



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)

Unaudited interim condensed consolidated financial statements

31 December 2025

KARIN TECHNOLOGY HOLDINGS LIMITED

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KARIN TECHNOLOGY HOLDINGS LIMITED

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

For the six months ended 31 December 2025

	Notes	31.12.2025 HK\$'000	31.12.2024 HK\$'000	% increase/ (decrease)
Revenue	5	1,196,631	1,045,307	14.5%
Cost of sales		<u>(1,109,105)</u>	<u>(949,521)</u>	16.8%
Gross profit		87,526	95,786	-8.6%
Other income and gains, net	5	3,694	2,528	46.1%
Selling and distribution costs		<u>(36,069)</u>	<u>(38,048)</u>	-5.2%
Administrative expenses	6	<u>(73,228)</u>	<u>(35,492)</u>	106.3%
Other expenses, net		<u>(1,197)</u>	<u>(5,567)</u>	-78.5%
Finance costs		<u>(915)</u>	<u>(3,755)</u>	-75.6%
(LOSS)/PROFIT BEFORE TAX	6	<u>(20,189)</u>	15,452	NM
Income tax expense	7	<u>(5,906)</u>	<u>(3,908)</u>	51.1%
(LOSS)/PROFIT FOR THE PERIOD		<u><u>(26,095)</u></u>	<u><u>11,544</u></u>	NM
(Loss)/profit for the period attributable to:				
Owners of the Company		<u>(28,997)</u>	10,767	NM
Non-controlling interests		<u>2,902</u>	<u>777</u>	273.5%
		<u><u>(26,095)</u></u>	<u><u>11,544</u></u>	NM

NM : Not Meaningful

KARIN TECHNOLOGY HOLDINGS LIMITED

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

For the six months ended 31 December 2025

	31.12.2025	31.12.2024	% increase/ (decrease)
	HK\$'000	HK\$'000	
(LOSS)/PROFIT FOR THE PERIOD	(26,095)	11,544	NM
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	<u>1,869</u>	<u>473</u>	295.1%
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>1,869</u>	<u>473</u>	295.1%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(24,226)</u>	<u>12,017</u>	NM
Total comprehensive income attributable to:			
Owners of the Company	(27,264)	11,236	NM
Non-controlling interests	<u>3,038</u>	<u>781</u>	289.0%
	<u>(24,226)</u>	<u>12,017</u>	NM
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY (HK Cents)			
Basic and diluted	<u>(13.40)</u>	<u>4.98</u>	

NM : Not Meaningful

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

31 December 2025

	Notes	Group		Company	
		31.12.2025 (Unaudited) HK\$'000	30.06.2025 (Audited) HK\$'000	31.12.2025 (Unaudited) HK\$'000	30.06.2025 (Audited) HK\$'000
Non-current assets					
Property, plant and equipment	9	34,631	4,311	-	-
Goodwill		1,059	1,059	-	-
Investment in subsidiaries		-	-	76,308	76,308
Investment in associates		-	-	-	-
Deferred tax assets		4,263	4,263	-	-
Right-of-use assets		13,689	18,409	-	-
Prepayments and other assets		24,574	25,069	-	-
		<u>78,216</u>	<u>53,111</u>	<u>76,308</u>	<u>76,308</u>
Current assets					
Inventories	10	226,126	252,013	-	-
Trade and bills receivables		373,346	385,946	-	-
Prepayments, other receivables and other assets		151,995	153,569	-	-
Amounts due from subsidiaries		-	-	49,029	50,006
Financial asset at fair value through profit or loss		808	1,055	-	-
Derivatives financial instruments		324	327	-	-
Cash and cash equivalents		129,597	144,025	915	1,012
		<u>882,196</u>	<u>936,935</u>	<u>49,944</u>	<u>51,018</u>
Assets classified as held for sale	11	-	66,792	-	-
Total current assets		<u>882,196</u>	<u>1,003,727</u>	<u>49,944</u>	<u>51,018</u>
Current liabilities					
Trade and bills payables		319,478	248,899	-	-
Other payables and accruals		210,379	298,751	814	1,688
Amount due to a subsidiary		-	-	1,460	1,442
Tax payable		1,801	8,789	-	-
Interest-bearing bank and other borrowings	12	24,727	57,507	-	-
Derivatives financial instruments		19	-	-	-
Lease liabilities		8,555	8,890	-	-
		<u>564,959</u>	<u>622,836</u>	<u>2,274</u>	<u>3,130</u>
Liabilities directly associated with assets classified as held for sale	11	-	1,733	-	-
Total current liabilities		<u>564,959</u>	<u>624,569</u>	<u>2,274</u>	<u>3,130</u>
NET CURRENT ASSETS		<u>317,237</u>	<u>379,158</u>	<u>47,670</u>	<u>47,888</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED
(continued)

31 December 2025

	Notes	Group		Company	
		31.12.2025	30.06.2025	31.12.2025	30.06.2025
		(Unaudited) HK\$'000	(Audited) HK\$'000	(Unaudited) HK\$'000	(Audited) HK\$'000
Non-current liabilities					
Deferred tax liabilities		11,983	7,247	-	-
Other payables		10,914	15,708	-	-
Other borrowings	12	218	267	-	-
Lease liabilities		4,539	8,629	-	-
Total non-current liabilities		<u>27,654</u>	<u>31,851</u>	<u>-</u>	<u>-</u>
Net assets		<u>367,799</u>	<u>400,418</u>	<u>123,978</u>	<u>124,196</u>
EQUITY					
Equity attributable to owners of the Company					
Issued capital	13	21,636	21,636	21,636	21,636
Treasury shares	13	(61)	(61)	(61)	(61)
Reserves		<u>352,814</u>	<u>388,471</u>	<u>102,403</u>	<u>102,621</u>
		374,389	410,046	123,978	124,196
Non-controlling interests		<u>(6,590)</u>	<u>(9,628)</u>	<u>-</u>	<u>-</u>
Total equity		<u>367,799</u>	<u>400,418</u>	<u>123,978</u>	<u>124,196</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

For the six months ended 31 December 2025

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
Note		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 period	–	–	–	–	–	–	–	–	10,767	10,767	777	11,544
	<u>Other comprehensive income for the period</u>												
	Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	469	–	469	4	473
	Total comprehensive income for the period	–	–	–	–	–	–	–	469	10,767	11,236	781	12,017
8	Final 2024 dividend paid	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
	At 31 December 2024	21,636	(61)	48,935	898	57,810	6,150	(890)	(2,573)	277,826	409,731	(6,240)	403,491
	At 1 July 2025	21,636	(61)	48,935	898	57,810	6,150	(618)	(314)	275,610	410,046	(9,628)	400,418
	Loss for the period	–	–	–	–	–	–	–	–	(28,997)	(28,997)	2,902	(26,095)
	<u>Other comprehensive income for the period</u>												
	Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	1,733	–	1,733	136	1,869
	Total comprehensive loss for the period	–	–	–	–	–	–	–	1,733	(28,997)	(27,264)	3,038	(24,226)
8	Final 2025 dividend paid	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
	At 31 December 2025	21,636	(61)	48,935	898	57,810	6,150	(618)	1,419	238,220	374,389	(6,590)	367,799

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED (continued)

For the six months ended 31 December 2025

COMPANY	Issued capital	Treasury shares	Share premium account	Contributed surplus	Retained profits	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2024	21,636	(61)	48,935	36,311	17,234	124,055
Profit for the period and total comprehensive income for the period	–	–	–	–	9,106	9,106
Final 2024 dividend paid	–	–	–	–	(8,393)	(8,393)
At 31 December 2024	21,636	(61)	48,935	36,311	17,947	124,768
At 1 July 2025	21,636	(61)	48,935	36,311	17,375	124,196
Profit for the period and total comprehensive income for the period	–	–	–	–	8,175	8,175
Final 2025 dividend paid	–	–	–	–	(8,393)	(8,393)
At 31 December 2025	21,636	(61)	48,935	36,311	17,157	123,978

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Notes	Six months ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
(Loss)/profit before tax		(20,189)	15,452
Adjustments for:			
Interest income	5	(1,205)	(1,607)
Interest income from an associate	5	-	(415)
(Reversal of write-down)/write-down of inventories, net	6	(1,987)	1,324
Depreciation of property, plant and equipment	6	36,037	2,265
Depreciation of right-of-use assets	6	4,763	4,819
Fair value loss on derivative financial instrument	6	22	331
Fair value loss on a financial asset at fair value through profit or loss	6	247	28
Allowance for expected credit losses on trade receivables	6	611	805
(Gain)/loss on disposal of property, plant and equipment	6	(10)	42
Gain on disposal of an associate	5	-	(291)
Write-back of long outstanding trade and other payables	5	(1,979)	(53)
Allowance for expected credit losses on amount due from an associate	6	-	2,763
Finance costs		915	3,755
		<u>17,225</u>	<u>29,218</u>
Decrease/(increase) in inventories		27,926	(17,726)
Decrease in trade and bills receivables		12,478	39,450
Decrease in prepayments, deposits and other receivables		2,648	38,793
Increase/(decrease) in trade and bills payables		71,313	(82,076)
Decrease in other payables and accruals		<u>(92,256)</u>	<u>(20,420)</u>
Cash generated from/(used in) operations		39,334	(12,761)
Interest on bank and other borrowings paid		(455)	(3,181)
Income tax paid		<u>(9,925)</u>	<u>(4,976)</u>
Net cash flows from/(used in) operating activities		<u>28,954</u>	<u>(20,918)</u>
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		-	150
Proceeds from disposal of an associate		-	7,662
Purchases of property, plant and equipment		(151)	(854)
Interest received		<u>1,205</u>	<u>1,607</u>
Net cash flows from investing activities		<u>1,054</u>	<u>8,565</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED
(continued)

	Six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Cash flows from financing activities		
Proceeds from bank and other borrowings	217,964	414,638
Repayment of bank and other borrowings	(250,747)	(411,922)
Payment of principal portion of lease payment	(4,488)	(4,373)
Interest element on lease payment	(460)	(574)
Dividends paid to the owners of the Company	(8,393)	(8,393)
Net cash flows used in financing activities	(46,124)	(10,624)
Net decrease in cash and cash equivalents	(16,116)	(22,977)
Cash and cash equivalents at beginning of financial period	144,025	127,206
Decrease in cash and cash equivalents included in assets classified as held for sale	417	70
Effect on foreign exchange rate changes, net	1,271	1,323
Cash and cash equivalents at end of financial period	<u>129,597</u>	<u>105,622</u>
Analysis of balances of cash and cash equivalents		
Cash and bank balances as stated in the consolidated statement of cash flows	<u>129,597</u>	<u>105,622</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

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 located 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 and industrial components (“Components Distribution”); and
- (ii) the distribution and provision of compute and data storage management solutions, cloud solutions, network and cybersecurity solutions; provision of professional services in IT infrastructure implementation and support (“IT Infrastructure”).

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 31 December 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at 30 June 2025.

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 Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed 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.

31 December 2025

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed 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 2025, except for the adoption of new standards effective as of 1 July 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 21	<i>Lack of Exchangeability</i>
- Amendments to IFRS 9/IFRS 7	<i>Classification and Measurement of Financial Instruments</i>
- Amendments to IFRS 9/IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i>
- Annual improvements to IFRSs	<i>Volume 11</i>
- IFRS 18	<i>Presentation and Disclosures in Financial Statements</i>
- IFRS 19	<i>Subsidiaries without Public Accountability: Disclosure</i>
- Amendments to IFRS10/IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint venture</i>

3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. OPERATING SEGMENT INFORMATION

For the six months ended 31 December 2025

	Components distribution	IT infrastructure	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	153,853	956,202	86,576	1,196,631
Segment results	1,978	10,754	3,634	16,366
<i>Reconciliation:</i>				
Bank interest income				1,205
Fair value loss on derivative financial instruments				(22)
Fair value loss on a financial asset at fair value through profit and loss				(247)
Gain on disposal of property, plant and equipment				10
Depreciation of property, plant and equipment (Karin Building)				(35,287)
Finance costs				(915)
Corporate and other unallocated expenses				(1,299)
Loss before tax				(20,189)

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 31 December 2025

	Components distribution	IT infrastructure	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	144,469	615,114	15,502	775,085
<i>Reconciliation:</i>				
Deferred tax assets				4,263
Derivative financial instruments				324
Financial asset at fair value through profit or loss				808
Cash and cash equivalents				129,597
Corporate and other unallocated assets				50,335
Total assets				960,412
Segment liabilities	38,235	455,024	1,890	495,149
<i>Reconciliation:</i>				
Income tax payable				1,801
Interest-bearing bank and other borrowings				24,945
Deferred tax liabilities				11,983
Corporate and other unallocated liabilities				58,735
Total liabilities				592,613
Other segment information				
Income tax expense				5,906
(Reversal of write-down)/write-down of inventories	(1,390)	382	(979)	(1,987)
Allowance for expected credit losses on trade receivables	72	540	(1)	611
Write-back of long outstanding trade and other payables	-	(1,979)	-	(1,979)
Depreciation of property, plant and equipment (other than Karin Building)	96	600	54	750
Depreciation of right-of-use assets	612	3,806	345	4,763
Capital expenditure				151

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 31 December 2024

	Components distribution	IT infrastructure	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	181,777	803,832	59,698	1,045,307
Segment results	(782)	22,994	(781)	21,431
<i>Reconciliation:</i>				
Bank interest income				1,607
Interest income from an associate				415
Fair value loss on derivative financial instruments				(331)
Fair value loss on a financial asset at fair value through profit and loss				(28)
Loss on disposal of property, plant and equipment				(42)
Gain on disposal of an associate				291
Allowance for expected credit losses on amount due from an associate				(2,763)
Finance costs				(3,755)
Corporate and other unallocated expenses				(1,373)
Profit before tax				15,452
Segment assets	170,866	681,286	23,820	875,972
<i>Reconciliation:</i>				
Amount due from an associate				2,764
Deferred tax assets				5,678
Derivative financial instruments				439
Financial asset at fair value through profit or loss				1,012
Cash and cash equivalents				105,622
Assets classified as held for sale				67,027
Corporate and other unallocated assets				28,277
Total assets				1,086,791

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4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 31 December 2024

	Components distribution	IT infrastructure	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment liabilities	43,191	469,053	1,739	513,983
<i>Reconciliation:</i>				
Income tax payable				6,367
Interest-bearing bank and other borrowings				108,584
Deferred tax liabilities				7,193
Liabilities directly associated with assets classified as held for sale				1,739
Corporate and other unallocated liabilities				45,434
Total liabilities				683,300
Other segment information				
Income tax expense				3,908
(Reversal of write-down)/write-down of inventories	178	1,471	(325)	1,324
Allowance for expected credit losses on trade receivables	448	356	1	805
Write-back of long outstanding trade and other payables	-	(53)	-	(53)
Depreciation of property, plant and equipment (other than Karin Building)	394	1,742	129	2,265
Depreciation of right-of-use assets	838	3,705	276	4,819
Capital expenditure				854

In view of the decrease in business scale of the Consumer Electronics products ("CEP") segment, the CEP segment has been included as "Others" segment from 1H 2026 and onwards, both in the internal reports to the chief operating decision makers and in the consolidated financial statements of the Group. The management considers that the revised operating segment reporting disclosure would better reflect our business focus and resources allocation, which allows for better assessment of financial performance of the key operating segments. Certain comparative figures have been restated to conform with the current period's presentation.

5. REVENUE, OTHER INCOME AND GAINS, NET

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

	For the six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue from contracts with customers	1,196,631	1,045,307

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the period ended 31 December 2025

	Components distribution HK\$'000	IT infrastructure HK\$'000	Others HK\$'000	Total HK\$'000
Type of goods or services				
Sales of goods	153,853	726,980	86,576	967,409
Provision of professional and warranty services	-	229,222	-	229,222
Total revenue from contracts with customers	153,853	956,202	86,576	1,196,631
Geographical markets				
Hong Kong	46,487	850,956	86,576	984,019
Mainland China	86,388	3,408	-	89,796
Macau and other regions	20,978	101,838	-	122,816
	153,853	956,202	86,576	1,196,631
Time of revenue recognition				
At a point in time	153,853	799,871	86,576	1,040,300
Over time	-	156,331	-	156,331
	153,853	956,202	86,576	1,196,631

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the period ended 31 December 2024

	Components distribution HK\$'000	IT infrastructure HK\$'000	Others HK\$'000	Total HK\$'000
Type of goods or services				
Sales of goods	181,777	557,434	59,698	798,909
Provision of professional and warranty services	–	246,398	–	246,398
Total revenue from contracts with customers	181,777	803,832	59,698	1,045,307
Geographical markets				
Hong Kong	57,385	687,405	59,698	804,488
Mainland China	106,013	41,005	–	147,018
Macau and other regions	18,379	75,422	–	93,801
	181,777	803,832	59,698	1,045,307
Time of revenue recognition				
At a point in time	181,777	658,016	59,698	899,491
Over time	–	145,816	–	145,816
	181,777	803,832	59,698	1,045,307

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	For the six months ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of goods	131,632	95,504
Provision of professional and warranty services	137,710	137,407
	269,342	232,911

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

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5. REVENUE, OTHER INCOME AND GAINS, NET (continued)

Revenue from contracts with customers (continued)

(ii) Performance Obligations

Information about the Company's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied upon product delivery and payment is generally due within 30 to 60 days from delivery, where payment in advance is normally required.

Provision of professional and warranty services

The performance obligation is satisfied upon service delivery, or over time as services are rendered and payment is generally due within 30 to 60 days from the date of billing where payment in advance is normally required before rendering the services.

The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	153,096	233,322
After one year	8,768	23,217
	<u>161,864</u>	<u>256,539</u>

The remaining performance obligations expected to be recognised within one year. The amounts disclosed above do not include variable consideration.

	For the six months ended 31 December	
	2025 HK\$'000	2024 HK\$'000
<u>Other income and gains, net</u>		
Bank interest income	1,205	1,607
Interest income from an associate	–	415
Gain on disposal of property, plant and equipment	10	–
Gain on disposal of an associate	–	291
Government subsidies	–	78
Write-back of long outstanding trade and other payables	1,979	53
Others	500	84
	<u>3,694</u>	<u>2,528</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

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6. (LOSS)/PROFIT BEFORE TAX

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

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
<i><u>Included in cost of sales</u></i>		
Cost of inventories sold	890,934	712,959
Cost of services provided	220,158	235,238
(Reversal of write-down)/write-down of inventories, net	(1,987)	1,324
<i><u>Included in other income and gains, net</u></i>		
Gain on disposal of an associate	–	(291)
Gain on disposal of property, plant and equipment	(10)	–
<i><u>Included in other expenses, net</u></i>		
Foreign exchange loss, net	295	1,597
Allowance for expected credit losses on trade receivables	611	805
Fair value loss on derivative financial instrument	22	331
Fair value loss on a financial asset at fair value through profit or loss	247	28
Loss on disposal of property, plant and equipment	–	42
Allowance for expected credit losses on amount due from an associate	–	2,763
<i><u>Included in administrative expenses</u></i>		
Depreciation of property, plant and equipment	36,037*	2,265
Depreciation of right-of-use assets	4,763	4,819
Lease payments not included in the measurement of lease liabilities	939	640
<i><u>Included in finance costs</u></i>		
Interest expense on bank and other borrowings	455	3,181
Interest expense on lease liabilities	460	574

*During the period, the Group has ceased to classify the Karin Building as an asset held for sale (Note 11). On reclassification of the Karin Building to property, plant and equipment, the carrying amount of the asset is adjusted for depreciation that would have been recognised had the asset not been classified as held for sale. Consequently, the depreciation of property, plant and equipment for the period included the catch-up depreciation upon cessation of the Karin Building as asset held for sale of HK\$35,287,000 (2024: Nil).

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (31 December 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the reporting period, 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 a 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.

KARIN TECHNOLOGY HOLDINGS LIMITED

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31 December 2025

7. INCOME TAX (continued)

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Current tax		
Charge for the period	2,645	4,449
Deferred tax		
Origination and reversal of temporary differences	3,261	(541)
Total tax expenses for the period	5,906*	3,908

*The tax expense for the period included deferred tax expense of HK\$3,261,000 (2024: Nil) attributable to the changes in the carrying amount of the Karin Building which ceased to be an asset held for sale during the period, as compared with its tax written down value.

8. DIVIDENDS

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Final dividend – HK\$0.0388 (2024: HK\$0.0388) per ordinary share	8,393	8,393

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2025, the Group transferred the Karin Building from an asset held for sale to property, plant and equipment with carrying amount of HK\$66,088,000 (31 December 2024: Nil), acquired assets amounting to HK\$151,000 (31 December 2024: HK\$854,000), and disposed of assets amounting to carrying amount of Nil (31 December 2024: HK\$192,000). The depreciation expense during the period amounted to HK\$36,037,000 (31 December 2024: HK\$2,265,000).

10. INVENTORIES

Inventories of the Group are trading stocks.

KARIN TECHNOLOGY HOLDINGS LIMITED

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

	31 December 2025 HK\$'000	30 June 2025 HK\$'000
Property, plant and equipment	–	66,088
Prepayments, deposits and other receivables	–	287
Cash and cash equivalents	–	417
	<hr/>	<hr/>
Total assets classified as held for sale	–	66,792
	<hr/>	<hr/>
Other payables and accruals	–	93
Tax payable	–	286
Deferred tax liabilities	–	1,354
	<hr/>	<hr/>
Total liabilities directly associated with assets classified as held for sale	–	1,733
	<hr/>	<hr/>
Net assets	–	65,059
	<hr/>	<hr/>

Note : Compusmart Limited (“Compusmart”), a wholly-owned indirect subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability and primarily engages in property holding. Following a reassessment of the classification of one of the Group’s principal assets, Karin Building, held by Compusmart, which was previously classified as an asset held for sale, the Group has reclassified the Karin Building back to property, plant and equipment as at 31 December 2025. The accounting reclassification was made in accordance with the requirements of IFRS 5 due mainly to ongoing market conditions affecting the sale price and the timeline for its disposal. In this connection, as depreciation of the Karin Building was suspended during the period it was classified as an asset held for sale, the Group has to recognise significant catch-up depreciation of HK\$35,287,000 for that prior period, and to resume depreciation going forward. These are non-cash accounting adjustments and do not affect the Group’s cash position, liquidity, or core business operations.

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

31 December 2025

12. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Maturity	31 December 2025 HK\$'000	30 June 2025 HK\$'000
Current			
Lease liabilities	2026	95	92
Bank loans, unsecured	2026	24,632	57,415
		24,727	57,507
Non-current			
Lease liabilities	2027 - 2029	218	267
		218	267
		24,945	57,774

The Group's bank loans bear interest at floating rates ranging from 1.1% to 4.7% (30 June 2025: 1.3% to 5.0%) per annum.

At 31 December 2025, bank borrowings of HK\$24,632,000 (30 June 2025: HK\$57,415,000) were secured by corporate guarantees given by the Company and certain subsidiaries.

13. SHARE CAPITAL

(i) Shares

	31 December 2025 HK\$'000	30 June 2025 HK\$'000
Authorised:		
10,000,000,000 ordinary shares of HK\$0.1 each	1,000,000	1,000,000
Issued and fully paid:		
216,360,000 ordinary shares of HK\$0.1 each	21,636	21,636

(ii) Treasury shares

	Number of shares	Amount HK\$'000
At 1 July 2024, 30 June 2025, 1 July 2025 and 31 December 2025	36,600	61

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14. RELATED PARTY DISCLOSURES

(a) Transactions and balances with related parties

There are no material related party transactions apart from those disclosed elsewhere in the interim condensed consolidated financial statements.

(b) Remuneration of directors

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Fees	402	416
Short term employee benefits	3,192	2,720
Post-employment benefits	18	9
	3,612	3,145
	3,612	3,145

(c) Compensation of key management personnel (including directors' remuneration as disclosed in (b) above) of the Group

	For the six months ended	
	31 December	
	2025	2024
	HK\$'000	HK\$'000
Short term employee benefits	8,406	8,248
Post-employment benefits	471	54
Fees	402	416
	9,279	8,718
	9,279	8,718

The above related party transactions were entered into in the ordinary course of the Group's business and were in accordance with the terms of arrangements governing the transactions.

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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:

31 December 2025	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	–	373,346	373,346	–
Financial assets included in prepayments, other receivables and other assets	–	18,461	18,461	–
Financial asset at fair value through profit or loss	808	–	808	–
Derivative financial instruments	324	–	324	–
Amounts due from subsidiaries	–	–	–	49,029
Cash and cash equivalents	–	129,597	129,597	915
	1,132	521,404	522,536	49,944

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	–	319,478	319,478	–
Financial liabilities included in other payables and accruals	–	57,757	57,757	513
Interest-bearing bank and other borrowings other than lease liabilities	–	24,632	24,632	–
Derivative financial instruments	19	–	19	–
Amount due to a subsidiary	–	–	–	1,460
	19	401,867	401,886	1,973

31 December 2025

15. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

30 June 2025

	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
Financial assets				
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

	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
Financial liabilities				
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

16. EVENTS AFTER THE REPORTING PERIOD

There are no known subsequent events which may require adjustments to or disclosures in this set of interim financial statements.

17. COMPARATIVE AMOUNTS

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

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Other information

1. Review

The interim condensed consolidated statements of financial positions of Karin Technology Holdings Limited and its subsidiaries as at 31 December 2025 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period 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 2025, the Company held 36,600 (1 July 2024: 36,600) treasury shares. During the six months ended 31 December 2025, the Company did not purchase any (31 December 2024: Nil) of the Shares pursuant to the 2009 Share Buyback mandate (last renewed on 26 October 2024).

As at 31 December 2025, the Company held 36,600 (30 June 2025: 36,600) treasury shares or 0.0169% (30 June 2025: 0.0169%) of the Company's issued shares.

As at 31 December 2025 and 30 June 2025, 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 31 December 2025 and 30 June 2025.

During the six months ended 31 December 2025, the Company did not have any shares subdivision nor consolidation.

During the six months ended 31 December 2025, the Company's subsidiaries did not purchase nor hold any of the Company's shares (30 June 2025: Nil).

31 December 2025

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 31 December 2025 and 30 June 2025 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 period under review (for the six months ended 31 December 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, transfer, cancellation nor use of subsidiary holdings during the period under review (for the six months ended 31 December 2024: Nil).

3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

4. Changes in treasury shares

No

5. Changes in subsidiary holdings

No

6. (Loss)/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.

Group	For the six months ended 31 December	
	2025 HK\$'000	2024 HK\$'000
(Loss)/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)	(13.40)	4.98
On a fully diluted basis (HK cents)	(13.40)	4.98
(Loss)/profit attributable to the owners of the Company for (loss)/earnings per share (HK\$'000)	(28,997)	10,767

31 December 2025

6. (Loss)/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. (continued)

The calculation of basic loss or earnings per share for the six months ended 31 December 2025 and 2024 is based on the loss or profit attributable to the ordinary shareholders of the Company for the respective periods and the weighted average of 216,323,400 and 216,323,400 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 six months ended 31 December 2025 and 2024.

**7. 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 31 December 2025	As at 30 June 2025	As at 31 December 2025	As at 30 June 2025
Net asset value per ordinary share (HK cents)	173.1	189.6	57.3	57.4

Net asset value per ordinary share as at 31 December 2025 and 30 June 2025 was calculated based on the issued share capital excluding treasury shares of 216,323,400 ordinary shares as at 31 December 2025 and 30 June 2025.

8. Review of performance of the group

Profit and loss

Revenue

Consolidated revenue of the Group for the six months ended 31 December 2025 increased by HK\$151.3 million or 14.5% to HK\$1,196.6 million from HK\$1,045.3 million for the corresponding period last year.

Revenue from our Components Distribution (“CD”) segment decreased by HK\$27.9 million or 15.4%, from HK\$181.8 million for the six months ended 31 December 2024 to HK\$153.9 million for the six months ended 31 December 2025. The decrease was mostly due to greater competition from domestic players in the PRC. However, the profitability of the segment is slightly improved under the tighter cost control measures.

Revenue from our Information Technology Infrastructure (“IT Infrastructure”) segment increased by HK\$152.4 million or 19.0%, from HK\$803.8 million for the six months ended 31 December 2024 to HK\$956.2 million for the six months ended 31 December 2025. The increase was mainly due to more new mega projects secured during the period under review.

31 December 2025

8. Review of performance of the group (continued)

Profit and loss (continued)

Revenue from our others segment increased by HK\$26.8 million or 44.9%, from HK\$59.7 million for the six months ended 31 December 2024 to HK\$86.5 million for the six months ended 31 December 2025. The increase was mainly driven by a surge in sales of certain products during the period under review.

Gross profit

Gross profit decreased by HK\$8.3 million or 8.6%, from HK\$95.8 million for the six months ended 31 December 2024 to HK\$87.5 million for the six months ended 31 December 2025. The decrease in gross profit was mainly due to the competitive market environment for both IT Infrastructure and CD segments.

Other income and gains, net

Net other income and gains increased by approximately HK\$1.2 million or 46.1%, from HK\$2.5 million for the six months ended 31 December 2024 to HK\$3.7 million for the six months ended 31 December 2025. The increase was mainly due to (1) increase in write-back of long outstanding trade and other payables of HK\$1.9 million; partially offset by (2) decrease in bank interest income of HK\$0.4 million as a result of the decrease in average bank deposit balance placed during the period under review; and (3) decrease in interest income from an associate of HK\$0.4 million during the current period.

Selling and distribution costs

Selling and distribution costs decreased by HK\$2.0 million or 5.2%, from HK\$38.0 million for the six months ended 31 December 2024 to HK\$36.1 million for the six months ended 31 December 2025.

Administrative expenses

Administrative expenses increased by approximately HK\$37.7 million or 106.3%, from HK\$35.5 million for the six months ended 31 December 2024 to HK\$73.2 million for the six months ended 31 December 2025. The increase was mainly due to recognition of the catch-up depreciation of property, plant and equipment of HK\$35.3 million mainly resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current period.

Other expenses, net

Other net expenses decreased by approximately HK\$4.4 million or 78.5%, from HK\$5.6 million for the six months ended 31 December 2024 to HK\$1.2 million for the six months ended 31 December 2025. The decrease is mainly due to (1) impairment of amount due from an associate of HK\$2.8 million during the previous period which was not a recurring event; (2) decrease in foreign exchange loss of HK\$1.3 million during the current period which is attributable to the decrease in average bank borrowings denominated in RMB with less exchange rate fluctuation; and (3) HK\$0.2 million decrease in impairment of trade receivables.

Finance costs

Finance costs decreased by approximately HK\$2.8 million or 75.6%, from HK\$3.8 million for the six months ended 31 December 2024 to HK\$0.9 million for the six months ended 31 December 2025. The decrease was mainly due to lower average bank borrowing resulted from an improvement of working capital during the period under review.

31 December 2025

8. Review of performance of the group (continued)

Profit and loss (continued)

Net Profit or Loss

Net profit decreased by HK\$37.6 million, from net profit of HK\$11.5 million for the six months ended 31 December 2024 to net loss of HK\$26.1 million for the six months ended 31 December 2025. The decrease was mainly attributable to (1) HK\$8.3 million decrease in gross profit; (2) HK\$37.7 million increase in administrative expenses (including the catch-up depreciation of HK\$35.3 million); and (3) HK\$2.0 million increase in income tax expenses; partially offset by (a) HK\$1.2 million increase in other income and gains; (b) HK\$2.0 million decrease in selling and distributions costs; (c) HK\$4.4 million decrease in other net expenses; and (d) HK\$2.8 million decrease in finance costs.

Non-controlling interests

Non-controlling interests represented the non-controlling shareholders' share of profit/(loss) in our non-wholly owned subsidiaries.

Statement of financial position

Non-current assets

As at 31 December 2025, non-current assets amounted to HK\$78.2 million, representing approximately 8.1% of the total assets. Non-current assets increased by HK\$25.1 million or 47.3% to HK\$78.2 million as at 31 December 2025 from HK\$53.1 million as at 30 June 2025.

The increase was mainly due to the increase in property, plant and equipment of HK\$30.8 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current period.

Decrease in right-of-use assets was due to the depreciation charged amounted to HK\$4.8 million during the current period.

Current assets

As at 31 December 2025, current assets amounted to HK\$882.2 million, a decrease of HK\$121.5 million compared to the immediately preceding financial year end as at 30 June 2025. The decrease was mainly due to (1) decrease in inventories by HK\$25.9 million; (2) decrease in trade and bill receivables by HK\$12.6 million; (3) decrease in cash and cash equivalents by HK\$14.4 million as analysed in the condensed consolidated statement of cash flows; and (4) decrease in assets classified as held for sale by HK\$66.8 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current period.

Current liabilities

As at 31 December 2025, current liabilities amounted to approximately HK\$565.0 million, a decrease of HK\$59.6 million compared to the immediately preceding financial year end as at 30 June 2025. The decrease was mainly due to the (1) decrease in other payables and accruals by HK\$88.4 million which resulted from the decrease in contract liabilities; (2) decrease in interest-bearing bank and other borrowings by HK\$32.8 million which resulted from less bank borrowings; partially offset by (3) increase in trade and bills payables by HK\$70.6 million.

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8. Review of performance of the group (continued)

Statement of financial position (continued)

Non-current liabilities

Non-current liabilities amounted to HK\$27.7 million, representing 4.7% of total liabilities as at 31 December 2025. Non-current liabilities decreased by HK\$4.2 million or 13.2% to HK\$27.7 million as at 31 December 2025 from HK\$31.9 million as at 30 June 2025.

The decrease was mainly due to (1) decrease in other payables of HK\$4.8 million resulted from the decrease in contract liabilities; (2) decrease in lease liabilities of HK\$4.1 million mainly resulted from the repayment of lease liabilities; partially offset by (3) increase in deferred tax liabilities of HK\$4.7 million mainly resulted from the changes in the carrying amount of the Karin Building which ceased to be an asset held for sale during the period, as compared with its tax written down value.

Liquidity and cash flow

As at 31 December 2025, cash and cash equivalents amounted to approximately HK\$129.6 million. Total interest-bearing bank and other borrowings as at 31 December 2025 were HK\$24.9 million. The gearing ratio, which is defined as total interest-bearing bank and other borrowings to shareholders' funds, is 0.07 times (30 June 2025: 0.14 times).

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

Not applicable.

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

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

Sales growth across the group over the 6-month period demonstrates underlying demand resilience and market relevance—particularly notable given broader economic headwinds. The deliberate shift of IT spending toward AI infrastructure and solutions aligns with secular technology trends. Strong sales growth in China-backed IT products suggests successful execution in a high-growth segment and potential for sustained IT revenue expansion as AI adoption accelerates.

To tackle the weakening sales in the Components segment, we will continue to focus on improving the efficiency and cost structure despite structural market challenges.

Our Consumer Products division has shown improved performance compared to the previous year, driven by higher smartphone sales and strategic product mix initiatives. We anticipate a stable recovery in both consumer product sales and margins.

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10. A commentary at the date of the announcement of the significant trends and competitiveness of the industry in which the group operates and any know factors or events that may affect the group in the next reporting period and the next 12 months. (continued)

Looking ahead, over the next 6 to 12 months, we expect continued revenue growth in AI-related IT solutions and consumer sentiment recovery. Margin pressure will likely persist while we keep transforming to higher margin business and cost improvement. As we anticipate the demand for AI solutions to keep growing, we will focus on expanding our AI products and services to drive margin and profitability. In addition, the growth of China-backed IT products may further solidify our competitive advantage in the market.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(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	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

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the reporting period as the Board deems it prudent to conserve cash to fund new business initiatives and strategic projects intended to drive future growth. Additionally, in view of the current market conditions and the reported net loss, the Board intends to maintain greater financial flexibility to optimise the Group's capital structure with a view to enhancing long-term total shareholder return.

31 December 2025

- 13. 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.

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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the financial results of the six months ended 31 December 2025 to be false or misleading in any material respect. A statement signed by two directors is on record.

We, Ng Kin Wing Raymond and Ng Mun Kit Michael, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results of the six months ended 31 December 2025 to be false or misleading in any material respect.

On behalf of the board of directors

Ng Kin Wing Raymond
Executive Chairman/Executive Director

Ng Mun Kit Michael
CEO/Executive Director

- 15. 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.

BY ORDER OF THE BOARD

Ng Kin Wing Raymond
Executive Chairman/Executive Director

13 February 2026