Karin Technology Holdings Limited

Powering the AI-Driven Future

Annual Report 2026

Corporate Profile

Founded in 1977 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") since March 2005, Karin Technology Holdings Limited ("**Karin**" or, collectively with its subsidiaries, the "**Group**") has established itself as a leading provider of IT solutions and components distribution, with headquarters in Hong Kong and a strong presence in the People's Republic of China ("**PRC**").

Karin's strength lies in its diversified and synergistic portfolio, organised into three core business segments — IT Infrastructure ("**IT**"), Components Distribution ("**CD**"), and Others — creating a resilient and dynamic revenue model.

The **IT segment** is the Group's fastest-growing and largest business segment. It encompasses a comprehensive suite of enterprise-grade products and services including IT distribution and integrated solutions from global and mainland China vendors in network and cybersecurity, server and storage infrastructure for both cloud and on-premise environments, data and software applications, and rapidly expanding AI platforms. With a focus on emerging AI infrastructure and platform applications, this segment places Karin at the forefront of digital transformation, tapping into significant long-term growth potential.

With decades of industry expertise, Karin's **CD segment** has evolved beyond traditional distribution to offer high-value services such as integrated circuit application design, computing solutions, and outsourcing services. This strategic shift enhances margins and strengthens the Group's role in the electronics supply chain, building deeper partnerships with manufacturers and clients.

Others segment, include consumer electronics products segment, builds on Karin's core strength in distribution. It operates a dual strategy: distribution of products to retailers and direct retail through the Group's "**In-Smart**" brand stores in Hong Kong, offering consumers a curated selection of leading consumer electronics.

With a diversified business model, enduring partnerships with global technology leaders, and a proven ability to adapt to industry shifts, Karin is well-positioned to capture emerging opportunities in AI-driven infrastructure, next-generation digital solutions, and evolving consumer technology trends.

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VISION

Our vision is to shape the future of Asia by pioneering cutting-edge technologies that accelerate business efficiency, deepen human connection, and catalyze sustainable economic growth. We aspire to bridge cultures and markets, leveraging our Hong Kong roots and extensive operations across China to create a digitally inclusive future where technology transforms lives and industries.

MISSION

Our mission is to deliver high-quality Digital Solutions, Electronic Components, and innovative Electronic Products that meet the diverse needs of customers we touch. We are committed to excellence, leveraging advanced technology and strategic partnerships to enhance productivity and connectivity. As we expand our footprint across beyond boundaries, we aim to empower businesses and consumers with reliable, cutting-edge products that drive progress and foster an intelligent, more connected world.

Chairman's Statement

Ng Kin Wing, Raymond

Executive Chairman and Executive Director

Karin Technology Holdings Limited

Dear Shareholders

As the Karin Group approaches its 50th anniversary in January 2027, I want to celebrate some of the many milestones and achievements that have enabled the Company to grow steadily into the business it is today.

Over the past five decades and despite growing geopolitical challenges, through hard work and foresight, the Group grew and expanded. As a result, Karin has remained profitable on the operating level, since our inception in 1977. We are also extremely proud of our track record of delivering annual dividends to our shareholders since our listing on the Mainboard of the Singapore Exchange Securities Trading Limited in 2005. All this was possible because through our history, Karin has continuously sought to improve productivity and operational efficiency through process improvement and re-engineering. Our principle of "doing better, more, and faster – with less, or at lower cost" reflects our commitment to operating efficiently while continuing to deliver quality products, solutions, and services to our vendors and customers.

While Karin began 50 years ago as a distributor of electronic components and PC parts, our capabilities have expanded and evolved into a value-added component and field application solutions provider, as well as an IT solutions and services provider. This evolution has enabled Karin to remain relevant to the technology industry and to serve the needs of our customers, which are constantly changing.

Today, Artificial Intelligence ("**AI**") presents significant opportunities across the digital economy, society, and enterprises. At the same time, AI is accelerating the pace of technological and business change, requiring Karin, our vendors, and our customers to respond more quickly to evolving requirements and new market opportunities.

AI is rapidly reshaping industries, business models, and technology infrastructure. Public-sector organisations and commercial enterprises increasingly require AI-ready IT infrastructure and capabilities to participate in this transformation and prepare for the growing and measurable impact of AI on their operations and businesses.

Change creates new business opportunities for Karin, whether market conditions favor buyers or sellers. Today, strong demand for AI infrastructure and constrained supply in certain technology segments are creating challenges in availability, pricing, and deployment timelines. With our long-standing relationships across the technology supply chain, Karin can provide AI-ready components, infrastructure, and integrated solutions to help enterprises build and upgrade the computing and IT environments required to support AI applications.

"Together, We Pace for Tomorrow" is more than a corporate slogan, it represents the spirit of the Karin Group and the teamwork that has driven our success over the past 50 years. As we enter our next chapter, we are confident in Karin's ability to embrace new opportunities, and to continue evolving with the technology industry to reach new heights in the years ahead.

Together,
we pace for tomorrow!

Ng Kin Wing, Raymond
Executive Chairman and Executive Director
Karin Technology Holdings Limited

CEO's Message and Operational Review

Ng Mun Kit, Michael

Chief Executive Officer & Executive Director

Karin Technology Holdings Limited

Dear Shareholders,

I am pleased to report on the Group's operational and financial performance for the financial year ended 30 June 2026 ("**FY2026**"), and on how we are executing our strategic pivot towards AI-driven IT infrastructure.

FY2026 PERFORMANCE REVIEW

Against a demanding operating backdrop, the Group delivered a resilient set of results. Consolidated revenue expanded 21.0% year-on-year ("**YoY**") to HK$2,334.3 million in FY2026, from HK$1,929.5 million in FY2025, driven almost entirely by our IT Infrastructure segment. This segment grew 29.9% YoY to HK$1,870.3 million as we secured more significant projects amid accelerating public and private sector investment in AI infrastructure. IT Infrastructure now represents the clear majority of Group revenue, underscoring the ongoing shift in our business mix towards higher-growth, technology-led solutions.

This strength more than offset declines in our other two segments. Our Components Distribution ("**CD**") segment revenue fell 5.3% to HK$325.9 million amid intense PRC domestic competition, although effective cost control measures improved the segment's underlying operating results. Revenue from our Others segment, which includes our In-Smart consumer electronics retail business, declined 5.1% YoY to HK$138.1 million on weak Hong Kong consumer spending, an impact we mitigated through disciplined cost and inventory management.

Gross profit rose 3.5% to HK$182.8 million, although gross profit margin declined 1.4 percentage points to 7.8%, reflecting the competitive pricing environment across all three segments. We reported a net loss of HK$18.9 million for FY2026, compared to a net profit of HK$16.6 million in FY2025, due to a one-off, non-cash accounting adjustment. This adjustment arose from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment, which triggered a catch-up depreciation charge of HK$35.3 million and an associated deferred tax expense of HK$3.2 million. Our preference was to retain this asset rather than divest it at a sub-optimal price given prevailing Hong Kong property market conditions. Excluding this adjustment, adjusted net profit for FY2026 would have been HK$19.6 million, up 18.1% YoY, which I believe more accurately reflects the underlying resilience and improving profitability of our core business.

We also made continued progress in strengthening the balance sheet. Finance costs fell 56.5% YoY to HK$2.5 million on lower average bank borrowings, and our gearing ratio improved to 0.12 times as at 30 June 2026, from 0.14 times a year earlier, giving us greater financial flexibility to pursue the growth opportunities ahead.

SEGMENT OUTLOOK

Capturing the AI infrastructure opportunity is central to our strategy, and FY2026 was a year of deliberate execution. With the retirement of several long-serving executives during the year, we undertook a senior management reorganisation to sharpen our focus on AI, network cybersecurity, and IT infrastructure growth. We also enhanced the leadership depth with specialist expertise needed to execute a more technology-forward strategy.

We are also progressing with targeted, inorganic growth initiatives, including plans to acquire two Hong Kong-based IT companies. One is a company with a self-developed advanced agentic AI platform that enables their enterprise customers to augment productivity in different business functions. The other potential target is an experienced Application Performing Interfaces ("**API**") platform company offering API-first enterprise solutions and providing the API layer for agentic AI solutions. Both these companies are expected to provide our Group with immediate access to an AI-competent and collaborative team, an established and diverse client base, as well as synergistic alliances with leading industry players in this field. We will provide shareholders with updates about these proposed acquisitions in due course.

The 29.9% growth in IT Infrastructure revenue and 18.1% increase in adjusted net profit in FY2026 are early proof points that this sharpened focus is translating into stronger commercial outcomes, even as the broader environment remained challenging. Looking ahead to FY2027, we are advancing three targeted initiatives to build on this momentum: agentic AI solutions for on-premise and hybrid enterprise environments, where data governance and regulatory considerations often preclude a purely cloud-based approach; end-to-end enablement spanning large-scale GPU servers to smaller AI workstations, giving customers a flexible, total solution package; and applying AI to our own operations, to improve productivity and demonstrate, through our own experience, the value of AI-enabled transformation to our customers.

Our CD business in China is showing early signs of recovery, supported by resource optimisation and broad-based demand spanning toys, home appliances, electric vehicles, medical devices and robotics, and we expect further improvement in this segment in FY2027 as our streamlined operating model matures. Our Others segment is also stabilising, aided by a firming smartphone replacement cycle and improving Hong Kong consumer sentiment. We are mindful of the scheduled conclusion of our partnership with IBM in the second half of FY2027. Hence, management is proactively reallocating resources towards higher-margin growth sectors, particularly AI, network and cybersecurity, and multinational and Chinese IT infrastructure. Disciplined financial management will remain a priority throughout, ensuring we retain the balance sheet strength to fund our growth ambitions.

APPRECIATION

I would like to thank our customers and business partners for their enduring confidence in Karin, and our management team and staff across Hong Kong, Macau and Mainland China for their dedication and hard work in a demanding year.

I would also like to recognise the contributions of our recently retired executives: Mr Leung Yiu Chown, Desmond, who retired from his position as Executive Consultant with effect from 28 February 2026, and Mr Lee Yiu Chung, Eugene, who retired from his position as Senior Strategic Director with effect from 1 August 2026. Their years of service helped establish the foundations on which Karin's next chapter of growth will be built.

With the operational foundations we have put in place this year, I am confident that our team is well positioned to convert our AI-driven strategy into sustained, higher-margin growth in FY2027 and beyond.

Ng Mun Kit, Michael
Chief Executive Officer & Executive Director
Karin Technology Holdings Limited

Financial Review

PROFIT AND LOSS

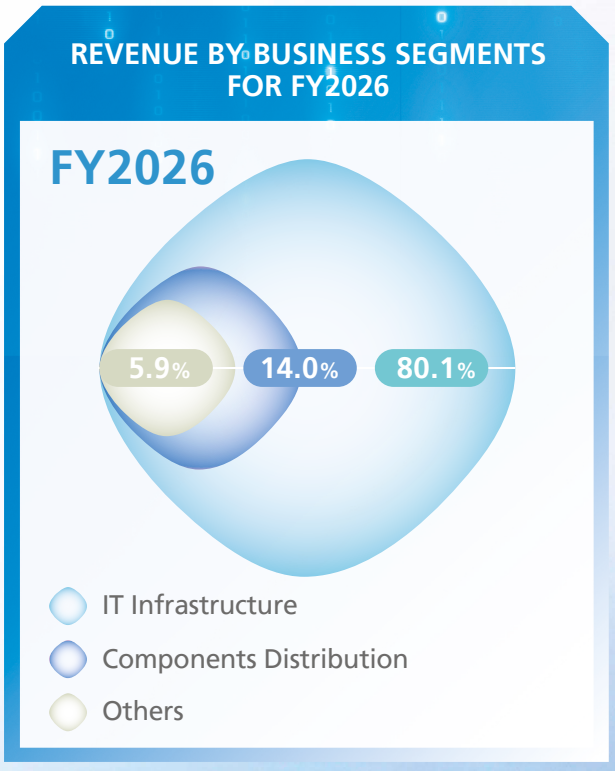
REVENUE

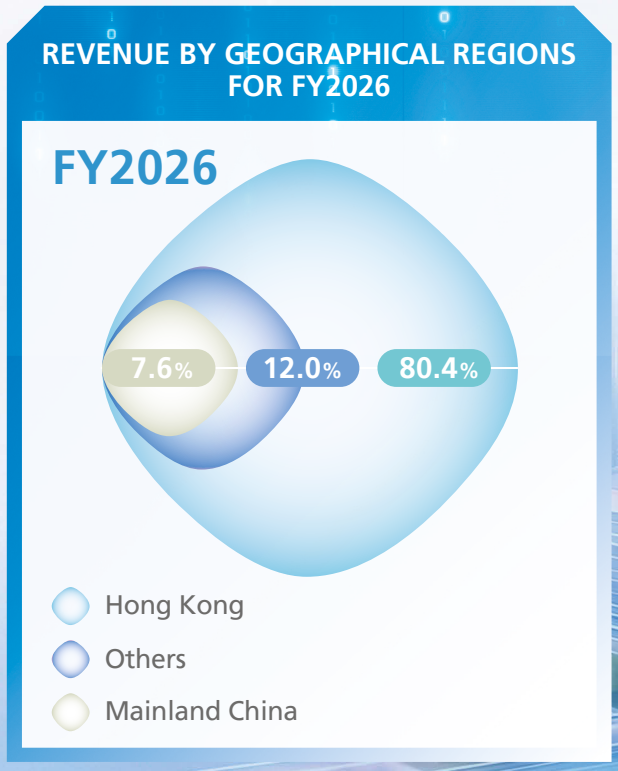
Consolidated revenue of the Group increased by approximately HK$404.8 million or 21.0% to HK$2,334.3 million for the year ended 30 June 2026 ("**FY2026**"), compared to HK$1,929.5 million for the year ended 30 June 2025 ("**FY2025**").

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.





Financial Review

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.

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 expenses (net) 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 a 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 net 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.

STATEMENT OF FINANCIAL POSITION

NON-CURRENT ASSETS

As 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.

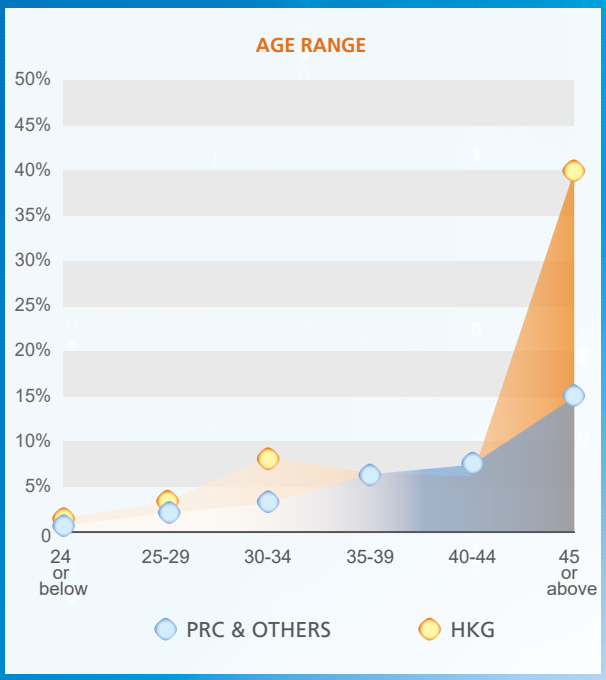
The increase was mainly due to the increase in property, plant and equipment of HK$24.3 million resulted from the reclassification of the Karin Building from an asset held for sale to property, plant and equipment during the current year.

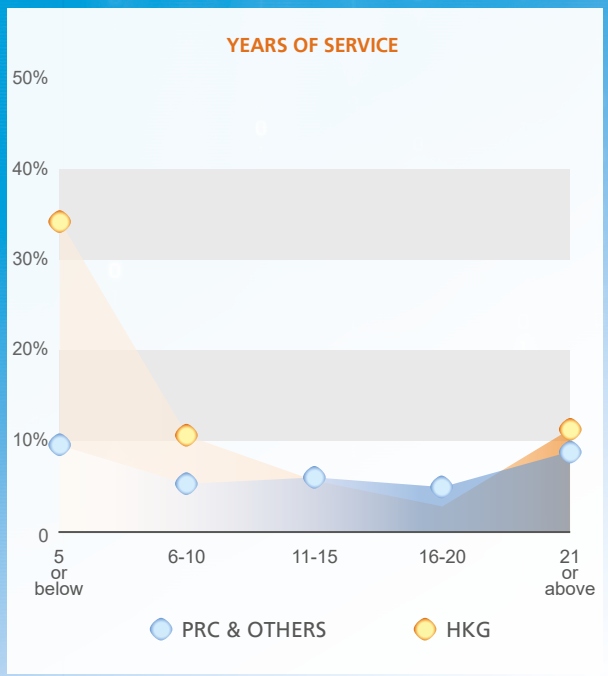
Decrease in right-of-use assets was due to the depreciation charge amounting to HK$9.7 million during the current year.

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.

STAFF STATISTICS

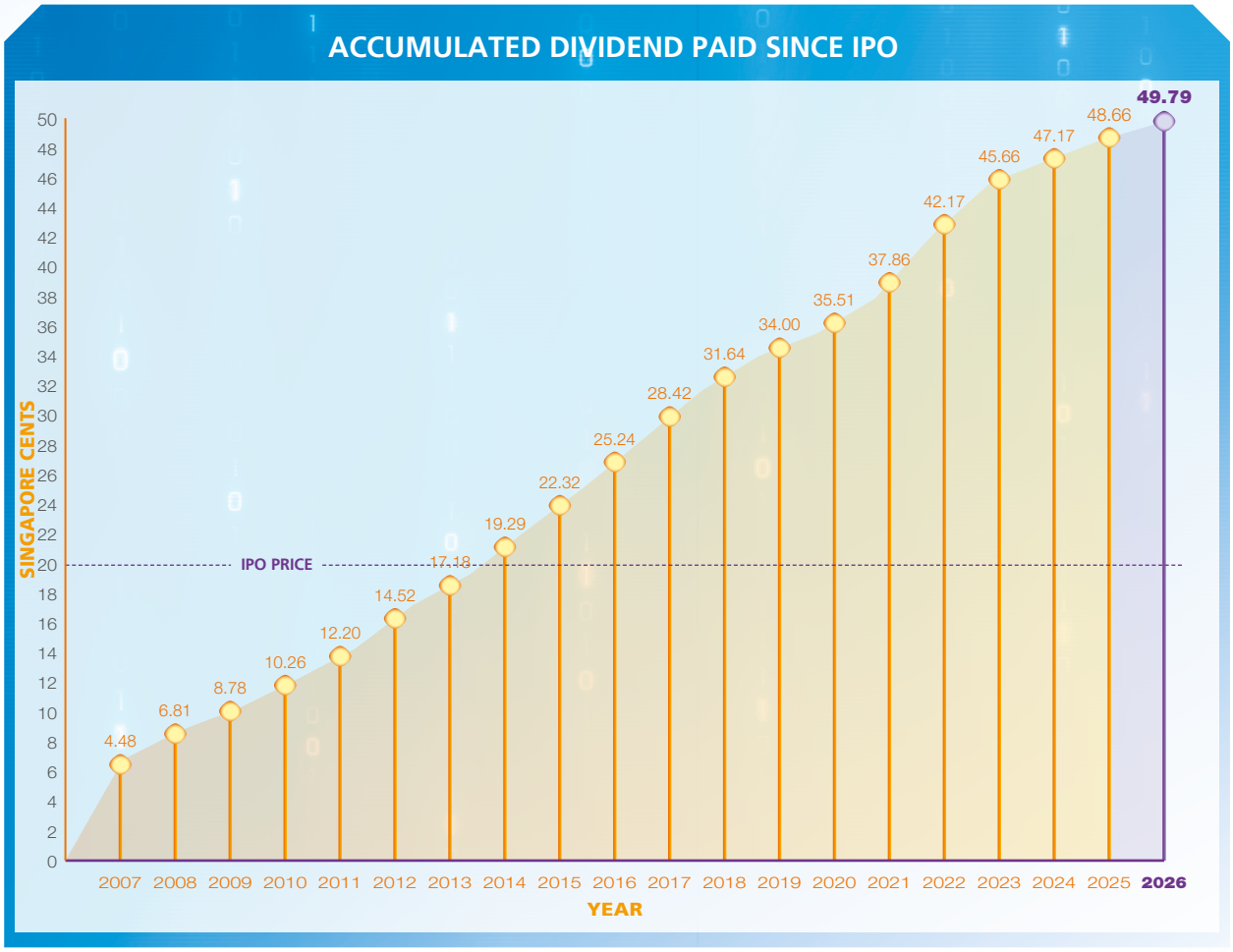




Financial Review

CURRENT LIABILITIES

As at 30 June 2026, current liabilities amounted to approximately HK$609.3 million, a 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.



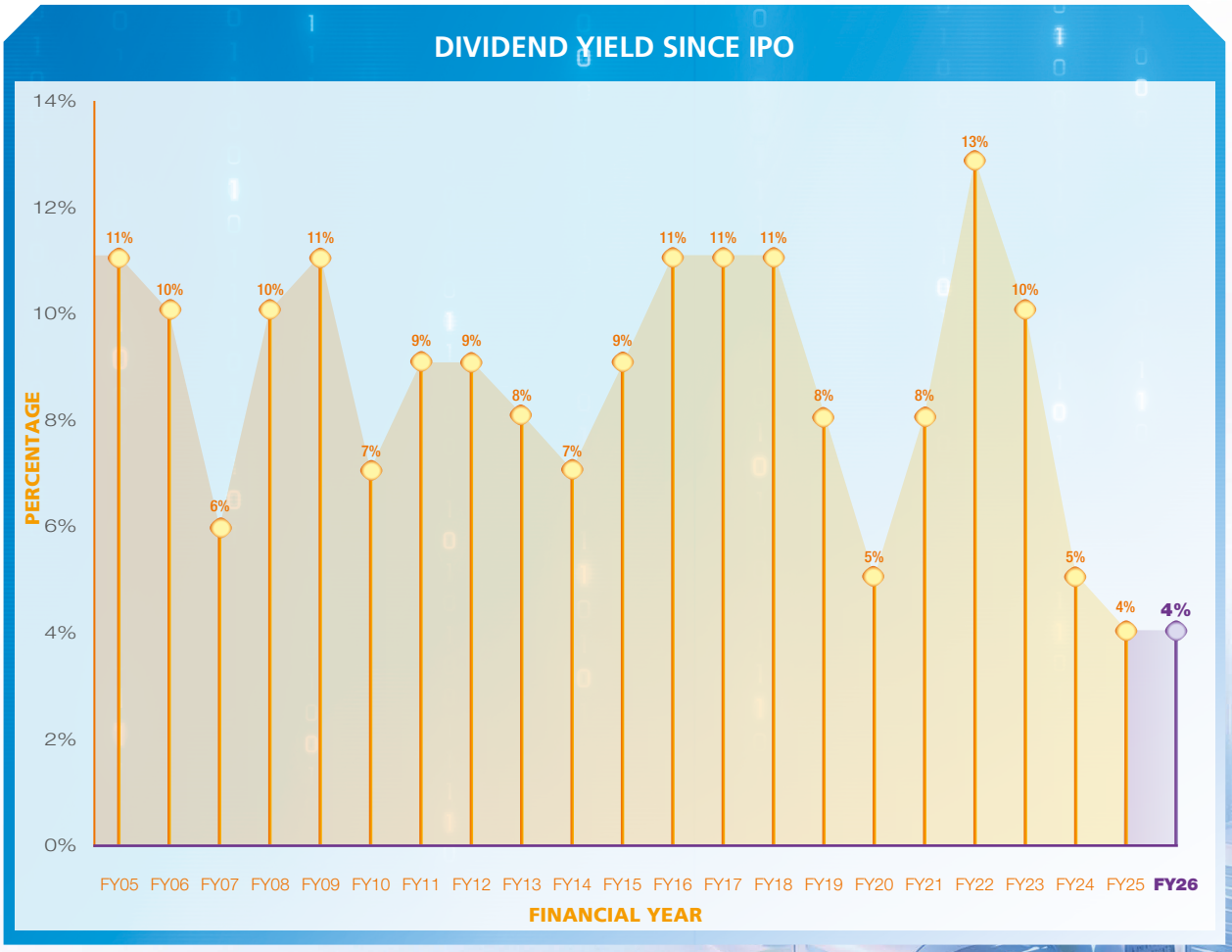
NON-CURRENT LIABILITIES

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$46.3 million (30 June 2025: HK$57.8 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).



Board of Directors

Mr. Ng Kin Wing, Raymond

Executive Chairman

Mr. Ng Kin Wing, Raymond, is the Executive Chairman and Executive Director of our Group. He was appointed as Executive Chairman on 9 October 2014 and a member of our Board since 5 September 2002. He stepped down from the Chief Executive Officer post on 1 July 2021 and remain the Executive Chairman of the Group. Mr. Raymond Ng is one of the founders of our Group and is responsible for overseeing the Group's entire operations and general management. He has over 40 years of experience in the components distribution and computer business. Mr. Raymond Ng is a full member of the Hong Kong Management Association, a fellow member of the Hong Kong Institute of Marketing, a member of the Society of Automotive Engineers International (MSAE), a Chartered Engineer (C Eng), a member of the Institution of Mechanical Engineers (MIMechE) and a member of the Institute of Electrical and Electronics Engineers (MIEEE). Mr. Raymond Ng obtained his Higher Certificate in Mechanical Engineering at the Hong Kong Technical College (former college of the Hong Kong Polytechnic University) in 1971 and Bachelor of Business Administration degree from the University of Macau (Former University of East Asia of Macau) in 1990. In 2004, he obtained a Master of Business Administration (MBA) degree from the Macquarie University of Sydney, Australia. In addition, he was awarded the degrees of Master of Arts in Applied Translation (MAAT) from Hong Kong Metropolitan University (Former The Open University of Hong Kong) in 2008 and Master of Science (MSc) in Energy and Environment from City University of Hong Kong in 2015. He is the uncle of Mr. Michael Ng, Chief Executive Officer of the Group.

Mr. Ng Mun Kit, Michael

Chief Executive Officer

Mr. Ng Mun Kit, Michael, is the Chief Executive Officer and Executive Director of our Group. He joined the Group in 2014 and was appointed to the Board on 1 July 2018. He took on dual roles as Executive Director and Chief Executive Officer on 1 July 2021, and is responsible for overseeing the entire operations and general management of the Group.

Mr. Ng graduated from the University of New South Wales, Australia, with a Bachelor of Commerce degree majoring in Finance and Marketing in 1998. In 2002, he obtained a Graduate Diploma in Applied Finance and Investments from the Securities Institute of Australia, as well as a Diploma in Technical Analysis from the Australian Technical Analysis Association.

From 2000 to 2014, Mr. Ng worked at Thomson Reuters as a Senior Learning Consultant for the Asia region. Since joining Karin Group in 2014, he has focused on all of the Group's segment businesses and operations, overseeing multiple expansions across business lines. In 2021, he initiated the relocation of the Group's Headquarters office and concurrently expanded the IT portfolio business in line with the Group's broader growth strategy.

Mr. Ng is the nephew of Mr. Raymond Ng, Executive Chairman of the Group.

Ms. Yan Yuk Ping, Juni

Chief Growth and Transformation Officer

Ms. Yan Yuk Ping, Juni initially joined the Group as an Independent Director on 1 November 2023. On 25 April 2025, she was appointed Chief Growth and Transformation Officer and re-designated as an Executive Director. In this capacity, Ms. Yan drives strategic expansion and spearheads enterprise-wide transformation. She is responsible for formulating and executing strategies that leverage artificial intelligence and technological advancements to accelerate growth, enhance the corporate business model, and ensure long-term sustainability.

A seasoned technology executive, Ms. Yan previously served as Managing Director of Openhive, a technology brand specializing in AI, machine learning, data collaboration, and privacy computing. Prior to Openhive, she held multiple senior leadership positions across the global technology sector. Her extensive experience includes serving as Global Vice President of the Transport, Logistics, and Automotive Industries, and Vice President of Security for Asia Pacific, the Middle East, and Africa (AMEA) at BT Global; Managing Director for Hong Kong, Macau, and Taiwan at F5 Networks; and various sales and solutions leadership roles within the SaaS and Application Business during a 15-year tenure at Oracle.

Earlier in her career, Ms. Yan served as a Strategy Consultant at Arthur Andersen Business Consulting, where she advised clients on critical corporate initiatives ranging from China market-entry strategies to product, marketing, and e-business frameworks.

Ms. Yan is an Accredited Director certified by the Singapore Institute of Directors (SID). She holds a Bachelor of Economics from The Chinese University of Hong Kong, as well as a Master of Science in Information Systems Management and a Master of Science in Financial Analysis from The Hong Kong University of Science and Technology.

Board of Directors

Mr. Kuan Cheng Tuck

Independent Director

Mr. Kuan Cheng Tuck has more than 25 years of experience in the fields of accounting, auditing, and business and financial advisory. Mr. Kuan worked with various international accounting firms in Singapore and Malaysia for some ten years prior to managing his own business consulting firm. Mr. Kuan has also served as an independent director of various companies listed on the SGX-ST.

Mr. Kuan holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore, a Bachelor of Laws (Honours) degree from the University of London, and a Master of Laws (Corporate and Financial Services Law) degree from the National University of Singapore. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Institute of Singapore Chartered Accountants. He was also admitted to the Singapore Bar.

Mr. Kuan was appointed an Independent Director of the Company on 23 October 2020 and has been the Lead Independent Director since 27 October 2022.

Mr. Lo Kim Seng

Independent Director

Mr. Lo Kim Seng was appointed an Independent Director of the Company on 2 December 2024. Mr. Lo is currently a Director of Bayfront Law LLC. His practice areas are primarily in capital markets, mergers and acquisitions, corporate and commercial. His clients are mainly Singapore listed companies.

Mr. Lo is admitted as an Advocate & Solicitor of Singapore, Solicitor (non-practising) of New South Wales, Australia and Solicitor (non-practising) of England and Wales.

He was a Teaching Fellow at the Singapore Institute of Legal Education and was a member of the Corporate Practice Committee of the Law Society of Singapore. He was also a trainer in the Listed Company Directors Programme organised by the Singapore Institute of Directors (SID).

Mr. Lo is also currently an Independent Director of Miyoshi Limited and Sevens Atelier Limited.

Mr. Share Wai Chiu, Victor

Independent Director

Mr. Share Wai Chiu, Victor was appointed as Independent Director of the Company on 1 September 2025. Mr. Share has more than 30 years of experience of driving growth in the IT infrastructure, cybersecurity, multi-cloud and digital solutions across the Greater China.

Mr. Share is the Honorary Advisor of RankEZ (Hong Kong) Limited – a cybersecurity innovation company. Prior to RankEZ (Hong Kong) Limited, Mr. Share had served as the Co-Founder and Chief Executive Officer of Macroview Telecom Group – a leading regional technology solution provider for more than 30 years. Earlier in his career, Mr. Share had served as the senior consultant of Hong Kong Telephone Company Limited and the system sales engineer of Cable & Wireless Systems Limited.

Mr. Share holds a Postgraduate Diploma in Business Information Technology from the City University of Hong Kong (Former City Polytechnic of Hong Kong). He also holds a Master of Business Administration and Bachelor of Science, major in Physics, from the Chinese University of Hong Kong.

Senior Management

Mr. Cheng Pak Cheong, Ray

General Manager of Components Distribution Division

Mr. Cheng Pak Cheong, Ray, joined our Group in July 1988. He was originally responsible for the IC Application Design Division of our Group. From 1 December 2023, Mr. Cheng has expanded responsibility for the Electronic Components Division. He has over 30 years of experience in the electronic industry including sales, marketing and engineering. He holds a Bachelor of Science degree from the University of Hong Kong; a Master of Management degree in Financial Management and a Master of Business Administration degree from the Macquarie Graduate School of Management; and a Master of Laws degree from the Renmin University of China.

Ms. Fan Shu Yung, Cecilia

Human Resources & Administration Manager and Legal Coordinator

Ms. Fan Shu Yung, Cecilia, joined our Group in November 1996 and is responsible for human resources management and office administration and legal affairs coordinator of our Group. Ms. Fan graduated from the University of Wollongong, Australia with a Bachelor of Commerce degree and holds a Master of Management degree in Human Resources Management from the Macquarie University, Australia. Ms. Fan has been working in the management position for over 20 years.

Mr. Lam Cheuk Yin, Kenneth

Finance Director and Joint Company Secretary

Mr. Lam Cheuk Yin, Kenneth joined the Group on 8 April 2025 as Finance Director and Joint Company Secretary. Mr. Lam is responsible for the overall financial management, secretarial affairs, accounting affairs and environmental, social and governance affairs of the Group. Mr. Lam is an Associate Member of the Hong Kong Institute of Certified Public Accountants. He holds a Bachelor of Business Administration (Accountancy) degree from the City University of Hong Kong.

From June 2020 to August 2024, Mr. Lam was the Group Financial Controller at Chen Hsong Holdings Ltd. From February 2020 to April 2020, he was the Acting Chief Financial Officer, TUS International Ltd. From November 2018 to January 2020, he was the Associate Director of Finance of the Hong Kong Polytechnic University ("**HK PolyU**") and Company Secretary of the major subsidiaries of the HK PolyU. From July 2005 to November 2018, he was the Group Financial Controller, Company Secretary & Authorised Representative of BOE Varitronix Ltd (BOEVx) and Director of the major subsidiaries of BOEVx.

Ms. Ng Shuk Yi, Louisa
Financial and Accounting Manager

Ms. Ng Shuk Yi, Louisa, joined our Group in March 1980 and is responsible for the overall accounting affairs and credit control setting and implementation of our Group. She has over 30 years of experience in the field of finance and accounting.

Ms. Chu Yuen Fong, Rebecca
General Manager

Ms. Chu Yuen Fong, Rebecca was appointed General Manager of our Group on 1 April 2025. Ms. Chu is the General Manager of Compucon Computers Limited, a wholly owned distribution subsidiary of the Karin Group. Since joining the Group in January 1994, she has been instrumental in broadening Compucon's reach across diverse markets, significantly enhancing the portfolio of both B2B and B2C products. Her career spans back to the early days of the Group before 2000, when she contributed to the growth of computer systems, and later, she played a key role in developing the IT solutions distribution business. In recent years, Rebecca has also driven the advancement of tailored audio-visual and conference room solutions for enterprises. With robust expertise in sales, marketing, and management of enterprise-class IT products and solutions, her leadership remains a cornerstone of the company s success.

Ms. Ko Po Yu, Deon
General Manager

Ms. Ko Po Yu, Deon was appointed General Manager of our Group on 1 April 2025. Ms, Ko is the General Manager of the Computer Products Group of Karin Electronic Supplies Co. Ltd., a fully owned Distribution Business subsidiary of the Group, specializing in sales and business development for IT products and solutions. With a tenure at Karin Group that began in July 1996, she brings extensive expertise in the IT infrastructure industry. Ms. Ko has been working in the management position for over 20 years and has been instrumental in advancing the company s performance in IT products across Hong Kong, Macau, and mainland China. She is currently responsible for a number of key product distributions within the Group across a full range of IT infrastructure solutions, and also focuses on developing AI infrastructure business in the market.

Senior Management

Mr. Loo Wai Chiu, Roy
General Manager

Mr. Loo Wai Chiu, Roy was appointed General Manager of our Group on 1 April 2025. Mr. Loo is the General Manager of Kepro Solutions Limited ("**Kepro**"), a wholly owned subsidiary of the Group specializing in systems integration. Joined Kepro since September 2005, he has been primarily responsible for driving sales and business development of IT solutions for enterprises in Hong Kong. Mr. Loo began his tenure as General Sales Manager, and was subsequently promoted to General Manager of Kepro in July 2020. He brings over 30 years of experience in IT solutions. Over the past decade, his efforts have been instrumental in advancing the Group's focus on Data Analytics and Software Development.

Mr. Yan Kai Yung, Billy
General Manager

Mr. Yan Kai Yung, Billy was appointed General Manager of our Group on 1 April 2025. Mr. Yan joined our Group in August 2008. He is the General Manager of Sen Spirit Technology Ltd., a fully owned Distribution Business subsidiary of the Group. He is responsible for the distribution business and leads sales and marketing of enterprise-class IT solutions and develop China solutions. Over the past decade, Mr. Yan has played a pivotal role in advancing our capabilities in Cloud, Open Source, and China solutions, aligning with regional IT trends. With more than 25 years of expertise in Sales and Marketing for enterprise-class IT solutions, he brings exceptional knowledge and experience in the IT field.

Group Structure

KARIN TECHNOLOGY HOLDINGS LIMITED

HONG KONG

- KARIN ELECTRONIC SUPPLIES CO. LTD.
- NEW SPIRIT TECHNOLOGY LTD.
- SEN SPIRIT TECHNOLOGY LTD.
- KEPRO SOLUTIONS LTD.
- COMPUCON COMPUTERS LTD.
- ARTIFICIAL INTELLIGENCE AND INNOVATION LTD.
- KARIN SOLUTIONS AND SERVICES LTD.
- KCF A STORE LTD.
- KAGILE SOLUTIONS LTD.

SINGAPORE

- I M I KABEL & Engineering PTE. LTD.
- KARSING PTE. LTD.
- INFODECK TECHNOLOGY PTE. LTD.

AUSTRALIA

- KEPRO AUSTRALIA PTY. LTD.

MACAU

- KARIN (MACAU) COMPANY LIMITED
- KEPRO (MACAU) COMPANY LIMITED

CHINA

- KARIN INTERNATIONAL TRADING (SHANGHAI) CO. LTD.
  - SHANGHAI
  - QINGDAO
  - XIAN
  - SHIJIAZHUANG
- KARIN ELECTRONIC TRADING (SHENZHEN) CO. LTD.
  - SHENZHEN
  - BEIJING
  - XIAMEN
  - CHONGQING
  - CHANGSHA
  - WUHAN
  - DALIAN
  - ZHENGZHOU
  - FOSHAN
- NEW SPIRIT ELECTRONIC TECHNOLOGY DEVELOPMENT (SHENZHEN) CO. LTD.
  - SHENZHEN
  - MIANYANG
  - JINGDEZHEN
  - NANNING
  - YUNFU
  - ZHAOQING
  - ZHONGSHAN
- KARLTEC INFORMATION SYSTEM (SHENZHEN) CO. LTD.
  - SHENZHEN

BRITISH VIRGIN ISLANDS

- ALL GRAND ENTERPRISES LTD.
- COMPUSMART LTD.
- GOLD COMBINATION ENTERPRISE INC.
- PARADISE TECHNOLOGIES LTD.
- TAKE TALENT INVESTMENTS LTD.
- KANCEF LTD.

Notable Events in FY2026

SEP / 2025
Huawei Connect 2025

OCT / 2025
AGM 2025

DEC / 2025
Compucon ITAV Annual Partner Event

MAY / 2026
AI Transformation Solution Day 2026 by HK01

JUN / 2026
China Tech Day in Macau

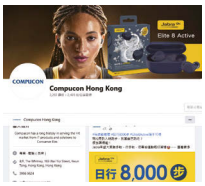
JUN / 2026
Lenovo 2026 Channel Kickoff

JUN / 2026
Sen Spirit Technology x Lenovo Partner Event

JUL / 2026
JBL Live Series Product Launch Event

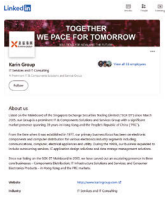
FOR MORE INFORMATION, PLEASE SCAN THESE QR CODES.

Compucon Facebook



Karin Group Facebook

Karin Group LinkedIn



Milestones

2026

Established business relationship with Cloudwise.
Established business relationship with DAS-Security.
Established business relationship with DatApp.
Established business relationship with JBL.
Established business relationship with LeadSec.
Subsidiary company Artificial Intelligence and Innovation Limited was formed.

2025

Karin Group 20th IPO Anniversary.
Established business relationship with BoCloud.
Established business relationship with Huakun.
Established business relationship with wizlynx.
Established business relationship with Zhipu.

2024

Established business relationship with AISHU.
Established business relationship with ANKKI.
Established business relationship with ArcherOS.
Established business relationship with Biamp.
Established business relationship with DaoCloud.
Established business relationship with KYLINSOFT.
Established business relationship with Yunke China.
In-Smart - Tsuen Wan Store was set up.

2023

Established business relationship with Alauda.
Established business relationship with Cohesity.
Established business relationship with Crestron.
Established business relationship with Dyson Zone.
Established business relationship with Infodeck.
Established business relationship with KingBase.
Established business relationship with Lenovo.
Established business relationship with Ruijie.
Established business relationship with SHURE.
Established business relationship with TongTech.

2022

Karin Group New Head Office Relocation.
Established business relationship with JiHu GitLab.
Established business relationship with Legrand AV.
Established business relationship with Openhive.
Established business relationship with QI-ANXIN.
Established business relationship with xFusion.
Established business relationship with ZStack.

2021

Established business relationship with Soul.
Established business relationship with Infoblox.
Opening of branch office in Macau.

2020

Established Kagile Solutions Limited.
Established business relationship with Menlo Security.
Established business relationship with Cato Networks.
Established business relationship with Avaya.
Established business relationship with Rancher Labs.
Established business relationship with Acunetix.
Established business relationship with Gytpol.
Established business relationship with Elsys.

2019

Established business relationship with Cloudmed.
Established business relationship with Film Players.
Established business relationship with NSFOCUS.
Established business relationship with Sangfor.
Established business relationship with SoftChef.
Established business relationship with Talend.

2018

Established business relationship with Algosec.
Established business relationship with Alibaba Cloud.
Established business relationship with Skyhigh Networks.
Established business relationship with Ruckus.

2017

Established business relationship with SNA Company Limited.
Established business relationship with Logitech Asia Pacific Limited.

2016

Established business relationship with Jabra.
Acquisition of own use property in Singapore.
Established business relationship with Rapid7.
Established business relationship with Air Button smart device.

2015

Established business relationship with Huawei International Co. Ltd.
Established business relationship with Samsung printers.
Established business relationship with TYLT.

2014

Established business relationship with CA (Hong Kong) Ltd.
Acquisition of own use property in Beijing.
Established business relationship with Pericom Semiconductor (HK) Ltd.
Established business relationship with Procera Networks, Inc.

2013

Established business relationship with Beats Electronics International Ltd.
In-Smart – 3rd Sham Shui Po Store was set up.

2012

In-Smart – 2nd Sham Shui Po Store was set up.
Established business relationship with Fuji Xerox Printers Hong Kong.
Karin Electronic Trading (Shenzhen) Co. Ltd. – Chongqing liaison point was set up.
Karin Electronic Trading (Shenzhen) Co. Ltd. – Changsha liaison point was set up.
Karin International Trading (Shanghai) Co. Ltd. – Xian liaison point was set up.
In-Smart – Tsim Sha Tsui Store was set up.
Acquired the one remaining floor of Karin Building.
Established business relationship with Commvault systems (Hong Kong) Ltd.

2011

In-Smart – Sham Shui Po Store was set up.
In-Smart – Causeway Bay Store was set up.
In-Smart – Prince Edward Store was set up.
Subsidiary KCF A Store Ltd. (trading as In-Smart) was formed.
Associate Company Shanghai Cosel International Trading Co. Ltd. was formed.
Established business relationship with SAP Hong Kong Company Limited.
Established business relationship with Arista Networks Limited.
Established business relationship with Motorola Technology SDN BHD.
Subsidiary Company Matrix Power Technology (Shenzhen) Co. Ltd. was formed.
Acquisition of own use property in Shanghai.
Karltec Information System (Shenzhen) Co. Ltd. – Guangzhou Representative Office was set up.

2010

Established business relationship with Imation Hong Kong Limited.
Established business relationship with Tectia Limited.
Established business relationship with McAfee Ireland Limited.
Established business relationship with UFIDA (Hong Kong) Co. Ltd.
Established business relationship with TippingPoint Technologies, Inc.
Established business relationship with Blue Coat Systems International SARL.

2009

Accredited ISO9001:2008 certificate.
Established business relationship with Brocade Communications Systems, Inc.
Established business relationship with Check Point Software Technologies Limited.
Established business relationship with F5 Networks Hong Kong Limited.
Subsidiary company Karga Solutions Ltd. was formed.
Acquisition of own use property in Shenzhen.

2008

Established business relationship with IBM Singapore Pte Limited.
Established business relationship with Lexmark International (China) Limited.
Subsidiary company Gamatech Ltd. was disposed.

2007

Established business relationship with Conwise Technology Corporation Ltd.
Established business relationship with Fujitsu Hong Kong Limited.
Established business relationship with Immense Advance Technology Corp.
Established business relationship with Nan Ya Plastics Corporation (LCD Unit).
Established business relationship with Samsung Electronics H.K. Co. Ltd.
Established business relationship with Victor Century International Limited.
Opened Karin Solution Centre.
Subsidiary company Karfid Technology Ltd. was formed.
Acquisition of a subsidiary I M I Kabel Pte Ltd.

2006

Established business relationship with Quantum Corporation.
Established business relationship with 3i Infotech Pte Limited.
Established business relationship with Fortinet International Inc.
Established business relationship with Kashya Ltd.
Established business relationship with Oracle Systems Hong Kong Ltd.
Established business relationship with Hannspree Hong Kong Ltd.
Karin International Trading (Shanghai) Co. Ltd. – Qingdao liaison point was set up.
Subsidiary company Karltec Information System (Shenzhen) Co. Ltd. was formed.
Karin Electronic Trading (Shenzhen) Co. Ltd. – Xiamen Representative Office was set up.

2005

Established business relationship with Advanced Digital Information Corporation.

Established business relationship with Computer Associates International Ltd.

Subsidiary company Gamatech Ltd. was formed.

Karin Technology Holdings Limited listed on the SGX Mainboard.

2004

Established business relationship with Apple Computers International Ltd.

IT Support & Service Sales Division was established.

Karin Electronic Trading (Shenzhen) Co. Ltd. – Beijing Representative Office was set up.

2003

Accredited ISO9001:2000 certificate.

Established business relationship with BEA Systems HK Ltd.

Established business relationship with EMC Computer Systems (FE) Ltd.

Established business relationship with Nokia (H.K.) Ltd.

Established business relationship with Dragonchip Ltd.

Opened Sun iForce Low-Cost Computing Solution Centre.

2002

Established business relationship with Cheertek Inc.

Established business relationship with Hewlett-Packard HK SAR Ltd.

Established business relationship with Sun Microsystems of California Ltd.

Established business relationship with Tenx Technology Inc.

Opened Compucon Audio-Visual Product Center.

New Spirit Technology Development (Shenzhen) Co. Ltd. – Hangzhou Representative Office was set up.

2001

Established business relationship with Borderware Technologies Inc.

Subsidiary company Compucon Computers Ltd. was formed.

Subsidiary company Karin Electronic Trading (Shenzhen) Co. Ltd. was formed.

Subsidiary company Kepro Solutions Ltd. was formed.

Subsidiary company New Spirit Electronic Technology Development (Shenzhen) Co. Ltd. was formed.

Subsidiary company Sen Spirit Technology Ltd. was formed.

2000

Subsidiary company Karin International Trading (Shanghai) Co. Ltd. was formed.

Subsidiary company New Spirit Technology Limited was formed.

1998

Established business relationship with Phoenix Contact Gmbh & Co. KG.

1996	Accredited BSI certificate. Established business relationship with Compaq Computers Ltd. Established business relationship with Hirose Electric Co. Ltd.
1994	Accredited ISO9002:1994 certificate.
1989	Established business relationship with IXYS Corporation.
1988	Established business relationship with Winbond Electronic Corp.
1987	Established business relationship with Helukabel Singapore Pte. Ltd.
1985	Industrial Material & Instrumental Marketing Group was established.
1984	Computer Products Marketing Group was established.
1982	Established business relationship with Shindengen Electric Manufacturing Co. Ltd.
1981	Headquarters moved into Karin Building at Kwun Tong. China Trade Sales Division was established.
1977	Established business relationship with Daishinku Corp. Electronic Components Marketing Group was established. Karin Electronic Supplies Co. Ltd. was established in Hong Kong.

Corporate Information

BOARD OF DIRECTORS

Ng Kin Wing, Raymond (Executive Chairman)
Ng Mun Kit, Michael (Chief Executive Officer)
Yan Yuk Ping, Juni (Chief Growth and Transformation Officer)
Kuan Cheng Tuck (Lead Independent Director)
Lo Kim Seng (Independent Director)
Share Wai Chiu, Victor (Independent Director)

JOINT COMPANY SECRETARIES

Lam Cheuk Yin, Kenneth
Chan Lai Yin

REGISTERED OFFICE

Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda
Tel: (1441) 295 1422
Fax: (1441) 292 4720

BERMUDA COMPANY REGISTRATION NUMBER

32514

PRINCIPAL OFFICE

9th Floor, The Whitney
183 Wai Yip Street
Kwun Tong
Kowloon
Hong Kong

BERMUDA SHARE REGISTRAR AND SHARE TRANSFER AGENT

Conyers Corporate Services (Bermuda) Limited
Richmond House
12 Par-la-Ville Road
Hamilton HM 08
Bermuda

LEGAL ADVISORS

WongPartnership LLP
Grandall Zimmern Law Firm

REGISTRAR FOR THE 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

AUDITOR

Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay North Tower, Level 18
Singapore 048583
(Partner-in-charge: Lim Tze Yuen
Appointment date: since financial year ended 30 June 2023)

INVESTOR RELATIONS

August Consulting Pte. Ltd.
101 Thomson Road #29-05
United Square
Singapore 307591
Email: wrisneytan@august.com.sg

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
10th Floor, HSBC Main Building
1 Queen's Road
Central, Hong Kong

Standard Chartered Bank (HK) Limited
13th Floor, Standard Chartered Bank Building
4-4A Des Voeux Road
Central, Hong Kong

Shanghai Commercial Bank Limited
57-61 Hong Ning Road
Kwun Tong
Kowloon, Hong Kong

OUR WEBSITE

http://www.karingroup.com

Report on Corporate Governance

Corporate Governance is central to Karin Technology Holdings Limited (the "**Company**" or together with its subsidiaries the "**Group**") for the enhancement of shareholder value and the protection of shareholders' funds. The Directors and Management of the Company are committed to maintaining a high standard and transparency of corporate governance practices.

The Board of Directors (the "**Board**") has reviewed the Company's corporate governance policies and practices and is pleased to confirm that for the financial year ended 30 June 2026 ("**FY2026**"), the Group has adhered to the principles and provisions as set out in the Code of Corporate Governance 2018 (the "**2018 Code**"), except where otherwise stated. This report outlines the corporate governance practices adopted by the Company and explains how its practices being consistent with the intent of the relevant principles of the 2018 Code. The Board will continue to improve with developments by enhancing its principles and framework.

BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Group.

Provision 1.1 – Principal functions of the Board

The Company is governed by the Board, and each Director has been re-elected by the Company's shareholders. The Board is accountable to shareholders for the strategic direction of the Company and value-creation for shareholders. The Board works closely with Management who optimizes operational efficiency and seeks to achieve this objective for the long-term success of the Company. Management is accountable to the Board. All Directors objectively make decisions in the interests of the Company.

Separately, the Board has put in place a code of conduct and ethics for the Board of Directors as a means to guide Directors on the areas of ethical risk, and help nurture an environment where integrity and accountability are key. Directors who face conflicts of interest are required to disclose their interests timely and recuse themselves from discussions and decisions involving the issues of conflict. All Directors are obliged to act in good faith, act in the best interests of the Company, exercise due diligence and objectively discharge their duties and responsibilities at all times in their decisions concerning the Group's businesses.

Report on Corporate Governance

The principal roles of the Board include, but not limited to, the following corporate matters:

- Provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- Ensure the necessary financial governance structure, review the financial statements to ensure a true and fair view and release in a timely manner;
- Establish a framework of prudent and effective controls which enables risks to be assessed and managed;
- Review the performance of the Company and the Management, and govern the remuneration;
- Ensure proper board structure and composition, govern the appointment and performance evaluation of the Board and key executives;
- Set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- Safeguard shareholders' interests and the Company's assets, and identify key stakeholder groups whose perceptions may affect the Company's reputation; and
- Consider sustainability issues as part of its strategic formulation.

The Company's vision is to shape the future of Asia by pioneering cutting-edge technologies that accelerate business efficiency, deepen human connection and catalyze sustainable economic growth. We aspire to bridge cultures and markets, leveraging our Hong Kong roots and extensive operations across China to create a digitally inclusive future where technology transforms lives and industries. Our mission is to deliver high-quality Digital Solutions, Electronic Components, and innovative Electronic Products that meet the diverse needs of customers we touch. We are committed to excellence, leveraging advanced technology and strategic partnerships to enhance productivity and connectivity. As we expand our footprint across beyond boundaries, we aim to empower businesses and consumers with reliable, cutting-edge products that drive progress and foster an intelligent, more connected world.

In support of the Company's vision and mission, the Board oversees the identification and evaluation of emerging technologies, including artificial intelligence ("**AI**") and innovation opportunities that can enhance the Group's competitiveness and operational effectiveness. Through regular engagement with Management, the Board monitors the execution of strategic initiatives and decisions to ensure that resources are deployed in a manner consistent with the Company's long-term vision, mission and growth objectives.

Provision 1.2 – Directors' orientation and training

The Board comprised executive directors who understand the business and involved in the day-to-day running of the business and collaborate closely with non-executive directors for long-term success of the Company. Independent directors provide independent and objective checks on Management. The Board considers the importance of maintaining strong corporate governance practices that support the long-term success and sustainability of the business.

The Board has adopted the Board Terms of Reference which sets out the principal roles of the Board including Independent Directors, responsibilities and authorities of the Board and various Board Committees as well as division of responsibilities between Executive Chairman and Chief Executive Officer ("**CEO**"). The duties and responsibilities of the Executive Directors are clearly set out in their service agreements. Roles of the Executive Chairman, CEO and Independent Directors are defined for each to effectively discharge his duties. The primary role of the Independent Directors is to provide independent and objective checks on Management.

The Board is responsible for the training needs of the Company's Directors. The Board Terms of Reference describes the orientation for the new director(s) and continuing education for the existing directors. A new director would be provided a formal appointment letter setting out the director's duties and obligations. The Company would brief each new director on the Company's business, operations, governance practices and relevant Company's policies. Where the Company appoints a new director who does not have any prior experience as a director of a listed company, the new appointee would be required to attend the Listed Company Director Programme ("**Mandatory Training**") within one (1) year from appointment date. Mr. Share Wai Chiu, Victor ("**Mr. Victor Share**") has completed the Mandatory Training as he was appointed as Independent Director of the Company on 1 September 2025.

As for all the Directors, they would be updated on the major events of the Company by the Management. The Directors would be briefed and updated on the business and organization structure of the Company, as well as its strategic plans and objectives from time to time. The Directors would also be provided with information about the macro developments in the region, major long-term trends, as well as the strategic alternatives available to the Company.

The Board recognizes the importance of appropriate orientation, training and continuing updates for its Directors. The Company provides training to the Directors annually on the changes of the relevant laws, regulations and related governance implications. During FY2026, one training session was provided to the Directors by the Company's legal advisor. The Directors received updates on the relevant laws such as changes to the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and Accounting Standards from time to time, or during the Board meetings by professionals. The Company makes available to the Directors, at the Company's cost, training or professionally conducted programmes regarding director's responsibilities, changes to the relevant laws and other matters related to service on the Board.

All Directors who had completed the course on sustainability matters organised by the Singapore Institute of Directors as required under Rule 720 of the Listing Manual of the SGX-ST ("**Listing Manual**") are able to equip themselves with basic knowledge on sustainability matters. Directors are able to contribute their perspectives on environmental issues from legal, financial or business viewpoints.

Provision 1.3 – Matters requiring Board's approval

The Board decides matters requiring approval with a list of matters set out and communicated to the Management. Among the matters requiring Board approval are those related to financial statements, share capital, banking, acquisition and realization, agreements, remuneration, Board changes and reconstitution of the Board Committees. Details of matters requiring board approval were set out in the Board Terms of Reference dated 30 January 2023. Matters requiring Board's approval are reviewed periodically and updated, where appropriate, to reflect the Company's changing business needs, strategic objectives and governance requirements.

Provision 1.4 – Delegation by the Board

To facilitate effective execution of its function, the Board has delegated specific responsibilities to three subcommittees namely the Audit and Risk Management Committee ("**ARMC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). These Committees assist the Board in exercising its responsibilities and provide recommendations and advice to the Board. Each of the Board Committees has its own terms of reference setting out its role and has the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters still rests with the entire Board.

Provision 1.5 – Board meetings, attendance and multiple commitments

The Board meets at least twice a year to review and consider the Group's financial performance, receive update on the operations, significant business developments and prevailing business environment and consider strategic initiatives. Board and Board Committee meetings are scheduled in advance, taking into consideration the availability of the Directors and the Company's reporting requirements. When circumstances require, ad-hoc meetings are convened in between the scheduled meetings.

Report on Corporate Governance

Under the existing Bye-laws of the Company, the Directors may participate in any meeting of the Board and Board Committees by means of telephone, electronic or other communication facilities which enable all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and such participation shall constitute presence in person at the meeting. The Board meets physically at least once annually to facilitate meaningful discussions and deliberations on the Group's strategy, performance and key governance matters. All meetings during FY2026 were held remotely and/or physically.

Minutes of all Board Committees and Board meetings are circulated to members for review and confirmation. These minutes enable the Directors to be kept abreast of matters discussed at such meetings.

During FY2026, Directors with multiple board representations attended all meetings and devoted sufficient time and attention to the Company's affairs. A quorum is required before commencement of any Board and Board Committee meetings. The number of the Board and the Board Committees meetings held and the attendance of each Director during FY2026 are set out as follows.

ATTENDANCE OF MEMBERS AT MEETINGS OF THE BOARD AND THE BOARD COMMITTEES

HELD DURING FY2026

	Board		Audit & Risk Management Committee		Nominating Committee		Remuneration Committee	
Name of Director	No. of Meetings Held While a Member	No. of Meetings Attended	No. of Meetings Held While a Member	No. of Meetings Attended	No. of Meetings Held While a Member	No. of Meetings Attended	No. of Meetings Held While a Member	No. of Meetings Attended
Mr. Ng Kin Wing, Raymond (Executive Director/ Executive Chairman)	2	2	–	–	–	–	–	–
Mr. Ng Mun Kit, Michael (Executive Director/CEO)	2	2	–	–	–	–	–	–
Ms. Yan Yuk Ping, Juni (Executive Director) (Ceased as a member of Nominating Committee on 1 September 2025)	2	2	–	–	1	1	–	–
Mr. Kuan Cheng Tuck (Lead Independent Director)	2	2	2	2	2	2	2	2
Mr. Lo Kim Seng (Independent Director)	2	2	2	2	2	2	2	2
Mr. Share Wai Chiu, Victor (Independent Director) (Appointed on 1 September 2025)	1	1	1	1	1	1	1	1

Note: In addition to the above meetings, the Independent Directors had at least two (2) ad hoc meetings with the Executive Directors and Management during FY2026. Such meetings covered matters relating to strategic and direction planning, and operation of the Group, among others.

Provision 1.6 — Access to information

The Board is furnished with Board papers prior to any Board meetings. These papers include key information and are issued upfront to facilitate the Board to clarify the matters with the Management and discuss the matters in detail before the Board approval. The Board papers include minutes of the previous meeting, draft financial results announcements, as well as reports from the Management, internal and external auditors. The Directors review the materials provided by the Company relating to matters to be considered at the meetings.

In addition, the Management provides the Board with the summary of financial performance information and explanation on a quarterly basis, and provides the Executive Directors with monthly consolidated financial reports. Furthermore, the Management provides additional information to the Directors upon their request.

At each Board meeting, Independent Directors are briefed on the matters to be discussed about the Company's business, financials and/or risks, and they are also updated on the key issues discussed at the Company's monthly management meetings. The Company provides information to enable the Directors to actively participate in discussions and support the Board to make informed decisions. In-depth discussions among Board members are mutually beneficial as the Independent Directors rely on Executive Directors to share material information for decision-making and Executive Directors could tap on the wealth of experiences of Independent Directors to implement strategy and deliver outcome without undue interference. Board decisions required majority approval from Directors.

Provision 1.7 – Access to Management, Company Secretary and External Advisors

The Directors have separate and independent access and they may communicate directly with the Management team and Company Secretaries on all matters whenever they deem necessary. Decision to appoint or remove the Company Secretary can be taken by the Board as a whole.

In carrying out their duties, the Directors, whether individually or as a group, have direct access to the independent professional advisors to obtain advice. Any cost of obtaining such professional advice will be borne by the Company.

The Company Secretaries administer, attend and prepare minutes of the Board and Board Committee meetings. The Chairman of the Board and Board Committees are assisted by the Company Secretaries in ensuring that the Board and Board Committees function effectively and follow the procedures to comply with the Company's Bye-laws and relevant rules and regulations, including the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

During FY2026, the Company Secretaries attended all Board and Board Committee meetings. The Company Secretaries also act as the primary channel of communication between the Company and the SGX-ST.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Board Independence

Provision 2.2 – Majority Independent Directors where Chairman is not independent

Report on Corporate Governance

Provision 2.3 – Majority Non-Executive Directors in a Board

As of the date of this report, the Board consists of six Directors and three of them are independent. The composition of the Board meets the Listing Manual requirement of independent directors constituting at least one-third of the Board members. Although Non-Executive and Independent Directors did not make up a majority of the Board, where the Chairman is not independent, the Board keeps its independence with 50% of the Board members being Independent Directors. In addition, the Board has diversity of thought and background in its composition with Independent and Non-Executive Directors exercising oversight function and leading discussions to form decisions in the best interests of the Company. No individual director has unfettered powers of decision-making. Key corporate matters, including strategic plans, annual budgets and material transactions, are subject to collective Board deliberation and approval. Board committees, namely the ARMC, NC and RC further strengthen the governance framework by providing independent oversight and recommendations on matters within their respective mandates.

The Board believes the current Board composition driving performance, creating shareholder value and maintaining a proper tone at the top with Executive Directors, who form half of the Board, work to protect and enhance the best interests of all shareholders while Independent Directors with diversity of skills set and profile ensure Board independence and diversity in perspectives for decision-making. The Board has not experienced any difficulty in reaching consensus and making timely decisions with Independent Directors. The current size of the Board has proven to be effective and efficient for Board meetings and discussions. The current Board composition has contributed significantly in terms of experience, expertise, professionalism, integrity, objectivity and independent judgment. Where necessary, the Board has actively engaged and challenged Management to act in the Company's best interests, consistently performing its duties in good faith. Given the Company's dynamic business environment, which frequently presents uncertain situations and new external challenges, retaining the current Board composition will ensure continuity, preserve institutional knowledge, and prevent unnecessary disruption. Given the increasingly dynamic macro-environment and the rapid evolution of AI technology in the Group's industry, leveraging the relevant and extensive experience of the Executive Directors is critical to navigating this period effectively. In summary, the Board is of the view that retaining the current Board composition, rather than reconstituting it to strictly comply with provision 2.2 of the 2018 Code, will be more appropriate and beneficial to the Company. The Board believes sufficient safeguards checks and balances exist to prevent any undue concentration of power and supports objective and effective decision-making in the best interests of the Company and its stakeholders through (i) a Lead Independent Director, (ii) all Board Committees comprising independent directors, (iii) regular meetings of independent directors without management, and (iv) active participation by independent directors in key strategic, risk and succession discussions. Key information of the Board is provided under the Board of Directors section of the Annual Report.

While the Company complies with Provision 2.1, it does not fully comply with Provision 2.3 as non-executive directors do not constitute a majority of the Board. The Board believes that the current balance remains appropriate having regard to the Company's size, business complexity and governance safeguards.

The Nominating Committee ("**NC**") adopts the 2018 Code definition of what constitutes an Independent Director in its review. An independent director is one who is independent in conduct, character and able to exercise independent business judgement in the best interests of the Company and has no relationships with the Company, related corporations, its substantial shareholders or its officers, management and/or companies within the Group. The Board is able to exercise independent judgement on corporate affairs and provide Management with a diverse and objective perspective on issues. Among the items the NC considers while reviewing the independence are:

(a) Whether a director, or a director whose immediate family member, in the current or immediate past financial year, provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services), other than compensation for board service. Payments aggregated over any financial year in excess of S$50,000 should generally be deemed significant.

(b) Whether a director, or a director whose immediate family member, in the current or immediate past financial year, is or was, a substantial shareholder or a partner in (with 5% or more stake), or an executive officer of, or a director of, any organisation which provided to or received from the Company or any of its subsidiaries any significant payments or material services (which may include auditing, banking, consulting and legal services). Payments aggregated over any financial year in excess of S$200,000 should generally be deemed significant irrespective of whether they constitute a significant portion of the revenue of the organisation in question.

(c) Whether a director is or has been directly associated with a substantial shareholder of the Company, in the current or immediate past financial year.

The Board also reviews independence of Directors based on Rule 210(5)(d) of the Listing Manual which sets out the specific circumstances in which a director should be deemed non-independent. These circumstances include:

(a) a director who is being employed by the Company or any of its related corporations for the current or any of the past three financial years;

(b) a director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the Remuneration Committee ("**RC**");

(c) if he/she has been a director for an aggregate period of more than nine years (whether before or after listing).

During FY2026, the NC reviewed the declaration of independence of each Director and was satisfied that all Independent Directors were considered independent for the purpose of Provision 2.1 of the 2018 Code and Rule 210(5)(d) of the Listing Manual. The Independent Directors did not have any relationship with the Company, related corporations, its substantial shareholders or officers. The Independent Directors were not employees of any company within the Group.

During FY2026, none of the Independent Directors served on the Board for more than 9 years.

Provision 2.4 – Board composition and diversity

The Board comprises six (6) Directors as follows:

Mr. Ng Kin Wing, Raymond	–	Executive Director/Executive Chairman
Mr. Ng Mun Kit, Michael	–	Executive Director/Chief Executive Officer
Ms. Yan Yuk Ping, Juni	–	Executive Director/Chief Growth and Transformation Officer
Mr. Kuan Cheng Tuck	–	Non-Executive Director and Lead Independent Director
Mr. Lo Kim Seng	–	Non-Executive Director and Independent
Mr. Share Wai Chiu, Victor	–	Non-Executive Director and Independent

Report on Corporate Governance

The Board has adopted a board diversity policy which recognizes diversity as essential to enable the Company to achieve its strategic objectives for long term sustainable development. A diverse Board widens the decision-making perspectives of the Board derived from various skills, industry and business experiences, gender, age, tenure of services and other distinctive qualities of the Directors. Each Board member brings different perspective, diversified skills, knowledge and experience when dealing with issues of strategy, performance, governance and conformance with rules and regulations, and standards of conduct. They also provide core competencies of legal, accounting, finance, engineering, industry knowledge, business and management experience, strategic planning experience, and customer-based experience. This is beneficial to the Company and Management as decisions by the Board are enriched by a broad range of views, perspectives and experiences of the Directors. The Board is of the view that an effective blend of skills, experiences and knowledge in areas identified by the Board should remain a priority and it is imperative to construct a quality board based on caliber, breadth of perspective and chemistry that allow effective Board decisions to drive performance and conformance of the Company.

The Board recognizes the relationship and information flow between the Board and Senior Management being pivotal to the Company. The Board is supported by Senior Management, comprising at least a quarter being female team members who have been with the Company for over 20 years. The Company values the contribution by each member of the Senior Management. The Board constantly examines its size with a view of assessing the impact on its effectiveness. Qualifications and experiences of the Board members and Senior Management are set out under the Board of Directors and Senior Management sections of the Annual Report.

The Board has been conscious of maintaining a board diversity policy that addresses gender, skills, experience, and other relevant aspects of diversity. The Company's Board diversity, including geography, age and gender diversity, enhances the quality of its deliberations and decision-making by bringing different perspectives, experiences and insights to Board discussions. It is necessary to have diversity of age as the Company embarks on the advancement in technology. Executive Director and CEO, Mr. Ng Mun Kit, Michael ("**Mr. Michael Ng**") who belongs to the Generation X, brings to the Board new skills set and perspectives across the Group's various business segments. The appointment of Mr. Victor Share with experience in cybersecurity, multi-cloud and digital solutions, enhances the core competency of the Board. Mr. Michael Ng is supported by Board members, including Independent and Executive Directors with extensive experience of more than 15 years in IT infrastructure, cybersecurity and technology sectors, particularly in AI-related technologies.

The Board presently has a female director who is a seasoned technology executive whose expertise supports the Group's strategic focus on building advanced AI high tech industry veteran solutions portfolio with relevant partners, while providing diverse perspectives that enhance Board deliberations and decision-making. The Board believes that gender diversity, coupled with relevant industry and technological expertise, strengthens Board effectiveness and contributes positively to the Company's long-term success. This diversity of age, gender, experience and expertise strengthens the Board's ability to provide effective stewardship and oversight of the Group.

The Board is committed to meet the diversity target of gender, age and skills with the current board composition.

The NC and the Board will continue to consider the board composition based on objective criteria, having due regard for the benefits of diversity balanced with the needs of the Board. The NC and the Board will consider the benefits of different aspects of diversity, including diversity of background, experience, gender, age and other relevant factors, as and when appropriate. The NC and the Board will continue to consider specific aspect of diversity to focus on in FY2027.

Provision 2.5 – Meeting of Non-Executive Directors and/or Independent Directors without Management

The primary role of the Independent Directors is to act as a check and balance on the acts of the Board and Management of the Company. To allow the freedom of independent discussions, Independent Directors meet regularly, at least twice annually, without the presence of Management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

PRINCIPLE 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Separation of the role of the Chairman and the CEO

Provision 3.2 – Role of the Chairman and the CEO

There is a clear division of responsibilities between the Executive Chairman and Chief Executive Officer ("**CEO**") in the Board Terms of Reference which ensures there is a balance of power and accountability, such that no one individual represents a considerable concentration of power.

The Executive Chairman and CEO of the Company is Mr. Ng Kin Wing, Raymond ("**Mr. Raymond Ng**") and Mr. Michael Ng respectively. Mr. Raymond Ng is the uncle of Mr. Michael Ng. Mr. Raymond Ng is one of the founders of the Group and has over 40 years of experience in the component distribution business.

As Executive Chairman, Mr. Raymond Ng is responsible for the effective working of the Board. The Executive Chairman's responsibilities include, but not limited to:

- steer effective working of the Board;
- schedule meetings to enable the Board to perform its duties and responsibilities;
- prepare the agenda of Board meetings;
- ensure proper conduct of meetings and accurate documentation of the proceedings;
- encourage constructive relations within the Board and between the Board and Management;
- ensure smooth and timely flow of information between the Board and Management;
- ensure effective communication with shareholders;
- promote a culture of openness and debate at the Board; and
- promote high standards of corporate governance.

In addition to the above duties, the Executive Chairman will assume duties and responsibilities as may be required from time to time.

As CEO, Mr. Michael Ng manages the business, strategies, organizational effectiveness, operations and day-to-day management of the Company with the Board's approval. Mr. Michael Ng works closely with the other Executive Directors and is assisted by a team of Senior Management.

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Provision 3.3 – Lead Independent Director

The Board has written terms of reference for the Lead Independent Director ("**LID**") that describes the responsibilities and authority of a LID. Mr. Kuan Cheng Tuck is the LID. The LID shall be available to the shareholders where they have concerns which contact through the normal channels of the Executive Chairman, CEO or Management has failed to resolve or for which such contact is inappropriate or inadequate.

The Independent Directors, led by the LID, meet amongst themselves without the presence of the other Directors where necessary, and the LID will provide feedback to the Executive Chairman after such meetings.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of Directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2 – Roles and composition of the NC

The NC comprises three members, all are Independent Directors. The Chairman and Members of the NC are as follow:

Mr. Lo Kim Seng	–	Chairman
Mr. Kuan Cheng Tuck	–	Member
Ms. Yan Yuk Ping, Juni	–	Member (ceased on 1 September 2025)
Mr. Share Wai Chiu, Victor	–	Member (appointed on 1 September 2025)

The NC has written terms of reference approved by the Board and is responsible for:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendation to the Board with regard to any changes;
- identify candidates and review all nominations for the appointment of directors, CEO or Board Committees;
- recommend to the Board on all Board appointments having regard to the Directors' contribution and performance;
- recommend to the Board for review and discussion on Board succession plans, in particular of the Chairman and CEO;
- review training and professional development programs for the Board;
- review and determine the independence of each Director annually and also consider the continued independence of any Directors reaching 9 years from the date of appointment;
- decide whether a Director has been adequately and is able to continue carrying out his/her duties as a Director in particular a Director who has multiple Board representations; and
- decide how the Board's performance may be evaluated, evaluate performance objectively and review the results from the Board performance evaluation process.

Provision 4.3 – Board Renewal

The NC has a process for the appointment of new Directors whereby the NC first evaluates the skill set of the existing Directors (other than those who are retiring) to identify any gap in the skills and expertise. Where new appointment is required, the NC will consider recommendations for new Directors, review their qualifications and meet with such candidates, before a decision is made on a selection. The NC considers the requirements of the Board and the need of progressive renewal of the Board. In view of the foregoing, the Board is of the view that there is an adequate process for the appointment of new Directors. The criteria for identifying candidates and reviewing nominations for appointments include age, gender, diversity and contribution to the core competency of the Board. When sourcing and assessing potential candidates, the NC considers the candidate's profile, track record, experience, and capabilities. The NC followed the same process for selection of new Directors and there was no change to the process in FY2026.

The Board taps on the industry network (including Singapore Institute of Directors ("**SID**")) and personal contacts of current Directors and Senior Management for recommendation of prospective candidates to fill the casual vacancy of Independent Directors.

The Board keeps reviewing the need for progressive refreshing of the Board. The Board acknowledges that progressive refreshing of the Board should align with a performance management concept that fosters accountability of directors and addresses the future needs of the Board to ensure the long-term success of the Company.

Provision 4.4: Independence review of Directors

In accordance with the provisions of the Company's Bye-laws, each Director shall retire at least once every 3 years. Any Director appointed by the Board shall retire at the next annual general meeting of the Company. A retiring director shall be eligible for re-election at the said AGM. Mr. Michael Ng and Ms. Yan Yuk Ping, Juni ("**Ms. Juni Yan**") are due for retirement pursuant to the provision of Bye-law 86 at the forthcoming AGM. Both of whom are seeking re-election at the forthcoming AGM. The NC, having assessed their performance and contribution to the Board and the Company, recommends the re-election of Mr. Michael Ng and Ms. Juni Yan as Directors of the Company at the forthcoming AGM.

In reviewing the continued appointment, the Board is cognizant of the Board's effectiveness and the Company's success being built upon the relative stability of the Board's composition over the years. Longer-serving Board members amass valuable knowledge of the Company's businesses and are able to provide strategic direction and oversee management's performance in the medium to long-term.

The NC reviews annually the independence of each Director according to the criteria described in Principle 2 of this Report on Corporate Governance. No NC member is involved in the deliberation in respect of his/her independence. On an annual basis, each director is required to submit a return on his/her independence to the Company Secretary. The NC reviews the returns and determines whether the Director is considered to be independent. During FY2026, the NC reviewed and determined (with the director concerned abstained) that Mr. Kuan Cheng Tuck, Mr. Lo Kim Seng and Mr. Share Wai Chiu, Victor are Independent Directors of the Company.

Report on Corporate Governance

Provision 4.5 – Duties and obligations of Directors

The Board examines annually its size and is of the view that it has an appropriate size for effective decision-making, taking into account the business scope and nature of the Company. As a team, the Board collectively provides core competencies in the areas of legal, finance, electronic engineering, information technology, business acumen and management experience. The Board is of the view that no individual or small group of individuals dominates the Board's decision-making process.

Each of the Independent Directors is aware that he/she needs to commit sufficient time, attention and expertise to the Board matters of the Company. The Independent Directors update the Board timely of any changes in their external appointments and these changes are then assessed by the Board. The NC reviews whether a Director has adequately carried out and is able to continue his/her duties, in particular for those Directors having multiple board representations. During FY2026, the NC assessed and was satisfied that each of the Directors has given sufficient time and attention and diligently discharged his/her duties as Board members.

With half of the Board deemed to be independent, the Board is able to exercise independent judgment on Board matters and provide Management with diverse and objective perspective on issues. The Board interacts and works through robust exchange of ideas and views to help shape the Company's strategic decision.

The Board is of the view that the current Board and its Board Committees consists of the appropriate mix of expertise, skills and experience with knowledge of the Company to provide the necessary guidance to lead and direct the Group. The effective blend of these expertise, skills and experiences in areas identified by the Board remains a priority.

Presently, the Company does not have alternate director.

Particulars of Directors as at 30 June 2026

Name of director	Date of first appointment	Date of last re-election	Nature of appointment	Membership of Board committees	Directorship/chairmanship of both present and those held over the preceding three years in other listed company
Mr. Ng Kin Wing, Raymond	05.09.2002	28.10.2025	Executive Chairman and Executive Director	None	None
Mr. Ng Mun Kit, Michael	01.07.2018	26.10.2023	Chief Executive Officer and Executive Director	None	None
Ms. Yan Yuk Ping, Juni	01.11.2023	30.10.2024	Chief Growth and Transformation Officer and Executive Director	None	None
Mr. Kuan Cheng Tuck	23.10.2020	28.10.2025	Independent Director	Chairman of Audit and Risk Management Committee and a Member of Remuneration Committee and Nominating Committee	Present Directorships 1) Hoe Leong Corporation Ltd. 2) Taka Jewellery Holdings Limited 3) Kencana Agri Limited Past Directorships (over the preceding three years) l) CNMC Goldmine Holdings Limited 2) Kori Holdings Limited
Mr. Lo Kim Seng	02.12.2024	28.10.2025	Independent Director	Chairman of Remuneration Committee and Nominating Committee and a Member of Audit and Risk Management Committee	Present Directorships 1) Miyoshi Limited 2) Sevens Atelier Limited Past Directorships (over the preceding three years) 1) Bromat Holdings Limited
Mr. Share Wai Chiu, Victor	01.09.2025	28.10.2025	Independent Director	A Member of Audit and Risk Management Committee, Remuneration Committee and Nominating Committee	Present Directorships 1) V&S Golf Limited

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BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provisions 5.1 and 5.2 – Board Evaluation Process

The NC adopts a formal evaluation process and assesses annually the effectiveness of the Board, Board Committees, Chairman and each individual Director.

During FY2026, the performance criteria remained the same as last financial year. The Board's performance was evaluated against the criteria which included the Board's conduct of affairs, provision of sufficient and quality information to the Board on a timely basis, appropriateness and effectiveness of Board procedures and Board accountability. The performance of each Director was evaluated based on the criteria of his/her time and efforts commitment, preparation and contribution, know-how, as well as interaction with the fellow Directors, Management and professional service providers.

The assessment process required each Director to fill in the evaluation questionnaire based on the aforesaid performance criteria recommended by the NC and approved by the Board. The Directors' input was then collated and reviewed by the Chairman of the NC, who further presented a summary of the overall assessment to the NC for review. The NC discussed areas where the Board's performance and effectiveness could be enhanced and recommendations for improvement were submitted to the Board for discussion and for implementation. The Board Chairman ensured that actions were taken to implement the recommendations.

After the performance evaluation in FY2026, the Board concluded that the performance of the Board as a whole was satisfactory. The Board and the various Board Committees operated effectively with each Director and the Chairman discharging their duties diligently.

Summary of NC activities in FY2026:

- reviewed structure, size and composition of the Board and Board Committees;
- considered recommendations for new Directors, reviewed their qualifications and met with such candidates, before a decision was made;
- reviewed independence of Directors;
- reviewed and initiated process for evaluating Board, Board Committee, Chairman and individual Directors performance;
- reviewed results of performance evaluation and presented feedback to the Chairman and Board Committees;
- reviewed the need to progressive refreshing of the Board;
- reviewed succession planning for Chairman, CEO and key executives and notified the Board; and
- discussed information required to be reported under the 2018 Code or Listing Manual.

The Board did not engage any external consultant to conduct an assessment of the performance of the Board, Board Committees, each individual Director and the Chairman for FY2026. Where relevant in the future, the NC will consider such an engagement.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2 – Composition of the RC

The RC comprises three members, and all are Independent Directors. They are:

Mr. Lo Kim Seng	–	Chairman
Mr. Kuan Cheng Tuck	–	Member
Mr. Share Wai Chiu, Victor	–	Member (appointed on 1 September 2025)

The RC comprises only Independent Directors.

The RC has written terms of reference approved by the Board, and performs the following functions:

- review the remuneration policy for compensating the Executive Directors and key executives so as to link their rewards with their individual performance, Company's performance and/or Group's performance as appropriate, to align their interests with those of shareholders and to give incentives to motivate their performance;
- review the remuneration terms for appointment and renewal of the Executive Directors and key executives;
- review the compensation package or fees of the Non-Executive Directors;
- make recommendation to the Board about the remuneration policy, remuneration terms for appointment and renewal of the Directors and key executives when deem appropriate;
- consider long-term incentive schemes for the Directors and key executives and review their eligibility for benefits under such incentive schemes; and
- govern and advise the Board the disclosure of the remuneration policy of the Company, and the remuneration details of the Directors and key executives as required by law or by the 2018 Code.

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Provision 6.3 – Remuneration framework

Merit-Based

The Company's remuneration policy is merit-based, linking compensation to individual performance as well as the overall performance of the Company and the Group, as applicable.

Fairness of Compensation

The Directors do not participate in any decision concerning their own remuneration.

The RC reviews the fairness and reasonableness of the service agreements of the Executive Directors and key executives, and will obtain advice from external consultants for benchmarking, where necessary.

The RC also reviews the compensation packages of employees related to the Executive Directors or Controlling Shareholders, ensuring that their remuneration aligns with the Company's remuneration policy and is appropriate for their respective job roles and levels of responsibility.

Share Option Scheme and Share Plan

2005 Karin Employee Share Option Scheme (the "**2005 ESOS**") was adopted on 20 January 2005 for the purpose of providing eligible participants with an opportunity to participate in the equity of the Company, aligning the interest of the participants to those of shareholders, as well as strengthening the Company's competitiveness in attracting and retaining talented employees. The 2005 ESOS had a maximum duration of 10 years and expired on 20 January 2015.

Before the expiry of the 2005 ESOS, the Company replaced it by the 2014 Karin Employee Share Option Scheme ("**2014 ESOS**"). The 2014 ESOS was approved by the shareholders on 9 October 2014 at the FY2014 AGM. The 2014 ESOS had a maximum duration of 10 years and expired on 9 October 2024.

In light of the expiry of the 2014 ESOS, the Company replaced it by the 2024 Karin Employee Share Option Scheme ("**2024 ESOS**"). The 2024 ESOS was approved by the shareholders on 30 October 2024 at the FY2024 AGM. The 2024 ESOS has a maximum duration of 10 years and expiring on 30 October 2034.

In addition to the employee share option scheme, the Company also has an employee performance share plan which was approved by shareholders on 23 October 2020 ("**2020 KPSP**"). Unlike options grant, the 2020 KPSP contemplates the award of fully paid shares to participants after performance targets are met. Therefore, the respective schemes function differently in that the 2024 ESOS is more of a "loyalty" driven time-based incentive program (based on a more general assessment criteria such as length of service and performance of the Company and/or the Group), while the 2020 KPSP is aimed at rewarding the participants who have achieved the performance targets.

To administer the 2005 ESOS; 2014 ESOS and 2024 ESOS, a committee comprising all the Directors serving on the RC, and was duly authorised and appointed by the Board. Similarly, a committee ("**Committee**") comprising Directors serving on the RC who are duly authorised and appointed by the Board is set up to administer the 2024 ESOS and the 2020 KPSP. The composition of the Committee is the same for both the 2024 ESOS and 2020 KPSP. The Committee determines the participation eligibility, options offer and share allocation, and attends to related matters as required.

The 2024 ESOS is targeted at Group Employees (including Group Executive Directors), Associated Company Employees and Group Non-Executive Directors who have contributed significantly to the growth and performance of the Group. Controlling Shareholders and their Associates are not eligible to participate in the 2024 ESOS. Non-executive directors of the Company's Associated Company are also not entitled to participate in the 2024 ESOS.

Subject to achieving the performance targets determined by the Committee and the absolute discretion of the Committee, the following persons are eligible to participate in the 2020 KPSP:

(a) Group Employees; and

(b) Non-Executive Directors,

provided that, as of the offer date, such persons have attained the age of 21 years, are not undischarged bankrupts and have not entered into any compositions with their respective creditors, and in the case of Group Employees, must have been in the employment of the Group for at least 12 months, or such shorter period as the Committee may determine.

The Controlling Shareholders and their Associates who meet the criteria as set out above are eligible to participate in the 2020KPSP, provided that the participation of each Controlling Shareholder or his Associate and each grant of an Award to any of them may only be effected with the specific prior approval of Shareholders in general meeting by a separate resolution and each such separate resolution shall approve the specific number of Shares which are the subject of the Award. On 23 October 2020, shareholders (with abstention by Controlling Shareholders and their Associates) approved, in separate resolutions, the participation in the 2020 KPSP by the respective Controlling Shareholders: Mr. Raymond Ng, Mr. Michael Ng and Mr. Ng Yuk Wing, Philip ("**Mr. Philip Ng**"). The Company was required to seek a further specific and separate approval from the independent shareholders at a general meeting to approve the specific number of shares and terms of the offer to be granted. Since the establishment of the 2020 KPSP, the Company did not seek shareholders' approval at any AGM for the grant of specific number of shares to the Controlling Shareholders: Mr. Raymond Ng, Mr. Michael Ng and Mr. Philip Ng.

If a member of the RC who is also a participant in the 2024 ESOS and/or 2020 KPSP, he will recuse from any decisions regarding options or shares granted or to be granted to him.

During FY2026, the Company did not issue any new ordinary shares upon the exercise of options under the 2005 ESOS, and no options were granted under the 2024 ESOS. There was no share option outstanding as at 30 June 2026 as all share options granted under 2005 ESOS were either exercised or lapsed.

Mr. Raymond Ng and Mr. Philip Ng have been the substantial shareholders of the Company since incorporation. None of the Directors or CEO buys and sells shares for the past 3 years.

Provision 6.4 – Remuneration consultant

No external remuneration consultant was appointed in FY2026. If necessary, the RC will seek expert advice on remuneration and ensure that any relationship between the appointed consultant and any of the Directors or the Company will not affect the independence and objectivity of the remuneration consultant.

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LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provisions 7.1 and 7.3 – Remuneration of Executive Directors and KMPs

The remuneration of the Executive Directors and key executives comprises fixed component, variable component and other benefits.

The fixed component relates to basic salary, statutory contributions and fixed allowances. The variable component comprises profit sharing bonus for the Executive Directors based on the Group's performance, and variable bonus for the key executives that is linked to the performance of the individual and the Group. Another element of the variable component is the long-term incentive schemes such as 2024 ESOS and 2020 KPSP, set to ensure that it is competitive and sufficient to attract, retain and motivate the Directors and key executives having the required experience and expertise to run the Company successfully. Award of long-term incentive schemes is based on the Group's financial health (such as growth, profit and loss), as well as individual performance so as to ensure the performance and remuneration are linked and inculcate a stronger and more lasting sense of identification with the Group for cultivating loyalty.

Other benefits, which are consistent with market practice, include medical benefits, travel allowances, car expenses and other flexible benefits. For staff who are located outside their home market, additional benefits such as cost of living allowances and home leave passages are provided.

The RC reviews the fairness and reasonableness of the service agreements of the Executive Directors and key executives, as well as the remuneration for their appointment and renewal.

During FY2026, the RC confirmed the remuneration of the Executive Directors and key executives aligned with the Company's remuneration policy.

Provision 7.2 – Remuneration of Non-Executive Directors

Independent Directors receive their remuneration in the form of Directors' fees which have to be approved by the shareholders at every AGM.

Provision 7.3 – Long Term incentives

Please refer to the Share Option Scheme and Share Plan under Provision 6.3 for details. During FY2026, there were no long-term incentives granted.

DISCLOSURE ON REMUNERATION

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 – Disclosure of remuneration

The breakdown of annual remuneration of each individual Director and the top 5 key executives (in bands of S$200,000) for the financial year ended 30 June 2026 are set out below.

Directors' Remuneration

The names, amounts and breakdown of remuneration of each Director during FY2026 are disclosed below:

Name of director	Director's fee S$	Salary & benefit S$	Variable bonus S$	Share-based awards S$	Grant of share options S$	Total S$
Mr. Ng Kin Wing, Raymond	–	372	53	–	–	425
Mr. Ng Mun Kit, Michael	–	359	53	–	–	412
Ms. Yan Yuk Ping, Juni	–	309	26	–	–	335
Mr. Kuan Cheng Tuck	50	–	–	–	–	50
Mr. Lo Kim Seng	50	–	–	–	–	50
Mr. Share Wai Chiu, Victor (appointed on 1 September 2025)	42	–	–	–	–	42

Top 5 Key Executives' Remuneration

The names, amounts (in bands no wider than S$200,000) and the breakdown of the remuneration of the top 5 key executives who are not Directors or the CEO for FY2026 are set out below.

Name of key executive	Remuneration band	Salary & benefit %	Variable bonus %	Share-based Awards %	Grant of share options %	Total %
Ms. Chu Yuen Fong Rebecca	Band II	92.5	7.5	–	–	100.0
Ms. Ko Po Yu	Band II	91.5	8.5	–	–	100.0
Ms. Ng Shuk Yi	Band II	92.6	7.4	–	–	100.0
Mr. Lee Yiu Chung Eugene (Resigned on 1 August 2026)	Band II	81.8	18.2	–	–	100.0
Mr. Loo Wai Chiu	Band II	98.2	1.8	–	–	100.0

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NOTES:

Band I : S$0 to S$199,999
Band II : between S$200,000 to S$399,999
Band III : between S$400,000 to S$599,999

The Company's Key Executives (excluding Executive Directors) are responsible for planning, directing and controlling activities of the Company and its subsidiaries. The total remuneration paid to the top 5 Key Executives for FY2026 is approximately S$1,430,000. Key Executives' remuneration is set in accordance with the remuneration policy of the Company framework comprising salary (including basic salary and benefits-in-kind), and variable payments.

Provision 8.2 – Remuneration of related employees

Information on immediate family members of a director or CEO and whose remuneration exceeds S$100,000 during FY2026 is set out below.

Name	Family relationship with any Director and/or substantial shareholder	Remuneration band
Mr. Ng Yuk Wing, Philip	Father of Mr. Michael Ng and brother of Mr. Raymond Ng	Band II

NOTES:

Band I : S$0 to S$99,999
Band II : between S$100,000 to S$199,999
Band III : between S$200,000 to S$299,999

Mr. Raymond Ng and Mr. Michael Ng were not involved in the deliberation and determination of the remuneration of their family members.

Provision 8.3 – Forms of remuneration and details of employee share schemes

Please refer to the Share Option Scheme and Share Plan under Provision 6.3 for details.

Further details of the 2024 ESOS are set out in the Notes to the financial statements.

Summary of RC activities in FY2026:

- reviewed the remuneration of Executive Directors;
- reviewed the remuneration of Key Executives; and
- considered and governed the disclosure requirements of remuneration under the SGX Listing Rule and 2018 Code.

ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders

Provision 9.1 – Nature and extent of risks

The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group's assets. The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives.

The Board, with the support of the Audit and Risk Management Committee ("**ARMC**"), is responsible for ensuring that Management maintains a sound system of risk management and internal controls to safeguard the Group's assets and the interests of the Company and its shareholders.

The Board and the ARMC, with the support of the outsourced internal auditors, have reviewed the adequacy and effectiveness of the Group's internal controls (addressing financial, operational, compliance and information technology) and risk management systems ("**Internal Control and Risk Management Systems**").

Cybersecurity and information security risks form part of the Group's enterprise risk management framework and are reviewed periodically by Management and the ARMC.

The outsourced internal auditor ("**OIA**") reviews the effectiveness of the system of internal controls (including financial, operational, compliance and information technology controls) established and maintained by the Group based on the Internal Audit Plan approved by the ARMC, after consultation with Management so as to address the specific requirements or circumstances of the Group. The Internal Audit Reports were presented to the ARMC at each ARMC meeting. The OIA also monitors and evaluates the effectiveness of the Group's risk management processes. The OIA reviews the Karin Group Risk Register which consists of risks identified and recorded by Management, and reports to the ARMC on the assessment of the risk management in connection with the risks to which they are related. The key executives hold monthly management meetings to discuss issues relating to business risks and its assessments. They would summarise and compile the key risk areas and corresponding internal controls for the CEO and the Finance Director's review. The CEO and the Finance Director had reviewed the same and found the internal controls adequate and effective.

Financial risks relating to the Group are disclosed in Note 35 to the Financial Statements of this Annual Report.

Provision 9.2 – Assurance from the CEO and Finance Director

The Board received assurance in writing from the CEO and Finance Director that as at 30 June 2026:

(a) The financial records of the Company and its subsidiaries (the "Group") for FY2026 have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) The Group's risk management and internal control systems for FY2026 are adequate and effective to address the risk and material issues which the Group may face, taking into account the Group's business and operations.

Report on Corporate Governance

Based on the internal controls established and maintained by the Group, reviews conducted by Management and work performed by the OIA and External Auditors, as well as the assurances received from the CEO and Finance Director as stated above, the Board, with the concurrence of the ARMC, is of the opinion that the Group's Internal Controls and Risk Management Systems were adequate and effective as at 30 June 2026.

The Board and the ARMC wish to highlight that no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

AUDIT COMMITTEE

Principle 10: The Board has an Audit and Risk Management Committee which discharges its duties objectively.

Provisions 10.1, 10.2 and 10.3 – Composition of the Audit and Risk Management Committee ("ARMC")

The Company has established an ARMC which comprises three members, all are independent directors. They are:

Mr. Kuan Cheng Tuck	–	Chairman
Mr. Lo Kim Seng	–	Member
Mr. Share Wai Chiu Victor	–	Member (appointed on 1 September 2025)

The ARMC comprises only Independent Directors.

The Chairman of the ARMC has accounting or related financial management expertise or experience.

The role of the ARMC is to assist the Board in discharging its responsibilities to safeguard the Company's assets, maintain adequate accounting records and, develop and maintain an effective system of internal controls. The ARMC has explicit authority to investigate any matter within its written Terms of Reference with full access to and co-operation by Management.

The ARMC, which has written terms of reference, meets periodically to perform its functions which include, but not limited to, the following:

- reviewing the significant reporting issues and judgements to ensure integrity of financial statements of the Company and formal announcements relating to the Company's financial performance;
- reviewing the scope and results of external audit and its cost effectiveness, independence and objectivity of the Company's external auditors and also to review the audit report from the external auditors;
- reviewing the co-operation given by the Company's officers to the external auditors;
- reviewing the system of internal accounting controls with the external auditors;
- nominating external auditors for re-appointment and approve the remuneration and terms of engagement of the external auditors;
- reviewing interested person transactions, if any;

- reviewing adequacy and effectiveness of the Group's internal controls including financial, operational, compliance and information technology controls;
- reviewing the scope and results of the internal audit procedures;
- Ensuring the internal audit function is adequately resourced and has appropriate standing within the Company;
- reviewing Whistle-Blowing Policy and to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;
- meeting with the external and internal auditors without the presence of the Management at least once a year;
- commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our operating results and/or financial position; and
- undertaking such other reviews and projects as may be requested by the board of directors, and to report to the board of directors its findings from time to time on matters arising and requiring the attention of the ARMC.

During FY2026, the ARMC performed the functions as set out above.

The ARMC also reviewed the scope and quality of the audits and the independence and objectivity of the external auditors as well as the cost effectiveness. The ARMC is satisfied that the external auditor, Ernst & Young LLP, meets their audit obligations for FY2026.

At the last AGM held on 28 October 2025, Ernst & Young LLP, was re-appointed to comply with the amended Rule 712 of the Listing Manual as the Auditor of the Company. Ernst & Young LLP is an auditing firm approved under the Accountants Act 2004 of Singapore.

The Company is in compliance with Rules 712 and 715 of the SGX-ST Listing Manual in relation to the appointment of Ernst & Young LLP as the Auditor.

Report on Corporate Governance

For FY2026, the ARMC and Board are satisfied that the appointment of different auditors for its subsidiaries incorporated in Singapore and the People's Republic of China ("**PRC**") would not compromise the standard and effectiveness of the audit of the Company. The Company is therefore in compliance with Rules 715 and 716 of the SGX-ST Listing Manual. The Company has engaged suitable auditing firms for its significant foreign-incorporated subsidiaries as detailed below. Additionally, the ARMC notes that, in discharging its duties as the Group's external auditor, Ernst & Young LLP have performed the requisite reviews of significant subsidiaries pursuant to the requirements of International Standards on Auditing.

Name of significant subsidiaries	Name of auditing firm
New Spirit Electronic Technology Development (Shenzhen) Company Limited	Shenzhen Hengrui Certified Public Accountants (General Partnership)
Karin Electronic Trading (Shenzhen) Company Limited	Shenzhen Hengrui Certified Public Accountants (General Partnership)
Karin International Trading (Shanghai) Company Limited	Shanghai JiaLiang CPAs Limited
Karltec Information System (Shenzhen) Company Limited	Wongga Partners Certified Public Accountants (SZ) General Partner

The ARMC meets periodically and also holds informal meetings and discussions with Management from time to time. The ARMC has full discretion to invite any director or executive officer to attend its meetings.

The ARMC had established a written whistle-blowing policy, by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties, misconduct or wrongdoing in matters of financial reporting or other matters relating to the Company and its officers. Whistleblower channels, such as email addresses and phone numbers are created for reporting of whistle-blowing events. All staff should be aware of the existence of the whistle-blowing policy. The whistle-blowing policy has been posted on the Group's corporate website. Each of the ARMC members or two of the senior management is the channel for reporting suspicious non-compliance or improprieties. The objectives of the whistle-blowing policy are to ensure that arrangements are in place for independent investigation of such matters and for appropriate follow-up action. The ARMC is responsible for oversight and monitoring of whistleblowing and reporting to the Board. Safeguards are in place in the whistleblowing policy to allow whistleblowing reports to be made in good faith and identity of the whistleblower kept confidential. The Company is committed to protecting whistleblower against detrimental or unfair treatment. The ARMC obtained quarterly update on the status of whistleblowing.

The ARMC has reasonable resources to enable it to discharge its functions properly. The ARMC is updated annually on any changes in accounting standards by the external auditor. During the year, the external auditor briefed the Directors on the new IFRSs and received updates relating to accounting practices. No former partner or director of the Company's existing auditing firm is a member of the ARMC.

Provision 10.4 – Internal audit function

During the year under review, the Company outsourced its internal audit function to Acclime Consulting (Hong Kong) Limited ("**Acclime**") which serves as the Group's Internal Auditor ("**Internal Auditor**"). Acclime is a premier provider of professional formation, accounting, tax, HR & advisory services in Hong Kong. The Internal Auditor reports primarily to the Chairman of ARMC. The ARMC is responsible for the appointment, termination and fee of the Internal Auditor. At the most recent meeting with the Internal Auditor, the ARMC understands that the Internal Auditor had unfettered access to all the Group's documents, records, properties and personnel, including the ARMC, during FY2026.

The ARMC has bi-annually reviewed the internal audit programmes, the scope and results of internal audit procedures. The ARMC reviews the adequacy and effectiveness of the internal audit function. For FY2026, the ARMC is satisfied that the internal audit function is reasonably independent, effective and adequately resourced, and has appropriate standing within the Company.

Provision 10.5 – Meeting with external and internal auditors without management's presence

The External and Internal Auditors have unrestricted access to the ARMC. During FY2026, the ARMC met with External Auditors and Internal Auditors separately, without the presence of the Management. These meetings enable the External and Internal Auditors to raise issues encountered in the course of their work directly to the ARMC.

SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provisions 11.1, 11.2, 11.3 and 11.4 – Conduct of general meetings

In line with the continuing disclosure obligations of the Company pursuant to the Listing Rules of the SGX-ST, the Board's policy is to facilitate the exercise of ownership rights by all shareholders. Shareholders are informed promptly of all major developments that impact the Group or business which might materially affect the price or value of the Company's shares.

The Annual General Meeting ("**AGM**") of the Company is the principal forum for dialogue and interaction with all shareholders. Shareholders are given the opportunity to participate at the AGM. Notice of AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 days before the meeting. There are separate resolutions at general meetings on each separate issue. Shareholders are informed of the rules and voting procedures at the AGM.

Report on Corporate Governance

Under the existing Bye-laws of the Company, corporations which provide nominee or custodial services are allowed to appoint more than two proxies to attend and vote at the same general meeting. A registered shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him.

The Board welcomes shareholders to voice their views and direct questions regarding the Group at the AGM. The members of the Board and the Board Committees, senior management and external auditor are present at the AGM to answer questions from shareholders. As the present Bye-laws of the Company do not have a provision to allow shareholders to vote in absentia, via methods such as e-mail, fax, etc., and the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time. All directors and respective Board Committees attended the AGM held on 28 October 2025.

The Board may from time to time review the provisions of the existing Bye-laws of the Company to ensure that they are in line with the good corporate governance practices as recommended by the 2018 Code. If the Board deems fit, it may propose any necessary amendment to the same to the shareholders for approval.

The Company holds its AGM in Singapore. The forthcoming AGM scheduled on 27 October 2026 will be held physically in Singapore. Please refer to the Notice of AGM of the Annual Report.

Provision 11.5 – Minutes of general meetings

Minutes of general meetings include substantial and relevant queries or comments from shareholders, as well as responses from the Board and Management discussed in the AGM relating to the agenda items of the meeting. These minutes were published on the Company's website and SGXNET within one month from the date of AGM. Minutes of AGM held on 28 October 2025 was published on SGXNET and the Company's website on 25 November 2025.

The Company puts all resolutions to vote by poll at the AGM and releases an announcement on the detailed results of voting.

Provision 11.6 – Dividend policy

When considering dividend payments, the Company evaluates factors such as its current cash position, future cash requirements, profitability, retained earnings, and business outlook. Adopting a fixed dividend policy could compromise its financial stability during adverse market conditions, so the Company has chosen not to implement one. Nevertheless, it has consistently paid dividends annually since its public listing in 2005. For FY2026, the Company proposes a final dividend of HK1.8 cents per share and a special dividend of HK5.0 cents per share, subject to shareholders' approval at the forthcoming AGM.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Provisions 12.1, 12.2 and 12.3 – Stakeholder engagement

The Board provides shareholders with half yearly financial results no later than 45 days after half year and annual financial results no later than 60 days after the relevant financial period. Notification of release date for financial results announcement will be made via SGXNET not less than 30 days from the intended date of release of financial results announcement. In presenting the financial results, the Board aims to provide shareholders with a true and fair, balanced and understandable assessment of the Company's performance, position and prospects on each half-yearly basis. Such responsibility is extended to the other price-sensitive public reports and reports to regulators (if required). The Board takes adequate steps to ensure compliance with legislative and regulatory requirements.

Information is communicated to shareholders on a timely basis, including annual reports that are issued to all shareholders within the mandatory period, half-yearly and full year results announcements, notice of the general meeting and explanatory memoranda for annual general meetings and special general meetings, press releases and disclosures to the SGX-ST. The Company also holds media and analyst briefings. The Company ensures that price sensitive information is publicly released and is announced on an immediate basis, where required, under the listing Manual of the SGX-ST. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that shareholders and the public have a fair access to the information.

The Board Terms of Reference addresses the investor relations and shareholder communication matters. The Company has appointed an Investor Relations ("**IR**") firm in Singapore to handle all its investor relations affairs, including but not limited to establish and maintain regular dialogue with shareholders. The IR firm prepares press releases relating to the Company's products and business and releases to the SGX-ST on a timely manner. Details of the IR firm are disclosed in the Corporate Information page of the Annual Report.

The Company always updates its corporate website in English with an investor relations section at www.karingroup.com through which shareholders can access information of the Group. The website provides the business profile, corporate announcements, press releases, latest financial results, annual reports and other information of the Group.

Report on Corporate Governance

MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provisions 13.1, 13.2 and 13.3 – Stakeholder engagement

The Company engages its stakeholders through different channels to identify, address and monitor the material environmental, social and governance ("**ESG**") factors of the Company's operation and their impacts on the various stakeholders.

Engagement channels and their frequencies are reviewed periodically to ensure that they effectively address the ESG issues identified and engage the related stakeholders.

The Company is committed to enhance and improve the current engagement initiatives, while staying abreast of new trends and developments that may affect its sustainability standing, and eventually devise effective measures to resolve the key ESG issues. For more information on the Company's approach to stakeholder engagement and materiality assessment, please refer to the Company's Sustainability Report which will be available by 31 October 2026.

DEALINGS IN SECURITIES

The Directors of the Company have devised and adopted its own internal compliance code on Securities Transactions by Officers to govern the dealings in securities of the Company. The Directors and Officers of the Company and the Group are guided by the requirements of Rule 1207(19) of the Listing Manual of the SGX-ST.

In line with the internal compliance code, the Company issues circulars to its Directors, Officers and employees of the Group to ensure that there must be no dealings in the Company's listed securities by the Company, its Directors, Officers and employees on short term considerations or one month before release of the half-yearly and full year financial results, or if they are in possession of any unpublished material price-sensitive information. All Directors are also required to file with the Company to report on all their dealings in the listed securities of the Company on a timely basis.

MATERIAL CONTRACTS

Save for the service agreement between the Executive Directors (including CEO) and the Company, there are no material contracts entered into by the Company and its subsidiaries involving the interest of CEO, any Director or Controlling Shareholder, which are subsisting at the end of FY2026.

INTERESTED PERSON TRANSACTIONS

All interested person transactions are documented and reported in a timely manner to the ARMC to ensure the transactions are conducted on normal commercial terms and are not prejudicial to the interest of the Company and its minority shareholders.

The Company does not have an Interested Person Transactions mandate.

There were no interested person transactions entered into with value more than S$100,000 during FY2026.

RISK MANAGEMENT

The Company regularly reviews its major risks and manages its risk register. The Company seeks to identify areas of significant business risks and financial risks (see Note 35 to the financial statements) as well as appropriate measures to control and mitigate these risks. The Company reviews control policies and procedures and highlights significant matters to the ARMC. The ARMC is assisted by the Internal Risk Management Team ("**IRMT**") which is a committee comprising Executive Directors and Senior Management who meet on a regular basis to review risks associated to the Company's business and daily operations.

WHISTLE-BLOWING POLICY AND PROCEDURES

The Group has established a whistle-blowing policy and has developed appropriate procedures to provide a proper process within the Group for reporting malpractices, illegal acts or acts of omission that employees may encounter at work. No reporting for any of such incidents happened during the financial year ended 30 June 2026. Whistle-blowing policy both in English and Chinese are made available to all stakeholders of the Company through publishing it on the Group's corporate website.

SUSTAINABILITY REPORT

The Group recognises that sustainability is increasingly important for business. We focus on economic, environmental and social areas to underpin our sustainability strategy. We are committed to managing the relevant sustainability risks and opportunities across the portfolio to ensure the long-term well-being of our business while contributing positively to the environment and community.

The Group prepares the 2026 Sustainability Report with the support of an external consultant. In this report, the Group discloses the most relevant environmental, social, climate and governance factors, how these factors will be measured, monitored and managed, as well as the targets for the forthcoming year. The Group looks forward to sharing this report on the website of SGX-ST.

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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of Karin Technology Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), and the statement of financial position of the Company for the year ended 30 June 2026.

OPINION OF THE DIRECTORS

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

EXECUTIVE DIRECTORS:

Mr. Ng Kin Wing, Raymond	(Executive Chairman)
Mr. Ng Mun Kit, Michael	(Chief Executive Officer)
Ms. Yan Yuk Ping, Juni	

INDEPENDENT DIRECTORS:

Mr. Kuan Cheng Tuck
Mr. Lo Kim Seng
Mr. Share Wai Chiu, Victor

In accordance with the bye-laws of the Company, Mr. Ng Mun Kit, Michael and Ms. Yan Yuk Ping, Juni are due for retirement at the forthcoming annual general meeting ("**AGM**") and will offer themselves for re-election.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Except for the share options as described in Note 29 to the accompanying financial statements, neither at the end of nor at any time during the year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT (continued)

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings, the following directors, who held office at the end of the financial year, had an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Ng Kin Wing, Raymond	–	–	70,639,950	70,639,950
Ng Mun Kit, Michael	–	–	70,639,950	70,639,950
Kuan Cheng Tuck	200,000	200,000	–	–

(1) Mr. Ng Kin Wing, Raymond is deemed interested through his shareholding of Kikki Investment Ltd, which directly holds 70,639,950 shares in the Company.

(2) Mr. Ng Mun Kit, Michael is deemed interested through his shareholding of Asia Platform Investment Limited, which directly holds 70,639,950 shares in the Company.

There was no change in any of the aforementioned interests between the end of the financial year and 21 July 2026.

Except as disclosed in this report, no director of the Company who held office at the end of the financial year had interests in shares or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except for the directors' remuneration as disclosed in the consolidated financial statements, no director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company, a related corporation with the director, a firm of which the director is a member, or a company in which the director has a substantial financial interest since the end of the previous financial year.

DIRECTORS' STATEMENT (continued)

SHARE OPTIONS

Please refer to Note 29 to the accompanying financial statements.

KARIN PERFORMANCE SHARE PLAN

Please refer to Note 29 to the accompanying financial statements.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises three members, all being independent directors. The current composition is as follows:

Mr. Kuan Cheng Tuck (Chairman)
Mr. Lo Kim Seng
Mr. Share Wai Chiu, Victor

The Audit and Risk Management Committee performs the functions specified in the Listing Manual and the Best Practice Guide of the Singapore Exchange Securities Trading Limited, and the Code of Corporate Governance 2018.

The Audit and Risk Management Committee has recommended Messrs. Ernst & Young LLP for re-appointment as auditor of the Company at the forthcoming annual general meeting. The Audit and Risk Management Committee has conducted an annual review of the non-audit services to satisfy itself that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor before recommending the re-appointment of them.

AUDITOR

Ernst & Young LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Ng Kin Wing, Raymond
Director

Ng Mun Kit, Michael
Director

30 September 2026

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2026

Independent Auditor's Report to the Members of Karin Technology Holdings Limited
Report on the Audit of the Financial Statements

OPINION

We have audited the financial statements of Karin Technology Holdings Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), which comprise the statements of financial position of the Group and the Company as at 30 June 2026, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with IFRS Accounting Standards ("**IFRS**") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing ("**SSAs**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("**ACRA**") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("**ACRA Code**") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

For the financial year ended 30 June 2026

ALLOWANCE FOR EXPECTED CREDIT LOSSES ON TRADE RECEIVABLES

As at 30 June 2026, the Group recorded trade receivables of HK$436,173,000, which represented 43% of the total assets of the Group. Significant management judgements and estimations are required in assessing the expected credit losses ("**ECLs**") for the trade receivables, with reference to the ageing profile of the trade receivables, historical credit loss experience and both the current and forecast general economic conditions at the reporting date. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. During the financial year, the Group recorded an allowance for ECL of HK$3,292,000 as the assessed ECL required as at the reporting date is higher than prior financial year. As this assessment requires significant management judgment, we determined this to be a key audit matter.

In evaluating management's impairment assessment, our procedures included reviewing collectability by obtaining, on a sample basis, evidence of settlements from customers and reviewing credit notes issued subsequent to the financial year end. We assessed management's provision matrix and key assumptions used by management such as the historical credit loss rate and forward-looking adjustments. We checked arithmetic accuracy of the ECL calculation. We also assessed the disclosure related to trade receivables in Note 20 to the financial statements.

PROVISION FOR OBSOLETE AND SLOW-MOVING INVENTORIES

As at 30 June 2026, the Group recorded inventories of HK$257,768,000 after a net reversal of provision for obsolete and slow-moving inventories of HK$3,132,000 for the year. The inventories balance accounted for 26% of the total assets of the Group. The inventories comprise trading inventories. Significant management judgements and estimations are required due to uncertainty about the impact of technological advancement, product life cycle, market conditions and future sales plans which require the management to make judgement based on information available as at year end. As such, we determined this to be a key audit matter.

In evaluating the provision estimated by management, our audit procedures included evaluating the Group's forecasted future sales levels based on past experiences, recent sales transactions and customers' orders, and market-specific considerations. We obtained an understanding of the assessments made by management with respect to slow-moving and obsolete inventories and end-of-life products, including the specific identification of these inventories. We attended and observed management's inventory counts at selected inventory locations, including the identification of obsolete inventories by management. We tested the arithmetic accuracy of the stock ageing report. We reviewed the inventory provision with reference to stock ageing analysis and net realisable value of inventories by checking to sales transactions after the year end. We also assessed the disclosure related to inventories in Note 19 to the financial statements.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

For the financial year ended 30 June 2026

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

For the financial year ended 30 June 2026

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lim Tze Yuen.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

30 September 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

	Note	2026 HK$'000	2025 HK$'000
Revenue	5	**2,334,300**	1,929,544
Cost of sales		**(2,151,475)**	(1,752,908)
Gross profit		**182,825**	176,636
Other income and gains, net	6	**10,708**	10,263
Selling and distribution costs		**(74,762)**	(76,162)
Administrative expenses		**(116,428)**	(72,969)
Other expenses, net		**(7,840)**	(7,938)
Finance costs	7	**(2,489)**	(5,716)
(Loss)/profit before tax	8	**(7,986)**	24,114
Income tax expense	9	**(10,892)**	(7,548)
(Loss)/profit for the year		**(18,878)**	16,566
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**3,784**	2,100
Exchange differences reclassified on disposal of an associate		**–**	606
Actuarial gain on long service payment obligation		**432**	272
Other comprehensive income for the year, net of tax		**4,216**	2,978
Total comprehensive income for the year		**(14,662)**	19,544
(Loss)/profit for the year attributable to:			
Owners of the Company		**(22,594)**	19,151
Non-controlling interests		**3,716**	(2,585)
		(18,878)	16,566
Total comprehensive income attributable to:			
Owners of the Company		**(18,237)**	22,151
Non-controlling interests		**3,575**	(2,607)
		(14,662)	19,544
(Loss)/earnings per share attributable to ordinary shareholders of the company (HK cents)			
Basic and diluted	11	**(10.5)**	8.9

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026

	Note	Group 2026 HK$'000	Group 2025 HK$'000	Company 2026 HK$'000	Company 2025 HK$'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	28,574	4,311	–	–
Goodwill	13	1,059	1,059	–	–
Right-of-use assets	14	9,636	18,409	–	–
Investment in subsidiaries	15	–	–	76,308	76,308
Investment in an associate	16	–	–	–	–
Deferred tax assets	27	4,279	4,263	–	–
Amount due from an associate	17	–	–	–	–
Prepayments and other assets	21	24,876	25,069	–	–
Total non-current assets		68,424	53,111	76,308	76,308
CURRENT ASSETS					
Inventories	19	257,768	252,013	–	–
Trade and bills receivables	20	439,383	385,946	–	–
Prepayments, other receivables and other assets	21	137,050	153,569	–	–
Amounts due from subsidiaries	15	–	–	48,385	50,006
Financial asset at fair value through profit or loss	18	281	1,055	–	–
Derivative financial instruments	22	1,078	327	–	–
Cash and cash equivalents	23	103,805	144,025	3,544	1,012
		939,365	936,935	51,929	51,018
Assets classified as held for sale	24	–	66,792	–	–
Total current assets		939,365	1,003,727	51,929	51,018
CURRENT LIABILITIES					
Trade and bills payables	25	319,712	248,899	–	–
Other payables and accruals	25	229,084	298,751	2,037	1,688
Amounts due to subsidiaries	15	–	–	10,000	1,442
Tax payable		6,308	8,789	–	–
Interest-bearing bank and other borrowings	26	46,134	57,507	–	–
Lease liabilities	14	8,099	8,890	–	–
		609,337	622,836	12,037	3,130
Liabilities directly associated with assets classified as held for sale	24	–	1,733	–	–
Total current liabilities		609,337	624,569	12,037	3,130
NET CURRENT ASSETS		330,028	379,158	39,892	47,888

STATEMENTS OF FINANCIAL POSITION (continued)

As at 30 June 2026

		Group		Company	
		2026	2025	**2026**	2025
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	*27*	**11,808**	7,247	**–**	–
Other payables	*25*	**13,422**	15,708	**21**	–
Other borrowings	*26*	**168**	267	**–**	–
Lease liabilities	*14*	**1,259**	8,629	**–**	–
Total non-current liabilities		**26,657**	31,851	**21**	–
Net assets		**371,795**	400,418	**116,179**	124,196
Equity attributable to owners of the Company					
Issued capital	*28*	**21,636**	21,636	**21,636**	21,636
Treasury shares	*28*	**(5,629)**	(61)	**(5,629)**	(61)
Reserves	*30*	**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

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

		Attributable to owners of the Company											
	Note	Issued capital HK$'000 (Note 28)	Treasury shares HK$'000 (Note 28)	Share premium account* HK$'000 (Note 28)	Contributed surplus* HK$'000 (Note 30)	Land and buildings revaluation reserve* HK$'000 (Note 30)	General reserve* HK$'000 (Note 30)	Other reserve* HK$'000 (Note 30)	Exchange fluctuation reserve* HK$'000 (Note 30)	Retained Profits* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'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 differences on translation of foreign operations		-	-	-	-	-	-	-	2,122	-	2,122	(22)	2,100
Exchange differences reclassified 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
Contributions by and distributions to owners													
Dividends paid	*10*	-	-	-	-	-	-	-	-	(18,993)	(18,993)	-	(18,993)
Total contributions by and distributions to owners		-	-	-	-	-	-	-	-	(18,993)	(18,993)	-	(18,993)
At 30 June 2025		21,636	(61)	48,935	898	57,810	6,150	(618)	(314)	275,610	410,046	(9,628)	400,418

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the financial year ended 30 June 2026

		Attributable to owners of the Company											
	Note	Issued capital HK$'000 (Note 28)	Treasury shares HK$'000 (Note 28)	Share premium account* HK$'000 (Note 28)	Contributed surplus* HK$'000 (Note 30)	Land and buildings revaluation reserve* HK$'000 (Note 30)	General reserve* HK$'000 (Note 30)	Other reserve* HK$'000 (Note 30)	Exchange fluctuation reserve* HK$'000 (Note 30)	Retained Profits* HK$'000	Total HK$'000	Non-controlling interests HK$'000	Total equity HK$'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 for the year		–	–	–	–	–	–	–	–	(22,594)	(22,594)	3,716	(18,878)
Other comprehensive income for the year													
Exchange differences 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)
Contributions by and distributions to owners													
Share buy-back	*28*	–	(5,568)	–	–	–	–	–	–	–	(5,568)	–	(5,568)
Dividend paid	*10*	–	–	–	–	–	–	–	–	(8,393)	(8,393)	–	(8,393)
Total contributions by and distributions to owners		–	(5,568)	–	–	–	–	–	–	(8,393)	(13,961)	–	(13,961)
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

* These reserve accounts comprise the consolidated reserves of HK$361,841,000 (2025: HK$388,471,000) in the statement of financial position of the Group.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from operating activities			
(Loss)/profit before tax		(7,986)	24,114
Adjustments for:			
Interest income	6	(1,898)	(2,330)
Interest income from an associate	6	–	(584)
Reversal of write down of inventories, net	8	(3,132)	(3,071)
Allowance/(reversal of allowance) for ECL on trade receivables	6,8	3,292	(1,133)
Write-back of long outstanding trade and other payables	6	(2,258)	(2,305)
Fair value gain on derivative financial instruments	6	(751)	(280)
Fair value loss/(gain) on a financial asset at fair value through profit or loss	6,8	774	(15)
Depreciation of property, plant and equipment	8	42,252	3,324
Depreciation of right-of-use assets	8	9,661	9,765
Gain on disposal of property, plant and equipment	6	(10)	(48)
Gain on disposal of an associate	6	–	(291)
Property, plant and equipment written off	8	–	217
Allowance for ECL on amount due from an associate	8	–	6,086
Impairment of advances to supplier	8	3,345	–
Finance costs	7	2,489	5,716
Operating cash flows before changes in working capital		45,778	39,165
Changes in working capital:			
(Increase)/decrease in:			
Inventories		(2,112)	202
Trade and bills receivables		(55,271)	86,293
Prepayments, other receivables and other assets		14,509	45,568
Increase/(decrease) in:			
Trade and bills payables		71,328	(80,048)
Other payables and accruals		(71,061)	2,351
Cash flows from operations		3,171	93,531
Interest paid		(1,687)	(4,545)
Income tax paid		(10,538)	(4,310)
Net cash flows (used in)/from operating activities		(9,054)	84,676

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the financial year ended 30 June 2026

	Note	2026 HK$'000	2025 HK$'000
Cash flows from investing activities			
Purchase of property, plant and equipment		(330)	(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		–	(623)
Net cash flows from investing activities		1,578	8,511
Cash flows from financing activities			
Share buy-back		(5,247)	–
Proceeds from bank and other borrowings		438,412	1,273,311
Repayment of bank and other borrowings		(449,791)	(1,321,362)
Payment of principal portion of lease payments		(9,149)	(8,649)
Interest portion of lease payments		(802)	(1,171)
Dividends paid to owners of the Company		(8,393)	(18,993)
Net cash flows used in financing activities		(34,970)	(76,864)
Net (decrease)/increase in cash and cash equivalents		(42,446)	16,323
Cash and cash equivalents at beginning of financial year		144,025	127,206
Cash and cash equivalents reclassified from assets classified as held for sale		417	–
Cash and cash equivalents included in assets classified as held for sale		–	305
Effect of foreign exchange rate changes, net		1,809	191
Cash and cash equivalents at end of financial year	*23*	103,805	144,025

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

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.

The principal activities of the Company are those of investment holding and provision of management services. The principal activities of the material subsidiaries are disclosed in Note 15 to the financial statements.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board. They have been prepared on the historical cost convention, except as disclosed in the accounting policies below. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial period beginning on 1 July 2025. The adoption of these new standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not adopted the following standards that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IAS 21: *Lack of Exchangeability*	1 January 2026
Amendments to IFRS 9 and IFRS 7: *Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to IFRS 9 and IFRS 7: *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Annual Improvements to IFRSs – Volume 11	1 January 2026
IFRS 18: *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19: *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for the following, the directors expect that the adoption of the standards above will not have any material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

IFRS 18: Presentation and Disclosure in Financial Statements (continued)

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

2.4 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the reporting period. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.5 INVESTMENT IN AN ASSOCIATE

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investment in an associate is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of an associate is included in profit or loss and other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of the associates is included as part of the Group's investment in an associate.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group and liabilities assumed by the Group to the former owners of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 30 June. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 FAIR VALUE MEASUREMENT

The Group measures its investment properties, financial asset at fair value through profit or loss and derivative financial instrument at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, financial assets, deferred tax assets and investment properties), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.9 PROPERTY, PLANT AND EQUIPMENT, AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 PROPERTY, PLANT AND EQUIPMENT, AND DEPRECIATION (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Properties held for own use and buildings	5%
Leasehold improvements	Over the shorter of the lease term and 20%
Furniture and fixtures	20%
Office equipment	30%
Motor vehicles	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.10 NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment classified as held for sale are not depreciated. The measurement for financial assets are described in the accounting policy for "Investments and other financial assets".

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Warehouses	Over the lease term
Office premises	Over the lease term
Other equipment	30%

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 LEASES (continued)

Group as a lessee (continued)

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

2.12 INVESTMENTS AND OTHER FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.12 INVESTMENTS AND OTHER FINANCIAL ASSETS (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred assets is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises an allowance for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below:

Stage 1 Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs.

Stage 2 Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Stage 3 Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 IMPAIRMENT OF FINANCIAL ASSETS (continued)

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.14 FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables, as appropriate. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, and interest-bearing bank and other borrowings.

Subsequent measurement

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. Gains or losses on liabilities designated at fair value through profit or loss are recognised in profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance costs in profit or loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 FINANCIAL LIABILITIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15 TREASURY SHARES

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.16 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.17 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits that are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included as finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain electronic products and the provision of services for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

2.19 INCOME TAX

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.19 INCOME TAX (continued)

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.20 REVENUE

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Some contracts for the sale of products provide customers with volume rebates. The volume rebates give rise to variable consideration.

Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Revenue from the provision of professional and warranty services is recognised at the point in time when the services are rendered or recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

2.21 CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets.

2.22 CONTRACT LIABILITIES

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.23 CONTRACT COSTS

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

(a) The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.

(b) The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.

(c) The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset related. Other contract costs are expensed as incurred.

2.24 EMPLOYEE BENEFITS

Share-based payments

(a) Share option scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (i.e., "**equity-settled transactions**").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of equity-settled transactions is recognised as employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.24 EMPLOYEE BENEFITS (continued)

Share-based payments (continued)

(a) Share option scheme **(continued)**

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.24 EMPLOYEE BENEFITS (continued)

Share-based payments (continued)

(b) Employee performance share plan

The Group operates an employee performance share plan (the "**Performance Share Plan**") for the purpose of motivating participants to optimise performance standards and efficiency and to maintain a high level of contribution to the Group. Employees and independent directors are eligible to participate in the plan. Eligible participants receive fully paid shares of the Company free of charge upon achieving a performance target, whereby employees render services as consideration for the equity instruments (i.e., "**equity-settled transactions**").

The remuneration committee of the board of directors will determine the grant of awards to participants at any time. A participant who is a member of the remuneration committee shall not be involved in deliberations in respect of awards issued from the Performance Share Plan.

The Group will record the expense only at the time the awards are granted and shares of the Company are issued to eligible participants. The amount charged to profit or loss for the grant of awards will be the same as the closing stock price of the Company on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") at the date of grant when the Group delivers shares in fulfilment of the awards.

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in defined contribution social security schemes operated by the local municipal government. These subsidiaries are required to contribute certain percentages of their payroll costs to the social security schemes. The contributions are charged to profit or loss as they become payable in accordance with the rules of the social security schemes.

The Singapore companies in the Group make contributions to the Central Provident Fund Scheme ("**CPF**") in Singapore, a defined contribution pension scheme. Contributions to the CPF are recognised as an expense in profit or loss in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.24 EMPLOYEE BENEFITS (continued)

Long service payments

The Group's net obligation in respect of amounts payable on cessation of employment in certain circumstances under the Employment Ordinance in Hong Kong is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Long service payments are assessed using the projected unit credit method. The cost of providing the long service payment liabilities is charged to profit or loss so as to spread the cost over the service lives of employees in accordance with the advice of the valuer.

Long service payments are discounted to determine the present value of obligation and reduced by entitlement accrued under the Group's pension scheme contributions that are attributable to contributions made by the Group. Remeasurements are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

2.25 BORROWING COSTS

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. All borrowing costs are expensed in the period in which they are incurred.

2.26 DIVIDENDS

Interim dividends are proposed and declared, because the Company's bye-laws grant the directors of the Company the authority to declare interim and special dividends. Consequently, interim and special dividends are recognised immediately as a liability when they are proposed and declared.

Final dividends are recognised as a liability when they have been approved by the shareholders in a general meeting and declared. Proposed final dividends are disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.27 FOREIGN CURRENCIES

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with recognition of the gain or loss on change in fair value of the item (i.e., transaction difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas and Mainland China subsidiaries and associate are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into Hong Kong dollars at the exchange rates that approximates to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas and Mainland China subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.28 RELATED PARTIES

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Group;

(ii) as significant influence over the Group; or

(iii) is a member of the key management personnel of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

3.1 JUDGEMENTS MADE IN APPLYING ACCOUNTING POLICIES

The management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Write-down of inventories to net realisable value and provision for obsolete and slow-moving inventories

At the end of each reporting period, management reviews the ageing analysis and condition of the Group's inventories, estimating provisions for obsolete and slow-moving inventories based on their net realisable value. This estimation considers rapid technological advancements and macroeconomic challenges. Due to uncertainties surrounding technological advances, product life cycles, market conditions, and future sales plans, management has to exercise significant judgement, relying on the best available information at year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

3.2 ESTIMATION UNCERTAINTY (continued)

Allowance for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 20 to the financial statements.

Impairment of advances to suppliers

The assessment of the recoverability of advances to suppliers requires significant judgement and estimation. In determining the recoverable amount of the advances, management considers all available information, including the Group's planned future procurement arrangements, expected utilisation of the advances, and anticipated recovery of the outstanding balances, using a probability-weighted assessment of possible outcomes. The information is updated and analysed at each reporting date. Further details are disclosed in Note 21 to the financial statements.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

(a) the "Components Distribution" operating segment engages in the distribution of electronic and industrial components; and

(b) the "IT Infrastructure" operating segment engages in 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.

Management monitors the results of the Group's reportable operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income, fair value changes on investment properties, financial asset at fair value through profit or loss and derivative financial instrument, finance costs, share of profit of an associate, and corporate and other unallocated expenses are excluded from such measurement.

Segment assets exclude investment in an associate, deferred tax assets, cash and cash equivalents and corporate and other unallocated assets as these assets are managed on a group basis.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

Segment liabilities exclude income tax payable, interest-bearing bank and other borrowings, deferred tax liabilities and corporate and other unallocated liabilities as these liabilities are managed on a group basis.

There were no material intersegment sales and transfers during the current and prior years.

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
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 loss on a financial asset at fair value through profit or loss				(774)
Fair value gain on derivative financial instruments				751
Catch-up depreciation of property, plant and equipment (Karin Building)				(35,287)
Gain on disposal of property, plant and equipment				10
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
2026				
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
Total liabilities				635,994
Other segment information:				
Reversal of write down of inventories	(1,040)	(559)	(1,533)	(3,132)
Allowance for ECL on trade receivables	493	2,798	1	3,292
Impairment of advances to supplier	3,345	–	–	3,345
Write-back of long outstanding trade and other payables	–	(2,258)	–	(2,258)
Depreciation of property, plant and equipment (Karin Building)*	768	4,410	326	5,504
Depreciation of property, plant and equipment (other than Karin Building)	204	1,171	86	1,461
Depreciation of right-of-use assets	1,349	7,740	572	9,661
Capital expenditure	–	–	–	330

* The depreciation of Karin Building and related building assets are allocated to each segment according to segment revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
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 a 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 ECL on amount due from an associate				(6,086)
Property, plant and equipment written off				(217)
Finance costs				(5,716)
Corporate and other unallocated expenses				(2,390)
Profit before tax				24,114
Income tax expense				(7,548)
Profit for the year				16,566
Segment assets	138,981	641,746	36,344	817,071
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
2025				
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
Total liabilities				656,420
Other segment information:				
Write-down/(reversal of write-down) of inventories	276	(3,148)	(199)	(3,071)
Allowance/(reversal of allowance) for ECL 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

4. OPERATING SEGMENT INFORMATION (continued)

	Hong Kong HK$'000	Mainland China HK$'000	Others HK$'000	Total HK$'000
2026				
Segment revenue	1,875,616	177,059	281,625	2,334,300
Non-current assets	60,934	2,749	462	64,145
2025				
Segment revenue	1,527,968	243,441	158,135	1,929,544
Non-current assets	44,707	3,839	302	48,848

The revenue information is based on the location of the customers.

The non-current assets information is based on the location of assets and excludes deferred tax assets.

INFORMATION ABOUT MAJOR CUSTOMERS

The Group did not have a single external customer from whom the revenue derived amounted to 10% or more of the Group's revenue during the year (2025: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

5. REVENUE

	Group	
	2026	2025
	$'000	$'000
Revenue from contracts with customers	**2,334,300**	1,929,544

(I) DISAGGREGATED REVENUE INFORMATION

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
2026				
Types of goods or services				
Sale 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
	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
	325,885	1,870,322	138,093	2,334,300

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

5. REVENUE (continued)

(I) DISAGGREGATED REVENUE INFORMATION (continued)

	Components Distribution HK$'000	IT Infrastructure HK$'000	Others HK$'000	Total HK$'000
2025				
Types of goods or services				
Sale 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
	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
	344,347	1,439,711	145,486	1,929,544

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

5. REVENUE (continued)

(I) DISAGGREGATED REVENUE INFORMATION (continued)

The following table shows the revenue recognised in the current reporting period that were included in contract liabilities at the beginning of the reporting period:

	2026 HK$'000	2025 HK$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	131,632	95,504
Provision of professional and warranty services	137,710	137,407
	269,342	232,911

(II) PERFORMANCE OBLIGATIONS

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

Sale 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 amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June are as follows:

	2026 HK$'000	2025 HK$'000
Amounts expected to be recognised as revenue:		
Within one year	175,913	269,342
After one year	11,590	13,562
	187,503	282,904

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised after one year relate to warranty services of which the performance obligations are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

6. OTHER INCOME AND GAINS, NET

	Group	
	2026	2025
	HK$'000	HK$'000
Bank interest income	**1,898**	2,330
Interest income from an associate	**–**	584
Fair value gain on derivative financial instruments	**751**	280
Fair value gain on financial asset at fair value through profit or loss	**–**	15
Reversal of allowance for ECL on trade receivables *(Note 20)*	**–**	1,133
Foreign exchange gain, net	**3,679**	–
Government subsidies	**–**	465
Gain on disposal of property, plant and equipment	**10**	48
Gain on disposal of an associate	**–**	291
Write-back of long outstanding trade and other payables	**2,258**	2,305
Others*	**2,112**	2,812
	10,708	10,263

* Others mainly comprise reversal of provision, reimbursement from a supplier and other miscellaneous items.

7. FINANCE COSTS

	Group	
	2026	2025
	HK$'000	HK$'000
Interest on bank and other borrowings	**1,687**	4,545
Interest on lease liabilities	**802**	1,171
	2,489	5,716

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

8. (LOSS)/PROFIT BEFORE TAX

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

		Group	
		2026	2025
	Note	**HK$'000**	HK$'000
Cost of inventories sold		**1,757,646**	1,355,211
Cost of services provided		**396,961**	400,768
Reversal of write-down of inventories, net	*19*	**(3,132)**	(3,071)
Depreciation of property, plant and equipment^	*12*	**42,252**	3,324
Depreciation of right-of-use assets	*14*	**9,661**	9,765
Allowance for ECL on amount due from an associate*	*17*	**–**	6,086
Allowance for ECL on trade receivables, net*	*20*	**3,292**	–
Impairment of advances to supplier*	*21*	**3,345**	–
Fair value loss on a financial asset at fair value through profit or loss*		**774**	–
Property, plant and equipment written off	*12*	**–**	217
Lease payments not included in the measurement of lease liabilities	*14(c)*	**1,955**	1,938
Foreign exchange loss, net*		**–**	1,633
Auditors' remuneration:			
Audit fee paid to the auditor of the Company		**2,250**	2,309
Audit fee paid to other auditors		**138**	127
Non-audit fees paid to the auditor of the Company		**257**	248
Non-audit fees paid to other auditors**		**275**	271
Directors' fees		**861**	802
Employee benefit expense (including directors' remuneration *(Note 33(b))*):			
Wages and salaries		**122,989**	121,609
Pension scheme contributions		**7,678**	7,450
		130,667	129,059

* included in "Other expenses, net"

** mainly included internal audit fees

^ During the year, the Group has ceased to classify the Karin Building as an asset held for sale (Note 24). On reclassification of the Karin Building to property, plant and equipment, the carrying amount of the asset was adjusted for depreciation that would have been recognised had the asset not been classified as held for sale. The catch-up depreciation on reclassification was HK$35,287,000 (Note 4). Consequently, the depreciation of property, plant and equipment for the year included the depreciation of Karin Building of HK$40,791,000 (2025: Nil) since it ceased to be classified as an asset held for sale.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

9. INCOME TAX EXPENSE

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 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.

	2026 **HK$'000**	2025 HK$'000
Current tax:		
Charge for the year	**6,619**	6,927
Under/(over) provision in prior years	**1,473**	(40)
	8,092	6,887
Deferred tax *(Note 27)*:		
Origination and reversal of temporary differences	**2,800**	(62)
Under provision in prior years	**–**	723
Total tax expense for the year*	**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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

9. INCOME TAX EXPENSE (continued)

A reconciliation between tax expense and the product of accounting profit at the statutory tax rate of Hong Kong is as follows:

	Group	
	2026	2025
	HK$'000	HK$'000
(Loss)/profit before tax	**(7,986)**	24,114
Tax at the statutory rate of Hong Kong of 16.5% (2025: 16.5%)	**(1,318)**	3,979
Effect of different tax rates in other jurisdictions	**473**	516
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**531**	676
Effect of additional tax deduction allowed by tax authorities	**(703)**	(679)
Income not subject to tax	**(773)**	(813)
Expenses not deductible for tax	**10,338**	1,331
Under provision of tax in prior years	**1,473**	683
Benefits from previously unrecognised deferred tax assets	**(1,422)**	(226)
Deferred tax assets not recognised	**2,607**	2,392
Others	**(314)**	(311)
Income tax expense	**10,892**	7,548

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

10. DIVIDENDS

	Group and Company	
	2026	2025
	HK$'000	HK$'000
Declared and paid during the financial year:		
Dividends (tax-exempt) on ordinary shares:		
Interim dividend for 2026 — NIL (2025: HK$0.049) per share	**–**	10,600
Final dividend for 2025 — HK$0.0388 (2024: HK$0.0388) per share	**8,393**	8,393
	8,393	18,993
Proposed but not recognised as a liability as at 30 June:		
Dividends (tax-exempt) on ordinary shares, subject to shareholders' approval at the AGM:		
Final dividend for 2026 — HK$0.018 (2025: HK$0.0388) per share	**3,813**	8,393
Special dividend for 2026 — HK$0.05 (2025: Nil) per share	**10,590**	–
	14,403	8,393

11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY SHAREHOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts 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 number of ordinary shares of 215,876,228 and 216,323,400 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 years ended 30 June 2026 and 2025.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT

	Properties held for own use and buildings HK$'000	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Group						
2026						
At 1 July 2025:						
Cost	–	20,750	2,517	27,052	3,224	53,543
Accumulated depreciation	–	(20,278)	(1,656)	(25,575)	(1,723)	(49,232)
Net carrying amount	–	472	861	1,477	1,501	4,311
At 1 July 2025, net carrying amount	–	472	861	1,477	1,501	4,311
Additions	–	8	34	288	–	330
Reclassification from assets classified as held for sale *(Note 24)*	64,043	1,549	87	409	–	66,088
Depreciation charge	(38,973)	(1,551)	(283)	(974)	(471)	(42,252)
Exchange realignment	–	–	34	52	11	97
At 30 June 2026, net carrying amount	25,070	478	733	1,252	1,041	28,574
At 30 June 2026:						
Cost	86,908	66,635	13,251	29,579	3,251	199,624
Accumulated depreciation	(61,838)	(66,157)	(12,518)	(28,327)	(2,210)	(171,050)
Net carrying amount	25,070	478	733	1,252	1,041	28,574

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Properties held for own use and buildings HK$'000	Leasehold improvements HK$'000	Furniture and fixtures HK$'000	Office equipment HK$'000	Motor vehicles HK$'000	Total HK$'000
Group						
2025						
At 1 July 2024:						
Cost	–	21,178	1,910	26,515	3,369	52,972
Accumulated depreciation	–	(19,322)	(1,375)	(24,321)	(1,767)	(46,785)
Net carrying amount	–	1,856	535	2,194	1,602	6,187
At 1 July 2024, net carrying amount	–	1,856	535	2,194	1,602	6,187
Additions	–	–	592	400	854	1,846
Disposal	–	–	–	–	(217)	(217)
Written off	–	(217)	–	–	–	(217)
Depreciation charge	–	(1,168)	(271)	(1,141)	(744)	(3,324)
Exchange realignment	–	1	5	24	6	36
At 30 June 2025, net carrying amount	–	472	861	1,477	1,501	4,311
At 30 June 2025:						
Cost	–	20,750	2,517	27,052	3,224	53,543
Accumulated depreciation	–	(20,278)	(1,656)	(25,575)	(1,723)	(49,232)
Net carrying amount	–	472	861	1,477	1,501	4,311

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

13. GOODWILL

	Group	
	2026	2025
	HK$'000	HK$'000
Cost	**5,104**	5,104
Accumulated impairment	**(4,045)**	(4,045)
Net carrying amount	**1,059**	1,059

IMPAIRMENT ASSESSMENT

Goodwill acquired through business combinations has been allocated to the following cash-generating units, which are reportable operating segments, at the date of acquisition for impairment testing:

- Components Distribution
- IT Infrastructure

The recoverable amounts of these cash-generating units have been determined based on a value in use calculation using cash flow projections which are based on financial budgets approved by management covering a period of five years. Cash flows beyond the period of five years are extrapolated based on a forecasted growth rate of 3% (2025: 3%) per annum. The discount rate applied to cash flow projections is 10% (2025: 10%).

At the end of the financial year, the carrying amounts of goodwill allocated to each of the cash generating units were as follows:

	2026	2025
	HK$'000	HK$'000
Components Distribution	**862**	862
IT Infrastructure	**197**	197
	1,059	1,059

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

13. GOODWILL (continued)

IMPAIRMENT ASSESSMENT (continued)

Assumptions were used in the value in use calculation of the relevant cash-generating units for 30 June 2026 and 2025. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

- *Budgeted revenue*

  The basis used to determine the budgeted revenue is with reference to the expected growth rate of the market in which the assessed cash-generating unit operates.

- *Budgeted gross margins*

  The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements.

- *Business environment*

  There will be no major changes in the existing political, legal and economic conditions in Hong Kong, Mainland China and Singapore in which the assessed entities within the cash-generating units carry on their businesses.

- *Discount rate*

  The discount rate used is before tax and reflects specific risks relating to the relevant units.

No impairment of goodwill was recognised in the current financial year (2025: Nil).

14. LEASES

The Group has lease contracts for warehouses, office premises and other equipment used in its operations. Leases of warehouses and office premises generally have lease terms between 2 and 3 years. Other equipment has a lease term of 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. No lease contracts include extension and termination options and variable lease payments.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

14. LEASES (continued)

(A) RIGHT-OF-USE ASSETS

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Warehouses HK$'000	Office premises HK$'000	Other equipment HK$'000	Total HK$'000
As at 1 July 2024	235	4,310	420	4,965
Additions	8	23,175	–	23,183
Depreciation charge	(163)	(9,458)	(144)	(9,765)
Exchange realignment	4	22	–	26
As at 30 June 2025 and 1 July 2025	**84**	**18,049**	**276**	**18,409**
Additions	**353**	**470**	**–**	**823**
Depreciation charge	**(139)**	**(9,378)**	**(144)**	**(9,661)**
Exchange realignment	**7**	**58**	**–**	**65**
As at 30 June 2026	**305**	**9,199**	**132**	**9,636**

(B) LEASE LIABILITIES

The carrying amount of lease liabilities (included lease liabilities under interest-bearing bank and other borrowings) and the movements during the year are as follows:

	2026 HK$'000	2025 HK$'000
Carrying amount at beginning of financial year	**17,878**	4,962
Additions	**823**	21,537
Accretion of interest	**802**	1,171
Payments	**(9,951)**	(9,820)
Exchange realignment	**72**	28
Carrying amount at end of financial year	**9,624**	17,878
Analysed as:		
Lease liabilities		
– Current	**8,099**	8,890
– Non-current	**1,259**	8,629
	9,358	17,519
Other borrowings *(Note 26)*	**266**	359
	9,624	17,878

The maturity analysis of lease liabilities is disclosed in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

14. LEASES (continued)

(C) THE AMOUNT RECOGNISED IN PROFIT OR LOSS IN RELATION TO LEASES ARE AS FOLLOWS:

	2026 HK$'000	2025 HK$'000
Interest on lease liabilities	802	1,171
Depreciation charge of right-of-use assets	9,661	9,765
Expense relating to short-term leases (included in administrative expenses)	1,955	1,938
Total amount recognised in profit or loss	12,418	12,874

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2026 HK$'000	2025 HK$'000
Unlisted shares, at cost	73,931	73,931
Capital contribution in respect of employee share-based compensation	2,377	2,377
	76,308	76,308

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

15. INVESTMENT IN SUBSIDIARIES (continued)

(A) PARTICULARS OF THE MATERIAL INVESTMENT IN SUBSIDIARIES ARE AS FOLLOWS:

Name (Place of incorporation/operations)	Principal activities	Proportion (%) of ownership interest 2026	2025
Held by the Company			
Karin Electronic Supplies Company Limited [1] (Hong Kong)	Distribution and trading of IT infrastructure solutions	100	100
New Spirit Technology Limited [1] (Hong Kong)	Distribution and trading of electronic components and provision of integrated circuit application design solutions	100	100
Kepro Solutions Limited [1] (Hong Kong)	Provision of computer data storage management, network and cybersecurity solutions and services; provision of application development and data platform solutions and services	100	100
Sen Spirit Technology Limited [1] (Hong Kong)	Distribution and trading of IT infrastructure solutions, and network and cybersecurity solutions; provision of professional services in network and cybersecurity solutions	100	100
Compucon Computers Limited [1] (Hong Kong)	Distribution and trading of IT infrastructure and network solutions and software applications; distribution of audio visual solutions for business, and consumer electronic products	100	100
Karin Solutions and Services Limited [1] (Hong Kong)	Provision of professional consulting services	100	100
Compusmart Limited [1] (British Virgin Islands/ Hong Kong)	Property holding	100	100
Karsing Pte Ltd [4] (Singapore)	Provision of computer data storage management solutions and services	100	100
KCF A Store Limited [1] (Hong Kong)	Retailing of Consumer Electronic Products	80	80
Kagile Solutions Limited [1] (Hong Kong)	Provision of software application products for corporate clients	70	70
Kepro (Macau) Company Limited [1] (Macau)	Provision of computer data storage management, network and cybersecurity solutions	100	100
Karin (Macau) Company Limited [6] (Macau)	Distribution and trading of IT infrastructure and network solutions and software applications	100	100
Karin Technology (BVI) Limited [6] (British Virgin Islands/Hong Kong)	Investment holding	100	100
Kepro Australia Pty Ltd [6] (Australia)	Provision of computer data software and energy storage solutions	100	100
Held through subsidiaries			
Karin Electronic Trading (Shenzhen) Company Limited* [5] (The People's Republic of China)	Trading of electronic components, computer products and peripherals	100	100
Karin International Trading (Shanghai) Company Limited* [3] (The People's Republic of China)	Trading of electronic components, computer products and peripherals	100	100
New Spirit Electronic Technology Development (Shenzhen) Company Limited* [5] (The People's Republic of China)	Provision of IC software application design	100	100
Karltec Information System (Shenzhen) Company Limited* [2] (The People's Republic of China)	Distribution of computer products and peripherals	100^	100^

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

15. INVESTMENT IN SUBSIDIARIES (continued)

(A) PARTICULARS OF THE MATERIAL INVESTMENT IN SUBSIDIARIES ARE AS FOLLOWS: (continued)

^ The Company's effective equity interest in the subsidiary is 75% (2025: 75%)

* The English names of the subsidiaries are direct translations of their registered Chinese names.

(1) Audited by a member firm of EY Global

(2) Audited by Wongga Partners Certified Public Accountants (SZ) General Partner

(3) Audited by Shanghai JiaLiang CPAs Limited

(4) Audited by HLB Atrede LLP

(5) Audited by Shenzhen Hengrui Certified Public Accountants (General Partnership)

(6) Not required to be audited

For purposes of the consolidated financial statements, the above subsidiaries are audited by a member firm of EY Global.

(B) The balances with subsidiaries are unsecured, interest-free, repayable on demand and is expected to be settled in cash. The carrying amounts of the balances approximate their fair values.

(C) Management is of the opinion that the Group does not have any material non-wholly owned subsidiary which requires additional disclosures in accordance with the requirements set out in IFRS 12 Disclosure of interests in other entities.

16. INVESTMENT IN AN ASSOCIATE

	Group	
	2026	2025
	HK$'000	HK$'000
Share of net assets	**–**	–

Particulars of the investment in an associate is as follows:

Name (Place of incorporation/operations)	Principal activities	Proportion (%) of ownership interest	
		2026	2025
Held through subsidiaries			
Infodeck Technology Pte Ltd ("**ITPL**") (Singapore)	Development and sale of software products and digital solutions	**40**	40

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

16. INVESTMENT IN AN ASSOCIATE (continued)

In July 2023, the Group, through the subsidiary Karin Technology (BVI) Limited ("**KTBVI**"), subscribed for 40% of the issued share capital of ITPL for a cash consideration of SGD40,000 (HK$236,000). ITPL is not considered a material associate of the Group.

In FY2024, the Group recognised its share of ITPL's post-acquisition loss to the extent of its cost of investment in the associate of HK$236,000 and the carrying amount of this investment (applying the equity method of accounting) was Nil. The Group's share of unrecognised losses at the end of the reporting period was HK$5,052,000 (2025: HK$2,135,000).

KTBVI has the option to subscribe for such additional number of shares in ITPL representing 51% of the enlarged issued share capital on the terms of the option agreement. The option may be exercised by KTBVI upon occurrence of the event whereby accumulated losses of ITPL for a full financial year, exceed SGD1,000,000. In the event that the option is not exercised within two years from 19 July 2023, KTBVI and ITPL's controlling shareholder may determine if the option agreement shall be terminated. In FY2026, the option agreement had lapsed and was not extended.

17. AMOUNT DUE FROM AN ASSOCIATE

The amount due from an associate is non-trade in nature, unsecured and expected to be recovered beyond twelve months from the end of the reporting period. According to the shareholders' agreement, the Group reserves the right, exercisable at its discretion, to charge interest on the outstanding amount at the prevailing market rate, as determined by the Group through written notice to the associate. No interest was charged on the outstanding amount in the current financial year. In 2025, the amount due from the associate was interest bearing at 5.5% per annum.

The movement in allowance for ECL is as follows:

	Group	
	2026	2025
	HK$'000	HK$'000
At beginning of financial year	**6,086**	–
Charge for the year *(Note 8)*	**–**	6,086
At end of financial year	**6,086**	6,086

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

18. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2026	2025
	HK$'000	HK$'000
Current		
Unquoted investment:		
Carrying amount at beginning of year	**1,055**	1,040
Net (loss)/gain from a fair value adjustment recognised in profit or loss	**(774)**	15
Carrying amount at end of year	**281**	1,055

On 25 June 2015, the Group entered into an investment agreement with an independent third party (the "**Investee**"), pursuant to which the Group invested in a product development project undertaken by the Investee (the "**Project**") at an initial investment cost of HK$2 million.

During the year ended 30 June 2026, the Group recognised a fair value loss on the investment in the Project amounting to HK$774,000 (2025: gain HK$15,000).

FAIR VALUE HIERARCHY

At the end of the reporting period, fair value measurement of the Group's financial asset at fair value through profit or loss is using significant unobservable inputs (Level 3) as defined in IFRS 13. During the year, there were no transfers of fair value measurements between Level 1 (quoted prices in active markets) and Level 2 (significant observable inputs) and no transfers into or out of Level 3 (2025: Nil).

Below is a summary of the valuation technique used and the key input to the valuation in the current year:

	Valuation technique	**Significant unobservable input**	**Rate**	**Sensitivity of fair value to inputs**
Unquoted investment	Income approach	Discount rate	18% (2025: 9.64%)	When the discount rate increase by 50 (2025: 50) basis points, the fair value will decrease by HK$2,000 (2025: HK$38,000). When the discount rate decrease by 50 (2025: 50) basis points, the fair value will increase by HK$2,000 (2025: HK$72,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

19. INVENTORIES

	Group	
	2026	2025
	HK$'000	HK$'000
Trading inventories	**257,768**	252,013
Consolidated statement of comprehensive income		
Inventories recognised as an expense in cost of sales	**1,754,514**	1,352,140
Inclusive of the following charge/(credit):		
– Inventories written down	**5**	3,429
– Reversal of write-down of inventories	**(3,137)**	(6,500)

The reversal of write-down of inventories was made when the related inventories were sold above their carrying amounts.

20. TRADE AND BILLS RECEIVABLES

	Group	
	2026	2025
	HK$'000	HK$'000
Trade receivables	**439,973**	377,537
Less: Allowance for ECL	**(3,800)**	(529)
	436,173	377,008
Bills receivables	**3,210**	8,938
	439,383	385,946

The Group offers credit terms to certain customers. Trade receivables, which are non-interest-bearing, are recognised and carried at their original invoice amounts less allowances for any uncollectible amounts. The Group does not hold any collateral or other credit enhancements over these balances. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

20. TRADE AND BILLS RECEIVABLES (continued)

The movement in allowance for ECL on trade receivables is as follows:

	Group	
	2026	2025
	HK$'000	HK$'000
At beginning of financial year	**529**	9,465
Allowance/(reversal) for the year *(Note 8, 6)*	**3,292**	(1,133)
Written off	**–**	(8,386)
Exchange realignment	**(21)**	583
At end of financial year	**3,800**	529

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar geographical regions. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

2026

		Past due					
	Current	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 12 months**	**More than 1 year**	**Total**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Expected credit loss rate (%)	**0.04%**	**0.12%**	**0.57%**	**2.90%**	**13.06%**	**80.23%**	**0.86%**
Gross carrying amount	**305,619**	**101,988**	**13,667**	**3,592**	**12,998**	**2,109**	**439,973**
Expected credit losses	**110**	**119**	**78**	**104**	**1,697**	**1,692**	**3,800**

2025

		Past due					
	Current	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Expected credit loss rate (%)	0.02%	0.08%	0.33%	0.86%	1.17%	78.62%	0.14%
Gross carrying amount	283,933	59,894	19,688	11,505	2,227	290	377,537
Expected credit losses	61	50	65	99	26	228	529

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Group		Company	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Prepayments	**5,029**	5,838	**–**	–
Advances to suppliers	**133,141**	154,545	**–**	–
Contract assets	**19,596**	11,360	**–**	–
Deposits	**3,794**	4,050	**–**	–
Other receivables	**366**	2,845	**–**	–
	161,926	178,638	**–**	–
Analysed as:				
Current portion	**137,050**	153,569	**–**	–
Non-current portion	**24,876**	25,069	**–**	–

During the year, an impairment loss of HK$3,345,000 (2025: Nil) was recognised on long-outstanding advances provided to a supplier due to uncertainty of their recoverability. None of the other assets is either past due or impaired. The financial assets included in the above balances relate to deposits and receivables for which there was no recent history of default. Since the deposits and other receivables are related to receivables which are still current and the payment is not due, the expected credit loss rates of deposits and other receivables are assessed to be minimal.

(A) CONTRACT ASSETS

	Group		
	30 June 2026 HK$'000	30 June 2025 HK$'000	1 July 2024 HK$'000
Contract assets arising from:			
IT infrastructure	**19,596**	11,360	18,441

Contract assets are initially recognised for revenue earned from the IT infrastructure as the receipt of consideration is based on the billing process. Included in contract assets for IT infrastructure are unbilled amounts of revenue. These amounts recognised as contract assets are reclassified to trade receivables upon billing. The increase in contract assets in 2026 and the decrease in contract assets in 2025 were the result of the respective increase/decrease in the ongoing sale of IT infrastructure at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

(A) CONTRACT ASSETS (continued)

The expected timing of recovery or settlement for contract assets as at 30 June is as follows:

	Group	
	2026	2025
	HK$'000	HK$'000
Within one year	**12,250**	4,984
After one year	**7,346**	6,376
Total contract assets	**19,596**	11,360

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables for groupings of various customer segments with similar loss patterns. The calculation reflects the reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

None of the above assets is past due or impaired. There was no recent history of default for the contract assets. Since the contract assets are related to receivables which are still current and the payment is not due, the expected credit loss rates of contract assets are assessed to be minimal.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

22. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has entered into various forward currency contracts to manage its exchange rate exposures. The forward currency contracts are derivatives and are classified as financial assets at fair value through profit or loss and are stated at fair values at the end of the reporting period. The fair values disclosed in these financial statements were based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (Level 2 of the fair value hierarchy as defined in IFRS 13).

	2026		2025	
	Contract/ Notional amount HK$	**Assets HK$'000**	Contract/ Notional amount HK$	Assets HK$'000
Forward currency contracts	**1,077,696**	**1,078**	326,811	327

The Group recognised a fair value gain on derivative financial instruments of HK$751,000 (2025: HK$280,000) for the year.

The fair value of the Group's forward currency contracts is determined by discounting the estimated future cash flows which are based on the terms and conditions of the forward currency contracts, the historical prices of the underlying currencies, the contractual period, discount rate and other factors materially affecting the values of the forward contracts.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for the financial instruments (2025: Nil).

23. CASH AND CASH EQUIVALENTS

	Group		**Company**	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Cash and bank balances	**68,706**	82,032	**3,544**	1,012
Short-term deposits	**35,099**	61,993	**–**	–
	103,805	144,025	**3,544**	1,012

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with major or reputable banks. Short-term deposits are made for varying periods of up to three months, and earn interest at the respective short-term deposit rates.

At 30 June 2026, the cash and bank balances of the Group denominated in Renminbi ("**RMB**") amounted to HK$16,752,000 (2025: HK$16,780,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

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

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. The Group has been actively seeking independent third-party buyers for the Karin Building, held by Compusmart, through the transfer of Compusmart's equity interest.

Following a reassessment of the classification of one of the Group's principal assets, the Group has reclassified the Karin Building from asset held for sale 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.

The major classes of assets and liabilities of Compusmart classified as held for sale as at 30 June 2025 were as follows:

	Note	**Group** 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	*27*	1,354
Total liabilities directly associated with assets classified as held for sale		1,733
Net assets		65,059

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

25. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS

		Group		Company	
		2026	2025	**2026**	2025
	Note	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Trade and bills payables		**319,712**	248,899	**–**	–
Other payables and accruals:					
Contract liabilities	*(a)*	**187,503**	282,904	**–**	–
Refund liabilities		**487**	487	**–**	–
Other payables	*(b)*	**29,170**	2,898	**344**	–
Accruals		**25,346**	28,170	**1,714**	1,688
		242,506	314,459	**2,058**	1,688
Other payables and accruals analysed as:					
Current portion		**229,084**	298,751	**2,037**	1,688
Non-current portion		**13,422**	15,708	**21**	–

Trade and bills payables and other payables are non-interest bearing and are normally settled on terms of 30 to 60 days.

Certain suppliers are provided guarantees by the Company and certain subsidiaries. Refer to Note 32 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

25. TRADE AND BILLS PAYABLES, OTHER PAYABLES AND ACCRUALS (continued)

(A) CONTRACT LIABILITIES

	30 June 2026 HK$'000	30 June 2025 HK$'000	1 July 2024 HK$'000
Advances received from customers			
Sales of goods	**64,984**	131,632	95,504
Provision of professional and warranty services	**122,519**	151,272	172,715
IT infrastructure	**187,503**	282,904	268,219

Contract liabilities include advances received to sell the goods and render professional and warranty services. The decrease in contract liabilities in 2026 and the increase in contract liabilities in 2025 were mainly due to the respective decrease/increase in advances received from customers in relation to provision of professional and warranty services at the end of each reporting period.

(B) OTHER PAYABLES

Provision for long service payment of HK$1,832,000 (2025: HK$2,146,000) was included in other payables as at 30 June 2026.

The Group is obligated to make long service payment to qualifying employees in Hong Kong with a minimum of 5 years' employment period upon retirement or termination of employment under certain circumstances, in accordance with the Hong Kong Employment Ordinance (the "**Employment Ordinance**"). Long service payment is calculated based on the last monthly salary of the employee and the number of years of service. There are provisions under the Employment Ordinance permitting employers to offset employees' long service payment against the accrued benefits attributable to employers' contributions to the MPF Scheme. In accordance with the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022 (the "**Amendment Bill**") enacted in 2022, the Group can no longer use the accrued benefits arising from MPF mandatory employers' contributions to offset employees' long service payment accrued as from 1 May 2025. The enactment of the Amendment Bill is treated as a plan amendment. Except for the statutory right to offset as described above, the long service payment benefits are unfunded.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2026		2025	
	Maturity	HK$'000	Maturity	HK$'000
Current				
Lease liabilities *(Note 14(b))*	2027	98	2026	92
Bank loans, unsecured	2027	46,036	2026	57,415
		46,134		57,507
Non-current				
Lease liabilities *(Note 14(b))*	2028-2029	168	2027-2029	267

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

At 30 June 2026, bank borrowings of HK$46,036,000 (2025: HK$57,415,000) were guaranteed by the Company and certain subsidiaries.

27. DEFERRED TAX

	Group	
	2026	2025
Net deferred tax liabilities	HK$'000	HK$'000
At 1 July	(2,984)	(2,099)
Charge to profit or loss	(2,800)	(661)
Reclassification (from)/to liabilities directly associated with assets classified as held for sale	(1,354)	58
Exchange realignment	(391)	(282)
At 30 June	(7,529)	(2,984)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

27. DEFERRED TAX (continued)

Deferred tax relates to the following:

	Group	
	2026	2025
	HK$'000	HK$'000
Deferred tax assets		
Differences in depreciation for tax purposes	**–**	911
Loss available for offsetting against future taxable profits	**942**	802
Assets provision	**2,550**	2,520
Lease liabilities	**124**	311
	3,616	4,544
Deferred tax liabilities		
Differences in depreciation for tax purposes	**(3,126)**	–
Right-of-use assets	**(131)**	(302)
Undistributed retained earnings of PRC subsidiaries	**(7,888)**	(7,226)
	(11,145)	(7,528)
Presented after appropriate offsetting:		
Deferred tax assets	**4,279**	4,263
Deferred tax liabilities	**(11,808)**	(7,247)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 30 June 2026, deferred tax liabilities of HK$$7,888,000 (2025: HK$7,226,000) has been recognised for withholding taxes that would potentially be payable on the unremitted earnings of the Group's subsidiaries established in Mainland China.

At 30 June 2026, deferred tax assets have not been recognised in respect of unused tax losses of HK$97,034,000 (2025: HK$82,848,000) as they have arisen in the Company and certain subsidiaries that have been loss-making for some time and it is not probable that taxable profits will be available against which such tax losses can be utilised. Out of this amount, unrecognised tax losses of HK$18,333,000 (2025: HK$8,984,000) will expire in five years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

28. SHARE CAPITAL

(I) SHARES

	Group and Company	
	2026	2025
	HK$'000	HK$'000
Authorised:		
10,000,000,000 ordinary shares of HK$0.1 each	**1,000,000**	1,000,000
Issued and fully paid:		
216,360,000 (2025: 216,360,000) ordinary shares of HK$0.1 each	**21,636**	21,636

	Number of shares in issue	Issued capital HK$'000	Share premium account HK$'000	Total HK$'000
At 1 July 2024, 30 June 2025, 1 July 2025 and 30 June 2026	**216,360,000**	**21,636**	**48,935**	**70,571**

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares) carry one vote per share without restrictions.

(II) TREASURY SHARES

	2026		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	**3,561,100**	**5,568**	–	–
End of the year	**3,597,700**	**5,629**	36,600	61

For the share buy-back during the year, an amount of HK$5,247,000 has been paid in cash and an amount of HK$321,000 is payable as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

29. SHARE OPTION SCHEMES AND SHARE PERFORMANCE PLAN

(A) SHARE OPTION SCHEMES

The Company operates the 2005 Karin Employee Share Option Scheme (the "**2005 ESOS**") for the purpose of providing incentives and rewards to eligible participants who have contributed significantly to the growth and performance of the Group. Eligible participants of the 2005 ESOS include the Company's directors, including independent directors, and other employees of the Group.

The offer of a grant of share options may be accepted within 30 days after the relevant offer date by completing, signing and returning to the Company the acceptance form accompanied by payment of HK$1.00 as consideration by the grantee. The exercise period of the share options granted at market price commences at any time after the first anniversary from the offer date of that option and the exercise period of the share options granted at below market price commences at any time after the second anniversary from the offer date of that option, provided that the options shall be exercised before the tenth anniversary of the relevant offer date, except that the options granted to independent directors shall be exercised before the fifth anniversary of the relevant offer date, or an earlier date as may be determined by the committee of the Scheme (the "**Committee**").

The exercise price of the share option is determined by the Committee at its absolute discretion and fixed by the Committee at (i) the average last dealt price for the Company's shares determined by reference to the daily official lists published by the SGX-ST for the five consecutive trading days immediately prior to the relevant offer date (the "**Price**"), or (ii) a price which is set at a discount of not exceeding 20% of the Price and approved by the shareholders at a general meeting in a separate resolution in respect of that option. The aggregate number of shares in respect of which options may be offered to a grantee for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Committee.

Pursuant to a resolution passed at the annual general meeting ("**AGM**") held on 9 October 2014, the 2005 ESOS was cancelled and the 2014 Karin Employee Share Option Scheme (the "**2014 ESOS**") has been adopted. There is no material difference between the terms of the 2005 ESOS and the 2014 ESOS, save that the definition of "eligible participants" and necessary modification and/or amendments have been made pursuant to the Listing Manual of the SGX-ST. The purpose of the 2014 ESOS is to replace the 2005 ESOS and to enable the Company to give recognition to the contributions made by eligible participants towards the success and continued well-being of the Group. Upon the termination of the 2005 ESOS, all share options granted have either been exercised or lapsed and no further share options will be granted under the 2005 ESOS. Since the adoption of the 2014 ESOS, no share option has been granted thereunder.

The 2014 ESOS has a maximum duration of ten years and expired in October 2024. The Company replaced it with the 2024 Karin Employee Share Option Scheme (the "**2024 ESOS**") which was approved by the shareholders at the AGM on 30 October 2024. There is no material difference from the terms of the 2014 ESOS. The 2024 ESOS has a maximum duration of 10 years and expires on 30 October 2034.

Share options do not confer rights on the holders either to dividends, or to vote at shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

29. SHARE OPTION SCHEMES AND SHARE PERFORMANCE PLAN (continued)

(B) PERFORMANCE SHARE PLAN

The Company operates the 2010 Karin Performance Share Plan (the "**2010 KPSP**") for the purpose of promoting higher performance goals and recognising exceptional achievement. Eligible participants of the 2010 KPSP include the Company's directors, including independent directors, and other employees of the Group (the "**Selected Employee**").

When a Selected Employee has satisfied all vesting conditions, which might include service and/or performance conditions, specified by the Board at the time of making the 2010 KPSP and becomes entitled to the shares of the Company forming the subject of the 2010 KPSP.

The 2010 KPSP was expired on 21 October 2020 and no shares have been granted as of that date. At the annual general meeting held on 23 October 2020, the 2020 Karin Performance Share Plan (the "**2020 KPSP**") was adopted, subject to a maximum period of 10 years commencing on 23 October 2020. There is no material difference between the terms of the 2010 KPSP and the 2020 KPSP.

The fair value of the share granted will be based on the market value of the Company's shares at the grant date.

1,600,000 shares had been granted and issued to independent directors (600,000 shares) and executives (1,000,000 shares) of the Company in 2023. There has been no further issuance of shares under the 2020 KPSP.

30. RESERVES

GROUP

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the financial statements.

Contributed surplus

The Group's contributed surplus represents the difference between the aggregate of the nominal value of issued share capital and the balance of the contributed surplus account the company acquired, and the nominal value of the shares of the Company issued in exchange therefor, pursuant to a group restructuring completed in prior years.

Land and buildings revaluation reserve

The land and buildings revaluation reserve arose from a change in use from owner-occupied properties to investment properties carried at fair value before 1 January 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

30. RESERVES (continued)

GROUP (continued)

General reserve

In accordance with the relevant PRC regulations, each of the Group's PRC subsidiaries is required to transfer not less than 10% of its profit after tax, as determined in accordance with the PRC accounting standards and regulations, to the general reserve until such reserve reaches 50% of its registered capital. The quantum of the annual transfer is subject to the approval of the respective boards of directors of the PRC subsidiaries in accordance with their respective articles of association.

Other reserve

The Group's other reserve represents the difference between the amounts by which the non-controlling interests are adjusted and the fair value of the consideration paid to acquire additional interest in a subsidiary.

Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

COMPANY

	Note	Share premium account HK$'000	Contributed surplus HK$'000	Retained profits HK$'000	Total HK$'000
At 1 July 2024		48,935	36,311	17,234	102,480
Profit for the year and total comprehensive income for the year		–	–	19,134	19,134
Dividends paid	*10*	–	–	(18,993)	(18,993)
At 30 June 2025 and 1 July 2025		**48,935**	**36,311**	**17,375**	**102,621**
Profit for the year and total comprehensive income for the year		**–**	**–**	**5,944**	**5,944**
Dividend paid	*10*	**–**	**–**	**(8,393)**	**(8,393)**
At 30 June 2026		**48,935**	**36,311**	**14,926**	**100,172**

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(A) MAJOR NON-CASH TRANSACTIONS

During the year, the Group had non-cash additions and lease modifications to right-of-use assets and lease liabilities, totaling HK$823,000 (2025: HK$23,183,000) and HK$823,000 (2025: HK$21,537,000), respectively.

(B) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Bank loans HK$'000	Lease liabilities HK$'000
At 1 July 2024	105,466	4,962
Changes from financing cash flows	(48,051)	(9,820)
New leases	–	21,537
Exchange realignment	–	28
Interest expense	–	1,171
At 30 June 2025 and 1 July 2025	**57,415**	**17,878**
Changes from financing cash flows	**(11,379)**	**(9,951)**
New leases	**–**	**823**
Exchange realignment	**–**	**72**
Interest expense	**–**	**802**
At 30 June 2026	**46,036**	**9,624**

(C) TOTAL CASH OUTFLOW FOR LEASES

The total cash outflow for leases included in the statement of cash flows is as follows:

	2026 HK$'000	2025 HK$'000
Within operating activities	**1,955**	1,938
Within financing activities	**9,951**	9,820
	11,906	11,758

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

32. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

	Group		Company	
	2026 HK$'000	2025 HK$'000	**2026 HK$'000**	2025 HK$'000
Guarantees given to banks in connection with facilities granted to subsidiaries	**–**	–	**875,000**	875,000
Guarantees given to suppliers in connection with credit facilities granted to subsidiaries	**–**	–	**750,605**	711,177
	–	–	**1,625,605**	1,586,177

As at 30 June 2026, the guarantees given to banks and suppliers by the Company and certain subsidiaries in connection with facilities granted to the Group were utilised to the extent of approximately HK$80,673,000 (2025: HK$57,415,000) and HK$171,179,000 (2025: HK$134,278,000) respectively.

33. RELATED PARTY DISCLOSURES

(A) TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

33. RELATED PARTY DISCLOSURES (continued)

(B) REMUNERATION OF DIRECTORS

	Group	
	2026	2025
	HK$'000	HK$'000
Fees	**861**	802
Short term employee benefits	**7,088**	6,553
Post-employment benefits	**36**	23
	7,985	7,378

(C) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP (INCLUDING DIRECTORS' REMUNERATION)

	Group	
	2026	2025
	HK$'000	HK$'000
Fees	**861**	802
Short term employee benefits	**22,083**	21,851
Post-employment benefits	**189**	180
Termination benefits	**509**	–
	23,642	22,833

In the opinion of the directors, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

34. 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:

2026

	Group			Company
	Financial assets at fair value through profit or loss HK$'000	Financial assets at amortised cost HK$'000	Total HK$'000	Financial assets at amortised cost HK$'000
Financial assets				
Trade and bills receivables	–	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

	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	–	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	–
Amounts due to subsidiaries	–	–	–	10,000
	–	397,260	397,260	10,923

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

34. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

2025

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

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

The carrying amounts of the Group's financial instruments approximate their fair values.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments mainly comprise interest-bearing bank and other borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables, financial assets included in prepayments, other receivables and other assets, financial asset at fair value through profit or loss, trade and bills payables, financial liabilities included in other payables and accruals, and derivative financial instruments which arise directly from its operations.

It is, and has been throughout the current and previous financial year, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are (a) interest rate risk, (b) foreign currency risk, (c) credit risk and (d) liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(A) INTEREST RATE RISK

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank balances with floating interest rates and the interest-bearing bank and other borrowings. The Group monitors the movements in interest rates on an ongoing basis and evaluates the exposure for its bank balances and borrowings.

At the end of the reporting period, if interest rates had been 50 (2025: 50) basis points lower/higher with all other variables held constant, the Group's loss before tax would have been HK$230,000 lower/higher (2025: profit before tax would have been HK$287,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating rate bank loans.

(B) FOREIGN CURRENCY RISK

The Group's exposure to market risk for changes in foreign currency exchange rate relates primarily to trade receivables, trade payables and bank balances denominated in currencies other than the units' functional currencies, primarily United States dollar ("**US$**"). The Group use foreign currency forward contracts to reduce its foreign currency risk but does not apply hedge accounting. Further details of the forward currency contracts are set out in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(B) FOREIGN CURRENCY RISK (continued)

The Group's exposure to foreign currency risk is as follows:

	Group	
	2026	2025
	US$	US$
	HK$'000	HK$'000
Financial assets:		
Trade and bills receivables	**141,488**	127,836
Cash and cash equivalents	**45,873**	90,086
Financial liabilities:		
Trade and bills payables	**(188,116)**	(88,246)
Net financial (liabilities)/assets	**(755)**	129,676

The following table demonstrates the sensitivity of the Group's (loss)/profit before tax to a reasonably possible change in the US$ exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/(decrease) in	
	loss before tax	profit before tax
	2026	2025
	HK$'000	HK$'000
Group		
US$/HK$		
– strengthened 1% (2025: 1%)	**8**	1,297
– weakened 1% (2025: 1%)	**(8)**	(1,297)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(C) CREDIT RISK

The Group and Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, and the guarantees disclosed in Note 32.

The Group has no significant concentration of credit risk in relation to trade receivables due to the Group's large customer base. Concentrations of credit risk are analysed by customer/counterparty, by geographical region and by industry sector. The Group performs ongoing credit evaluations of its customers' financial condition and requires no collateral from its customers.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 30 June. The amounts presented are gross carrying amounts for financial assets.

2026

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Amount due from an associate**	–	–	6,086	–	6,086
Trade receivables*	–	–	–	439,973	439,973
Bills receivables**	3,210	–	–	–	3,210
Contract assets*	–	–	–	19,596	19,596
Financial assets included in prepayments, other receivables and other assets – Normal**	4,160	–	–	–	4,160
Cash and cash equivalents – Not yet past due	103,805	–	–	–	103,805
	111,175	–	6,086	459,569	576,830

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(C) CREDIT RISK (continued)

Maximum exposure and year-end staging (continued)

2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK$'000	Stage 2 HK$'000	Stage 3 HK$'000	Simplified approach HK$'000	Total HK$'000
Amount due from an associate**	–	–	6,086	–	6,086
Trade receivables*	–	–	–	377,537	377,537
Bills receivables**	8,938	–	–	–	8,938
Contract assets*	–	–	–	11,360	11,360
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,895	–	–	–	6,895
Cash and cash equivalents					
– Not yet past due	144,025	–	–	–	144,025
	159,858	–	6,086	388,897	554,841

* For trade receivables and contract assets to which the Group applies the simplified approach for ECLs, information based on the provision matrix is disclosed in Notes 20 and 21 to the financial statements, respectively.

** The credit quality of the financial assets included in prepayments, other receivables and other assets, bills receivables and amount due from an associate is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful". In 2025, the amount due from an associate was considered to have a significant increase in credit risk and accordingly, full allowance for ECL had been recognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(D) LIQUIDITY RISK

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group adopts a prudent liquidity risk management which implies maintaining sufficient cash and the ability to apply for bank loan facilities if necessary.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand HK$'000	Less than 3 months HK$'000	3 to less than 12 months HK$'000	1 to 5 years HK$'000	Total HK$'000
2026					
Trade and bills payables	–	319,712	–	–	319,712
Financial liabilities included in other payables and accruals	–	–	31,512	–	31,512
Interest-bearing bank and other borrowings other than lease liabilities	–	46,036	–	–	46,036
Lease liabilities	–	2,357	6,153	1,448	9,958
	–	368,105	37,665	1,448	407,218
2025					
Trade and bills payables	–	248,899	–	–	248,899
Financial liabilities included in other payables and accruals	–	–	5,739	–	5,739
Interest-bearing bank and other borrowings other than lease liabilities	–	57,415	–	–	57,415
Lease liabilities	–	2,488	7,310	9,181	18,979
	–	308,802	13,049	9,181	331,032

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the financial year ended 30 June 2026

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(D) LIQUIDITY RISK (continued)

The Company's financial liabilities as at 30 June 2026, based on the contractual undiscounted payments, of approximately HK$10,923,000 (2025: HK$1,958,000) would mature within one year. Further details of the financial liabilities of the Company are set out in Note 34 to the financial statements. The balances due within one year from the end of the reporting period approximate their carrying balances as the impact of the discount is not significant. In addition, the Company is also exposed to liquidity risk through the granting of financial guarantees. At 30 June 2026, the Company had guarantees given to banks and suppliers in connection with facilities granted to subsidiaries which were utilised as to an aggregate of HK$251,852,000 (2025: HK$191,693,000) and repayable on demand, further details of which are disclosed in Note 32 to the financial statements.

(E) CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, repurchase its own shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 2026 and 2025.

The Group monitors its capital using a gearing ratio, which is interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods were as follows:

	Group	
	2026	2025
	HK$'000	HK$'000
Interest-bearing bank and other borrowings	**46,302**	57,774
Total equity	**371,795**	400,418
Gearing ratio	**0.12**	0.14

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 September 2026.

FINANCIAL SUMMARY

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements is set out below. This summary does not form part of the audited financial statements.

	Year ended 30 June				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
REVENUE	**2,334,300**	1,929,544	2,201,995	2,039,621	1,992,562
Cost of sales	**(2,151,475)**	(1,752,908)	(2,014,974)	(1,867,065)	(1,815,937)
Gross profit	**182,825**	176,636	187,021	172,556	176,625
Other income and gains, net	**10,708**	10,263	9,067	46,756	18,552
Selling and distribution costs	**(74,762)**	(76,162)	(78,377)	(75,863)	(68,795)
Administrative expenses	**(116,428)**	(72,969)	(78,762)	(78,108)	(76,839)
Other expenses, net	**(7,840)**	(7,938)	(6,118)	(1,369)	(8,443)
Finance costs	**(2,489)**	(5,716)	(11,766)	(10,374)	(3,169)
Share of profits of associates	**–**	–	2,938	3,353	1,606
(LOSS)/PROFIT BEFORE TAX	**(7,986)**	24,114	24,003	56,951	39,537
Income tax expense	**(10,892)**	(7,548)	(6,621)	(10,852)	(20,824)
(LOSS)/PROFIT FOR THE YEAR	**(18,878)**	16,566	17,382	46,099	18,713
(Loss)/Profit for the year attributable to:					
Owners of the Company	**(22,594)**	19,151	19,005	46,965	20,418
Non-controlling interests	**3,716**	(2,585)	(1,623)	(866)	(1,705)
	(18,878)	16,566	17,382	46,099	18,713
Adjusted EBITDA *(Note)*	**47,876**	45,674	58,868	52,624	52,067

Note

The calculation of adjusted earnings before interest, tax, depreciation and amortisation ("**Adjusted EBITDA**") is based on (loss)/profit for the year, excluding the sum of income tax expense, interest income, finance costs, depreciation of property, plant and equipment, depreciation of right-of-use assets, fair value gains or losses on financial instruments, impairment of goodwill, impairment of advances to supplier, gain or loss on disposal of property, plant and equipment, and non-recurring or one-off items. It should be noted that this is a non-IFRS financial indicator although the Company believes that it is also frequently used by investors to measure the results of operation of the comparable companies.

FINANCIAL SUMMARY (continued)

FIVE YEAR FINANCIAL SUMMARY (continued)

	As at 30 June				
	2026	2025	2024	2023	2022
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Non-current assets	**68,424**	53,111	69,855	84,372	122,902
Current assets	**939,365**	1,003,727	1,099,030	1,007,891	1,094,345
Current liabilities	**(609,337)**	(624,569)	(722,247)	(624,410)	(755,585)
Net current assets	**330,028**	379,158	376,783	383,481	338,760
Non-current liabilities	**(26,657)**	(31,851)	(46,771)	(41,155)	(38,712)
Net assets	**371,795**	400,418	399,867	426,698	422,950
Equity attributable to owners of the Company	**377,848**	410,046	406,888	432,024	426,448
Non-controlling interests	**(6,053)**	(9,628)	(7,021)	(5,326)	(3,498)
Total equity	**371,795**	400,418	399,867	426,698	422,950
Debtors turnover days (1)	**64.5**	81.0	73.4	77.9	83.2
Creditors turnover days (2)	**49.8**	62.4	54.0	54.7	54.8
Inventories turnover days (3)	**53.0**	67.6	55.3	50.5	49.5

(1) Debtors turnover days for a period equals the average of the opening and closing net trade receivables balance divided by revenue for the same period and multiplied by 365 days

(2) Creditors turnover days for a period equals the average of the opening and closing net trade payables balance divided by purchase for the same period and multiplied by 365 days

(3) Inventories turnover days for a period equals the average of the opening and closing net inventories balance divided by cost of sales for the same period and multiplied by 365 days

STATISTICS OF SHAREHOLDINGS

STATISTICS OF SHAREHOLDERS AS AT 17 SEPTEMBER 2026

Authorised share capital	:	HK$1,000,000,000.00
Issued and Fully Paid-up Capital	:	HK$21,636,000.00
Total number of issued shares (excluding treasury shares and subsidiary holdings)	:	211,587,700
Total number of treasury shares held	:	4,772,300
Number of Subsidiary Holdings held	:	Nil
Percentage of treasury shares held against the total number of issue shares	:	2.2555%
Class of Shares	:	Ordinary share of HK$0.10 each
Voting Rights	:	One Vote per ordinary share The Company cannot exercise any voting rights in respect of ordinary shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Ordinary Shareholders	% of Holders	No. of Shares (excluding treasury shares)	% of Shares*
1 – 99	–	–	–	-
100 – 1,000	87	15.29	70,175	0.03
1,001 – 10,000	181	31.81	1,082,200	0.51
10,001 – 1,000,000	285	50.09	22,009,025	10.40
1,000,001 and above	16	2.81	188,426,300	89.06
TOTAL	569	100.00	211,587,700	100.00

STATISTICS OF SHAREHOLDINGS (continued)

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 17 September 2026)

	Direct Interest		Deemed Interests		Total Interests	
Name	No. of shares held	%*	No. of shares held	%*	No. of shares held	%*
Asia Platform Investment Limited	70,639,950	33.39	–	–	70,639,950	33.39
Kikki Investment Limited	70,639,950	33.39	–	–	70,639,950	33.39
Ng Mun Kit, Michael	–	–	70,639,950(1)	33.39	70,639,950	33.39
Ng Kin Wing, Raymond	–	–	70,639,950(2)	33.39	70,639,950	33.39
Ng Yuk Wing, Philip	–	–	72,151,950(1)(3)	34.10	72,151,950	34.10
Ng Eng Seng	19,437,200	9.19	–	–	19,437,200	9.19
Lim Mee Hwa	1,500,000	0.71	9,327,700(4)	4.41	10,827,700	5.12
Yeo Seng Chong	900,000	0.43	9,927,700(4)	4.69	10,827,700	5.12

Notes:–

(1) Asia Platform Investment Limited is an investment holding company which is owned by Mr. Ng Mun Kit, Michael and Mr. Ng Yuk Wing, Philip.

(2) Kikki Investment Limited is an investment holding company which is wholly-owned by Mr. Ng Kin Wing, Raymond.

(3) Mr. Ng Yuk Wing, Philip is deemed to be interested in the 1,512,000 ordinary shares held by Mdm Leung Tak Ching ("**Mdm Leung**"), the spouse of Mr. Ng Yuk Wing, Philip.

(4) Mdm Lim Mee Hwa and Mr. Yeo Seng Chong are deemed interested in the shares held by Yeoman Capital Management Pte Ltd ("**YCMPL**") on behalf of YCMPL's client (including Yeoman 3-Rights Value Asia Fund VCC) in its role as investment manager. YCMPL has voting control over these listed shares except those in the personal dealing accounts of Mr. Yeo Seng Chong and Mdm Lim Mee Hwa. Mr. Yeo Seng Chong is the shareholder, Chief Executive Officer and Chief Investment Officer of YCMPL. Mdm Lim Mee Hwa is the spouse of Mr. Yeo Seng Chong, and she is also a shareholder and Non-Executive Director of YCMPL.

* Percentages are calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) as at 17 September 2026.

STATISTICS OF SHAREHOLDINGS (continued)

LIST OF 20 LARGEST SHAREHOLDERS

NO.	SHAREHOLDERS NAME	NUMBER OF SHARES HELD	%*
1	Kikki Investment Ltd	70,639,950	33.39
2	Asia Platform Investment Limited	70,639,950	33.39
3	DBS Nominees Pte Ltd	19,254,400	9.10
4	DB Nominees (Singapore) Pte Ltd	9,175,000	4.34
5	Wee Hian Kok	2,690,200	1.27
6	Phillip Securities Pte Ltd	2,337,000	1.10
7	Cheng Kim Man Edwin	2,000,000	0.95
8	United Overseas Bank Nominees (Private) Limited	1,903,800	0.90
9	Lim Mee Hwa	1,491,800	0.71
10	Tan Ming Kirk Richard	1,350,000	0.64
11	Yeo Seng Chong	1,250,000	0.59
12	Leung Tak Ching	1,247,800	0.59
13	Ng Eng Seng	1,137,000	0.54
14	Kim Soo Koong	1,128,000	0.53
15	Seet Christina	1,095,400	0.52
16	Seah Kun Liap	1,086,000	0.51
17	Ng Hock Kon Edna Ng Yu Chen	1,000,000	0.47
18	Raffles Nominees (Pte) Limited	894,825	0.42
19	Lai Weng Kay	866,000	0.41
20	DBS Vickers Securities (Singapore) Pte Ltd	638,000	0.30
	TOTAL	191,825,125	90.67

* Percentage is based on 211,587,700 Shares (excluding shares held as treasury shares and subsidiary holdings) as at 17 September 2026.

TREASURY SHARES

Number of ordinary shares purchased and held in treasury: 4,772,300

Percentage of such holding against the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings): 2.2555%

COMPLIANCE WITH RULE 723 OF THE SGX-ST LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 17 September 2026, approximately 18.12% of the ordinary shares of the Company are held by the public. The Company is therefore in compliance with Rule 723 of the SGX-ST Listing Manual.

* Percentages are calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) as at 17 September 2026.

INFORMATION ABOUT PROPERTY HELD FOR OWN USE

PROPERTY HELD FOR OWN USE

Description and location	Existing use	Tenure	Gross Floor Area (square metre)	Ownership 2026 (%)	Ownership 2025 (%)
Whole Block of Karin Building, No.166 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong	Industrial	Leasehold	6,059.6	100	100

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting ("**AGM**") of Karin Technology Holdings Limited (the "**Company**") will be convened and held at Novotel Singapore on Stevens, Level One, Hercules & Cygnus Rooms, 28 Stevens Road, Orchard District, Singapore 257878 on Tuesday, 27 October 2026 at 10.00 a.m. to transact the following businesses:

*All capitalized terms used in this Notice of Annual General Meeting which are not defined herein shall have the meanings ascribed to them in the Appendix attached to the Annual Report 2026 (the "**Appendix**").*

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2026 together with the Statement by Directors and the Auditor's Report thereon. **(Resolution 1)**

2. To approve a final dividend of HK1.8 cents per ordinary share and a special dividend of HK5.0 cents per ordinary share for the financial year ended 30 June 2026. **(Resolution 2)**

3. To approve Directors' Fees of HK$861,000 for the financial year ended 30 June 2026. **(Resolution 3)**

4. To re-elect Mr. Ng Mun Kit, Michael, a director who is retiring pursuant to Bye-law 86 of the Company's Bye-laws and, being eligible, offered himself for re-election. (*See Explanatory Note 1*) **(Resolution 4)**

5. To re-elect Ms. Yan Yuk Ping, Juni, a director who is retiring pursuant to Bye-law 86 of the Company's Bye-laws and, being eligible, offer herself for re-election. (*See Explanatory Note 1*) **(Resolution 5)**

6. To re-appoint Messrs. Ernst & Young LLP, Singapore as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

NOTICE OF ANNUAL GENERAL MEETING (continued)

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions, with or without modifications:

7. Authority to allot and issue shares **(Resolution 7)**

"That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the capital of the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of shares;

NOTICE OF ANNUAL GENERAL MEETING (continued)

Adjustments in accordance with (i) and (ii) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier." (*See Explanatory Note 2*)

8. Authority to allot and issue Shares under the Karin Performance Share Plan **(Resolution 8)**

"That the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the Karin Performance Share Plan (the "**Plan**") and to allot and issue such number of fully paid Shares from time to time as may be required to be issued pursuant to the vesting of awards under the Plan provided always that the aggregate number of Shares to be issued pursuant to the Plan and all share awards or share options granted under any other schemes implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in general meeting, shall continue in full force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier." (*See Explanatory Note 3*)

9. Authority to grant options and issue shares under the 2024 Karin Employee Share Option Scheme **(Resolution 9)**

"That the Directors of the Company be and are hereby authorised to offer and grant options in accordance with the provisions of the 2024 Karin Employee Share Option Scheme ("**2024 ESOS**") and to allot and issue from time to time such number of shares as may be required to be issued pursuant to the exercise of the options under the 2024 ESOS provided always that the aggregate number of shares to be issued pursuant to the 2024 ESOS shall not exceed 15% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time." *(See Explanatory Note 4)*

NOTICE OF ANNUAL GENERAL MEETING (continued)

10. Authority to Grant Options at a Discount under the 2024 Karin Employee Share Option Scheme **(Resolution 10)**

"That, subject to and contingent upon the passing of Resolution 9, the Directors of the Company be and are hereby authorised to offer and grant Options in accordance with the provisions of the 2024 Karin Employee Share Option Scheme ("**2024 ESOS**") to participants with exercise prices set at a discount to the Market Price subject to the following conditions:

(a) the maximum discount shall not exceed 20% of the market price, which is the average of the last dealt prices for a Share as determined by reference to the daily official list or any other publication published by the SGX-ST for five (5) consecutive market days immediately prior to the relevant date of offer of the option to a participant of the 2024 ESOS (as determined in accordance with the rules of the 2024 ESOS); and

(b) in no event shall the exercise price be less than the nominal value of each Share."

11. Proposed renewal of the Share Buyback Mandate **(Resolution 11)**

"That:

(a) pursuant to the bye-laws of the Company (the "**Bye-laws**"), the Companies Act 1981 of Bermuda (the "**Companies Law**") and the Listing Manual of the SGX-ST, approval be and is hereby given for the renewal of the Share Buyback Mandate (as hereinafter defined) and the Directors be authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined) whether by way of:

(i) on-market purchase(s) ("**Market Purchases**"), transacted on the SGX-ST through its ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Bye-laws and the Listing Manual,

and otherwise in accordance with other laws and regulations (the "**Share Buyback Mandate**");

NOTICE OF ANNUAL GENERAL MEETING (continued)

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the proposed Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Bye-laws and the Companies Law; and

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earlier of:

(i) the date on which the following annual general meeting is held or required by law or the Bye-laws to be held;

(ii) the date on which Share purchases or acquisitions pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked at a general meeting

(the "**Relevant Period**").

In this resolution:

"**Prescribed Limit**" means 10% of the issued ordinary share capital of the Company as at the date of passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Law, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

NOTICE OF ANNUAL GENERAL MEETING (continued)

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price (as hereinafter defined); and

(ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price (as hereinafter defined), where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-Market Day period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and

(e) the Directors be and are hereby authorised to complete and do all such acts and things (including, but without limitation to, executing such documents as may be required and approving any amendments, alteration or modifications to any documents) as they and/or any of them may consider expedient, necessary, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution." (*See Explanatory Note 5*)

12. To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

Lam Cheuk Yin, Kenneth
Chan Lai Yin
Joint Company Secretaries

Singapore, 5 October 2026

NOTICE OF ANNUAL GENERAL MEETING (continued)

Explanatory Notes on Businesses to be Transacted:–

1. Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, detailed information of each Mr. Ng Mun Kit, Michael and Ms. Yan Yuk Ping, Juni, who is seeking re-election as a Director of the Company at the Annual General Meeting can be found under "Supplemental Information on Directors seeking re-election" to the annual report.

2. Resolution 7, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 50% of the Company's total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued will not exceed 20% of Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company. This authority will, unless previously revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue Shares pursuant to any Instrument made or granted under this authority.

3. Resolution 8, if passed, will empower the Directors, from the date of the above meeting until the next Annual General Meeting, to grant awards and to allot and issue such number of fully paid Shares from time to time as may be required to be issued pursuant to the Plan, provided that the aggregate number of Shares to be issued pursuant to the Plan and all share awards or share options granted under any other schemes implemented by the Company (if any) shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

4. Resolution 9, if passed, will empower the Directors of the Company to offer and grant options under the 2024 ESOS and to allot and issue shares pursuant to the exercise of such options under the 2024 ESOS not exceeding 15% of the total number of issued shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company from time to time.

5. Resolution 11, if passed, will empower the Directors, from the date of the above meeting until the next Annual General Meeting, to repurchase Shares by way of Market Purchases or Off-Market Purchases of up to 10% of the issued ordinary share capital of the Company at such price up to the Maximum Price, subject always to the free float requirements being complied with and on the terms of the Share Buyback Mandate as set out in Resolution 11. Further information relating to this proposed resolution is set out in the Appendix attached to the annual report. For more information on the rationale for the proposed renewal of the Share Buyback Mandate, the sources of funds to be used to finance the share buyback by the Company, including the amount of financing and the illustration on the financial effects on the Company arising from the share buy-backs made pursuant to the proposed Share Buyback Mandate, please refer to Sections 2.3, 2.7 and 2.8 of the Appendix respectively.

NOTICE OF ANNUAL GENERAL MEETING (continued)

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.

The Proposed Dividends, if approved at the forthcoming Annual General Meeting, will be paid on 11 November 2026.

Notes:

(i) The Annual General Meeting ("**AGM**") will be convened and held physically. There will be no option for shareholders to participate virtually. The 2026 Annual Report and the Appendix will be sent to members by electronic means via publication on the Company's website at https://karingroup.com/agm and via SGXNET at the URL https://www.sgx.com/securities/company-announcements. Please complete the Request Form attached and return by post or by email to sg.is.proxy@vistra.com no later than 17 October 2026 to receive the 2026 Annual Report and the Appendix in time for the upcoming AGM. A printed copy of the Annual Report and the Appendix will be mailed to you within seven (7) working days upon receiving your request.

(ii) Members (including investors who holds shares under the Central Provident Fund Investment Scheme and Supplementary Retirement Scheme ("**CPF/SRS Investors**") may participate in the AGM by:

(a) Attending the AGM in person;

(b) Asking questions at the AGM or submitting questions in advance of the AGM; and/or

(c) Voting at the AGM (i) personally; or (ii) through duly appointed proxy(ies).

(iii) Substantial and relevant questions related to the agenda of AGM may be submitted in advance of the AGM by 10.00 a.m. on 16 October 2026 in the following manner:

- Electronic AGM Website at https://2026.karin.vote-tech.com; or
- Email to sg.is.proxy@vistra.com; or
- Post to the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619.

NOTICE OF ANNUAL GENERAL MEETING (continued)

When submitting the questions, please provide the Company with the following details, for verification purpose:

(a) full name (for individuals)/company name (for corporates);

(b) NRIC/Passport/Company Registration number;

(c) Mailing address;

(d) Contact number; and

(e) Shareholding type (e.g. via CDP, CPF or SRS) and number of shares held.

Responses to these questions will be posted on the SGXNet and the Company's website by 10.00 a.m. on 22 October 2026. Where substantial and relevant questions submitted by shareholders are unable to be addressed prior to the AGM, including any questions received by the Company after 10:00 a.m. on 16 October 2026, the Company will address them during the AGM.

(iv) A member who is a Relevant Intermediary* is entitled to attend, speak and vote at the AGM and is entitled to appoint more than two (2) proxies to attend, speak and vote, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

(v) A proxy need not be a member of the Company. Where a member who is not a Relevant Intermediary* appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent. of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(vi) The Chairman of the meeting, as proxy, need not be a member of the Company. A member may appoint the Chairman of the meeting as his/her/its proxy. If a member wishes to appoint the Chairman of the meeting as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

(vii) The instrument appointing a proxy must be signed and send:

(a) By electronic AGM Website at https://2026.karin.vote-tech.com; or

(b) if submitted by post, be lodged with the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619; or

(c) Email to the Company's Share Registrar at sg.is.proxy@vistra.com,

in either case, by no later than 10.00 a.m. on 24 October 2026, being seventy-two (72) hours before the time fixed for the AGM.

The completion and return of the proxy form by a Shareholder will not prevent him from attending, speaking and voting at the AGM in place of his proxy should he subsequently wish to do so.

NOTICE OF ANNUAL GENERAL MEETING (continued)

(viii) A CPF/SRS investor who wishes to exercise his/her vote should approach his/her respective Relevant Intermediary, including CPF Agent Bank or SRS Operator to submit his/her voting instructions by 10.00 a.m. on 16 October 2026, being seven (7) working days before the date of the AGM. CPF and SRS Investors are encouraged to contact their respective Relevant Intermediary for any queries they may have with regard to the appointment of proxy/proxies for the AGM.

(ix) A depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the AGM, i.e. 10.00 a.m. on 24 October 2026.

*"A Relevant Intermediary" means:

a. a banking corporation licensed under the Banking Act 1970, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds shares in that capacity; or

c. the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) to attend, speak and vote at the AGM and/or any adjournment thereof or (b) submitting any question prior to the AGM in accordance with Note (iii) above, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purposes of:

(i) processing and administration by the Company (or its agents or service providers) of the appointment of proxy(ies) for the AGM (including any adjournment thereof);

(ii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;

(iii) preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and

(iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the supplemental information relating to the retiring directors, Mr. Ng Mun Kit, Michael and Ms. Yan Yuk Ping, Juni, as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST is append below:

	Mr. Ng Mun Kit, Michael	**Ms. Yan Yuk Ping, Juni**
Date of Appointment	1 July 2018	1 November 2023
Date of last re-appointment	26 October 2023	30 October 2024
Age	48	54
Country of principal residence	Hong Kong	Hong Kong
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr. Ng Mun Kit, Michael for re-election as Executive Director of the Company. The Board have reviewed and concluded that Mr. Ng Mun Kit, Michael possess the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("**NC**") and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Ms. Yan Yuk Ping, Juni for re-election as Executive Director of the Company. The Board have reviewed and concluded that Ms. Yan Yuk Ping, Juni possess the experience, expertise, knowledge and skills that will continue to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Executive Mr. Ng Mun Kit, Michael is responsible for overseeing the entire operations and general management of the Group in accordance with the Group's strategy and objectives approved by the Board of Directors of the Company.	Executive Ms. Yan Yuk Ping, Juni is responsible for formulating and executing strategies that leverage artificial intelligence and technological advancements to accelerate growth, enhance the Group's business model, and ensure long-term sustainability.
Job Title (e.g. Lead D, AC Chairman, AC Member etc.)	Executive Director/Chief Executive Officer	Executive Director/Chief Growth and Transformation officer

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (continued)

	Mr. Ng Mun Kit, Michael	**Ms. Yan Yuk Ping, Juni**
Professional qualifications	Mr. Ng Mun Kit, Michael graduated from the University of New South Wales, Australia, with a Bachelor of Commerce degree majoring in Finance and Marketing in 1998. In 2002, he obtained a Graduate Diploma in Applied Finance and Investments from the Securities Institute of Australia, as well as a Diploma in Technical Analysis from the Australian Technical Analysis Association.	Ms. Yan Yuk Ping, Juni is an Accredited Director certified by the Singapore Institute of Directors (SID). She holds a Bachelor of Economics from The Chinese University of Hong Kong, as well as a Master of Science in Information Systems Management and a Master of Science in Financial Analysis from The Hong Kong University of Science and Technology.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the Issuer and/or substantial shareholder of the listed Issuer or of any of its principal subsidiaries	Mr. Ng Mun Kit, Michael is the nephew of Mr. Ng Kin Wing, Raymond, Executive Chairman of the Group. He is also the son of Mr. Ng Yuk Wing, Philip, the substantial shareholder of the Company.	No
Conflict of Interest (including any competing business)	No	No
Working experience and occupation(s) during the past 10 years	Mr. Ng Mun Kit, Michael joined the Group as the General Manager of Karin Technology Holdings Limited in 2014 and was appointed as Executive Director of the Group on 1 July 2018. He took on dual roles as Executive Director and Chief Executive Officer on 1 July 2021, and is responsible for overseeing the entire operations and general management of the Group.	September 2020 to September 2023: – Managing Director, Openhive July 2017 to September 2020: – Global Vice President, Transport, Logistics and Automotive Industries, BT Global – Vice President, Security, Asia Pacific, Middle East and Africa (AMEA), BT Global June 2015 to June 2017: – Managing Director, Hong Kong, Macau and Taiwan, F5 Networks
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Shareholding interest in the listed issuer and its subsidiaries	Yes	Nil
Shareholding details	Mr. Ng Mun Kit, Michael is deemed interested through his shareholding of Asia Platform Investment Limited, which directly holds 70,639,950 shares in the Company.	N/A
Past (for the last 5 years)	Nil	Nil
Present	All subsidiaries under Karin Technology Holdings Limited Asia Platform Investment Limited	Nil

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (continued)

	Mr. Ng Mun Kit, Michael	Ms. Yan Yuk Ping, Juni
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when h was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, Involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures Industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any ciVll proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

SUPPLEMENTAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION (continued)

	Mr. Ng Mun Kit, Michael	Ms. Yan Yuk Ping, Juni
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts In Singapore or elsewhere; or any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

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