



嘉靈控股集團有限公司

Karin Technology Holdings Limited

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

RESPONSE TO SGX QUERIES

The Board of Directors of Karin Technology Holdings Limited (the “Company” or together with its subsidiaries, the “Group”) refers to the queries raised by the Singapore Exchange Regulation Pte. Ltd. (“SGX RegCo”) on 14 November 2023 in relation to the announcement on the appointment of Ms. Juni Yan Yuk Ping (“Ms. Yan”) as Independent Director of the Company released on 1 November 2023.

The Company wishes to provide below its response to the queries raised by SGX RegCo:

- 1. Please clarify Ms Yan’s past and existing (if any) involvement in and/or dealings with the Company and its subsidiaries and associated companies; and her specific roles in these dealings, including but not limited to her past working experience in Openhive. Please provide details.**

Company’s Response:

The Company is of the view that Ms Yan has a track record and extensive experience in the field of information technology.

Among the companies that Ms Yan had worked for, the following three companies have been having business relationships with Karin Technology Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as briefly described below.

- (a) Oracle (Feb 2000¹–May 2015): Oracle is a Fortune 500 business with global reach. The Group has been (and is still) a “distributor” and/or “reseller” of certain products for Oracle Hong Kong.
In her first 10 years with Oracle (2000 to 2010), Ms Yan worked as a solution architect and solution manager. She and her team were not engaged, directly or indirectly, in any commercial activities and relationship with the Group. Subsequently, from 2011 to 2015, during which Ms Yan worked as sales general manager (see detailed description at Footnote 1), the products of her business units were also not distributed or resold by the Group. Therefore, there were no business engagements between Ms Yan, her team and the Group during her tenure with Oracle.

Ms Yan presently has no shareholding interest in Oracle and she has never been a member of the Board of Directors of Oracle.

¹ As the Company’s announcement of appointment dated 1 November 2023 only requires to disclose the working experience and occupations during the past 10 years of the newly appointed director, Ms Yan has accordingly disclosed her role and position with Oracle commencing June 2011 as General Manager, Sales & Solutions Communications Global Business Unit, Greater China and North Asia, although Ms Yan had joined Oracle in 2000 and till 2010 as a solution architect and solution manager.

- (b) F5 Networks (Jun 2015 – Jun 2017): F5 Networks is a global leading information technology company specializing in network and security solutions. The Group has been (and is still) distributing F5 Networks' products in Hong Kong and Macau since 2009, before Ms Yan joined F5 Networks as Managing Director for Hong Kong and Taiwan. The Company became acquainted with Ms Yan after she joined F5 Networks. Ms Yan and her team managed the business dealings between F5 Networks and the Group. For the avoidance of doubt, the "Managing Director" appointment is a job title in F5 Networks and not a statutory directorship.

The annual value of the Group's business dealings with F5 Networks during Ms Yan's tenure with F5 Networks were not significant to the Group's consolidated cost of sales for FY2015 to FY2017.

Ms Yan presently has no shareholding interest in F5 Networks and she has never been a member of the Board of Directors of F5 Networks.

- (c) From Sep 2020 to Sep 2023, Ms Yan was the Managing Director of Openhive. For the avoidance of doubt, the "Managing Director of Openhive" appointment is a job title in the entity which employs Ms Yan (the "Entity"²) and not a statutory directorship. Ms. Yan is not considered an executive officer of the Entity as she was not part of the management team of the Entity (which pursuant to the definition of "executive officer" in the SGX Listing Manual includes the chief executive officer, chief financial officer, chief operating officer and any other individual, regardless of title, who performs or has the capacity to perform any function or responsibility equivalent to that of the foregoing persons). The annual value of the Group's business dealings in relation to Openhive branded products during Ms Yan's tenure as the Managing Director of Openhive were not significant to the Group's consolidated cost of sales for FY2021 to FY2023.

Ms Yan left the Entity on 27 Sep 2023, and has no further relationship with or interest in the Entity.

Ms Yan has never had any shareholding interest in the Entity and she has never been a member of the Board of Directors of the Entity

2. Please provide details on the search and nomination process in relation to Ms Yan's appointment as an independent non-executive director of the Company; and

Company's Response:

As two (2) independent directors have served on Board for more than 9 years from the date of their appointments, they will not be considered independent at the conclusion of the next annual general meeting of the Company which is scheduled to be held in October 2024. Hence, the Company is seeking to appoint at least two new independent directors by October 2024.

The Company began its search for candidates with the following considerations:

- (a) In light of Rule 710A(1) of the SGX-ST Listing Rules to maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity, the Company had focused its search for a female director since gender is one of the most quantifiable and identifiable aspects of diversity;
- (b) Prior to Ms Yan's appointment, all of Karin's independent directors were based in Singapore. The majority of the Group's businesses are located in Hong Kong. The Company notes that travel restrictions during the COVID period had made it difficult for the independent directors based in Singapore to physically visit the Group's operations in Hong Kong. The Company is of the view that an independent director based in Hong Kong would be in close physical proximity to the Group's operations, and Ms Yan's appointment would also serve to achieve the geographical experience aspect of diversity; and

² The name of the Entity has not been disclosed due to the confidentiality obligations pursuant to a collaboration agreement entered into between the Entity and the Group.

- (c) Prior to Ms Yan's appointment, the independent directors in Singapore have possessed experience and expertise in the fields of law, accounting, business and/or finance. As the Group operates in the technology industry, the Company is of the view that appointing an independent director with expertise in technology would enhance the skill set of the Board of Directors. This is especially important for augmenting the collective skill set of the independent directors.

Ms Yan's candidacy met all of the abovementioned requirements.

For completeness, the sequence of events in relation to the nomination and eventual appointment of Ms Yan as an independent director of the Company is set out below.

- Particulars of two potential candidates were presented to the Nominating Committee (comprising the 3 independent directors) ("NC") in June 2023. The NC interviewed both of them in person in Hong Kong on 30 August 2023 (the "Interview").
 - Pursuant to the Interview, the NC concluded that the first candidate was not suitable as (a) the existing independent directors have the similar experience as the first candidate; and (b) she may not have the business acumen and experience to fulfil her duties as an independent director in view of the business direction in which the Company is heading.
 - The second candidate was Ms Yan. Pursuant to the Interview, the NC concluded that (a) Ms Yan has a strong background and experience in the financial and technology industry sectors; (b) Ms Yan may have the necessary business acumen and experience to fulfil her duties as an independent director in view of the business direction in which the Company is heading. However, as Ms Yan was the Managing Director of Openhive and in view of the collaboration between the Group and the Entity (albeit insignificant), this may be perceived as a potential conflict of interest and her decision-making process may be impeded. In view of the aforementioned, the NC was of the view that Ms Yan was not suitable for appointment as an independent director of the Company and recommended the Company's management continue with the search for suitable candidates.
 - A Board of Directors' meeting was held on 9 October 2023 to discuss the findings of the NC as stated above. During the Board of Directors' meeting, the Board of Directors was updated that Ms Yan had left her employment as Managing Director of Openhive and that this would essentially address the concern the NC had over her potential conflict of interest which may in turn affect her independence. Given the foregoing update, all directors (save for the abstention of Mr Raymond Ng) agreed to appoint Ms Yan as an independent director of the Company with effect from 1 November 2023, subject to the receipt of a written declaration of independence ("**Confirmation of Independence**") from Ms Yan. Mr Raymond Ng expressed his worries and concerns on the conflict of interest issues with regard to Ms Yan and he abstained from voting on the proposed appointment of Ms Yan as an independent director of the Company.
 - On 24 October 2023, the Company received the signed Confirmation of Independence from Ms Yan. Based on Ms Yan's Confirmation of Independence, the NC determined Ms Yan as independent according to the definition of what constitutes an independent director in the Code of Corporate Governance 2018 and the SGX Listing Manual.
- 3. Please provide the Nominating Committee's assessments on Ms Yan's independence and the potential conflict of interest (perceived and/or actual) taking into consideration her past business relationship(s) with the Company, and the bases of the respective assessments.**

Company's Response:

The NC's assessments may be recapitulated as follows:

- A) At the interview on 30 August 2023, the NC was of the view that Ms Yan was not independent for the purposes of her appointment as an independent director of the Company.

- B) After the NC was informed on 9 October 2023 that Ms Yan had left the Entity and ended her role as the Managing Director of Openhive on 27 September 2023, they reconsidered and concluded that Ms Yan is independent, having also taken into account the following:
- (a) Ms Yan is independent for the purposes of her appointment as an independent director of the Company. This is premised on the following: (i) neither Ms. Yan nor her immediate family members has been employed by the Group in any of the last three financial years; (ii) neither Ms. Yan nor her immediate family members has received compensation directly from the Group in any of the last three financial years; (iii) Ms. Yan has never been a director of a company which provided to or received from the Group significant payments in any of the last three financial years; (iv) Ms Yan is presently not a shareholder of a company which provided to or received from the Group significant payments. For completeness, Ms. Yan previously held shares in both Oracle and F5 Networks (both of which are publicly traded companies). Since 5 March 2022, Ms. Yan no longer holds any shares in Oracle and F5 Networks. Ms. Yan has never held shares in the Entity; (v) Ms. Yan is not directly associated with (i.e. accustomed to act or under an obligation to act, whether formal or informal, in accordance with the instructions) a substantial shareholder of the Company; and (vi) Ms. Yan has provided a written confirmation of her independence.
 - (b) There is no potential conflict of interest (perceived and/or actual) taking into consideration her past business relationship(s) with the Company. This is premised on (i) save as disclosed in paragraph B(a) above, Ms. Yan presently has no shareholding interests in the companies where she worked and which had business dealings with the Group in the past; (ii) Ms. Yan is not and was never a member of the board of directors of the companies where she worked and which had business dealings with the Group in the past; (iii) Ms. Yan presently does not have any arrangements with the companies where she worked in the past and had business dealings with the Group pursuant to which she would derive any sort of benefits in event such companies have business dealings with the Group during her tenure as an independent director of the Company; and (iv) Ms. Yan is not presently employed by nor does she presently have any sort of interest in any company which currently has business dealings with the Group.
- C) The decision to appoint Ms. Yan as an independent director of the Company was approved by the full board of directors (with the exception of Mr. Raymond Ng) subject to receiving the Confirmation of Independence from Ms. Yan.

For further details, please refer to the response to Question 2 above.

By Order of the Board

Wong Chi Cheung, Clarence
Financial Controller /Joint Company Secretary

29 November 2023