



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 2023

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 2023

		31.12.2023	31.12.2022	% increase/ (decrease)
	Notes	HK\$'000	HK\$'000	
Revenue	5	1,169,365	1,162,795	0.6%
Cost of sales		<u>(1,076,438)</u>	<u>(1,079,535)</u>	-0.3%
Gross profit		92,927	83,260	11.6%
Other income and gains, net	5	1,699	10,369	-83.6%
Selling and distribution costs		(38,137)	(34,999)	9.0%
Administrative expenses		(38,006)	(39,000)	-2.5%
Other expenses, net		(2,232)	(895)	149.4%
Finance costs		(5,551)	(3,852)	44.1%
Share of profit of associates, net		<u>2,043</u>	<u>1,406</u>	45.3%
PROFIT BEFORE TAX	6	12,743	16,289	-21.8%
Income tax expense	7	<u>(2,009)</u>	<u>(4,674)</u>	-57.0%
PROFIT FOR THE PERIOD		<u>10,734</u>	<u>11,615</u>	-7.6%
Profit for the period attributable to:				
Owners of the Company		10,795	11,330	-4.7%
Non-controlling interests		<u>(61)</u>	<u>285</u>	-121.4%
		<u>10,734</u>	<u>11,615</u>	-7.6%

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 2023

	31.12.2023	31.12.2022	% increase/ (decrease)
	HK\$'000	HK\$'000	
PROFIT FOR THE PERIOD	10,734	11,615	-7.6%
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	776	(4,732)	-116.4%
Share of other comprehensive profit/(loss) of associates, net	146	(212)	-168.9%
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>922</u>	<u>(4,944)</u>	-118.6%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>11,656</u></u>	<u><u>6,671</u></u>	74.7%
Total comprehensive income attributable to:			
Owners of the Company	11,939	6,706	78.0%
Non-controlling interests	<u>(283)</u>	<u>(35)</u>	708.6%
	<u><u>11,656</u></u>	<u><u>6,671</u></u>	74.7%
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY (HK Cents)			
Basic and diluted	<u>4.99</u>	<u>5.28</u>	

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2023

	Notes	Group		Company	
		31.12.2023 (Unaudited) HK\$'000	30.06.2023 (Audited) HK\$'000	31.12.2023 (Unaudited) HK\$'000	30.06.2023 (Audited) HK\$'000
Non-current assets					
Property, plant and equipment	9	9,301	20,751	-	-
Investment properties	10	-	-	-	-
Goodwill		2,098	2,098	-	-
Investment in subsidiaries		-	-	76,308	76,308
Investment in associates		8,648	7,350	-	-
Deferred tax assets		6,732	6,212	-	-
Right-of-use assets		8,750	10,825	-	-
Prepayments and other assets		36,508	37,136	-	-
Total non-current assets		<u>72,037</u>	<u>84,372</u>	<u>76,308</u>	<u>76,308</u>
Current assets					
Inventories	11	255,306	258,013	-	-
Trade and bills receivables		526,992	416,012	-	-
Prepayments, other receivables and other assets		170,836	171,472	2	2
Amounts due from subsidiaries		-	-	50,096	52,077
Financial asset at fair value through profit or loss		1,258	1,284	-	-
Derivatives financial instruments		16	8	-	-
Cash and cash equivalents		113,858	90,071	223	210
		<u>1,068,266</u>	<u>936,860</u>	<u>50,321</u>	<u>52,289</u>
Assets classified as held for sale	12	<u>71,255</u>	<u>71,031</u>	-	-
Total current assets		<u>1,139,521</u>	<u>1,007,891</u>	<u>50,321</u>	<u>52,289</u>
Current liabilities					
Trade and bills payables		367,468	249,750	-	-
Other payables and accruals		194,667	209,668	861	1,255
Amount due to a subsidiary		-	-	1,318	2,294
Tax payable		5,259	7,586	-	-
Interest-bearing bank and other borrowings	13	186,691	146,443	-	-
Lease liabilities		6,798	9,371	-	-
		<u>760,883</u>	<u>622,818</u>	<u>2,179</u>	<u>3,549</u>
Liabilities directly associated with assets classified as held for sale	12	<u>2,825</u>	<u>1,592</u>	-	-
Total current liabilities		<u>763,708</u>	<u>624,410</u>	<u>2,179</u>	<u>3,549</u>
NET CURRENT ASSETS		<u>375,813</u>	<u>383,481</u>	<u>48,142</u>	<u>48,740</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>447,850</u>	<u>467,853</u>	<u>124,450</u>	<u>125,048</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

31 December 2023

	Notes	Group		Company	
		31.12.2023 (Unaudited) HK\$'000	30.06.2023 (Audited) HK\$'000	31.12.2023 (Unaudited) HK\$'000	30.06.2023 (Audited) HK\$'000
Non-current liabilities					
Deferred tax liabilities		7,705	7,058	-	-
Other payables		32,119	32,424	-	-
Lease liabilities		2,124	1,673	-	-
		<u>41,948</u>	<u>41,155</u>	<u>-</u>	<u>-</u>
NET ASSETS		<u>405,902</u>	<u>426,698</u>	<u>124,450</u>	<u>125,048</u>
EQUITY					
Equity attributable to owners of the Company					
Issued capital	14	21,636	21,636	21,636	21,636
Treasury shares	14	(19)	(19)	(19)	(19)
Reserves		389,894	410,407	102,833	103,431
		<u>411,511</u>	<u>432,024</u>	<u>124,450</u>	<u>125,048</u>
Non-controlling interests		<u>(5,609)</u>	<u>(5,326)</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>405,902</u>	<u>426,698</u>	<u>124,450</u>	<u>125,048</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

For the six months ended 31 December 2023

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 2022	21,476	(19)	45,885	898	57,810	6,150	(890)	6,013	289,125	426,448	(3,498)	422,950
Profit for the period	–	–	–	–	–	–	–	–	11,330	11,330	285	11,615
Other comprehensive income for the period												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	(4,412)	–	(4,412)	(320)	(4,732)
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	(212)	–	(212)	–	(212)
Total comprehensive income for the period	–	–	–	–	–	–	–	(4,624)	11,330	6,706	(35)	(6,671)
Final 2022 dividend paid	8	–	–	–	–	–	–	–	(25,340)	(25,340)	–	(25,340)
At 31 December 2022	21,476	(19)	45,885	898	57,810	6,150	(890)	1,389	275,115	407,814	(3,533)	404,281
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/(loss) for the period	–	–	–	–	–	–	–	–	10,795	10,795	(61)	10,734
Other comprehensive income for the period												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	998	–	998	(222)	776
Share of other comprehensive income of an associate	–	–	–	–	–	–	–	146	–	146	–	146
Total comprehensive income for the period	–	–	–	–	–	–	–	1,144	10,795	11,939	(283)	11,656
Final 2023 dividend paid	8	–	–	–	–	–	–	–	(32,452)	(32,452)	–	(32,452)
At 31 December 2023	21,636	(19)	48,935	898	57,810	6,150	(890)	(852)	277,843	411,511	(5,609)	405,902

KARIN TECHNOLOGY HOLDINGS LIMITED

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

For the six months ended 31 December 2023

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 2022	21,476	(19)	45,885	36,311	18,856	122,509
Profit for the period and total comprehensive income for the period	–	–	–	–	24,898	24,898
Final 2022 dividend paid	–	–	–	–	(25,340)	(25,340)
At 31 December 2022	21,476	(19)	45,885	36,311	18,414	122,067
At 1 July 2023	21,636	(19)	48,935	36,311	18,185	125,048
Profit for the period and total comprehensive income for the period	–	–	–	–	31,854	31,854
Final 2023 dividend paid	–	–	–	–	(32,452)	(32,452)
At 31 December 2023	21,636	(19)	48,935	36,311	17,587	124,450

KARIN TECHNOLOGY HOLDINGS LIMITED

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

	Notes	Six months ended 31 December	
		2023 HK\$'000	2022 HK\$'000
Cash flows from operating activities			
Profit before tax		12,743	16,289
Adjustments for:			
Interest income	5	(141)	(57)
Write down of inventories to net realisable value	6	2,600	9,575
Depreciation of property, plant and equipment	6	4,428	5,606
Depreciation of right-of-use assets	6	4,878	4,903
Fair value gain on derivative financial instruments	6	(8)	(322)
Fair value loss on a financial asset at fair value through profit or loss		26	14
Impairment/(reversal of) impairment of trade receivables, net	6	507	(2,814)
Loss/(gain) on disposal of items of property, plant and equipment	5	1,699	(3,360)
Gain on disposal of an investment property	5	-	(981)
Gain on deregistration of a subsidiary		(89)	-
Financial costs		5,551	3,852
Share of profit of associates, net		(2,043)	(1,406)
		<u>30,151</u>	<u>31,299</u>
Increase in inventories		(191)	(25,608)
Increase in trade and bills receivables		(110,493)	(11,377)
Decrease in prepayments, deposits and other receivables		1,589	8,820
Increase/(decrease) in trade and bills payables		117,386	(41,892)
(Decrease)/increase in other payables and accruals		(13,661)	4,863
Cash generated from/(used in) operations		<u>24,781</u>	<u>(33,895)</u>
Interest on bank and other borrowings paid		(5,379)	(3,680)
Interest element on lease payments		(172)	(172)
Income tax paid		(4,483)	(6,510)
Net cash flows from/(used in) operating activities		<u>14,747</u>	<u>(44,257)</u>
Cash flows from investing activities			
Proceeds from disposal of items of property, plant and equipment		6,297	19,398
Proceeds from disposal of an investment property		-	5,782
Purchases of items of property, plant and equipment		(898)	(1,916)
Investment in an associate		(236)	-
Dividend from an associate		1,127	408
Interest received		141	57
Net cash flows from investing activities		<u>6,431</u>	<u>23,729</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

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

	Six months ended 31 December	
	2023	2022
	HK\$'000	HK\$'000
Cash flows from financing activities		
New bank and other borrowings	228,478	466,221
Repayment of bank and other borrowings	(188,176)	(425,853)
Principal portion of lease payments	(4,982)	(5,028)
Dividends paid to the owners of the Company	(32,452)	(25,340)
Dividends paid to non-controlling interests	(612)	-
Net cash flows from financing activities	<u>2,256</u>	<u>10,000</u>
Net increase/(decrease) in cash and cash equivalents	23,434	(10,528)
Cash and cash equivalents at beginning of financial period	90,071	123,751
(Decrease)/increase in cash and cash equivalents included in assets classified as held for sale	(224)	243
Effect on foreign exchange rate changes, net	<u>577</u>	<u>(5,736)</u>
Cash and cash equivalents at end of financial period	<u><u>113,858</u></u>	<u><u>107,730</u></u>
Analysis of balances of cash and cash equivalent		
Cash and cash equivalents as stated in the consolidated statement of cash flows	<u><u>113,858</u></u>	<u><u>107,730</u></u>

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

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

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 31 December 2023 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 2023.

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

The 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.

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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 2023, except for the adoption of new standards effective as of 1 July 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 1	<i>Disclosure of Accounting Policies</i>
- Amendments to IAS 8	<i>Definition of Accounting Estimates</i>
- Amendments to IAS 12/IFRS 1	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
- Amendments to IAS 12	<i>International Tax Reform - Pillar Two Model Rules</i>

3. SEASONAL OPERATIONS

Save for the effect of releasing new consumer electronic products by a leading multinational technology company that specializes in consumer electronics products, 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 2023

	Components distribution HK\$'000	IT infrastructure HK\$'000	Consumer electronics products HK\$'000	Total HK\$'000
Segment revenue	185,476	859,946	123,943	1,169,365
Segment results	(3,895)	22,925	135	19,165
<i>Reconciliation:</i>				
Bank interest income				141
Fair value gain on derivative financial instruments				8
Fair value loss on a financial asset at fair value through profit and loss				(26)
Loss on disposal of property, plant and equipment				(1,699)
Gain on deregistration of a subsidiary				89
Finance costs				(5,551)
Share of profit of associates, net				2,043
Corporate and other unallocated expenses				(1,427)
Profit before tax				12,743

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 31 December 2023

	Components distribution	IT infrastructure	Consumer electronics products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	234,173	717,937	38,944	991,054
<i>Reconciliation:</i>				
Investment in associates				8,648
Deferred tax assets				6,732
Derivative financial instruments				16
Financial asset at fair value through profit or loss				1,258
Cash and cash equivalents				113,858
Assets classified as held for sale				71,255
Corporate and other unallocated assets				18,737
Total assets				1,211,558
Segment liabilities	76,938	480,081	20,124	577,143
<i>Reconciliation:</i>				
Income tax payable				5,259
Interest-bearing bank and other borrowings				186,691
Deferred tax liabilities				7,705
Corporate and other unallocated liabilities				28,858
Total liabilities				805,656
Other segment information				
Depreciation				9,306
Other non-cash expenses	2,367	168	572	3,107
Capital expenditure				898

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 31 December 2022

	Components distribution	IT infrastructure	Consumer electronics products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	229,926	771,338	161,531	1,162,795
Segment results	(9,468)	22,077	2,709	15,318
<i>Reconciliation:</i>				
Bank interest income				57
Fair value gain on derivative financial instruments				322
Fair value loss on a financial asset at fair value through profit and loss				(14)
Gain on disposal of property, plant and equipment				3,360
Gain on disposal of an investment property				981
Finance costs				(3,852)
Share of profit of an associate				1,406
Corporate and other unallocated expenses				(1,289)
Profit before tax				16,289
Segment assets	280,093	638,536	50,625	969,254
<i>Reconciliation:</i>				
Investment in an associate				5,669
Deferred tax assets				7,318
Derivatives financial instruments				304
Financial asset at fair value through profit or loss				1,431
Cash and cash equivalents				107,730
Assets classified as held for sale				71,340
Corporate and other unallocated assets				27,278
Total assets				1,190,324
Segment liabilities	68,710	344,546	40,128	453,384
<i>Reconciliation:</i>				
Income tax payable				6,025
Interest-bearing bank and other borrowings				283,476
Deferred tax liabilities				6,620
Corporate and other unallocated liabilities				36,538
Total liabilities				786,043
Other segment information				
Depreciation				10,509
Other non-cash expenses	6,250	47	464	6,761
Capital expenditure				1,916

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

5. REVENUE, OTHER INCOME AND GAINS, NET

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

	For the six months ended 31 December			
	2023	2022		
	HK\$'000	HK\$'000		
Revenue from contracts with customers	1,169,365	1,162,795		
<u>Revenue from contracts with customers</u>				
(i) Disaggregated revenue information				
For the period ended 31 December 2023				
	Components distribution	IT infrastructure	Consumer electronics products	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Type of goods or services				
Sales of goods	185,476	690,124	123,943	999,543
Provision of professional and warranty services	–	169,822	–	169,822
Total revenue from contracts with customers	185,476	859,946	123,943	1,169,365
Geographical markets				
Hong Kong	53,980	686,550	122,536	863,066
Mainland China	115,867	20,470	–	136,337
Others	15,629	152,926	1,407	169,962
Total revenue from contracts with customers	185,476	859,946	123,943	1,169,365
Time of revenue recognition				
Goods and services transferred at a point in time	185,476	736,151	123,943	1,045,570
Services transferred over time	–	123,795	–	123,795
Total revenue from contracts with customers	185,476	859,946	123,943	1,169,365

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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 2022

	Components distribution HK\$'000	IT infrastructure HK\$'000	Consumer electronics products HK\$'000	Total HK\$'000
Type of goods or services				
Sales of goods	229,926	661,733	161,531	1,053,190
Provision of professional and warranty services	–	109,605	–	109,605
Total revenue from contracts with customers	229,926	771,338	161,531	1,162,795
Geographical markets				
Hong Kong	74,279	685,839	159,496	919,614
Mainland China	121,707	21,732	–	143,439
Others	33,940	63,767	2,035	99,742
Total revenue from contracts with customers	229,926	771,338	161,531	1,162,795
Time of revenue recognition				
Goods and services transferred at a point in time	229,926	654,147	161,531	1,045,604
Services transferred over time	–	117,191	–	117,191
Total revenue from contracts with customers	229,926	771,338	161,531	1,162,795

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	
	2023	2022
	HK\$'000	HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of goods	47,546	62,894
Provision of professional and warranty services	155,417	136,944
	202,963	199,838

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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 2023 are as follows:

	2023	2022
	HK\$'000	HK\$'000
Within one year	148,357	159,182
After one year	30,168	26,546
	<u>178,525</u>	<u>185,728</u>

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

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
<u>Other income and gains, net</u>		
Bank interest income	141	57
Gross rental income	–	128
Fair value gain on derivative financial instruments	8	322
Gain on disposal of property, plant and equipment	–	3,360
Gain on disposal of an investment property	–	981
Gain on deregistration of a subsidiary	89	–
Reversal of impairment of trade receivables	–	2,814
Government subsidies	335	1,819
Foreign exchange differences, net	713	–
Others	413	888
	<u>1,699</u>	<u>10,369</u>

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6. PROFIT BEFORE TAX

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

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
<i><u>Included in cost of sales</u></i>		
Cost of inventories sold	1,024,704	1,000,547
Cost of services provided	49,134	69,413
Write-down of inventories to net realisable value	2,600	9,575
<i><u>Included in other income and gains, net</u></i>		
Foreign exchange gain, net	(713)	–
Fair value gain on derivative financial instruments	(8)	(322)
Reversal of impairment of trade receivables, net	–	(2,814)
Gain on disposal of property, plant and equipment	–	(3,360)
Gain on disposal of an investment property	–	(981)
Gain on deregistration of a subsidiary	(89)	–
<i><u>Included in other expenses, net</u></i>		
Foreign exchange loss, net	–	881
Impairment of trade receivables, net	507	–
Fair value loss on a financial asset at fair value through profit or loss	26	14
Loss on disposal of property, plant and equipment	1,699	–
Lease payments not included in the measurement of lease liabilities	680	563
Deprecation of property, plant and equipment	4,428	5,606
Depreciation of right-of-use assets	4,878	4,903
Interest expense on bank and other borrowings	5,379	3,680
Interest expense on lease liabilities	172	172

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (31 December 2022: 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 (2022: 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.

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

7. INCOME TAX (continued)

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
Current		
Charge for the period	2,009	4,674
Total tax expenses for the period	2,009	4,674

8. DIVIDENDS

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
Final dividend – HK\$0.15 (2022: HK\$0.118) per ordinary share	32,452	25,340

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2023, the Group acquired assets amounting to HK\$898,000 (31 December 2022: HK\$1,916,000) and disposed of assets amounting to net book value of HK\$8,117,000 (31 December 2022: HK\$15,151,000). The depreciation expense during the period amounted to HK\$4,428,000 (31 December 2022: HK\$5,606,000).

Room 1905, Level 19, Tower A, Sanlitun SOHO, No. 8 Workers' Stadium North Road, Chaoyang District, Beijing, The People's Republic of China was sold during the reporting period. For further details of the disposal, please refer to the Company's announcement dated 1 November 2023.

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

10. INVESTMENT PROPERTIES

	31 December 2023 HK\$'000	30 June 2023 HK\$'000
Carrying amount at beginning of financial period/year	–	4,506
Disposal	–	(4,600)
Exchange realignment	–	94
	<hr/>	<hr/>
Carrying amount at end of financial period/year	–	–
	<hr/> <hr/>	<hr/> <hr/>

Note:

(a) For further details of Investment Properties, please refer to Note 12 to the Annual Report 2023.

11. INVENTORIES

Inventories of the Group are trading stocks.

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

	31 December 2023 HK\$'000	30 June 2023 HK\$'000
Property, plant and equipment	44,479	44,479
Investment property	24,900	24,900
Prepayments, deposits and other receivables	287	287
Cash and cash equivalents	1,589	1,365
	<hr/>	<hr/>
Total assets classified as held for sale	71,255	71,031
	<hr/> <hr/>	<hr/> <hr/>
Other payables and accruals	1,469	106
Tax payable	3	133
Deferred tax liabilities	1,353	1,353
	<hr/>	<hr/>
Total liabilities directly associated with assets classified as held for sale	2,825	1,592
	<hr/> <hr/>	<hr/> <hr/>

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

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

13. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Maturity	31 December 2023 HK\$'000	30 June 2023 HK\$'000
Current			
Lease liabilities	2024	9	63
Bank loans, unsecured	2024	186,682	146,380
		186,691	146,443
		186,691	146,443

The Group's bank loans bear interest at floating rates ranging from 4.5% to 6.0% (30 June 2023: 1.6% to 6.0%) per annum.

The bank and other borrowings of the Group as at 31 December 2023 and 30 June 2023 were denominated in Hong Kong dollars and Renminbi. At 31 December 2023, bank borrowings of HK\$186,682,000 (30 June 2023: HK\$146,380,000) were covered by corporate guarantees given by the Company and certain subsidiaries.

14. SHARE CAPITAL

(i) Shares

	31 December 2023 HK\$'000	30 June 2023 HK\$'000
Issued and fully paid:		
216,360,000 ordinary shares of HK\$0.1 each	21,636	21,636
	21,636	21,636

(ii) Treasury shares

There was no movement in the Group's and the Company's treasury shares during the current and prior periods:

	Number of shares	Amount HK\$'000
At 1 July 2022, 30 June 2023, 1 July 2023 and 31 December 2023	12,000	19
	12,000	19

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

15. 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	
	2023	2022
	HK\$'000	HK\$'000
Fees	484	422
Others emoluments	2,729	2,757
	3,213	3,179
	3,213	3,179

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

	For the six months ended	
	31 December	
	2023	2022
	HK\$'000	HK\$'000
Short term employee benefits	7,496	7,656
Post-employment benefits	70	72
Fees	484	422
	8,050	8,150
	8,050	8,150

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.

KARIN TECHNOLOGY HOLDINGS LIMITED

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

16. 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 2023	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	–	526,992	526,992	–
Financial assets included in prepayments, deposits and other receivables	–	13,693	13,693	–
Financial asset at fair value through profit or loss	1,258	–	1,258	–
Derivative financial instruments	16	–	16	–
Amounts due from subsidiaries	–	–	–	50,096
Cash and cash equivalents	–	113,858	113,858	223
	1,274	654,543	655,817	50,319

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	–	367,468	367,468	–
Financial liabilities included in other payables and accruals	–	18,514	18,514	544
Interest-bearing bank borrowings	–	186,682	186,682	–
Amount due to a subsidiary	–	–	–	1,318
	–	572,664	572,664	1,862

31 December 2023

16. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

30 June 2023	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				
Trades and bills receivables	–	416,012	416,012	–
Financial assets included in prepayments, deposits and other receivables	–	7,002	7,002	–
Financial asset at fair value through profit or loss	1,284	–	1,284	–
Derivative financial instruments	8	–	8	–
Amounts due from subsidiaries	–	–	–	52,077
Cash and cash equivalents	–	90,071	90,071	210
	1,292	513,085	514,377	52,287
	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	–	249,750	249,750	–
Financial liabilities included in other payables and accruals	–	15,359	15,359	544
Interest-bearing bank borrowings	–	146,380	146,380	–
Amount due to a subsidiary	–	–	–	2,294
	–	411,489	411,489	2,838

17. 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.

31 December 2023

Other information

1. Review

The interim condensed consolidated statements of financial positions of Karin Technology Holdings Limited and its subsidiaries as at 31 December 2023 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 2023, the Company held 12,000 (1 July 2022: 12,000) treasury shares. During the six months ended 31 December 2023, the Company had not purchased any (31 December 2022: Nil) of the Shares pursuant to the 2009 Share Buyback mandate.

As at 31 December 2023, the Company held 12,000 (30 June 2023: 12,000) treasury shares or 0.0056% (30 June 2023: 0.0056%) of the Company's issued shares.

As at 31 December 2023 and 30 June 2023, the Company's share capital was HK\$21,636,000 comprising 216,360,000 ordinary shares.

There were no share options outstanding as at 31 December 2023 and 30 June 2023.

During the six months ended 31 December 2023, the Company did not have any shares subdivision nor consolidation.

During the six months ended 31 December 2023, the Company's subsidiaries had not purchased nor held any of the Company's shares (30 June 2023: Nil). The interim condensed consolidated statements of financial positions of Karin Technology Holdings Limited and its subsidiaries as at 31 December 2023 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.

KARIN TECHNOLOGY HOLDINGS LIMITED

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

31 December 2023

- 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 2023 and 30 June 2023 was 216,348,000.

- 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 2022: 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 2022: 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. 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	
	2023 HK\$'000	2022 HK\$'000
Earnings per ordinary share of the Group, after deducting any provision for preference dividends (in HK cents): Based on weighted average number of ordinary shares on issue (HK cents)	4.99	5.28
On a fully diluted basis (HK cents)	4.99	5.28
Profit attributable to the owners of the Company for earnings per share (HK\$'000)	10,795	11,330

31 December 2023

6. 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 earnings per share for the six months ended 31 December 2023 and 2022 is based on the profit attributable to the ordinary shareholders of the Company for the respective periods and the weighted average of 216,348,000 and 214,748,000 ordinary shares in issue respectively, which has taken into account the effect of treasury shares.

The calculation of diluted earnings per share amounts is based on the profit attributable to ordinary shareholders of the Company for the respective periods and 216,348,000 (2022: 214,748,000) ordinary shares, which was the weighted average of 216,348,000 (2022: 214,748,000) ordinary shares in issue during the six months ended 31 December 2023.

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 2023	As at 30 June 2023	As at 31 December 2023	As at 30 June 2023
Net asset value per ordinary share (HK cents)	187.6	197.2	57.5	57.8

Net asset value per ordinary share as at 31 December 2023 and 30 June 2023 was calculated based on the issued share capital excluding treasury shares of 216,348,000 ordinary shares as at 31 December 2023 and 30 June 2023.

8. Review of performance of the group

Profit and loss

Revenue

Consolidated revenue of the Group for the six months ended 31 December 2023 increased by HK\$6.6 million or 0.6% to HK\$1,169.4 million from HK\$1,162.8 million for the corresponding period last year.

Revenue from our Components Distribution (“CD”) segment decreased by HK\$44.4 million or 19.3%, from HK\$229.9 million for the six months ended 31 December 2022 to HK\$185.5 million for the six months ended 31 December 2023. The decrease was due primarily to the persistently sluggish post-pandemic recovery, which fell short of expectations, following the abandonment of the stringent zero-COVID stance in the PRC in January 2023.

Revenue from our Information Technology Infrastructure (“IT Infrastructure”) segment increased by HK\$88.6 million or 11.5%, from HK\$771.3 million for the six months ended 31 December 2022 to HK\$859.9 million for the six months ended 31 December 2023. The increase was mainly due to the initiation of several projects tendered and awarded during the period under review.

31 December 2023

8. Review of performance of the group (continued)

Profit and loss (continued)

Revenue from our Consumer Electronics Products (“CEP”) segment decreased by HK\$37.6 million or 23.3%, from HK\$161.5 million for the six months ended 31 December 2022 to HK\$123.9 million for the six months ended 31 December 2023. The decrease can be attributed primarily to the subdued sentiment prevailing in the local CEP market during the period under review.

Gross profit

Gross profit increased by HK\$9.6 million or 11.6%, from HK\$83.3 million for the six months ended 31 December 2022 to HK\$92.9 million for the six months ended 31 December 2023. The increase in gross profit was mainly due to decrease in write-down of inventories to net realisable value of HK\$7.0 million from HK\$9.6 million for the six months ended 31 December 2022 to HK\$2.6 million for the period under review.

Other income and gains, net

Net other income and gains decreased by approximately HK\$8.7 million or 83.6%, from HK\$10.4 million for the six months ended 31 December 2022 to HK\$1.7 million for the six months ended 31 December 2023. The decrease was mainly due to (1) a HK\$4.3 million gain on disposals of property, plant and equipment and investment property in the previous period which did not recur in the current period; (2) a reversal of impairment of trade receivables of HK\$2.8 million in the previous period while an impairment loss of trade receivables of HK\$0.5 million was being recorded in the current period; and (3) a decrease in Government subsidies on COVID-19 pandemic of HK\$1.5 million in the current period.

Selling and distribution costs

Selling and distribution costs increased by HK\$3.2 million or 9.0%, from HK\$34.9 million for the six months ended 31 December 2022 to HK\$38.1 million for the six months ended 31 December 2023. The increase was mostly due to HK\$2.2 million increase in salesmen remuneration cost as a result of additional head counts and salary increment.

Administrative expenses

Administrative expenses decreased by approximately HK\$1.0 million or 2.5%, from HK\$39.0 million for the six months ended 31 December 2022 to HK\$38.0 million for the six months ended 31 December 2023. The decrease was mainly due to decrease in depreciation of property, plant and equipment of HK\$1.2 million mainly due to the disposal of properties in the PRC and Singapore during the last corresponding period.

Other expenses, net

Other net expenses increased by approximately HK\$1.3 million or 149.4%, from HK\$0.9 million for the six months ended 31 December 2022 to HK\$2.2 million for the six months ended 31 December 2023.

Finance costs

Finance costs increased by approximately HK\$1.6 million or 44.1%, from HK\$3.9 million for the six months ended 31 December 2022 to HK\$5.5 million for the six months ended 31 December 2023. The increase was mainly due to (1) increase in bank borrowings in order to finance the purchase of goods to meet the increased demand, particularly in the IT segment, for the period under review; and (2) increase in interest rates during the current period.

31 December 2023

8. Review of performance of the group (continued)

Profit and loss (continued)

Net Profit

Net profit attributable to owners of the Company decreased by HK\$0.5 million or 4.7%, from HK\$11.3 million for the six months ended 31 December 2022 to HK\$10.8 million for the six months ended 31 December 2023. The decrease was mainly attributable to (1) HK\$8.7 million decrease in other income and gains, net; (2) HK\$3.2 million increase in selling and distribution costs; offset by (a) HK\$9.6 million increase in gross profit; (b) HK\$2.6 million decrease in income tax expenses.

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 2023, non-current assets amounted to HK\$72.0 million, representing approximately 5.9% of the total assets. Non-current assets decreased by HK\$12.3 million or 14.6% to HK\$72.0 million as at 31 December 2023 from HK\$84.4 million as at 30 June 2023. The decrease was mainly due to the disposal of properties in the PRC and Singapore.

Current assets

As at 31 December 2023, current assets amounted to approximately HK\$1,139.5 million, an increase of HK\$131.6 million compared to the immediately preceding financial year end as at 30 June 2023. The increase was mainly due to (1) increase in trade and bill receivables by HK\$111.0 million as a result of higher billings towards end of the period under review; and (2) increase in cash and cash equivalents by HK\$23.8 million.

Current liabilities

As at 31 December 2023, current liabilities amounted to approximately HK\$763.7 million, an increase of HK\$139.3 million compared to the immediately preceding financial year end as at 30 June 2023. The increase was mainly due to (1) increase in trade and bills payables by HK\$117.7 million; (2) increase in interest-bearing bank and other borrowing by HK\$40.2 million; and offset by decrease in other payables and accruals by HK\$15.0 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\$41.9 million, representing 5.2% of our total liabilities as at 31 December 2023. The amount pertains mainly to other payables of HK\$30.1 million arising from warranty service income received in advance which was classified as contract liabilities.

Liquidity and cash flow

As at 31 December 2023, cash and cash equivalents amounted to approximately HK\$113.9 million. Total interest-bearing bank and other borrowings as at 31 December 2023 were HK\$186.7 million. The gearing ratio, which is defined as total interest-bearing bank and other borrowings to shareholders' funds, is 0.46 times (30 June 2023: 0.34 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 competitive 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 Group expects the next 12 months to be challenging as business and consumer sentiment continue to be weighed down by ongoing geopolitical tensions and conflicts, inflationary pressures and an uncertain economic climate. These factors as well as slowing growth in its core PRC market will also continue to put pressure on the country's manufacturing sector as global demand for electronics products slows down.

The Group has commenced an internal review with plans to deploy and allocate more resources to growth sectors. The Group intends to expand its IT Infrastructure segment to capitalise on the rising demand for IT solutions from China. It will also restructure its CD segment to focus on new component applications as the market for traditional components remains challenging. In recent years, the Group has been involved in clean energy and green technology sectors and will continue to focus in this growing space as the global race towards net-zero intensifies. Meanwhile, it will continue to maintain an attractive portfolio of consumer electronics products to drive sales for its CEP segment.

The Group will maintain a prudent approach to cost management, mindful of ongoing inflationary pressures and high interest rates that continue to weigh on costs.

31 December 2023

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Tax not applicable interim dividend of HK4.9 cents per share amounting to a total of HK\$10,601,000 have been proposed and declared by the Directors.

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (in HK cents)	4.9 cents per share
Par value of share (in HK cents)	10.0 cents per share
Tax rate	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	Final
Dividend type	Cash	Cash
Dividend amount per share (in HK cents)	5.2 cents per share	15.0 cents per share
Par value of share (in HK cents)	10 cents	10 cents
Tax rate	Not applicable	Not applicable

(c) Date payable

14 March 2024

(d) Books closure date

The Register of Members and Share Transfer Books of Karin Technology Holdings Limited (the “**Company**”) will be closed on 29 February 2024, for the preparation of dividend warrants to the proposed interim dividend of HK4.9 cents per ordinary share for the financial year ending 30 June 2024. (“**Interim Dividend**”)

Duly completed registrable transfers in respect of the shares in the Company received up to 5.00 p.m. on 28 February 2024 (“**Record Date**”) by the Company’s Singapore Share Transfer Agent, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619 will be registered to determine Members’ entitlements to the Interim Dividend. 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 Interim Dividend.

31 December 2023

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

Not applicable.

- 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 2023 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 2023 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

8 February 2024