				584
Fair value gain on financial asset at fair value through profit or loss				15
Fair value gain on derivative financial instruments				280
Gain on disposal of an associate				291
Gain on disposal of property, plant and equipment				48
Impairment of amount due from an associate				(6,086)
Property, plant and equipment written off				(217)
Finance costs				(5,716)
Corporate and other unallocated expenses				(2,390)
Profit before tax				24,114
Income tax expense				(7,548)
Profit for the year				16,566
Segment assets	138,981	641,746	36,344	817,071
<i>Reconciliation:</i>				
Deferred tax assets				4,263
Derivative financial instruments				327
Financial asset at fair value through profit or loss				1,055
Cash and cash equivalents				144,025
Assets classified as held for sale				66,792
Corporate and other unallocated assets				23,305
Total assets				1,056,838

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 2025 (continued)				
Segment liabilities	31,425	480,795	31,740	543,960
<i>Reconciliation:</i>				
Tax payable				8,789
Interest-bearing bank and other borrowings				57,774
Deferred tax liabilities				7,247
Liabilities directly associated with assets classified as held for sale				1,733
Corporate and other unallocated liabilities				36,917
				<hr/> 656,420 <hr/>
Other segment information				
Depreciation				13,089
Other non-cash expenses/(income), net	351	(4,338)	(217)	(4,204)
Capital expenditure				1,846
				<hr/> 1,846 <hr/>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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)
Profit before tax				24,003
Income tax expense				(6,621)
Profit for the year				17,382
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
Total assets				1,168,885

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FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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
Total liabilities				<u>769,018</u>
Other segment information				
Depreciation				18,482
Other non-cash expenses/(income), net	(2,207)	(3,316)	1,089	(4,434)
Capital expenditure				<u>2,080</u>

5. REVENUE

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

	For the year ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers	<u>1,929,544</u>	<u>2,201,995</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 2025				
Type of goods or services				
Sales of goods	162,570	469,327	54,546	686,443
Provision of professional and warranty services	–	197,794	–	197,794
Total revenue from contracts with customers	162,570	667,121	54,546	884,237
Geographical markets				
Hong Kong	52,590	616,610	54,280	723,480
Mainland China	90,019	6,404	–	96,423
Others	19,961	44,107	266	64,334
Total revenue from contracts with customers	162,570	667,121	54,546	884,237
Timing of revenue recognition				
At a point in time	162,570	553,632	54,546	770,748
Over time	–	113,489	–	113,489
Total revenue from contracts with customers	162,570	667,121	54,546	884,237

KARIN TECHNOLOGY HOLDINGS LIMITED

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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 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				
At a point in time	201,598	672,333	56,569	930,500
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

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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 2025				
Type of goods or services				
Sales of goods	344,347	995,519	145,486	1,485,352
Provision of professional and warranty services	–	444,192	–	444,192
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544
Geographical markets				
Hong Kong	109,975	1,273,835	144,158	1,527,968
Mainland China	196,032	47,409	–	243,441
Others	38,340	118,467	1,328	158,135
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544
Timing of revenue recognition				
At a point in time	344,347	1,180,406	145,486	1,670,239
Over time	–	259,305	–	259,305
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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

A breakdown of sales

	Full year ended 30.6.2025 HK\$'000	Group Full year ended 30.6.2024 HK\$'000	%increase/ (decrease)
(a) Sales reported for the first half year	1,045,307	1,169,365	(10.6)
(b) Operating profit after tax before deducting non-controlling interests reported for the first half year	11,544	10,734	7.5
(c) Sales reported for the second half year	884,237	1,032,630	(14.4)
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	5,022	6,648	(24.5)

KARIN TECHNOLOGY HOLDINGS LIMITED

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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 30.6.2025 HK\$'000	Six months ended 30.6.2024 HK\$'000	Full year ended 30.6.2025 HK\$'000	Full year ended 30.6.2024 HK\$'000
Cost of inventories sold	642,252	753,669	1,355,211	1,675,678
Cost of services provided	165,530	191,470	400,768	343,299
Reversal of write-down of inventories to net realisable value, net	(4,395)	(6,603)	(3,071)	(4,003)
Lease payments not included in the measurement of lease liabilities	1,298	1,944	1,938	2,624
Depreciation of property, plant and equipment	1,059	4,226	3,324	8,654
Depreciation of right-of-use assets	4,946	4,950	9,765	9,828
Foreign exchange (gain)/loss	36	(3,249)	1,633	(3,962)
Interest expense on bank and other borrowings	1,364	6,050	4,545	11,429
Interest expense on lease liabilities	597	165	1,171	337
Reversal of impairment of trade receivables, net	(1,938)	(938)	(1,133)	(431)
Fair value (gain)/loss on financial asset at fair value through profit or loss	(43)	218	(15)	244
Fair value gain on derivative financial instruments	(611)	(754)	(280)	(762)
Fair value loss on investment property	–	3,300	–	3,300
(Gain)/loss on disposal of property, plant and equipment	(90)	(163)	(48)	1,536
Gain on deregistration of a subsidiary	–	–	–	(89)
Gain in disposal of an associate	–	–	(291)	–
Property, plant and equipment written off	217	–	217	–
Impairment of amount due from an associate	3,323	–	6,086	–
Reversal of long outstanding trade and other payables	(2,252)	(880)	(2,305)	(880)
Impairment of goodwill	–	1,039	–	1,039

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 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 (2024: 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 30.6.2025 HK\$'000	Six months ended 30.6.2024 HK\$'000	Full year ended 30.6.2025 HK\$'000	Full year ended 30.6.2024 HK\$'000
Current				
Charge for the period	3,019	5,448	6,927	7,457
(Over)/under-provision in prior years	167	(2,062)	167	(2,062)
	3,186	3,386	7,094	5,395
Deferred	454	1,226	454	1,226
	3,640	4,612	7,548	6,621

8. DIVIDENDS

	For the year ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Interim dividend paid during the year	10,600	10,601
Proposed final dividend	8,393	8,393
Total	18,993	18,994
Dividend per share (in HK cents)	8.8 cents	8.8 cents

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2025, the Group acquired assets amounting to HK\$1,846,000 (2024: HK\$2,080,000), disposed of assets amounting to net book value of HK\$217,000 (2024: HK\$7,894,000) and wrote off assets amounting to net book value of HK\$217,000 (2024: Nil).

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

	2025 HK\$'000	2024 HK\$'000
Property, plant and equipment	66,088	66,088
Prepayments, deposits and other receivables	287	287
Cash and cash equivalents	417	722
Total assets classified as held for sale	66,792	67,097
Other payables and accruals	93	93
Tax payable	286	284
Deferred tax liabilities	1,354	1,412
Total liabilities directly associated with assets classified as held for sale	1,733	1,789
Net assets	65,059	65,308

Note: The Group is of the view that the classification of the of Karin Building as 'Asset held for sale' under IFRS 5 remains appropriate as of 30 June 2025. The Group's intention to dispose of the building remains unchanged, and it continues to actively market these asset to facilitate their timely sale. For further details of assets classified as held for sales/liabilities directly associated with assets classified as held for sale, please refer to Note 25 to Annual Report 2024.

KARIN TECHNOLOGY HOLDINGS LIMITED

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Maturity	2025 HK\$'000	2024 HK\$'000
Current			
Lease liabilities	FY2026	92	87
Bank loans, unsecured	FY2026	57,415	105,466
		<u>57,507</u>	<u>105,553</u>
Non-current			
Lease liabilities	FY2026	–	92
	FY2027- FY2029	267	267
		<u>267</u>	<u>359</u>
		<u>57,774</u>	<u>105,912</u>

The Group's bank loans bear interest at floating rates ranging from 1.33% to 5.0% (30 June 2024: 2.3% to 6.8%) per annum.

As at 30 June 2025, bank borrowings of HK\$57,415,000 (2024: HK\$105,466,000) were secured by corporate guarantees provided by the Company and certain subsidiaries.

12. SHARE CAPITAL

(i)	Shares			2025 HK\$'000	2024 HK\$'000
	Issued and fully paid: 216,360,000 (2024: 216,360,000) ordinary shares of HK\$0.1 each			<u>21,636</u>	<u>21,636</u>
(ii)	Treasury shares				
		30 June 2025		30 June 2024	
		Number of shares	Amount HK\$'000	Number of shares	Amount HK\$'000
	Beginning of the year	36,600	61	12,000	19
	Share buy-back during the year	–	–	24,600	42
	End of the year	<u>36,600</u>	<u>61</u>	<u>36,600</u>	<u>61</u>

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

13. 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

	2025 HK\$'000	2024 HK\$'000
Fees	802	967
Other emoluments	6,576	6,205
	<hr/> 7,378	<hr/> 7,172

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

	2025 HK\$'000	2024 HK\$'000
Fees	802	967
Short term employee benefits	21,851	15,888
Post-employment benefits	180	105
	<hr/> 22,833	<hr/> 16,960

KARIN TECHNOLOGY HOLDINGS LIMITED

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

14. 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 2025

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	—	385,946	385,946	—
Financial assets included in prepayments, other receivables and other assets	—	6,895	6,895	—
Financial asset at fair value through profit or loss	1,055	—	1,055	—
Derivative financial instruments	327	—	327	—
Amounts due from subsidiaries	—	—	—	50,006
Cash and cash equivalents	—	144,025	144,025	1,012
	1,382	536,866	538,248	51,018

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	—	248,899	248,899	—
Financial liabilities included in other payables and accruals	—	5,739	5,739	516
Interest-bearing bank and other borrowings other than lease liabilities	—	57,415	57,415	—
Amount due to a subsidiary	—	—	—	1,442
	—	312,053	312,053	1,958

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

14. 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

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

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

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.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

15. EVENTS AFTER THE REPORTING PERIOD

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

16. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period's presentation.

KARIN TECHNOLOGY HOLDINGS LIMITED

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

Other information

1. Review

For the six months and full year ended 30 June 2025, 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 2024, the Company held 36,600 (1 July 2023: 12,000) treasury shares. During the year ended 30 June 2025, the Company did not purchase any (30 June 2024: 24,600) of the shares pursuant to the 2009 Share Buyback mandate (last renewed on 26 October 2024).

As at 30 June 2025, the Company held 36,600 (30 June 2024: 36,600) treasury shares or 0.0169% (30 June 2024: 0.0169%) of the Company's issued shares.

As at 30 June 2025 and 30 June 2024, the Company's share capital was HK\$21,636,000 comprising 216,360,000 ordinary shares (including 36,600 treasury shares).

There were no share options outstanding as at 30 June 2025 and 30 June 2024.

During the year ended 30 June 2025, the Company did not have any shares subdivision nor consolidation.

During the year ended 30 June 2025, the Company's subsidiaries did not purchase nor hold any of the Company's shares.

KARIN TECHNOLOGY HOLDINGS LIMITED

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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 2025 and 30 June 2024 was 216,323,400.

- 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 2024: 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 2024: 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 2025

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 2025	30 June 2024
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)	8.9	8.8
Profit attributable to the owners of the Company for earnings per share (HK\$'000)	19,151	19,005

The calculation of basic earnings per share for the years ended 30 June 2025 and 2024 is based on the profit attributable to the ordinary shareholders of the Company for the respective years and the weighted average of 216,323,400 and 216,345,446 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 2025 and 2024.

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 2025	As at 30 June 2024	As at 30 June 2025	As at 30 June 2024
Net asset value per ordinary share (HK cents)	189.6	188.1	57.4	57.3

Net asset value per ordinary share as at 30 June 2025 and 30 June 2024 was calculated based on the issued share capital (excluding treasury shares) of 216,323,400 and 216,323,400 ordinary shares as at 30 June 2025 and 30 June 2024 respectively.

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2025

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 decreased by approximately HK\$272.5 million or 12.4% to HK\$1,929.5 million for the year ended 30 June 2025 (“**FY2025**”), compared to HK\$2,202.0 million for the year ended 30 June 2024 (“**FY2024**”).

Revenue from our Components Distribution (“**CD**”) segment declined by HK\$42.8 million, or 11.1%, to HK\$344.3 million for the year under review, down from HK\$387.1 million for FY2024. The decrease was mainly due to the weakened economic sentiment in the PRC.

Revenue from our Information Technology Infrastructure (“**IT Infrastructure**”) segment decreased by HK\$194.7 million or 11.9% to HK\$1,439.7 million for the current year, from HK\$1,634.4 million for the year ended 30 June 2024. Although revenue from our IT segment declined for the year under review, its profitability had improved due to higher margins on some deals.

Revenue from our Consumer Electronics Products (“**CEP**”) segment fell by HK\$35.0 million, or 19.4%, to HK\$145.5 million for the current year, compared to HK\$180.5 million for FY2024. This downturn was primarily due to subdued consumer spending in Hong Kong. Nevertheless, effective cost and inventory management measures implemented during the year improved the overall performance of the segment.

Gross profit

Gross profit decreased by HK\$10.4 million, or 5.6%, to HK\$176.6 million for the year ended 30 June 2025, compared to HK\$187.0 million for the year ended 30 June 2024. The decrease in gross profit was due mainly to lower sales across all three of the Group’s business segments. However, the gross profit margin improved from 8.5% in FY2024 to 9.2% for FY2025, driven by the Group’s success in securing higher-margin on some deals.

Other income and gains, net

Other income and gains (net), increased by HK\$1.2 million or 13.2% to HK\$10.3 million for FY2025 from HK\$9.1 million for FY2024. The increase was mainly driven by higher bank interest income as a result of increased interest rates on US dollars bank deposits during the year under review.

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

6. Review of performance of the group (continued)

Profit and loss (continued)

Selling and distribution costs

Selling and distribution costs decreased by HK\$2.2 million or 2.8% to HK\$76.2 million for the year ended 30 June 2025 from HK\$78.4 million for the year ended 30 June 2024 due to decrease in staff cost.

Administrative expenses

Administrative expenses decreased by HK\$5.9 million or 7.4% to HK\$72.9 million FY2025 from HK\$78.8 million for FY2024. The decrease was mainly due to decrease in depreciation of property, plant and equipment of HK\$5.3 million as a result of depreciation for renovation costs for the Hong Kong office was fully depreciated by August 2024.

Other expenses, net

Other expenses (net) increased by HK\$1.8 million, or 29.7%, to HK\$7.9 million in FY2025, compared to HK\$6.1 million for FY2024. The increase was mainly due to the impairment of amount due from associate of HK\$6.1 million during the year under review, and partially offset by the absence of non-recurring expenses reported in FY2024, including a fair value loss on investment property of HK\$3.3 million and an impairment of goodwill of HK\$1.0 million.

Finance costs

Finance costs decreased by HK\$6.1 million or 51.4% to HK\$5.7 million for the year ended 30 June 2025 from HK\$11.8 million for the year ended 30 June 2024. The decrease was mainly due to (1) decrease in bank borrowings interest rate during the current year; and (2) decrease in bank borrowings during the year of financing the purchase of goods in the IT Infrastructure segment.

Net profit

Net profit attributable to owners of the Company increased by HK\$0.2 million or 1.0% to HK\$19.2 million for the year ended 30 June 2025 from HK\$19.0 million for the year ended 30 June 2024. The increase was mainly due to (1) HK\$1.2 million increase in other income and gains, net; (2) HK\$2.2 million decrease in selling and distribution costs; (3) HK\$5.9 million decrease in administrative expenses and (4) HK\$6.1 million decrease in finance costs; partially offset by (a) HK\$10.4 million decrease in gross profit; (b) HK\$2.9 million decrease in share of profit of an associate and (c) HK\$1.8 million increase in other expenses, net.

Non-controlling interests

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

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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

6. Review of performance of the group (continued)

Statement of financial position

Non-current assets

At 30 June 2025, non-current assets amounted to HK\$53.1 million, representing approximately 5.0% of the total assets. Non-current assets decreased by HK\$16.8 million or 24.0% to HK\$53.1 million as at 30 June 2025 from HK\$69.9 million as at 30 June 2024.

The decrease was mainly due to (1) the decrease on prepayments and other assets of HK\$15.2 million mainly due to the classification of such assets into their current portion (and presented as current assets); (2) disposal of an associate of HK\$7.4 million; (3) decrease of amount due from an associate of HK\$4.9 million; and offset by the increase of right-of-use assets of HK\$13.4 million due to the renewal of the Hong Kong office tenancy agreement for a three year during the year under review.

Current assets

As at 30 June 2025, current assets amounted to HK\$1,003.7 million, a decrease of HK\$95.3 million compared to the preceding financial year end as at 30 June 2024. The decrease was mainly due to (1) decrease in trade and bills receivables of HK\$84.2 million which was in line with the decrease in revenue; (2) decrease in prepayments and other receivables of HK\$30.4 million due to a substantial amount of current portion of long-term contracts being completed during FY2025; and (3) increase in cash and cash equivalents of HK\$16.8 million.

Current liabilities

As at 30 June 2025, current liabilities amounted to approximately HK\$624.6 million, an decrease of HK\$97.7 million, compared to those as at 30 June 2024. The decrease was mainly due to (1) decrease in trade and bills payables by HK\$82.0 million as a result of settlement of a major trade payable during the year under review; (2) decrease in interest-bearing bank and other borrowings by HK\$48.1 million due to bank loans repayment and (3) increase in other payables and accruals of HK\$24.4 million.

Non-current liabilities

Non-current liabilities amounted to HK\$31.9 million, representing 4.9% of the total liabilities as at 30 June 2025. 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 2025, cash and cash equivalents amounted to HK\$144.0 million. Total interest-bearing loans and borrowings as at 30 June 2025 were HK\$57.5 million (30 June 2024: HK\$105.6 million). The gearing ratio (total interest-bearing borrowings to total equity) is 0.14 times (2024: 0.26 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.

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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.

The Group enters the new fiscal year with a pragmatic outlook shaped by the macroeconomic headwinds and structural shifts observed over the past 12 months. Geopolitical tensions and uncertainty surrounding global tariff regimes continue to dampen business sentiment, particularly in our key operating regions. Although lower interest rates have eased financial costs, recessionary pressures persist in Hong Kong. Business demand remains subdued.

Notwithstanding the above challenges, Karin believes its IT infrastructure segment will drive its future growth as the Group expands its strategic focus on AI. With a strengthened senior management team, Karin is strongly positioned to capture more AI-related growth opportunities as the Group actively acquires new distributorships and develops an ecosystem to enlarge its AI solutions portfolio.

The economic landscape remains subdued in mainland China, with manufacturing clients adopting a conservative approach to procurement and forecasting. This cautious stance is especially pronounced among exporters, who face heightened vulnerability to trade disruptions and policy shifts. These factors have placed sustained pressure on our components distribution (CD) business. Nevertheless, demand for high-quality, innovative electronics remains robust. The continued digitization of vehicles is fuelling growth in electronic components, helping to offset margin pressures in the highly competitive consumer electronics market.

The Consumer Electronic Products (CEP) segment maybe further dampened, driven by declining consumer spending, a lack of compelling new product launches, and market saturation in categories such as earphones, speakers, and gaming peripherals. Retail performance is further dampened by reduced foot traffic and spending from mainland tourists, as well as ongoing store closures. To address this, we will prioritize profitability through disciplined inventory management, strategic purchasing, and rigorous cost controls.

In light of these challenges, our management team is recalibrating its focus on higher-margin solutions while maintaining strict oversight of lower-margin segments. This strategic pivot aims to preserve profitability, and continue to build its resilience through maintaining financial prudence and a healthy cash position. We believe the Group can leverage its deep experience in navigating economic cycles and fast-changing technologies.

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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)	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

(c) Date payable

18 November 2025

(d) Books closure date

The Register of Members and Share Transfer Books of Karin Technology Holdings Limited (the "**Company**") will be closed on 6 November 2025, 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 2025. ("**Final Dividend**")

Duly completed registrable transfers in respect of the shares in the Company received up to 5.00 p.m. on 5 November 2025 ("**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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OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

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 Kin Wing, Raymond	75	He is uncle of Ng Mun Kit, Michael and brother of Ng Yuk Wing, Philip (Non-Executive Chairman Emeritus of the Group).	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	47	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

29 August 2025