嘉靈控股集團有限公司

Karin Technology Holdings Limited

(Incorporated in Bermuda on 30 August 2002)
(Company Registration Number 32514)

INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026 (UNAUDITED)

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

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KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

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

		Group					
	Notes	Six months ended 30.6.2026 HK$'000	Six months ended 30.6.2025 HK$'000	% increase/ (decrease)	Full year ended 30.6.2026 HK$'000	Full year ended 30.6.2025 HK$'000	% increase/ (decrease)
REVENUE	5	1,137,669	884,237	28.7	2,334,300	1,929,544	21.0
Cost of sales		(1,042,370)	(803,387)	29.7	(2,151,475)	(1,752,908)	22.7
Gross profit		95,299	80,850	17.9	182,825	176,636	3.5
Other income and gains, net		7,014	7,735	(9.3)	10,708	10,263	4.3
Selling and distribution costs		(38,693)	(38,114)	1.5	(74,762)	(76,162)	(1.8)
Administrative expenses		(43,200)	(37,477)	15.3	(116,428)	(72,969)	59.6
Other expenses, net		(6,643)	(2,371)	180.2	(7,840)	(7,938)	(1.2)
Finance costs		(1,574)	(1,961)	(19.7)	(2,489)	(5,716)	(56.5)
(LOSS)/PROFIT BEFORE TAX	6	12,203	8,662	40.9	(7,986)	24,114	NM
Income tax expense	7	(4,986)	(3,640)	37.0	(10,892)	(7,548)	44.3
(LOSS)/PROFIT FOR THE PERIOD/ YEAR		7,217	5,022	43.7	(18,878)	16,566	NM

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

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

	Group					
	Six months ended 30.6.2026 HK$'000	Six months ended 30.6.2025 HK$'000	% increase/ (decrease)	Full year ended 30.6.2026 HK$'000	Full year ended 30.6.2025 HK$'000	% increase/ (decrease)
(LOSS)/PROFIT FOR THE PERIOD/ YEAR	7,217	5,022	43.7	(18,878)	16,566	NM
OTHER COMPREHENSIVE INCOME						
Items that may be reclassified to profit or loss in subsequent periods:						
Exchange differences on translation of foreign operations	1,915	1,627	17.7	3,784	2,100	80.2
Reclassification adjustment on disposal of an associate	–	606	(100.0)	–	606	(100.0)
Actuarial gain on long service payment obligation	432	272	58.8	432	272	58.8
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX	2,347	2,505	(6.3)	4,216	2,978	41.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR	9,564	7,527	27.1	(14,662)	19,544	NM
(Loss)/profit for the period attributable to:						
Owners of the Company	6,403	8,384	(23.6)	(22,594)	19,151	NM
Non-controlling interests	814	(3,362)	NM	3,716	(2,585)	NM
	7,217	5,022	43.7	(18,878)	16,566	NM
Total comprehensive income attributable to:						
Owners of the Company	9,027	10,915	(17.3)	(18,237)	22,151	NM
Non-controlling interests	537	(3,388)	NM	3,575	(2,607)	NM
	9,564	7,527	27.1	(14,662)	19,544	NM

NM: Not Meaningful

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Group		Company	
		30 June 2026	**30 June 2025**	**30 June 2026**	**30 June 2025**
		HK$'000	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS					
Property, plant and equipment	9	28,574	4,311	–	–
Goodwill		1,059	1,059	–	–
Investment in subsidiaries		–	–	76,308	76,308
Investment in associates		–	–	–	–
Deferred tax assets		4,279	4,263	–	–
Right-of-use assets		9,636	18,409	–	–
Amount due from an associate		–	–	–	–
Prepayments and other assets		24,876	25,069	–	–
Total non-current assets		68,424	53,111	76,308	76,308
CURRENT ASSETS					
Inventories		257,768	252,013	–	–
Trade and bills receivables		439,383	385,946	–	–
Prepayments, other receivables and other assets		137,050	153,569	–	–
Amounts due from subsidiaries		–	–	48,385	50,006
Financial asset at fair value through profit or loss		281	1,055	–	–
Derivative financial instruments		1,078	327	–	–
Cash and cash equivalents		103,805	144,025	3,544	1,012
		939,365	936,935	51,929	51,018
Assets classified as held for sale	10	–	66,792	–	–
Total current assets		939,365	1,003,727	51,929	51,018
CURRENT LIABILITIES					
Trade and bills payables		319,712	248,899	–	–
Other payables and accruals		229,084	298,751	2,037	1,688
Amount due to subsidiaries		–	–	10,000	1,442
Tax payable		6,308	8,789	–	–
Interest-bearing bank and other borrowings	11	46,134	57,507	–	–
Lease liabilities		8,099	8,890	–	–
		609,337	622,836	12,037	3,130
Liabilities directly associated with assets classified as held for sale	10	–	1,733	–	–
Total current liabilities		609,337	624,569	12,037	3,130
NET CURRENT ASSETS		330,028	379,158	39,892	47,888

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

		Group		Company	
	Notes	**30 June 2026** HK$'000	**30 June 2025** HK$'000	**30 June 2026** HK$'000	**30 June 2025** HK$'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities		11,808	7,247	–	–
Other payables		13,422	15,708	21	–
Other borrowings	11	168	267	–	–
Lease liabilities		1,259	8,629	–	–
Total non-current liabilities		26,657	31,851	21	–
Net assets		371,795	400,418	116,179	124,196
EQUITY					
Equity attributable to owners of the Company					
Issued capital	12	21,636	21,636	21,636	21,636
Treasury shares	12	(5,629)	(61)	(5,629)	(61)
Reserves		361,841	388,471	100,172	102,621
		377,848	410,046	116,179	124,196
Non-controlling interests		(6,053)	(9,628)	–	–
Total equity		371,795	400,418	116,179	124,196

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	**Attributable to owners of the Company**											
	Issued capital	**Treasury shares**	**Share premium account**	**Contributed surplus**	**Land and buildings revaluation reserve**	**General reserve**	**Other reserves**	**Exchange fluctuation reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 July 2024	21,636	(61)	48,935	898	57,810	6,150	(890)	(3,042)	275,452	406,888	(7,021)	399,867
Profit for the year	–	–	–	–	–	–	–	–	19,151	19,151	(2,585)	16,566
Other comprehensive income for the year												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	2,122	–	2,122	(22)	2,100
Reclassification adjustment on disposal of an associate	–	–	–	–	–	–	–	606	–	606	–	606
Actuarial gain on long service payment obligation	–	–	–	–	–	–	272	–	–	272	–	272
Total comprehensive income for the year	–	–	–	–	–	–	272	2,728	19,151	22,151	(2,607)	19,544
Final 2024 dividend paid	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
Interim 2025 dividend paid	–	–	–	–	–	–	–	–	(10,600)	(10,600)	–	(10,600)
At 30 June 2025	21,636	(61)	48,935	898	57,810	6,150	(618)	(314)	275,610	410,046	(9,628)	400,418

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	**Attributable to owners of the Company**											
	Issued capital	**Treasury shares**	**Share premium account**	**Contributed surplus**	**Land and buildings revaluation reserve**	**General reserve**	**Other reserves**	**Exchange fluctuation reserve**	**Retained profits**	**Total**	**Non-controlling interests**	**Total equity**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 July 2025	21,636	(61)	48,935	898	57,810	6,150	(618)	(314)	275,610	410,046	(9,628)	400,418
(Loss)/profit for the year	–	–	–	–	–	–	–	–	(22,594)	(22,594)	3,716	(18,878)
Other comprehensive income for the year												
Exchange difference on translation of foreign operations	–	–	–	–	–	–	–	3,925	–	3,925	(141)	3,784
Actuarial gain on long service payment obligation	–	–	–	–	–	–	432	–	–	432	–	432
Total comprehensive income for the year	–	–	–	–	–	–	432	3,925	(22,594)	(18,237)	3,575	(14,662)
Share buy-back	–	(5,568)	–	–	–	–	–	–	–	(5,568)	–	(5,568)
Final 2025 dividend paid	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
At 30 June 2026	21,636	(5,629)	48,935	898	57,810	6,150	(186)	3,611	244,623	377,848	(6,053)	371,795

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Company	**Issued capital**	**Treasury shares**	**Share premium account**	**Contributed surplus**	**Retained profits**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 July 2024	21,636	(61)	48,935	36,311	17,234	124,055
Profit for the year and total comprehensive income for the year	–	–	–	–	19,134	19,134
Final 2024 dividend paid	–	–	–	–	(8,393)	(8,393)
Interim 2025 dividend paid	–	–	–	–	(10,600)	(10,600)
At 30 June 2025 and 1 July 2025	21,636	(61)	48,935	36,311	17,375	124,196
Profit for the year and total comprehensive income for the year	–	–	–	–	5,944	5,944
Share buy-back	–	(5,568)	–	–	–	(5,568)
Final 2025 dividend paid	–	–	–	–	(8,393)	(8,393)
At 30 June 2026	21,636	(5,629)	48,935	36,311	14,926	116,179

KARIN TECHNOLOGY HOLDINGS LIMITED

FOR THE SIX MONTHS AND FULL YEAR ENDED 30 JUNE 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	2026	**2025**
	HK$'000	**HK$'000**
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(7,986)	24,114
Adjustments for:		
Interest income	(1,898)	(2,330)
Interest income from an associate	–	(584)
Reversal of write-down of inventories to net realisable value, net	(3,132)	(3,071)
Depreciation of property, plant and equipment	42,252	3,324
Depreciation of right-of-use assets	9,661	9,765
Fair value gain on derivative financial instruments	(751)	(280)
Fair value loss/(gain) on financial asset at fair value through profit or loss	774	(15)
Allowance/(reversal of allowance) for expected credit losses on trade receivables, net	3,292	(1,133)
Gain on disposal of property, plant and equipment	(10)	(48)
Finance costs	2,489	5,716
Allowance for expected credit losses on amount due from an associate	–	6,086
Property, plant and equipment written off	–	217
Gain on disposal of an associate	–	(291)
Impairment of advance to supplier	3,345	–
Reversal of long outstanding trade and other payables	(2,258)	(2,305)
Operating cash flows before changes in working capital	45,778	39,165
Changes in working capital		
Decrease/(increase) in:		
Inventories	(2,112)	202
Trade and bills receivables	(55,271)	86,293
Prepayments, other receivables and other assets	14,509	46,152
(Decrease)/increase in:		
Trade and bills payables	71,328	(80,048)
Other payables and accruals	(70,740)	2,351
Cash flows from operations	3,492	94,115
Interest on bank and other borrowing paid	(1,687)	(4,545)
Income tax paid	(10,538)	(4,310)
Net cash flows (used in)/from operating activities	(8,733)	85,260

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Group	
	2026	**2025**
	HK$'000	**HK$'000**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(186)	(1,846)
Proceeds from disposal of property, plant and equipment	10	265
Proceeds from exercise of forward currency contracts	–	723
Interest received	1,898	2,330
Proceeds from disposal of an associate	–	7,662
Increase in amount due from an associate	–	(1,207)
Net cash flows from investing activities	1,722	7,927
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares buy-back	(5,568)	–
Proceeds from bank and other borrowings	385,903	1,273,311
Repayment of bank and other borrowings	(397,178)	(1,321,362)
Principal portion of lease payments	(9,149)	(8,649)
Dividends paid to owners of the Company	(8,393)	(18,993)
Interest element on lease payment	(802)	(1,171)
Net cash flows used in financing activities	(35,187)	(76,864)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(42,198)	16,323
Cash and cash equivalents at beginning of financial year	144,025	127,206
Cash and cash equivalents included in assets classified as held for sale	417	305
Effect of foreign exchange rate changes, net	1,561	191
CASH AND CASH EQUIVLENTS AT END OF FINANCIAL YEAR	103,805	144,025

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 Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda. The principal place of business of the Company is at 9th Floor, The Whitney, 183 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

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

(i) the distribution of electronic 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 condensed interim consolidated financial statements for the six months and full year ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 30 June 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 condensed interim consolidated financial statements are presented in Hong Kong dollars and all values in the tables are rounded to the nearest thousand ("HK$'000") except when otherwise indicated.

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025, except for the adoption of new standards effective as of 1 July 2025. The application of these new standards did not result in changes in the Group's accounting policies and has no material effect on the amounts reported for the current reporting period or prior years. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3. SEASONAL OPERATIONS

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

4. OPERATING SEGMENT INFORMATION

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the six months ended 30 June 2026				
Segment revenue	**172,032**	**914,120**	**51,517**	**1,137,669**
Segment results	**(5,027)**	**19,279**	**(415)**	**13,837**
Reconciliation:				
Bank interest income				693
Fair value gain on derivative financial instruments				773
Fair value loss on financial asset at fair value through profit or loss				(527)
Finance costs				(1,574)
Corporate and other unallocated expenses				(999)
Profit before tax				12,203
Income tax expense				(4,986)
Profit for the period				7,217
Other segment information				
Income tax expense				4,986
Write-down/(reversal of write-down) of inventories	350	(941)	(554)	(1,145)
Allowance for expected credit losses on trade receivables	421	2,258	2	2,681
Write-back of long outstanding trade and other payables	–	(279)	–	(279)
Depreciation of property, plant and equipment (other than Karin Building)	108	571	32	711
Depreciation of property, plant and equipment (Karin Building)	768	4,410	326	5,504
Depreciation of right-of-use assets	737	3,934	227	4,898
Impairment of advance to supplier	3,345	–	–	3,345
Capital expenditure				35

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the six months ended 30 June 2025				
Segment revenue	**162,570**	**667,121**	**54,546**	**884,237**
Segment results	**(5,772)**	**22,218**	**(2,902)**	**13,544**
Reconciliation:				
Bank interest income				723
Interest income from an associate				165
Fair value gain on financial asset at fair value through profit or loss				43
Fair value gain on derivative financial instruments				611
Gain on disposal of property, plant and equipment				90
Allowance for expected credit losses on amount due from an associate				(3,323)
Property, plant and equipment written off				(217)
Finance costs				(1,961)
Corporate and other unallocated expenses				(1,013)
Profit before tax				8,662
Income tax expense				(3,640)
Profit for the period				5,022
Other segment information				
Income tax expense				3,640
Write-down/(reversal of write-down) of inventories	98	(4,619)	126	(4,395)
Reversal of allowance for expected credit losses on trade receivables	(374)	(1,546)	(18)	(1,938)
Write-back of long outstanding trade and other payables	–	(2,252)	–	(2,252)
Depreciation of property, plant and equipment (other than Karin Building)	199	738	122	1,059
Depreciation of right-of-use assets	905	3,581	460	4,946
Capital expenditure				992

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution	**IT Infrastructure**	**Others**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 30 June 2026				
Segment revenue	**325,885**	**1,870,322**	**138,093**	**2,334,300**
Segment results	**(3,049)**	**30,033**	**3,219**	**30,203**
Reconciliation:				
Bank interest income				1,898
Fair value gain on derivative financial instruments				751
Fair value loss on financial asset at fair value through profit or loss				(774)
Gain on disposal of property, plant and equipment				10
Catch-up depreciation of property, plant and equipment (Karin Building)				(35,287)
Finance costs				(2,489)
Corporate and other unallocated expenses				(2,298)
Loss before tax				(7,986)
Income tax expense				(10,892)
Loss for the year				(18,878)
Segment assets	**145,209**	**702,392**	**11,879**	**859,480**
Reconciliation:				
Deferred tax assets				4,279
Derivative financial instruments				1,078
Financial asset at fair value through profit or loss				281
Cash and cash equivalents				103,805
Corporate and other unallocated assets				38,866
Total assets				1,007,789

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution	**IT Infrastructure**	**Others**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 30 June 2026 (continued)				
Segment liabilities	**31,068**	**504,439**	**1,835**	**537,342**
Reconciliation:				
Tax payable				6,308
Interest-bearing bank and other borrowings				46,302
Deferred tax liabilities				11,808
Corporate and other unallocated liabilities				34,234
				635,994
Other segment information				
Income tax expense				10,892
Reversal of write-down of inventories	(1,040)	(559)	(1,533)	(3,132)
Allowance for expected credit losses on trade receivables	493	2,798	1	3,292
Write-back of long outstanding trade and other payables	–	(2,258)	–	(2,258)
Depreciation of property, plant and equipment (other than Karin Building)	204	1,171	86	1,461
Depreciation of property, plant and equipment (Karin Building)	768	4,410	326	5,504
Depreciation of right-of-use assets	1,349	7,740	572	9,661
Impairment of advance to supplier	3,345	–	–	3,345
Capital expenditure				186

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the year ended 30 June 2025				
Segment revenue	**344,347**	**1,439,711**	**145,486**	**1,929,544**
Segment results	**(6,553)**	**43,140**	**(1,612)**	**34,975**
Reconciliation:				
Bank interest income				2,330
Interest income from an associate				584
Fair value gain on financial asset at fair value through profit or loss				15
Fair value gain on derivative financial instruments				280
Gain on disposal of an associate				291
Gain on disposal of property, plant and equipment				48
Allowance for expected credit losses on amount due associate				(6,086)
Property, plant and equipment written off				(217)
Finance costs				(5,716)
Corporate and other unallocated expenses				(2,390)
Profit before tax				24,114
Income tax expense				(7,548)
Profit for the year				16,566
Segment assets	**138,981**	**641,746**	**36,344**	**817,071**
Reconciliation:				
Deferred tax assets				4,263
Derivative financial instruments				327
Financial asset at fair value through profit or loss				1,055
Cash and cash equivalents				144,025
Assets classified as held for sale				66,792
Corporate and other unallocated assets				23,305
Total assets				1,056,838

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the year ended 30 June 2025 (continued)				
Segment liabilities	**31,425**	**480,795**	**31,740**	**543,960**
Reconciliation:				
Tax payable				8,789
Interest-bearing bank and other borrowings				57,774
Deferred tax liabilities				7,247
Liabilities directly associated with assets classified as held for sale				1,733
Corporate and other unallocated liabilities				36,917
				656,420
Other segment information				
Income tax expense				7,548
Write-down/(reversal of write-down) of inventories	276	(3,148)	(199)	(3,071)
Allowance/(reversal of allowance) for expected credit losses on trade receivables	74	(1,190)	(17)	(1,133)
Write-back of long outstanding trade and other payables	–	(2,305)	–	(2,305)
Depreciation of property, plant and equipment (other than Karin Building)	593	2,480	251	3,324
Depreciation of right-of-use assets	1,743	7,286	736	9,765
Capital expenditure				1,846

5. REVENUE

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

	For the year ended 30 June	
	2026 HK$'000	**2025** HK$'000
Revenue from contracts with customers	2,334,300	1,929,544

5. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
Six months ended 30 June 2026				
Type of goods or services				
Sales of goods	172,032	724,966	51,517	948,515
Provision of professional and warranty services	–	189,154	–	189,154
Total revenue from contracts with customers	172,032	914,120	51,517	1,137,669
Geographical markets				
Hong Kong	64,930	775,150	51,517	891,597
Mainland China	83,728	3,535	–	87,263
Others	23,374	135,435	–	158,809
Total revenue from contracts with customers	172,032	914,120	51,517	1,137,669
Timing of revenue recognition				
At a point in time	172,032	805,859	51,517	1,029,408
Over time	–	108,261	–	108,261
Total revenue from contracts with customers	172,032	914,120	51,517	1,137,669

5. REVENUE

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

Revenue from contracts with customers

(i) Disaggregated revenue information

	Components Distribution	**IT Infrastructure**	**Others**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Six months ended 30 June 2025				
Type of goods or services				
Sales of goods	162,570	469,327	54,546	686,443
Provision of professional and warranty services	–	197,794	–	197,794
Total revenue from contracts with customers	162,570	667,121	54,546	884,237
Geographical markets				
Hong Kong	52,590	616,610	54,280	723,480
Mainland China	90,019	6,404	–	96,423
Others	19,961	44,107	266	64,334
Total revenue from contracts with customers	162,570	667,121	54,546	884,237
Timing of revenue recognition				
At a point in time	162,570	553,632	54,546	770,748
Over time	–	113,489	–	113,489
Total revenue from contracts with customers	162,570	667,121	54,546	884,237

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the year ended 30 June 2026				
Type of goods or services				
Sales of goods	325,885	1,451,946	138,093	1,915,924
Provision of professional and warranty services	–	418,376	–	418,376
Total revenue from contracts with customers	325,885	1,870,322	138,093	2,334,300
Geographical markets				
Hong Kong	111,417	1,626,106	138,093	1,875,616
Mainland China	170,116	6,943	–	177,059
Others	44,352	237,273	–	281,625
Total revenue from contracts with customers	325,885	1,870,322	138,093	2,334,300
Timing of revenue recognition				
At a point in time	325,885	1,605,730	138,093	2,069,708
Over time	–	264,592	–	264,592
Total revenue from contracts with customers	325,885	1,870,322	138,093	2,334,300

5. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

	Components Distribution HK$'000	**IT Infrastructure** HK$'000	**Others** HK$'000	**Total** HK$'000
For the year ended 30 June 2025				
Type of goods or services				
Sales of goods	344,347	995,519	145,486	1,485,352
Provision of professional and warranty services	–	444,192	–	444,192
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544
Geographical markets				
Hong Kong	109,975	1,273,835	144,158	1,527,968
Mainland China	196,032	47,409	–	243,441
Others	38,340	118,467	1,328	158,135
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544
Timing of revenue recognition				
At a point in time	344,347	1,180,406	145,486	1,670,239
Over time	–	259,305	–	259,305
Total revenue from contracts with customers	344,347	1,439,711	145,486	1,929,544

A breakdown of sales

		Group		
		Full year ended 30.6.2026 HK$'000	**Full year ended 30.6.2025** HK$'000	**%increase/ (decrease)**
(a)	Sales reported for the first half year	1,196,631	1,045,307	14.5
(b)	Operating (loss)/profit after tax before deducting non-controlling interests reported for the first half year	(26,095)	11,544	NM
(c)	Sales reported for the second half year	1,137,669	884,237	28.7
(d)	Operating profit after tax before deducting non-controlling interests reported for the second half year	7,217	5,022	43.7

6. (LOSS)/PROFIT BEFORE TAX

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

	Six months ended 30.6.2026 HK$'000	**Six months ended 30.6.2025** HK$'000	**Full year ended 30.6.2026** HK$'000	**Full year ended 30.6.2025** HK$'000
Cost of inventories sold	866,712	642,252	1,757,646	1,355,211
Cost of services provided	176,803	165,530	396,961	400,768
Reversal of write-down of inventories to net realisable value, net	(1,145)	(4,395)	(3,132)	(3,071)
Lease payments not included in the measurement of lease liabilities	1,016	1,298	1,955	1,938
Depreciation of property, plant and equipment	6,215	1,059	42,252*	3,324
Depreciation of right-of-use assets	4,898	4,946	9,661	9,765
Foreign exchange (gain)/loss	(3,974)	36	(3,679)	1,633
Interest expense on bank and other borrowings	1,232	1,364	1,687	4,545
Interest expense on lease liabilities	342	597	802	1,171
Allowance/(reversal of allowance) for expected credit losses on trade receivables, net	2,681	(1,938)	3,292	(1,133)
Fair value loss/(gain) on financial asset at fair value through profit or loss	527	(43)	774	(15)
Fair value gain on derivative financial instruments	(773)	(611)	(751)	(280)
Gain on disposal of property, plant and equipment	–	(90)	(10)	(48)
Gain on disposal of an associate	–	–	–	(291)
Property, plant and equipment written off	–	217	–	217
Allowance for expected credit losses on amount due from an associate	–	3,323	–	6,086
Reversal of long outstanding trade and other payables	(279)	(2,252)	(2,258)	(2,305)
Impairment of advance to supplier	3,345	–	3,345	–

*During the year, the Group has ceased to classify the Karin Building as an asset held for sale (Note 10). 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 year included the depreciation upon cessation of the Karin Building as asset held for sale of HK$40,791,000 (2025: Nil).

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the reporting year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2021/2022. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Six months ended 30.6.2026 HK$'000	**Six months ended 30.6.2025** HK$'000	**Full year ended 30.6.2026** HK$'000	**Full year ended 30.6.2025** HK$'000
Current				
Charge for the period	3,974	3,019	6,619	6,927
(Over)/under-provision in prior years	1,473	167	1,473	167
	5,447	3,186	8,092	7,094
Deferred	(461)	454	2,800	454
	4,986	3,640	10,892*	7,548

*The tax expense for the year included deferred tax expense of HK$2,623,000 (2025: Nil) attributable to the changes in the carrying amount of the Karin Building which ceased to be an asset held for sale during the year, as compared with its tax written down value.

8. DIVIDENDS

	For the year ended 30 June **2026** HK$'000	**2025** HK$'000
Interim dividend paid during the year	–	10,600
Proposed final dividend	3,813	8,393
Proposed special dividend	10,590	–
Total	14,403	18,993
Dividend per share (in HK cents)	6.8 cents	8.8 cents

9. PROPERTY, PLANT AND EQUIPMENT

During the year ended 30 June 2026, the Group acquired assets amounting to HK$186,000 (2025: HK$1,846,000), disposed of assets amounting to net book value of Nil (2025: HK$217,000) and wrote off assets amounting to net book value of Nil (2025: HK$217,000).

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

	2026 HK$'000	**2025** HK$'000
Property, plant and equipment	–	66,088
Prepayments, deposits and other receivables	–	287
Cash and cash equivalents	–	417
Total assets classified as held for sale	–	66,792
Other payables and accruals	–	93
Tax payable	–	286
Deferred tax liabilities	–	1,354
Total liabilities directly associated with assets classified as held for sale	–	1,733
Net assets	–	65,059

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 recognised depreciation of HK$40,791,000 for the current year, and resumed depreciation going forward. These are non-cash accounting adjustments and do not affect the Group's cash position, liquidity, or core business operations.

11. INTEREST-BEARING BANK AND OTHER BORROWINGS

	Maturity	2026 HK$'000	Maturity	2025 HK$'000
Current				
Lease liabilities	FY2027	98	FY2026	92
Bank loans, unsecured	FY2027	46,036	FY2026	57,415
		46,134		57,507
Non-current				
Lease liabilities	FY2028-FY2029	168	FY2027-FY2029	267
		168		267
		46,302		57,774

The Group's bank loans bear interest at floating rates ranging from 1.31% to 4.71% (30 June 2025: 1.33% to 5.0%) per annum.

As at 30 June 2026, bank borrowings of HK$46,036,000 (2025: HK$57,415,000) were secured by corporate guarantees provided by the Company and certain subsidiaries.

12. SHARE CAPITAL

(i) Shares

	2026 HK$'000	2025 HK$'000
Issued and fully paid:		
216,360,000 (2025: 216,360,000) ordinary shares of HK$0.1 each	21,636	21,636

(ii) Treasury shares

	30 June 2026		30 June 2025	
	Number of shares	Amount HK$'000	Number of shares	Amount HK$'000
Beginning of the year	36,600	61	36,600	61
Share buy-back during the year	3,561,100	5,568	–	–
End of the year	3,597,700	5,629	36,600	61

13. RELATED PARTY DISCLOSURES

(a) Transactions and balances with related parties

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

(b) Remuneration of directors

	2026 HK$'000	**2025** HK$'000
Fees	803	802
Other emoluments	6,321	6,576
	7,124	7,378

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

	2026 HK$'000	**2025** HK$'000
Fees	803	802
Short term employee benefits	21,280	21,851
Post-employment benefits	698	180
	22,781	22,833

14. FINANCIAL INSTRUMENTS BY CATEGORY

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

30 June 2026

Financial assets

	Group			Company
	Financial assets at fair value through profit or loss HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000	Financial assets at amortised cost HK$'000
Trade and bills receivables	–	439,383	439,383	–
Financial assets included in prepayments, other receivables and other assets	–	4,160	4,160	–
Financial asset at fair value through profit or loss	281	–	281	–
Derivative financial instruments	1,078	–	1,078	–
Amounts due from subsidiaries	–	–	–	48,385
Cash and cash equivalents	–	103,805	103,805	3,544
	1,359	547,348	548,707	51,929

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	–	319,712	319,712	–
Financial liabilities included in other payables and accruals	–	31,512	31,512	923
Interest-bearing bank and other borrowings other than lease liabilities	–	46,036	46,036	–
Amount due to subsidiaries	–	–	–	10,000
	–	397,260	397,260	10,923

14. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

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

30 June 2025

Financial assets

	Group			Company
	Financial assets at fair value through profit or loss HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000	Financial assets at amortised cost HK$'000
Trade and bills receivables	–	385,946	385,946	–
Financial assets included in prepayments, other receivables and other assets	–	6,895	6,895	–
Financial asset at fair value through profit or loss	1,055	–	1,055	–
Derivative financial instruments	327	–	327	–
Amounts due from subsidiaries	–	–	–	50,006
Cash and cash equivalents	–	144,025	144,025	1,012
	1,382	536,866	538,248	51,018

Financial liabilities

	Group			Company
	Financial liabilities at fair value through profit or loss HK$'000	Financial liabilities at amortised cost HK$'000	Total HK$'000	Financial liabilities at amortised cost HK$'000
Trade and bills payables	–	248,899	248,899	–
Financial liabilities included in other payables and accruals	–	5,739	5,739	516
Interest-bearing bank and other borrowings other than lease liabilities	–	57,415	57,415	–
Amount due to a subsidiary	–	–	–	1,442
	–	312,053	312,053	1,958

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

15. EVENTS AFTER THE REPORTING PERIOD

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

16. COMPARATIVE FIGURES

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

Other information

1. Review

For the six months and full year ended 30 June 2026, the condensed interim consolidated statements of financial positions of Karin Technology Holdings Limited and its subsidiaries and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the year then ended and certain explanatory notes have not been audited or reviewed.

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

As at 1 July 2025, the Company held 36,600 (1 July 2024: 36,600) treasury shares. During the year ended 30 June 2026, the Company purchased 3,561,100 (30 June 2025: Nil) treasury shares pursuant to the Share Buyback mandate renewed on 28 October 2025.

As at 30 June 2026, the Company held 3,597,700 (30 June 2025: 36,600) treasury shares or 1.66% (30 June 2025: 0.0169%) of the Company’s issued shares.

As at 30 June 2026 and 30 June 2025, the Company’s share capital was HK$21,636,000 comprising 216,360,000 ordinary shares (including 3,597,700 treasury shares as at 30 June 2026 (30 June 2025: 36,600 treasury shares)).

There were no share options outstanding as at 30 June 2026 and 30 June 2025.

During the year ended 30 June 2026, the Company did not have any shares subdivision nor consolidation.

During the year ended 30 June 2026, the Company’s subsidiaries did not purchase nor hold any of the Company’s shares.

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

Total number of issued shares excluding treasury shares as at 30 June 2026 was 212,762,300 ordinary shares (30 June 2025: 216,323,400).

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

There were no sales, transfers, cancellation nor use of treasury shares during the year under review (30 June 2025: Nil).

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

There were no sales, transfers, cancellation nor use of subsidiary holdings during the year under review (30 June 2025: Nil).

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

Not applicable.

4. (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.

The Group

	30 June 2026	**30 June 2025**
(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)	(10.6)	8.9
(Loss)/profit attributable to the owners of the Company for (loss)/earnings per share (HK$'000)	(22,594)	19,151

The calculation of basic earnings per share for the years ended 30 June 2026 and 2025 is based on the (loss)/profit attributable to the ordinary shareholders of the Company for the respective years and the weighted average of 212,762,300 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 year ended 30 June 2026 and 2025.

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

	Group		**Company**	
	As at 30 June 2026	As at 30 June 2025	As at 30 June 2026	As at 30 June 2025
Net asset value per ordinary share (HK cents)	177.6	189.6	54.6	57.4

Net asset value per ordinary share as at 30 June 2026 and 30 June 2025 was calculated based on the issued share capital (excluding treasury shares) of 212,762,300 and 216,323,400 ordinary shares as at 30 June 2026 and 30 June 2025 respectively.

6. Review of performance of the group

Profit and loss

Revenue

Consolidated revenue of the Group increased by approximately HK$404.8 million or 21.0% to HK$2,334.3 million for the year ended 30 June 2026 ("**FY2026**"), compared to HK$1,929.5 million for the year ended 30 June 2025 ("**FY2025**").

Revenue from our Components Distribution ("**CD**") segment declined by HK$18.4 million, or 5.3%, to HK$325.9 million for the year under review, down from HK$344.3 million for FY2025. The decrease was mostly due to greater competition from domestic players in the PRC. However, the results of this segment has been improved slightly under the tighter cost control measures.

Revenue from our Information Technology Infrastructure ("**IT Infrastructure**") segment increased by HK$430.6 million or 29.9% to HK$1,870.3 million for the current year, from HK$1,439.7 million for FY2025. The increase in this segment was mainly due to more significant projects secured during the year under review.

Revenue from our others segment fell by HK$7.4 million, or 5.1%, to HK$138.1 million for the current year, compared to HK$145.5 million for FY2025. This downturn was primarily due to subdued consumer spending in Hong Kong. Nevertheless, effective cost and inventory management measures implemented during the year improved the overall performance of the segment.

Gross profit

Gross profit increased by HK$6.2 million, or 3.5%, to HK$182.8 million for the year ended 30 June 2026, compared to HK$176.6 million for the year ended 30 June 2025. The increase in gross profit was mainly due to higher sales from IT segments. However, the gross profit margin decreased from 9.2% in FY2025 to 7.8% in FY2026, driven by the competitive market environment for IT Infrastructure segment.

Other net income and gains

Other net income and gains increased by HK$0.4 million or 4.3% to HK$10.7 million for the year ended 30 June 2026 from HK$10.3 million for the year ended 30 June 2025. The increase was mainly due to (1) increase in foreign exchange gain of HK$3.7 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 year under review; (3) decrease in reversal of allowance for expected credit losses on trade receivables of HK$1.1 million; (4) decrease in interest income from an associate of HK$0.6 million; and (5) decrease in service income of HK$1.2 million.

6. Review of performance of the group (continued)

Profit and loss (continued)

Selling and distribution costs

Selling and distribution costs decreased by HK$1.4 million or 1.8% to HK$74.8 million for the year ended 30 June 2026 from HK$76.2 million for the year ended 30 June 2025 due to decrease in staff cost.

Administrative expenses

Administrative expenses increased by HK$43.4 million or 59.6% to HK$116.4 million for the year ended 30 June 2026 from HK$73.0 million for the year ended 30 June 2025. The increase was mainly due to recognition of the depreciation of property, plant and equipment of HK$40.8 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current year and the increase in staff cost.

Other expenses, net

Other net expenses decreased by HK$0.1 million, or 1.2%, to HK$7.8 million for the year ended 30 June 2026 from HK$7.9 million for the year ended 30 June 2025.

Finance costs

Finance costs decreased by HK$3.2 million or 56.5% to HK$2.5 million for the year ended 30 June 2026 from HK$5.7 million for the year ended 30 June 2025. The decrease was mainly due to lower average bank borrowing resulted from an improvement of working capital during the year under review.

Net profit or loss

Net profit decreased by HK$35.5 million to net loss of HK$18.9 million for the year ended 30 June 2026 from net profit of HK$16.6 million for the year ended 30 June 2025. The decrease was mainly attributable to (1) HK$43.4 million increase in administrative expenses (including the Karin Building depreciation of HK$40.8 million); (2) HK$3.4 million increase in income tax expenses; partially offset by (3) HK$6.2 million increase in gross profit; (4) HK$0.4 million increase in other income and gains; (5) HK$1.4 million decrease in selling and distributions costs; (6) HK$0.1 million decrease in other net expenses; and (7) HK$3.2 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.

6. Review of performance of the group (continued)

Statement of financial position

Non-current assets

At 30 June 2026, non-current assets amounted to HK$68.4 million, representing approximately 6.8% of the total assets. Non-current assets increased by HK$15.3 million or 28.8% to HK68.4 million as at 30 June 2026 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$24.3 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current year.

Decrease in right-of-use assets was due to the depreciation charged amounted to HK$9.7 million during the current year.

Current assets

As at 30 June 2026, current assets amounted to HK$939.4 million, a decrease of HK$64.4 million compared to the immediately preceding financial year end as at 30 June 2025. The decrease was mainly due to 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 year.

Current liabilities

As at 30 June 2026, current liabilities amounted to approximately HK$609.3 million, an decrease of HK$15.2 million, compared to the immediately preceding financial year end as at 30 June 2025. The decrease was mainly due to (1) decrease in interest-bearing bank and other borrowings by HK$11.4 million which resulted from less bank borrowings; (2) decrease in tax payable by HK$2.5 million; and (3) decrease in liabilities directly associated with assets classified as held for sale by HK$1.7 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current year.

Non-current liabilities

Non-current liabilities amounted to HK$26.7 million, representing 4.2% of the total liabilities as at 30 June 2026. The amount comprised deferred tax liabilities, long term contract liabilities and long-term lease liabilities. Deferred tax liabilities were recognised as a result of temporary differences between the carrying amounts and tax bases of property, plant and equipment due to depreciation and withholding tax on retained profits on PRC subsidiaries. Non-current liabilities decreased by HK$5.2 million or 16.3% to HK$26.7 million as at 30 June 2026 from HK$31.9 million as at 30 June 2025.

The decrease was mainly due to (1) decrease in other payables of HK$2.3 million resulted from the decrease in contract liabilities; (2) decrease in lease liabilities of HK$7.4 million mainly resulted from the repayment of lease liabilities; partially offset by (3) increase in deferred tax liabilities of HK$4.6 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 year, as compared with its tax written down value.

Liquidity and cash flows

As at 30 June 2026, cash and cash equivalents amounted to HK$103.8 million. Total interest-bearing loans and other borrowings as at 30 June 2026 were HK$46.1 million (30 June 2025: HK$57.5 million). The gearing ratio, which is defined as total interest-bearing bank and other borrowings to shareholders' funds, is 0.12 times (2025: 0.14 times).

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

Not applicable.

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

As we navigate toward our 50^{th} anniversary, the Group delivered strong revenue growth in FY2026, even as the operating environment remained one of the toughest in recent years. This growth was underpinned by accelerated demand for IT products amid industry-wide supply constraints and heightened customer concerns over further price escalation.

Management remains cautious, as the current pace of price increases is unlikely to be sustainable. If market sentiment and business performance do not keep up with rising solution costs, customers may begin to defer procurement decisions and postpone upgrade cycles.

Disciplined financial management continued to be our core focus throughout the year. Average group borrowings have been reduced, resulting in lower financing costs. Management remains committed to maintaining a prudent and tightly controlled financial approach going forward to ensure long-term balance sheet strength.

Market developments in artificial intelligence are evolving rapidly, prompting enterprises to reassess investment priorities and expected returns. We are seeing a clear shift toward platform-based and application-driven AI infrastructures and solutions. In response to these changing dynamics, the Group undertook a senior management realignment in FY2026, alongside the retirement of several long-serving executives, to ensure our business units are positioned for growth in key technology segments. We aim to accelerate strategic expansion in AI, network and cybersecurity, multinational and Chinese IT infrastructure.

Our Components business in China is showing signs of recovery, with improved operating performance following resource optimisation and team restructuring. Demand for electronic components remains broad-based across the China market—from toys and home appliances to electric vehicles, medical devices and robotics. With a streamlined operating model, we are set to capture more customers and will further improve this segment in FY2027.

As previously announced, while we are concluding our partnership with IBM in 2HFY27, management is proactively mitigating this transition by reallocating resources into high-margin growth sectors. Driven by an experienced leadership team, the Group remains well-positioned to navigate industry shifts, maximize operational synergies, and deliver sustainable value to shareholders.

AI Initiatives

The Group’s success in AI infrastructure projects and related businesses over recent years has firmly established us as a major distributor for leading AI infrastructure. We have built a strong and reputable position serving customers seeking both multinational or Chinese AI solutions.

We have been focusing on building our advanced AI solutions portfolio with the relevant partners. Internally, we are also focusing on enhancing our competence and expertise. As part of our critical growth strategy, we are pursuing the following AI initiatives which will further accelerate the progress in FY2027.

(i) Agentic AI for on-premise and hybrid environments

As a key differentiator, we have been offering and scaling advanced agentic AI solutions for on-premise and hybrid deployment. This is to address enterprise requirements where adoption of cloud-based AI is constrained by confidentiality, data governance, and regulatory compliance.

(ii) End-to-end enablement across AI infrastructure and workstations.

Aside from successes in distributing AI GPU servers, we are able to capture the momentum created by the latest AI workstations. Customers have the better choice to adopt our AI solutions across the full range from large GPU servers to smaller AI workstations as a total flexible solution package. This will enable faster deployment, unlock new customer demand, and support additional growth.

(iii) Operational execution powered by AI.

We are adopting AI across our operations to improve productivity and efficiency. Our objective is to establish credible proof through measurable outcomes, in order to reinforce our position as a proven example for customers considering AI-enabled transformation.

The Group is confident that our strong market position in both AI and digital infrastructure will enable us to grow our margin and improve sales performance. Our strategic initiatives, combined with the breadth of our digital infrastructure solutions portfolio, will enable us to capture emerging opportunities and deliver continued growth.

9. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Tax not applicable final dividend of HK1.8 cents per share amounting to HK$3,813,000, and tax not applicable special dividend of HK5.0 cents per share amounting to HK$10,590,000 have been proposed and will be subject to members' approval at the forthcoming Annual General Meeting (AGM).

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend amount per share (in HK cents)	1.8 cents per share	5.0 cents per share
Par value of share (in HK cents)	10 cents	10 cents
Tax rate	Not applicable	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

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

(c) Date payable

11 November 2026 subject to members' approval at the forthcoming Annual General Meeting (AGM)

(d) Record date

Subject to members' approval of the proposed final dividend of HK1.8 cents per ordinary share for the financial year ended 30 June 2026 (the "**Proposed Final Dividend**") and the proposed special dividend of HK5.0 cents per ordinary share (the "**Proposed Special Dividend**", and together with the Proposed Final Dividend, the "**Proposed Dividends**") at the forthcoming Annual General Meeting, the Register of Members and Share Transfer Books of Karin Technology Holdings Limited (the "**Company**") will be closed on 3 November 2026 for the purpose of determining members' entitlements to the Proposed Dividends.

Duly completed registrable transfers in respect of the shares in the Company received up to 5.00 p.m. on 2 November 2026 ("**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 Proposed Dividends. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on the Record Date will be entitled to the Proposed Dividends.

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

Not applicable.

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

No IPT mandate has been obtained.

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

Not applicable.

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

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

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

Name	**Age**	**Family relationship with any Director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Mr. Ng Kin Wing, Raymond	76	He is uncle of Ng Mun Kit, Michael and brother of Ng Yuk Wing, Philip (Non-Executive Chairman Emeritus of the Group).	He is the Executive Chairman and Executive Director and is responsible for the overall strategic planning and business development of the Group. He is one of the founders of the Group since 1977.	Nil
Mr. Ng Mun Kit, Michael	48	He is son of Ng Yuk Wing, Philip and nephew of Ng Kin Wing, Raymond.	He is an Executive Director and Chief Executive Officer and is responsible for overseeing the entire operations and general management of the Group.	Nil

BY ORDER OF THE BOARD
Ng Kin Wing
Executive Chairman/Executive Director

27 August 2026