

APPENDIX TO THE ANNUAL REPORT DATED 15 OCTOBER 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Karin Technology Holdings Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this appendix with the notice of Annual General Meeting and the attached proxy form(s) to the purchaser or transferee as arrangements will be made by CDP for a separate appendix with the notice of Annual General Meeting and the attached proxy form(s) to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should hand this appendix with the notice of Annual General Meeting and the attached proxy form(s) to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for any of the statements made, reports contained or opinions expressed in this appendix.



嘉靈控股集團有限公司

Karin Technology Holdings Limited

(Incorporated in Bermuda on 30 August 2002)

(Registration Number: 32514)

APPENDIX

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**
- (2) THE PROPOSED ADOPTION OF THE 2024 ESOS**
- (3) THE PROPOSED GRANT OF OPTIONS AT
A DISCOUNT UNDER THE 2024 ESOS**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

“2009 Circular”	:	The circular to the Shareholders dated 19 January 2009 relating to the Share Buyback Mandate
“2014 ESOS”	:	The 2014 Karin Employee Share Option Scheme which was approved by Shareholders and adopted by the Company on 9 October 2014
“2024 ESOS”	:	The proposed 2024 Karin Employee Share Option Scheme to be adopted by the Company, as amended or modified from time to time, details of which are set out in Annex A of this Appendix (Rules of the 2024 ESOS)
“2020 KPSP”	:	The employee performance share plan of the Company which was approved by Shareholders and adopted by the Company on 23 October 2020
“2009 SGM”	:	The special general meeting of the Company held on 12 February 2009
“Act” or “Bermuda Companies Act”	:	The Companies Act 1981 of Bermuda
“AGM”	:	The annual general meeting of the Company to be convened and held at Empress Ballroom 3, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on 30 October 2024 at 10:00 a.m., notice of which is set out on pages 146 to 156 of the Annual Report
“Annual Report”	:	The annual report of the Company dated 15 October 2024
“Appendix”	:	This appendix to Shareholders dated 15 October 2024
“Approval Date”	:	Shall have the meaning ascribed to it in section 2.5 (a) of this Appendix
“Asia Platform”	:	Asia Platform Investment Limited
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

<i>“Associated Company”</i>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over which the Company has control
<i>“Associated Company Employee”</i>	:	Any confirmed employee of an Associated Company (including any Associated Company Executive Director)
<i>“Associated Company Executive Director”</i>	:	A director of an Associated Company who performs an executive function
<i>“Auditors”</i>	:	The auditors of the Company for the time being
<i>“Average Closing Price”</i>	:	Shall have the meaning ascribed to it in section 2.5 (d) of this Appendix
<i>“Award”</i>	:	A contingent award of Shares granted pursuant to the rules of the 2020 KPSP
<i>“Board” or “Directors”</i>	:	The board of directors of the Company for the time being
<i>“Bye-laws”</i>	:	The bye-laws of the Company as amended, modified or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Code of Corporate Governance”</i>	:	Code of Corporate Governance 2018

<i>“Committee”</i>	:	A committee comprising Directors serving on the Remuneration Committee of the Company who are duly authorised and appointed by the Board to administer the 2024 ESOS and the 2020 KPSP. The composition of the Committee shall be the same for both the 2024 ESOS and 2020 KPSP. However, in event of change(s) in the composition of the Board and the Remuneration Committee, it will be different from that which administered the 2014 ESOS.
<i>“Companies Law”</i>	:	The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	Karin Technology Holdings Limited
<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company (unless determined otherwise by the SGX-ST); or (b) in fact exercises control over the Company
<i>“Date of Offer”</i>	:	The date on which an Option is offered to an ESOS Participant pursuant to the rules of the 2024 ESOS
<i>“day of the making of the offer”</i>	:	Shall have the meaning ascribed to it in section 2.5 (d) of this Appendix
<i>“EPS”</i>	:	Earnings per Share
<i>“ESOS Participant”</i>	:	The holder of an Option made to him under the 2024 ESOS (including, where applicable, the executor or personal representative of such holder)
<i>“Exchange Rate”</i>	:	The exchange rate of S\$1: HK\$6.03090
<i>“Exercise Price”</i>	:	The price at which an ESOS Participant shall subscribe for each Share upon the exercise of an Option, as determined in accordance with the rules of the 2024 ESOS
<i>“Financial Statements”</i>	:	A copy of the financial statements which are to be laid before a general meeting of the Company, made up to the end of the applicable financial year and including every document and all information as required by the Bermuda Companies Act and/or the rules or regulations of the SGX-ST
<i>“FY”</i>	:	The financial year ended or, as the case may be, ending 30 June

“Group”	:	The Company and its subsidiaries
“Group Employee”	:	Any confirmed employee of the Group (including any Group Executive Director)
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries who performs an executive function
“Group Non-Executive Director”	:	A director of the Company and/or any of its subsidiaries other than one who performs an executive function, including independent directors of the Company and/or any of its subsidiaries
“Highest Last Dealt Price”	:	Shall have the meaning ascribed to it in section 2.5 (d) of this Appendix
“IFRS 2”	:	Shall have the meaning ascribed to it in section 3.6 of this Appendix
“Independent Shareholders”	:	Shareholders who are independent for the purposes of approving the Proposals
“Kikki Investment”	:	Kikki Investment Limited
“Latest Practicable Date”	:	20 September 2024, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which SGX-ST is open for trading in securities
“Market Price”	:	The average of the last dealt price 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 preceding the relevant Date of Offer, rounded to the nearest whole cent in the event of fractional prices
“Market Price Option”	:	The right to subscribe for Shares granted or to be granted pursuant to the 2024 ESOS and for the time being subsisting and in respect of which the Exercise Price is at Market Price
“Market Purchases”	:	Shall have the meaning ascribed to it in section 2.5 (c) of this Appendix
“Maximum Price”	:	Shall have the meaning ascribed to it in section 2.5 (d) of this Appendix
“Memorandum”	:	The memorandum of association of the Company

<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of the Options under the 2024 ESOS
<i>“NTA”</i>	:	Net tangible assets
<i>“Off-Market Purchases”</i>	:	Shall have the meaning ascribed to it in section 2.5 (c) of this Appendix
<i>“Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the 2024 ESOS
<i>“parent company”</i>	:	A company that is required under applicable accounting standards to prepare consolidated financial statements in relation to a group
<i>“Performance Targets”</i>	:	The performance targets prescribed by the relevant committee to be fulfilled by a PSP Participant for any particular period under the 2020 KPSP as set out in the rules of the 2020 KPSP
<i>“Proposals”</i>	:	Shall have the meaning ascribed to it in section 1 of this Appendix
<i>“PSP Participant”</i>	:	A person who has been granted an Award under the 2020 KPSP pursuant to the rules of the 2020 KPSP
<i>“Relevant Period”</i>	:	Shall have the meaning ascribed to it in section 2.5 (b) of this Appendix
<i>“Remuneration Committee”</i>	:	The remuneration committee of the Company
<i>“Rule 14”</i>	:	Shall have the meaning ascribed to it in section 2.10 of this Appendix
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	:	The general mandate granted or to be granted by the Shareholders for the purposes of authorising the purchase or acquisition of Shares by the Company, subject to compliance with the Companies Law, the Singapore Companies Act and the rules and regulations of the SGX-ST

“Shareholders”	:	Registered holders of the Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Account
“Shares”	:	Issued ordinary shares in the capital of the Company
“Singapore Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than five per cent. (5%) of the total voting rights in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“treasury shares”	:	Issued Shares of the Company which are held as treasury shares by the Company in accordance with the applicable provisions of the Companies Law
“HK\$” and “HK cents”	:	Hong Kong dollars and cents, respectively
“S\$” and “S cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Per centum or percentage

The terms “**Depositors**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The terms “**associate**” shall have the meanings ascribed to it in the Listing Manual, and “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Singapore Companies Act.

Except where specifically defined, the terms “**we**”, “**us**” and “**our**” in this Circular refer to Karin Technology Holdings Limited.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date unless otherwise stated.

LETTER TO SHAREHOLDERS

KARIN TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Bermuda on 30 August 2002)

(Registration Number: 32514)

Directors:

Mr. Ng Kin Wing, Raymond (Executive Chairman and Executive Director)
Mr. Ng Yuk Wing, Philip (Chairman Emeritus and Executive Director)
Mr. Ng Mun Kit, Michael (Chief Executive Officer and Executive Director)
Ms. Juni Yan Yuk Ping (Independent Director)
Mr. Lawrence Kwan (Independent Director)
Mr. Kuan Cheng Tuck (Independent Director)

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

15 October 2024

To: The shareholders of Karin Technology Holdings Limited

Dear Sir/Madam,

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
 - (2) **THE PROPOSED ADOPTION OF THE 2024 ESOS; AND**
 - (3) **THE PROPOSED GRANT OF OPTIONS AT A DISCOUNT UNDER THE 2024 ESOS.**
-

1. INTRODUCTION

The Directors are proposing to seek Shareholders' approval at the forthcoming AGM for;

- (a) the proposed renewal of the Share Buyback Mandate (the "**Proposed Renewal**");
- (b) the proposed adoption of the 2024 ESOS; and
- (c) the proposed grant of options at a discount under the 2024 ESOS.

(collectively, the "**Proposals**").

The purpose of this Appendix is to provide Shareholders with information pertaining to the Proposals, and to seek Shareholders' approval in respect of the same at the AGM to be held at Empress Ballroom 3, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on 30 October 2024 at 10:00 a.m. The notice of AGM is set out on pages 146 to 156 of the Annual Report.

WongPartnership LLP has been appointed as the legal adviser to the Company in relation to the Proposals.

The SGX-ST had on 12 September 2024 granted its in-principle approval for the listing and quotation of the New Shares to be issued in accordance with the 2024 ESOS, subject to, *inter alia*, Shareholders' approval for the 2024 ESOS and the Company's compliance with SGX-ST's listing requirements and guidelines. The in-principle approval granted by SGX-ST to the Company is not to be taken as an indication of the merits of the 2024 ESOS, the New Shares, the Company and/or its subsidiaries.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this letter.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company has to be made in accordance with and in the manner prescribed by, the Companies Law, the Singapore Companies Act, the Bye-laws and such other laws and regulations as may, for the time being apply, including, Rules 881 to 886 of the Listing Manual which relate to the purchase or acquisition of issued shares in the capital of a company listed on the SGX-ST.

At the 2009 SGM, the Shareholders first approved, *inter alia*, a mandate to allow the Company to purchase or otherwise acquire Shares in accordance with the terms set out in the resolution authorising the same, and subject to compliance with the Companies Law, the Singapore Companies Act and the rules and regulations of the SGX-ST. The rationale for the authority and limitations on, and the financial effects of the Share Buyback Mandate, were set out in the 2009 Circular.

The Share Buyback Mandate was first approved by Shareholders at the Company's SGM 2009. It was subsequently renewed by Shareholders at each of the Company's AGM that followed with the last AGM held on 26 October 2023 and will continue in force until the forthcoming AGM on 30 October 2024.

Approval is being sought from the Shareholders at the forthcoming AGM for the proposed renewal of the Share Buyback Mandate, pursuant to which the Company will be authorised to purchase or otherwise acquire Shares on the terms of the Share Buyback Mandate.

The authority conferred pursuant to the Share Buyback Mandate may be exercised by the Directors at any time during the period commencing from the date of the forthcoming AGM and will continue in force until the earlier of the date on which the next annual general meeting of the Company is held or is required by law or the Bye-laws to be held, unless prior thereto, Share purchases or acquisitions are carried out to the full extent mandated or the authority contained in the Share Buyback Mandate is varied or revoked by the Company at a general meeting. The authority contained in the existing Share Buyback Mandate will be expiring on 30 October 2024, being the date of the Company's forthcoming annual general meeting.

2.2 Shares Purchased by the Company in the Previous 12 Months

For the period of 12 months prior to the Latest Practicable Date, pursuant to the Share Buyback Mandate, the Company had purchased 24,600 Shares by way of Market Purchases on 24 May 2024 and held them as treasury shares. The purchase price was S\$0.295 per Share and the total consideration paid for the purchases was S\$7,287.79. As a result, the number of issued Shares excluding treasury shares after purchase is 216,323,400 Shares.

2.3 Rationale for the Proposed Renewal of the Share Buyback Mandate

The Directors constantly seek to increase Shareholders' value and to improve, inter alia, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner.

The Share Buyback Mandate will also allow the Directors greater flexibility over the Company's share capital structure and dividend policy with a view to enhancing the earnings and/or NTA per Share.

The Directors further believe that share buybacks by the Company will help mitigate short-term market volatility in Share price, offset the effects of short-term speculation and bolster Shareholders' confidence. It will also enable the Directors to utilise the Shares which are purchased and held as treasury shares for the purposes of any employees' share scheme.

If and when circumstances permit, the Directors will decide whether to effect the share buybacks via market purchases or off-market purchases in accordance with an equal access scheme as defined in section 76C of the Singapore Companies Act (as further described in section 2.5 below), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out share buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or orderly trading of the Shares, and/or the financial condition of the Company or the Group, taking into account the working capital requirements of the Company and the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

2.4 Mandate

Approval is being sought from Shareholders at the AGM by way of an ordinary resolution for the proposed renewal of the Share Buyback Mandate. If approved, the Share Buyback Mandate will be renewed from the date of the AGM and continue in force until the earlier of the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law or by the Bye-laws to be held, unless prior thereto, Share purchases are carried out to the full extent mandated or the date on which the authority conferred by the Share Buyback Mandate is revoked or varied at a general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

2.5 The Terms of the Share Buyback Mandate

The authority and limitations placed on purchases of Shares by the Company, if the Share Buyback Mandate is renewed at the AGM, are substantially the same as that previously approved by Shareholders at the 2009 SGM.

For the benefit of the Shareholders, the authority and limitations on the Share Buyback Mandate are summarised below.

(a) *Maximum number of Shares*

Only ordinary shares of the Company which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company is limited to the number of Shares representing not more than 10% of the issued ordinary share capital (excluding treasury shares and subsidiary holdings) of the Company as at the date on which the proposed renewal of the Share Buyback Mandate is approved (i.e. the date of the AGM) (the “**Approval Date**”), 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).

For illustrative purposes only, based on the existing issued and paid-up capital (excluding treasury shares) of the Company as at the Latest Practicable Date of HK\$21,632,340 comprising 216,323,400 Shares, and assuming that no further Shares are issued on or prior to the AGM, not more than 21,632,340 Shares (representing 10% of the issued ordinary share capital (excluding treasury shares and subsidiary holdings) of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

(b) *Duration of authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (i) the date on which the next annual general meeting of the Company 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**”).

(c) *Manner of purchase of Shares*

Purchases of Shares may be made by way of:

- (i) on-market purchases (“**Market Purchases**”) transacted on 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 purchases (“**Off-Market Purchases**”) (if effected otherwise than on 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.

The Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Listing Manual, the Companies Law and the Singapore Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Singapore Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of Shares from such persons;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are to be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (cc) in the event that there are offeree Shareholders holding odd numbers of Shares, differences in the offers introduced solely to ensure that each person is left with a whole number of Shares in board lots of 100 Shares after the Share purchases.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;

- (iii) the reasons for the proposed Share purchase;
- (iv) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share purchase, if made, would have any effect on the listing of the Shares on SGX-ST;
- (vi) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) *Maximum purchase price*

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares by the Company will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**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;

“**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

“**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, 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.

2.6 Status of Purchased Shares under the Share Buyback Mandate

A Share purchased or acquired by the Company shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the issued share capital of the Company will be diminished by the nominal value of the number of Shares purchased or acquired by the Company and which are not held as treasury shares but the cancellation shall not be taken as reducing the amount of the Company’s authorised share capital. Certificates in respect of Shares purchased by the Company will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase unless such Shares are held by the Company as treasury shares.

Under the Companies Law, a company limited by shares or other company having a share capital may, if authorised by its memorandum of association or bye-laws, purchase its own shares. The shares so purchased may either be cancelled (in which event, the company’s issued, but not its authorised share capital, will be diminished accordingly) or if authorised by its memorandum of association or bye-laws, may be held as treasury shares. Under the Companies Law, if a company holds shares as treasury shares, the company shall be entered in the register of members as a member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) of the company’s assets shall be paid or made to the company in respect of such shares. However, the allotment of shares as fully paid bonus shares in respect of shares held by the company as treasury shares is allowed.

No acquisition by a company of its own shares to be held as treasury shares may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

Under the Companies Law, a company that acquires its own shares to be held as treasury shares may:

- (i) hold all or any of the treasury shares;
- (ii) dispose of or transfer all or any of the treasury shares for cash or other consideration; or
- (iii) cancel all or any of the treasury shares.

2.7 Source of Funds for Share Buybacks

Under the Companies Law, any purchase of Shares by the Company may only be funded out of the capital paid up on the Shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase. Any premium payable on such purchase (i.e., the amount paid in excess of the nominal value of the Shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account before the Shares are purchased.

The Company will use internal sources and/or external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buyback Mandate on the NTA per share and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased, the purchase prices paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases.

2.8 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares by the Company which may be made pursuant to the Share Buyback Mandate will depend on, inter alia, whether the Shares purchased or acquired are held in treasury or cancelled, and the price paid for such Shares. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2024, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 30 June 2024 for the purpose of computing the financial effects on the EPS of the Group;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 30 June 2024 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group;
- (c) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate is assumed to be financed by internal funds; and
- (d) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are insignificant and are ignored for the purpose of computing the financial effects.

Information as at the Latest Practicable Date

For illustrative purposes only, based on the issued and paid-up ordinary share capital (excluding treasury shares) of the Company as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase by the Company of up to the maximum limit of 10% of its issued share capital (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 21,632,340 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 21,632,340 Shares at the Maximum Price of S\$0.335 for one (1) Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 21,632,340 Shares is S\$7,246,000 (or equivalent to HK\$43,704,000 based on the Exchange Rate). This calculation is based on the assumption that the whole purchase consideration will be funded internally.

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 21,632,340 Shares at the Maximum Price of S\$0.395 for one (1) Share (being the price equivalent to 20% above the highest price transacted for a Share as recorded on the Market Day immediately preceding the Latest Practicable Date on which there were trades in the Shares), the maximum amount of funds required for the purchase or acquisition of 21,632,340 Shares is S\$8,544,000 (or equivalent to HK\$51,532,000 based on the Exchange Rate). This calculation is based on the assumption that the whole purchase consideration will be funded internally.

Pro Forma Financial Effects

For illustration purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (a) acquisition and subsequent cancellation of Shares by the Company pursuant to the Share Buyback Mandate; and
- (b) acquisition of Shares held as treasury shares by the Company pursuant to the Share Buyback Mandate,

on the audited financial statements of the Group and the Company for FY2024 are as follows:

Illustration (a): Purchases and subsequent cancellation of Shares

	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
(HK\$'000)						
At 30 June 2024						
Share capital	21,636	19,469	19,469	21,636	19,469	19,469
Total equity	399,867	356,163	348,335	124,055	80,351	72,523
NTA	398,807	355,103	347,275	124,055	80,351	72,523
Current assets	1,099,030	1,055,326	1,047,498	51,188	7,484	–
Current liabilities	722,247	722,247	722,247	3,441	3,441	(3,785)
Working capital	376,783	333,079	325,251	47,747	4,043	(3,785)
Total borrowings	105,912	105,912	105,912	–	–	–
Cash and cash equivalents	127,206	83,502	75,674	321	–	–
Profit after tax and non-controlling interests	19,005	19,005	19,005	42,102	42,102	42,102
No. of Shares ('000) (excluding treasury shares)	216,323	194,691	194,691	216,323	194,691	194,691
Financial Ratios						
NTA per Share (HK cents) ⁽¹⁾	184.36	182.39	178.37	57.35	41.27	37.25
Basic EPS (HK cents) ⁽²⁾	8.82	9.80	9.80	19.53	21.71	21.71
Net gearing (times) ⁽³⁾	–	0.06	0.09	N/A	N/A	N/A
Return on equity (%) ⁽⁴⁾	4.75	5.34	5.46	33.94	52.40	58.05

Notes:

- (1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 June 2024.
For the purpose of this illustration, the Group's NTA represents its net assets less goodwill.
- (2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 June 2024 of 215,528,274 Shares and 193,896,274 Shares before and after the Share purchase, respectively.
- (3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Total equity.
- (4) Return on equity equals to profit after tax and non-controlling interests divided by Total equity.
- (5) For the purposes of this illustration, it is assumed that the Company will utilise its current assets to fund the purchase consideration for the share buyback.

Illustration (b): Purchases of Shares and held as treasury shares

	Group			Company		
	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase	Before Share purchase	After Share purchase assuming Market Purchase	After Share purchase assuming Off-Market Purchase
(HK\$'000)						
At 30 June 2024						
Share capital	21,636	21,636	21,636	21,636	21,636	21,636
Treasury shares	(61)	(43,765)	(51,593)	(61)	(43,765)	(51,593)
Total equity	399,867	356,163	348,335	124,055	80,351	72,523
NTA	398,807	355,103	347,275	124,055	80,351	72,523
Current assets	1,099,030	1,055,326	1,047,498	51,188	7,484	–
Current liabilities	722,247	722,247	722,247	3,441	3,441	(3,785)
Working capital	376,783	333,079	325,251	47,747	4,043	(3,785)
Total borrowings	105,912	105,912	105,912	–	–	–
Cash and cash equivalents	127,206	83,502	75,674	321	–	–
Profit after tax and non-controlling interests	19,005	19,005	19,005	42,102	42,102	42,102
No. of Shares ('000) (excluding treasury shares)	216,323	194,691	194,691	216,323	194,691	194,691
Financial Ratios						
NTA per Share (HK cents) ⁽¹⁾	184.36	164.15	160.54	57.35	37.14	33.53
Basic EPS (HK cents) ⁽²⁾	8.82	9.80	9.80	19.53	21.71	21.71
Net gearing (times) ⁽³⁾	–	0.06	0.09	N/A	N/A	N/A
Return on equity (%) ⁽⁴⁾	4.75	5.34	5.46	33.94	52.40	58.05

Notes:

- (1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 June 2024.
For the purpose of this illustration, the Group's NTA represents its net assets less goodwill.
- (2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 June 2024 of 215,528,274 Shares and 193,896,274 Shares before and after the Share purchase, respectively.
- (3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Total equity.
- (4) Return on equity equals to profit after tax and non-controlling interests divided by Total equity.
- (5) For the purposes of this illustration, it is assumed that the Company will utilise its current assets to fund the purchase consideration for the share buyback.

Shareholders should note that the financial effects set out above based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements of the Company as at 30 June 2024 and is not necessarily representative of the future financial performance of the Company. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued share capital of the Company, the Company may not necessarily purchase or acquire the entire 10% of the issued share capital of the Company. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.9 Listing Manual Requirements

The Listing Manual provides that a listed company shall report all purchases or acquisitions of its shares to SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the total number of shares purchased and the purchase price per share or the highest and lowest prices paid for such shares, as applicable as well as the total consideration (including stamp duties and clearing charges) paid or payable for the Shares.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company of its own shares during any particular time or times, because a listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any purchase of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares pursuant to the Share Buyback Mandate during the period commencing:

- (i) one (1) month immediately preceding the announcement of the Company’s half-year financial statements; and
- (ii) one (1) month immediately preceding the announcement of the Company’s financial statements of its full-year results,

and ending on the date of the announcement of the relevant results.

The Listing Manual also requires a listed company to ensure that at least 10% of its shares are at all times held by the public. The “public” as defined in the Listing Manual, are persons other than the directors, substantial shareholders, chief executive officers or controlling shareholders of a company and its subsidiaries, as well as associates of such persons.

As at the Latest Practicable Date, 55,911,300 Shares representing 25.85% of the issued share capital of the Company are held in the hands of the public by an aggregate of 611 Shareholders. In the event that the Company purchases the maximum of 10% of its issued ordinary share capital from such public Shareholders, the resultant percentage of Shares held by public Shareholders would be reduced to approximately 17.61%. Accordingly, the Company is of the view that there is a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases and acquisitions of Shares up to the full 10% limit pursuant to the Share Buyback Mandate, without affecting adversely the listing status of the Shares on SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.10 Take-Over Code Implications arising from Share Purchases

Mandatory Offers under Rule 14 of the Take-over Code

Under the Take-over Code, a person will be required to make a general offer for a public company if:

- (a) he acquires 30% or more of the voting rights of the company; or
- (b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any six-month period.

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”). Consequently, depending on the number of Shares purchased by the Company and the Company’s issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

Persons Acting In Concert

Under the Take-over Code, persons acting in concert or concert parties comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Obligations to make a General Offer as a result of the Share Buyback

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties increase to 30% or more, or, if the voting rights of such Directors and their concert parties are between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per cent. (1%) in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they acquire any Shares during the Relevant Period.

Application of the Take-over Code

Based on the Company's register of Directors' shareholdings and register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors (who have interests in Shares) and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Buyback Mandate, assuming: (i) the Company purchases the maximum amount of 10% of the issued ordinary share capital of the Company; (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in; and (iii) none of the outstanding Options is exercised, will be as follows:

	Before Share Purchases			After Share Purchases		
	Direct Interest	Deemed Interest	Total Interest %	Direct Interest	Deemed Interest	Total Interest %
Directors						
Ng Kin Wing, Raymond ⁽¹⁾	-	70,639,950	32.65	-	70,639,950	36.28
Ng Mun Kit, Michael ⁽²⁾	-	70,639,950	32.65	-	70,639,950	36.28
Ng Yuk Wing, Philip ⁽³⁾	-	72,151,950	33.35	-	72,151,950	37.06
Lawrence Kwan	200,000	-	0.09	200,000	-	0.10
Kuan Cheng Tuck	200,000	-	0.09	200,000	-	0.10
Juni Yan Yuk Ping	-	-	-	-	-	-
Substantial Shareholders						
Asia Platform ⁽²⁾⁽³⁾	70,639,950	-	32.65	70,639,950	-	36.28
Kikki Investment ⁽¹⁾	70,639,950	-	32.65	70,639,950	-	36.28
Ng Yuk Wing, Philip ⁽³⁾	-	72,151,950	33.35	-	72,151,950	37.06
Ng Mun Kit, Michael ⁽²⁾	-	70,639,950	32.65	-	70,639,950	36.28
Ng Kin Wing, Raymond ⁽¹⁾	-	70,639,950	32.65	-	70,639,950	36.28
Ng Eng Seng	-	17,220,200	7.96	-	17,220,200	8.84

Notes:

- (1) Our Executive Chairman and Executive Director, Mr. Ng Kin Wing, Raymond, is the sole shareholder of Kikki Investment, which directly holds 70,639,950 Shares in our Company. Accordingly, Mr. Ng Kin Wing, Raymond has a deemed interest in 70,639,950 Shares in our Company.
- (2) Our Chief Executive Officer and Executive Director, Mr. Ng Mun Kit, Michael, holds not less than 20% of the voting shares in Asia Platform, which directly holds 70,639,950 Shares in our Company. Accordingly, Mr. Ng Mun Kit, Michael has a deemed interest in 70,639,950 Shares in our Company.
- (3) Our Chairman Emeritus and Executive Director, Mr. Ng Yuk Wing, Philip, holds not less than 20% of the voting shares in Asia Platform, which directly holds 70,639,950 Shares in our Company. Accordingly, he has a deemed interest in the 70,639,950 Shares in our Company held by Asia Platform. He has also a deemed interest in the 1,512,000 Shares in our Company held by his spouse.

Mr. Ng Kin Wing, Raymond and Mr. Ng Yuk Wing, Philip are brothers. Mr. Ng Mun Kit, Michael is the son of Mr. Ng Yuk Wing, Philip. Accordingly, each of Asia Platform and Kikki Investment (respectively being the investment holding companies of Mr. Ng Yuk Wing, Philip and Mr. Ng Mun Kit, Michael, and Mr. Ng Kin Wing, Raymond, and their families) are considered persons acting in concert under the Take-over Code. The aggregate direct shareholding of Asia Platform and Kikki Investment is 141,279,900 Shares, which accounts for more than 50% of Company's voting rights.

As such, there will not be any obligation on any Shareholders (including Directors) and persons acting in concert with them to make a general offer to other Shareholders pursuant to Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of

such Shareholders (including Directors) and their concert parties increase, since their shareholdings in the Company as at the Latest Practicable Date are either above 50% or will not reach 30% or more after the maximum purchase of Shares by the Company.

The Directors are also not aware of any other Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases or acquires the maximum number of Shares under the Share Buyback Mandate.

2.11 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

3. PROPOSED ADOPTION OF THE 2024 ESOS

3.1 Background

The Company had an employee share option scheme known as the “2014 Karin Employee Share Option Scheme” (the “**2014 ESOS**”), which was adopted on 9 October 2014 for the purpose of providing eligible participants with an opportunity to participate in the equity of the Company and to align the interest of the participants to those of Shareholders, as well as strengthen the Company’s competitiveness in attracting and retaining talented employees. The 2014 ESOS had a maximum duration of 10 years and expired on 9 October 2024. No options were granted under the 2014 ESOS. Accordingly, as at the Latest Practicable Date, there are no outstanding and unexercised options granted under the 2014 ESOS.

3.2 Primary Objectives

In light of the above, the Company proposes to adopt and implement the 2024 ESOS as a new employee share option scheme of the Company to replace the 2014 ESOS. The 2024 ESOS will, if approved and adopted by Shareholders at the AGM, take effect from the date of the AGM (the “**ESOS Adoption Date**”).

The 2024 ESOS is primarily a share incentive scheme. The 2024 ESOS contemplates the award of Options to ESOS Participants and 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 and who satisfy the eligibility criteria as set out in the rules of the 2024 ESOS.

The Implementation of the 2024 ESOS will enable the Company to give recognition to the contributions made by such Group Employees, Associated Company Employees and Group Non-Executive Directors towards the success and continued well-being of the Group. The 2024 ESOS will give ESOS Participants an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) to attract, motivate and reward ESOS Participants for their contributions towards the success of the Group;
- (b) to retain key employees and Directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instil loyalty to and reinforce a stronger identification by ESOS Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of ESOS Participants with the interests of Shareholders.

3.3 Rationale for Proposed Adoption of the 2024 ESOS in addition to the 2020 Karin Performance Share Plan (the “2020 KPSP”)

The proposed adoption of the 2024 ESOS in addition to the 2020 KPSP will give the Company greater flexibility in tailoring reward and incentive packages suitable for their respective participants and aligning their respective interests with those of Shareholders. The Company believes that this will in turn inculcate in the participants of the 2024 ESOS and the 2020 KPSP a stronger and more lasting sense of identification with the Group, and further strengthen the Company’s competitiveness in attracting and retaining talented employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group. For example, Options under the 2024 ESOS could be granted as a supplement of and/or as part of the existing remuneration packages for eligible participants of the 2024 ESOS and the 2020 KPSP. For the avoidance of doubt, the grant of Options under the 2024 ESOS and the exercise of the Options so granted is not subject to growth of the Company and/or the Group. For the avoidance of doubt, any Option granted under the 2024 ESOS does not form part of the remuneration packages of the independent directors of the Company and/or its subsidiaries.

Unlike Options granted under the 2024 ESOS, the 2020 KPSP contemplates the award of fully paid Shares to PSP Participants after Performance Targets are met. Therefore, notwithstanding that the employees and non-executive directors of the Company and/or its subsidiaries are equally eligible for the 2024 ESOS and the 2020 KPSP, 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 Group), while the 2020 KPSP is aimed at rewarding the PSP Participants who have achieved the Performance Targets determined by the Committee.

3.4 Summary of the Rules of the 2024 ESOS

The rules of 2024 ESOS in their entirety are set out in Annex A to this Appendix, and a summary of the rules is set out below.

(a) *Eligibility*

Subject to the absolute discretion of the Committee and save as provided in this Clause 3.4(a), the following persons shall be eligible to participate in the 2024 ESOS:

- (i) Group Employees (including Group Executive Directors);
- (ii) Associated Company Employees; and
- (iii) Group Non-Executive Directors,

provided that, as of the relevant Date of Offer, they have attained the age of 21 years, have not entered into any compositions with their respective creditors and are not undischarged bankrupts, and who have, as of the Date of Offer, been in the employment of (or in the case of the Group Non-Executive Directors, been appointed to their position in) the Group or respective Associated Companies for a period of at least 12 months, or such shorter period as the Committee may determine.

Directors and employees of the Company's parent company and its subsidiaries (other than the Company and its subsidiaries and Associated Companies) are not entitled to participate in the 2024 ESOS. Non-executive directors of the Company's Associated Companies are also not entitled to participate in the 2024 ESOS.

Controlling Shareholders and their Associates are not eligible to participate in the 2024 ESOS. As at the Latest Practicable Date, all of the present Executive Directors of the Company are deemed to be Controlling Shareholders. For so long as the Executive Directors are deemed to be Controlling Shareholders, they are not eligible to participate in the 2024 ESOS.

(b) *Maximum Entitlements*

The aggregate number of Shares in respect of which Options may be offered to an ESOS Participant for subscription in accordance with the Scheme shall be determined at the absolute discretion of the Committee which shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the ESOS Participant.

(c) *Size and Duration of the 2024 ESOS*

Pursuant to Rule 845 of the Listing Manual, the aggregate number of Shares over which Options may be granted under the 2024 ESOS, when added to the number of Shares issued, issuable, delivered and/or deliverable in respect of:

- (i) all Options granted under the 2024 ESOS;
- (ii) all Awards granted under the 2020 KPSP; and

- (iii) all share awards or share options granted under any other schemes implemented by the Company (if any),

shall not exceed 15% of all issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Date of Offer.

The size of the 2024 ESOS is intended to support the long-term use of share options as part of the Group's overall compensation strategy. In particular, the 2024 ESOS will provide the Company with greater flexibility to use share options as a supplement of and/or as a part of its remuneration package to acknowledge the relevant participant's achievements and provide an incentive for ongoing performance. The above limit will enable the Company to grant sufficient number of Options to eligible participants to serve as a meaningful reward for contributions to the Group.

The 2024 ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the 2024 ESOS is adopted by Shareholders in a general meeting, provided always that the 2024 ESOS may continue beyond the above stipulated period subject to compliance with applicable laws and regulations in Singapore and Bermuda and with the approval of Shareholders by resolution in general meeting and of any relevant authorities which may then be required.

The 2024 ESOS may be terminated at any time by the Committee or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the 2024 ESOS is so terminated, no further Options shall be offered by the Company hereunder.

(d) *Exercise Price of Options and Grant of Options at a Discounted Price*

Subject to adjustments under the rules of the 2024 ESOS, the Exercise Price for the Shares in respect of which an Option is exercisable shall be determined by the Committee in its absolute discretion at:

- (i) the Market Price; or
- (ii) a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount which may be given in respect of any option shall not exceed 20% of the Market Price and is approved by Shareholders in a general meeting in a separate resolution in respect of that Option.

Options granted with the Exercise Price set at Market Price may be exercised during the period commencing after the first anniversary of the Date of Offer and expiring on the tenth anniversary of such Date of Offer for Options granted to Group Employees (including Group Executive Directors) and on the fifth anniversary of such Date of Offer for Options granted to Group Non-Executive Directors and Associated Company Employees, failing which the unexercised Option shall immediately lapse and become null and void.

Options granted at a discount to the Market Price may be exercised during the period commencing after the second anniversary of the Date of Offer and expiring on the tenth anniversary of such Date of Offer for Options granted to Group Employees (including Group Executive Directors) and on the fifth anniversary of such Date of Offer for Options granted to Group Non-Executive Directors and Associated Company Employees, failing which the unexercised Option shall immediately lapse and become null and void.

The ability to offer Options at a discount to the Market Price of the Shares will allow flexibility in structuring the Options. Being able to offer Options at a discount is important in situations where it is more meaningful for the Company to acknowledge a Participant's achievement through offering Options at a discount to the Market Price rather than paying a cash bonus, as these Options operate as a form of cashless reward from the Company with a greater potential for capital appreciation than Options granted at Market Price, or in situations where more compelling motivation is required in order to attract new talent into the Group and/or retain talented individuals.

Further, because Options granted with a discount under the 2024 ESOS are subject to a longer vesting period of two (2) years, as compared to a vesting period of one (1) year for those granted at the Market Price, holders of such Options are encouraged to be more long-sighted, thereby promoting staff and executive retention and reinforcing their commitment to the Group. The Company also believes that the maximum discount of 20% to the Market Price of the Shares is sufficient to allow for flexibility in the 2024 ESOS and would also minimise the potential dilutive effect to the Shareholders arising from the 2024 ESOS. In this regard, there is potential dilutive effect to Shareholders in relation to the Market Price of the Shares (i.e. the Market Price of the Shares decrease) as the Exercise Price of the Options is lower than the Market Price in event there is a discount to the Market Price of the Shares.

In determining whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as it may in its absolute discretion deem appropriate, including but not limited to (a) the performance of the Company, its subsidiaries and/or its Associated Companies, as the case may be; (b) the years of service and individual performance of the eligible ESOS Participant; (c) the contribution of the eligible ESOS Participant to the success and development of the Company and/or the Group; and (d) the prevailing market conditions. In the event that Options are granted at a discount, the actual discount given will depend on the relevant circumstances and the extent of the discount may vary from one case to another, save that the discount shall not exceed 20% of the Market Price.

(e) *Operation of the 2024 ESOS*

Subject to the prevailing legislation and the Listing Manual, the Company will have the flexibility to deliver Shares to ESOS Participants upon exercise of their Options by way of:

- (i) an issue of New Shares; and/or

- (ii) to the extent permitted by law and the Listing Manual, delivering existing Shares to the ESOS Participant, whether such existing Shares are purchased or acquired pursuant to the Share Buyback Mandate or held as treasury shares.

In determining whether to issue New Shares or to transfer treasury shares (if any) to an ESOS Participant pursuant to the exercise of an Option, the Committee may take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.

(f) *Administration*

The 2024 ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the 2024 ESOS) for the implementation and administration of the 2024 ESOS as it thinks fit.

Any decision of the Committee, made pursuant to any provision of the 2024 ESOS (other than a matter to be certified by the Auditors), shall be final and binding.

3.5 Rationale for the participation by the Group Non-Executive Directors and employees of Associated Companies

(a) *Participation by Group Non-Executive Directors*

Although the Group Non-Executive Directors are not involved in the day-to-day running of the Group's operations, they, nonetheless, play an invaluable role in furthering the business interests of the Group by contributing their experience and expertise. The participation by the Group Non-Executive Directors in the 2024 ESOS will provide the Company with a further avenue to acknowledge and recognise their services and contributions to the Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment. For instance, a Group Non-Executive Director may bring strategic or other value to the Group which may be difficult to quantify in monetary terms. The grant of Options to Group Non-Executive Directors will allow the Company to attract and retain experienced and qualified persons from different professional backgrounds to join the Group as Group Non-Executive Directors, and to motivate existing Group Non-Executive Directors to take extra efforts to promote the interests of the Group.

In deciding whether to grant Options to Group Non-Executive Directors, the Committee will take into consideration, among others, the services and contributions made to the growth, development and success of the Group and the years of service of the Group Non-Executive Director. The Committee may also, where it considers relevant, take into account other factors such as the economic conditions and the Group's performance.

In the event that Options are granted to Group Non-Executive Directors who are independent directors of the Group in the future, such persons have given their confirmation that their participation in the 2024 ESOS will not compromise their independent status. In addition, to ensure that a Group Non-Executive Director's independent status will not be compromised, the Company will ensure that each individual Group Non-Executive Director will not be granted Options amounting to more than five percent (5%) of the Company's issued Shares at the Date of Offer (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time). In this regard, it is noted that Paragraph 2.1 of the Code of Corporate Governance provides that "*an "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company*". Rule 210(5)(d) of the Listing Manual further provides that "*a director will not be independent under any of the following circumstances: (i) if he is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years; (ii) if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations in the current or any of the past three financial years, and whose remuneration is or was determined by the remuneration committee of the issuer; or (iii) Deleted; (iv) if he has been a director of the issuer for an aggregate period of more than nine years (whether before or after listing). Such director may continue to be considered independent until the conclusion of the next annual general meeting of the issuer*". Accordingly, the independent directors of the Company (and/or its subsidiaries, as the case may be) are not prohibited from owning shares in the Company, which such independent directors would own if (a) they bought shares in the open market; and/or (b) they were awarded the Options, and they chose to exercise the Options, unless they become a substantial shareholder of the Company, in which case they would no longer be independent (pursuant to Paragraph 2.1 of the Code of Corporate Governance).

(b) Participation by Associated Company Employees

Associated Company Employees are persons who work closely with the Company and/or the Group. Participation in the 2024 ESOS is being extended to them as the Company considers these persons to be in a position to be able to provide valuable support and input to the Company through their close working relationship and/or business association with the Group. The extension of the 2024 ESOS to Associated Company Employees will also serve to motivate these individuals to contribute to the growth of their companies. The contribution of the Associated Company Employees to the success and development of their companies will in turn benefit the Group from the equity accounting of the higher profits of the Associated Companies. Therefore, it is in the interests of the Company to motivate the Associated Company Employees by allowing them to participate in the 2024 ESOS.

Should the Company in the future grant share options to Associated Company Employees, the Company will consider, among others, the contribution of such individuals to the success and development of the Company and/or the Group before selecting them for participation in the 2024 ESOS. For the purposes of assessing their contributions, the Committee may adopt a performance framework which incorporates financial and/or non-financial criteria. These criteria include the contribution of the relevant Associated Company to the net profit after tax and business growth of the Group as well as the years of service of the relevant Associated Company Employee and the extent to which he achieves his performance targets. Although the Company does not have such a framework, it may, at the appropriate time, adopt one.

As at the Latest Practicable Date, the Group has one (1) associated company, namely, Infodeck Technology Pte. Ltd.. The Group does not have control over this associated company, and hence Infodeck Technology Pte. Ltd. does not fall within the definition of Associated Company and its confirmed employees (including executive directors) are not eligible to participate in the 2024 ESOS. In the event the Group subsequently has control over Infodeck Technology Pte. Ltd., it would fall within the definition of Associated Company, and its confirmed employees (including executive directors) will be eligible to participate in the 2024 ESOS.

3.6 Key Changes between the 2014 ESOS and the 2024 ESOS

A summary of the key differences between the rules of the 2014 ESOS and the rules of the 2024 ESOS is set out below.

- (a) to explicitly state that the Associated Company Employees are eligible to participate in the 2024 ESOS to the extent that such was not made clear in the rules of the 2014 ESOS;
- (b) to provide that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof under the rules of the 2024 ESOS, compared to 1,000 Shares or any multiple thereof under the rules of the 2014 ESOS;
- (c) to explicitly state that neither the 2024 ESOS nor the grant of Options under the 2024 ESOS shall impose on the Company or the Committee any liability whatsoever in connection with:
 - (i) the lapsing or early expiry of any Options pursuant to the 2024 ESOS;
 - (ii) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the 2024 ESOS; and/or
 - (iii) any decision or determination of the Committee made pursuant to any provision of the 2024 ESOS; and

- (d) to explicitly state that any Shareholder, Group Employee, Associated Company Employee and Group Non-Executive Director (including their respective Associates) who is eligible to participate in the 2024 ESOS must decline to accept appointment as proxy to vote in respect of the said resolutions unless the Shareholder concerned shall have given specific instructions as to the manner in which his or her votes are to be cast.

3.7 Financial Effects of the 2024 ESOS

(a) Consideration of Options at each grant to ESOS Participants

Under the 2024 ESOS, an ESOS Participant who is granted an Option shall pay a nominal consideration of HK\$1.00 to the Company on his acceptance of the offer of an Option. In so far as such Options are granted at a consideration which is less than their fair value at the time of grant, there will be a cost to the Company (in that the Company will receive from the ESOS Participant upon the grant of the Option to him, a consideration that is less than the fair value of the Option), the size of which will depend on the amount of Options granted pursuant to the 2024 ESOS and their exercise period as defined in the rules of the 2024 ESOS. If such cost were to be recognised, it would have to be charged to the Company's consolidated statement of profit or loss at the time that the Options are granted.

(b) Potential cost of issuing the Options

International Financial Reporting Standard 2 "Share-based Payment" ("**IFRS 2**") relating to share-based payment took effect for all companies (listed and non-listed companies) beginning 1 January 2005. Under IFRS 2, the recognition of an expense in respect of Options granted under the 2024 ESOS is required. The expense will be based on the fair value of the Options at each date of grant of the Options and will be recognised over the vesting period. This fair value is normally estimated by applying the option pricing model at the date of grant, taking into account the terms and conditions of the grant of the Options and recognised as a charge to the Company's consolidated statement of profit or loss over the vesting period, with a corresponding credit to the Company's reserve account.

Before the end of the vesting period and at the end of each accounting year, the estimate of the number of Options that are expected to vest in each ESOS Participant by the vesting date is revised and the impact of the revised estimate is recognised in the consolidated statement of profit or loss with a corresponding adjustment to the Company's reserve account. After the vesting date, no adjustment of the charge to the consolidated statement of profit or loss is made.

(c) Share capital

The 2024 ESOS will result in an increase in the issued share (excluding treasury shares and subsidiary holdings) and the issued share capital of the Company (excluding treasury shares and subsidiary holdings) to the extent of the New Shares that will be allotted and issued pursuant to the exercise of the Options granted under the 2024 ESOS. This will in turn depend

on, inter alia, the number of New Shares comprised in the Options granted, the number of Options that are accepted and exercised and the Exercise Price of the Shares comprised in the Options.

(d) *NTA*

The issue of New Shares upon the exercise of the Options granted under the 2024 ESOS will increase the Company's consolidated NTA by the aggregate Exercise Price of the New Shares issued. On a per Share basis, the effect on the NTA of the Company will be accretive if the Exercise Price is above the Company's consolidated NTA per Share, but dilutive otherwise.

(e) *EPS*

The 2024 ESOS will have a dilutive impact on the basic EPS following the increase in the Company's number of issued shares (excluding treasury shares and subsidiary holdings) to the extent that the New Shares are allotted and issued upon the exercise of the Options.

Outstanding Options which are not exercised are dilutive to the calculation of diluted EPS when the Exercise Price of the issue of ordinary Shares is less than the Market Price during the period.

Options have a dilutive effect only when the Market Price during the period exceeds the Exercise Price of the Options.

4. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

5. ANNUAL GENERAL MEETING

The annual general meeting of the Company, notice of which is set out in the Annual Report, will be held at Empress Ballroom 3, Level 2, Carlton Hotel Singapore, 76 Bras Basah Road, Singapore 189558 on 30 October 2024 at 10:00 a.m., for the purpose of considering and if thought fit, passing with or without any modifications, the resolutions as set out in the notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's local share transfer agent, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, not less than 72 hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he subsequently wishes to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP, as at 72 hours before the AGM.

7. ABSTENTION FROM VOTING

The Company will procure that all Shareholders who are eligible to participate in the 2024 ESOS and their Associates shall abstain from voting on the resolutions in respect of the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS.

The Company will also procure that any Shareholder, Group Employee, Associated Company Employee and Group Non-Executive Director (including their respective Associates) who is eligible to participate in the 2024 ESOS will decline to accept appointment as proxy to attend and vote at the AGM in respect of the said resolutions unless the Shareholder concerned shall have given specific instructions as to the manner in which his or her votes are to be cast.

Pursuant to Rule 704(16)(b) of the Mainboard Rules, the Company shall, in the announcement of the results for the AGM, include the details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which such parties are required to abstain from voting.

8. DIRECTORS' RECOMMENDATION

Proposed Share Buyback Mandate

The Directors are of the opinion that the renewal of the Share Buyback Mandate, is in the best interests of the Company. The Directors accordingly recommend that Shareholders vote in favour of the renewal of the Share Buyback Mandate.

Proposed Adoption of the 2024 ESOS and proposed grant of options at a discount under the 2024 ESOS

As all the independent directors of the Company are eligible to participate, and are therefore interested, in the 2024 ESOS, they have refrained from making any recommendation to Shareholders in respect of the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS. Accordingly, these directors and their respective Associates shall also decline to accept appointment as proxies for any Shareholders to vote in respect of each of the said resolutions unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which the votes are to be cast in respect of the said resolutions.

The directors who are independent for the purposes of the resolutions relating to the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS (namely, Mr. Ng Kin Wing, Raymond, Mr. Ng Yuk Wing, Philip and Mr. Ng Mun Kit, Michael, being Controlling Shareholders), having considered, among others, the terms and rationale of the

2024 ESOS, are of the view that the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS are in the best interests of the Company, and accordingly recommend that Independent Shareholders vote in favour of the same.

Independent Shareholders, in deciding whether to vote in favour of the ordinary resolutions relating to the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS, should read carefully the rationale, benefits and costs relating to the proposed adoption of the 2024 ESOS and the proposed grant of options at a discount under the 2024 ESOS, and all other relevant information set out in this Appendix. Independent Shareholders should also note that the ordinary resolution relating to the proposed grant of options at a discount under the 2024 ESOS is subject to, and contingent upon, the passing of the ordinary resolution relating to the proposed adoption of the 2024 ESOS.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the proposed adoption of the 2024 ESOS and the Proposed grant of options at a discount under the 2024 ESOS, the Company and its subsidiaries; and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

10. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Company's local share transfer agent, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 9 Raffles Place, #26-01 Republic Plaza, Singapore 048619, during normal business hours from the date of this Appendix, up to and including, the date of the AGM:

- (i) the Memorandum and the Bye-laws;
- (ii) the annual report of the Company for FY2024; and
- (iii) the rules of the 2024 ESOS.

Yours faithfully

For and on behalf of the Board

Ng Kin Wing, Raymond
Executive Chairman and Executive Director
15 October 2024

ANNEX A – RULES OF THE 2024 ESOS

1. NAME OF THE SCHEME

This employee share option scheme shall be called the “2024 Karin Employee Share Option Scheme”.

2. DEFINITIONS

- “2020 KPSP” : The employee performance share plan of the Company adopted at the annual general meeting of the Company held on 23 October 2020

- “2024 ESOS” : The proposed 2024 Karin Employee Share Option Scheme to be adopted by the Company, as amended or modified from time to time

- “Acceptance Form” : Shall have the meaning ascribed to it in Rule 7.4

- “Aggregate Exercise Price” : The total amount payable for the Shares to be subscribed for on the exercise of an Option

- “Associate” :
 - (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
 - (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more

- “Associated Company” : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group and over which the Company has control

<i>“Associated Company Employee”</i>	:	Any confirmed employee of an Associated Company (including any Associated Company Executive Director)
<i>“Associated Company Executive Director”</i>	:	A director of an Associated Company who performs an executive function
<i>“Auditors”</i>	:	The auditors of the Company for the time being
<i>“Award”</i>	:	A contingent award of Shares granted pursuant to the rules of the 2020 KPSP
<i>“Board”</i>	:	The board of Directors for the time being
<i>“Bye-laws”</i>	:	The bye-laws of the Company as amended, supplemented or modified from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Committee”</i>	:	A committee comprising Directors serving on the Remuneration Committee of the Company who are duly authorised and appointed by the Board to administer the 2024 ESOS
<i>“Companies Law”</i>	:	The Companies Act 1981 of Bermuda, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	Karin Technology Holdings Limited
<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company (unless determined otherwise by the SGX-ST); or (b) in fact exercises control over the Company
<i>“Date of Offer”</i>	:	The date on which an Option is offered to a Participant pursuant to the rules of the 2024 ESOS
<i>“Directors”</i>	:	The directors of the Company for the time being

<i>“Exercise Period”</i>	:	<p>Subject as provided in Rule 9 and Rule 11, the period for the exercise of an Option being:–</p> <p>(a) in the case of an Option granted to a Group Employee (who can be a Group Executive Director), a period commencing after the first anniversary of the Date of Offer and expiring on (and including) the date immediately preceding tenth anniversary of the Date of Offer or such other shorter period determined by the Committee; and</p> <p>(b) in the case of an Option granted to Group Non-Executive Director and/or Associated Company Employee, a period commencing after the first anniversary of the Date of Offer and expiring on (and including) the date immediately preceding the fifth anniversary of the Date of Offer or such other shorter period determined by the Committee,</p> <p>provided always that in the case of Incentive Options, the period during which such Options may be exercised, shall not commence before the second anniversary of the Date of Offer, and the above shall be read accordingly</p>
<i>“Exercise Price”</i>	:	The price at which a Participant shall subscribe for each Share upon the exercise of an Option as determined in accordance with Rule 8, or such adjusted price as may be applicable pursuant to Rule 12
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Group Employee”</i>	:	Any confirmed employee of the Group (including any Group Executive Director)
<i>“Group Executive Director”</i>	:	A director or the Company and/or any or its subsidiaries who performs an executive function
<i>“Group Non-Executive Director”</i>	:	A director of the Company and/or any of its subsidiaries, other than one who performs an executive function, including independent directors of the Company and/or any of its subsidiaries
<i>“Incentive Option”</i>	:	An Option in respect of which the Exercise Price is set at a discount to the Market Price
<i>“Letter of Offer”</i>	:	Shall have the meaning ascribed to it in Rule 7.2

<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Market Price”</i>	:	The average of the last dealt price for a Share as determined by the Committee by reference to the daily official list or any other publication published by the SGX-ST for five (5) consecutive Market Days immediately preceding the relevant Date of Offer, rounded to the nearest whole cent in the event of fractional prices
<i>“Market Price Option”</i>	:	An Option in respect of which the Exercise Price is set at the Market Price
<i>“Memorandum”</i>	:	The memorandum of association of the Company
<i>“New Shares”</i>	:	The new Shares which may be allotted and issued from time to time pursuant to the exercise of Options under the 2024 ESOS
<i>“Offeree”</i>	:	A person selected by the Committee under the 2024 ESOS to whom an offer of an Option is made
<i>“Option”</i>	:	The right to subscribe for Shares granted or to be granted pursuant to the 2024 ESOS
<i>“Option Exercise Form”</i>	:	Shall have the meaning ascribed to it in Rule 10.1
<i>“parent company”</i>	:	A company that is required under applicable accounting standards to prepare consolidated financial statements in relation to a group
<i>“Participant”</i>	:	A person who has accepted the offer of an Option made to him under the 2024 ESOS (including, where applicable, the executor or personal representative of such person)
<i>“Record Date”</i>	:	Shall have the meaning as ascribed to it in Rule 10.7 of the rules of the 2024 ESOS
<i>“Remuneration Committee”</i>	:	The remuneration committee of the Company
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited

<i>“Shareholders”</i>	:	Registered holders of the Shares except that where registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Account
<i>“Shares”</i>	:	Issued ordinary shares in the capital of the Company
<i>“Singapore Companies Act”</i>	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
<i>“Substantial Shareholder”</i>	:	A Shareholder who has an interest in not less than 5% of the total voting rights in the Company
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<i>“treasury shares”</i>	:	Issued Shares of the Company which are held as treasury shares by the Company in accordance with the applicable provisions of the Companies Law and the Singapore Companies Act
<i>“HK\$”</i>	:	Hong Kong dollars
<i>“S\$”</i>	:	Singapore dollars
<i>“%” or “per cent.”</i>	:	Per centum or percentage

The terms “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference herein to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Law, the Singapore Companies Act, the Listing Manual or any statutory modification thereof and used herein shall have the same meaning assigned to it under the Companies Law, the Singapore Companies Act or the Listing Manual, as the case may be, unless otherwise provided.

Any reference to a time of day herein shall be a reference to Singapore time unless otherwise stated.

3. OBJECTIVES OF THE 2024 ESOS

3.1. The 2024 ESOS is primarily a share incentive scheme. The 2024 ESOS contemplates the award of Options to Participants and 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 and who satisfy the eligibility criteria as set out in the rules of the 2024 ESOS. Implementation of the 2024 ESOS will enable the Company to give recognition to the contributions made by such Group Employees, Associated Company Employees and Group Non-Executive Directors towards the success and continued well-being of the Group. The 2024 ESOS will give such Group Employees, Associated Company Employees and Group Non-Executive Directors an opportunity to have a direct interest in the Company and will also help to achieve the following positive objectives:

- (a) to attract, motivate and reward Participants for their contributions towards the success of the Group;
- (b) to retain key Participants whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instill loyalty to and reinforce a stronger identification by Participants with the long-term prosperity of the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for Shareholders; and
- (e) to align the interests of Participants with the interests of Shareholders.

3.2. Associated Company Employees are persons who work closely with the Company and/or the Group. Participation in the ESOS is being extended to them as the Company considers these persons to be in a position to able to provide valuable support and input to the Company through their close working relationship and/or business association with the Group. They provide assistance and support to the company on a continuing basis in which the Company and/or the Group has interests. The Company recognises that the support of these persons is important to the long-term progress, well-being and stability of the Group. The grant of Options to these persons provides the Company with a means to acknowledge contributions or special efforts made by them.

4. ELIGIBILITY OF PARTICIPANTS

4.1. Subject to the absolute discretion of the Committee and Rules 4.2 and 4.3 herein, the following persons shall be eligible to participate in the 2024 ESOS:

- (a) Group Employees (including Group Executive Directors);
- (b) Group Non-Executive Directors; and
- (c) Associated Company Employees.

provided that, as of the relevant Date of Offer, they have attained the age of 21 years, have not entered into any compositions with their respective creditors and are not undischarged bankrupts, and who have, as of the Date of Offer, been in the employment of (or in the case of the Group Non-Executive Directors, been appointed to their position in) the Group or respective Associated Companies for a period of at least 12 months, or such shorter period as the Committee may determine.

- 4.2. Directors and employees of the Company's parent company and its subsidiaries (other than the Company, the Company's subsidiaries and Associated Companies) are not entitled to participate in the 2024 ESOS. Non-executive directors of the Company's Associated Companies are not eligible to participate in the 2024 ESOS.
- 4.3. Controlling Shareholders and their Associates shall not be eligible to participate in the 2024 ESOS.
- 4.4. There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

5. **MAXIMUM ENTITLEMENT**

Subject to Rule 4 and Rule 6, the aggregate number of Shares in respect of which Options may be offered to a Participant for subscription in accordance with the 2024 ESOS shall be determined at the absolute discretion of the Committee which shall take into account, where applicable, criteria such as rank, past performance, years of service and potential contribution of the Participant.

6. **LIMITATIONS UNDER THE 2024 ESOS**

The aggregate number of Shares over which Options may be granted under the 2024 ESOS on any date, when added to the number of Shares issued, issuable, delivered and/or deliverable in respect of:

- (a) all Options granted under the 2024 ESOS;
- (b) all Awards granted under the 2020 KPSP; and
- (c) all share awards or share options granted under any other schemes implemented by the Company (if any),

shall not exceed 15% of all issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant Date of Offer.

7. **GRANT AND ACCEPTANCE OF OPTIONS**

- 7.1. The Committee may, subject as provided in Rule 4, Rule 5 and Rule 6, grant Options to such Offerees as it may select in its absolute discretion at any time during the period when the 2024 ESOS is in force, except that for as long as the Shares are listed and quoted on the SGX-ST, no Options shall be granted during the period of 30 days immediately preceding the date of announcement of the Company's interim financial results or full-year financial results (whichever the case may be). In

addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is made, offers to grant Options may only be made on or after the second Market Day on which such announcement is released.

- 7.2. An offer to grant an Option shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Schedule 1, subject to such modification as the Committee may from time to time determine.
- 7.3. An Option shall be personal to the Participant to whom it is granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part or in any way whatsoever without the prior approval of the Committee, but may be exercised by the Participant’s personal representative as provided in Rule 9.5 in the event of the death of that Participant.
- 7.4. The offer of the grant of an Option under this Rule 7 shall be accepted by the Offeree within 30 days from the Date of Offer of that Option and, in any event, not later than 5:00 p.m. on the 30th day from such Date of Offer by completing, signing and returning the acceptance form (the “**Acceptance Form**”) in, or substantially in, the form set out in Schedule 2 subject to such modification as the Committee may from time to time determine, accompanied by payment of HK\$1.00 as consideration.
- 7.5. An Offeree may accept or refuse the offer of the grant of an Option in whole or in part. If only part of the offer is accepted, the Offeree must accept the offer in integral multiples of 100 Shares.
- 7.6. Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:
 - (a) it is not accepted in the manner as provided in Rule 7.4 within the 30 day period;
 - (b) the Offeree dies prior to his acceptance of the Option;
 - (c) the Offeree is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option;
 - (d) the Offeree being a Group Employee ceases to be in the employment of the Group or being an Associated Company Employee ceases to be in the employment of the Associated Company or (being an Executive Director) ceases to be a Director within the Group, in each case, for any reason whatsoever prior to his acceptance of the Option; or
 - (e) the Company is liquidated or wound-up prior to the Offeree’s acceptance of the Option.

8. EXERCISE PRICE

- 8.1. Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which a Market Price Option is exercisable shall be determined by the Committee in its absolute discretion, on the Date of Offer, at a price equal to the Market Price.

- 8.2.** Subject to any adjustment pursuant to Rule 12, the Exercise Price for each Share in respect of which an Incentive Option is exercisable shall be determined by the Committee in its absolute discretion, on the Date of Offer, at a price which is set at a discount to the Market Price, the quantum of such discount to be determined by the Committee in its absolute discretion, provided that the maximum discount shall not exceed 20% of the Market Price and is approved by Shareholders at a general meeting in a separate resolution in respect of that Incentive Option. In determining the quantum of such discount, the Committee shall take into consideration such criteria as the Committee may, in its absolute discretion, deem appropriate including but not limited to:
- (a) the performance of the Company, and of the Group as a whole, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
 - (b) the years of service and individual performance of the eligible Offeree;
 - (c) the contribution of the eligible Offeree to the success and development of the Company and/or the Group; and
 - (d) the prevailing market conditions.
- 8.3.** Where the Exercise Price, as determined under any of the foregoing provisions of this Rule 8, is less than the nominal amount of a Share, the Exercise Price shall be the nominal amount.

9. RIGHTS TO EXERCISE OPTIONS

- 9.1.** Options granted with the Exercise Price set at the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof) at any time, by a Participant after the first anniversary of the Date of Offer of that Option, provided always that Options granted to Group Employees (including Group Executive Directors) shall be exercised before the tenth anniversary of the relevant Date of Offer and Options granted to Group Non-Executive Directors and Associated Company Employees shall be exercised before the fifth anniversary of the relevant Date of Offer, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 9.2.** Options granted with the Exercise Price set at a discount to the Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof) at any time, by a Participant after the second anniversary of the Date of Offer of that Option, provided always that the Options granted to Group Employees (including Group Executive Directors) shall be exercised before the tenth anniversary of the relevant Date of Offer and Options granted to Group Non-Executive Directors and Associated Company Employees shall be exercised before the fifth anniversary of the relevant Date of Offer, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.

9.3. An Option shall, to the extent unexercised, immediately lapse without any claim against the Company:

- (a) subject to Rules 9.4 and 9.5, upon the Participant ceasing to be a Group Employee, Associated Company Employee or Group Non-Executive Director, for any reason whatsoever; or
- (b) if an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency;
- (c) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
- (d) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion.

For the purpose of Rule 9.3(a), the Participant shall be deemed to have ceased to be so employed (in the case of a Group Employee or Associated Company Employee) or ceased to be a Director (in the case of a Group Non-Executive Director) as of the earlier of the date the notice of resignation of employment/office, or the cessation of his employment with the Group or Associated Company, or the cessation of his appointment with the Group, as the case may be. For the avoidance of doubt, no Option shall lapse pursuant to Rule 9.3(a) in the event of any transfer of employment or secondment of a Participant within any company in the Group or upon the cessation of employment of a Group Executive Director who shall continue to serve as a Group Non-Executive Director.

9.4. If a Participant ceases to be employed by the Group or any Associated Company by reason of his:

- (a) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee); redundancy; retirement at or after the legal retirement age;
- (b) retirement before the legal retirement age with the consent of the Committee;
- (c) by reason of the company in which he is employed ceasing to be a company within the Group due to a demerger, change of controlling stockholder, take-over, divestment, winding-up (whether or not voluntary and whether for the purposes of reorganisation, amalgamation or reconstruction) or merger, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or
- (d) for any other reason approved in writing by the Committee,

he may, at the absolute discretion of the Committee, exercise any Option in respect of such number of Shares comprised in that Option within the Exercise Period, and upon the expiry of such period, the Option shall lapse and become null and void.

- 9.5.** If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed personal representatives of the Participant within the relevant Exercise Period, and upon the expiry of such period, the Option shall lapse and become null and void.
- 9.6.** Notwithstanding any provision herein to the contrary, the Committee may, in its absolute discretion, by notice to the Participants, suspend the exercise of any Option for such period as the Committee may determine, provided that the period of suspension shall not exceed in aggregate 60 days in any one (1) year.

10. EXERCISE OF OPTIONS, ALLOTMENT AND LISTING OF SHARES

- 10.1.** An Option may be exercised, in whole or in part, by a Participant giving notice in writing to the Company in an option exercise form (the “**Option Exercise Form**”), in or substantially in, the form set out in **Schedule 3** subject to such modification as the Committee may from time to time determine. Every Option Exercise Form must be accompanied by a remittance for the Aggregate Exercise Price in respect of the Shares for which that Option is exercised, the relevant CDP charges (if any) and any other documentation the Committee may require. Subject as otherwise provided in these Rules, an Option shall be treated as validly exercised upon receipt by the Company of the said notice, duly completed and signed, such other documentation required by the Committee and full amount of the Aggregate Exercise Price.
- 10.2.** All payments shall be made by cheque, cashier’s order, banker’s draft or postal order made out in favour of the Company or such other mode of payment as may be acceptable to the Company.
- 10.3.** Subject to such consents or other required action of any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST) and subject to the compliance with the terms of the 2024 ESOS, the Bye-laws and the Memorandum and the Singapore Companies Act (to the extent applicable to a company incorporated outside of Singapore), the Company shall, within 10 Market Days after the exercise of an Option:
- (a) allot and issue the relevant New Shares and despatch to CDP the relevant share certificates by ordinary post or such other mode as the Committee may deem fit; and/or
 - (b) subject to, and to the extent permitted by the Companies Law and the Listing Manual, transfer existing Shares purchased or acquired pursuant to the share buyback mandate and/or treasury shares to the Participant.
- 10.4.** In determining whether to issue New Shares or to transfer treasury shares (if any) to a Participant pursuant to the exercise of an Option, the Committee may take into account factors such as (but not limited to) the amount of cash available, the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of the various modes of settlement.
- 10.5.** The Company shall, as soon as practicable after an allotment, apply to the SGX-ST for permission to deal in and for quotation of New Shares issued pursuant to exercise of Options (if necessary).

- 10.6.** New Shares allotted and issued pursuant to the exercise of an Option by a Participant shall be issued in the name of CDP for the credit of the securities account of that Participant maintained with CDP or the securities sub-account maintained with a Depository Agent or the CPF investment account maintained with a CPF agent bank.
- 10.7.** New Shares allotted and issued pursuant to the exercise of an Option by a Participant shall be subject to (a) all the provisions of the Bye-laws and the Memorandum; and (b) the Singapore Companies Act (to the extent applicable to a company incorporated outside of Singapore), and shall rank in full for all entitlements, except for any dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is before the relevant date upon which such issue and allotment occurred, and shall in all other respects rank pari passu with other existing Shares then in issue. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 10.8.** The Company shall keep available sufficient unissued Shares to satisfy the full exercise of all Options for the time being remaining capable of being exercised.
- 10.9.** Except pursuant to the exercise of an Option and subject to Rule 12, an Option does not confer on a Participant any right to participate in any new issues of Shares.

11. TAKE-OVER AND WINDING UP OF THE COMPANY

- 11.1.** In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1 and/or 9.2) holding Options as yet unexercised shall, notwithstanding Rule 9 and 10 but subject to Rule 11.5, be entitled to exercise such Options in full or in part during the period commencing on the date on which such take-over offer is made or, if such take-over offer is conditional, the date on which the take-over offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six-month period, at the recommendation of the offeror and with the approvals of the Committee and (if so required) the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Exercise Period relating thereto); or
 - (b) the date of the expiry of Exercise Period relating thereto;

whereupon any Option(s) then remaining unexercised shall immediately lapse and become null and void.

Provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under any relevant regulatory provisions or legislation and, being entitled to do so, gives notice to the Participants that it intends to exercise such rights on a specified date, all Options shall remain exercisable by the Participants until such specified date or the expiry of the respective Exercise Periods relating thereto, whichever is earlier. Any Option(s) not so exercised shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights

of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 9, remain exercisable until the expiry of the Exercise Period. For the avoidance of doubt, the provisions of this Rule 11.1 shall not come into operation in the event that a take-over offer which is conditional does not or is not declared unconditional.

- 11.2.** If under any applicable laws, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 9.1 or 9.2) shall notwithstanding Rule 9 but subject to Rule 11.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Exercise Period relating thereto), whereupon any unexercised Option(s) shall lapse and become null and void, provided always that the date of exercise of any Option(s) shall be before the expiry of the relevant Exercise Period.
- 11.3.** If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 11.4.** In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Participants (together with a notice of the existence of the provisions of this Rule 11.4) and thereupon, each Participant (or his legal personal representative(s)) shall be entitled to exercise all or any of his Options at any time not later than seven (7) business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the Aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Participant credited as fully paid.
- 11.5.** If in connection with the making of a general offer referred to in Rule 11.1 above or the scheme referred to in Rule 11.2 above or the winding up referred to in Rule 11.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 11.
- 11.6.** If the events stipulated in this Rule 11 should occur, to the extent that an Option is not exercised within the respective periods referred to herein in this Rule 11, it shall lapse and become null and void.

12. VARIATION OF CAPITAL

12.1. If a variation in the issued ordinary share capital of the Company (whether by way of capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:

- (a) the Exercise Price, the nominal amount, class and/or number of Shares comprised in an Option to the extent unexercised; and/or
- (b) the nominal amount, class and/or number of Shares over which future Options may be granted under the 2024 ESOS,

shall be adjusted in such manner as the Committee may determine to be appropriate, including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a bonus issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

12.2. Unless the Committee considers an adjustment to be appropriate:-

- (a) the issue of securities as consideration for an acquisition or a private placement of securities;
- (b) the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares in the capital of the Company;
- (c) the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the SGX-ST during the period when a share buyback mandate granted by Shareholders (including any renewal of such mandate) is in force;
- (d) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
- (e) the increase in the issued share capital of the Company as a consequence of the delivery of Shares pursuant to any other share-based incentive schemes implemented by the Company (including the vesting of the Awards granted pursuant to the 2020 KPSP),

shall not normally be regarded as a circumstance requiring adjustment. Every adjustment shall (except in respect of a bonus issue) be subject to the written confirmation of the Auditors (acting only as experts and not as arbitrators) that in their opinion, such adjustment is fair and reasonable. Any adjustment shall be made in such a way that a Participant will not receive a benefit that a Shareholder does not receive.

12.3. Notwithstanding the provisions of Rule 12.1:

- (a) no such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive;
- (b) any determination by the Committee as to whether to make any adjustment and if so, the manner in which such adjustment should be made, must (except in relation to a capitalisation (bonus) issue of new Shares) be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable; and
- (c) if applicable laws at the relevant time require that the Shares have a nominal (or par value) no such adjustment shall be made if as a result, the Exercise Price shall fall below the nominal value of a Share and if such adjustment would, but for this paragraph (b), result in the Exercise Price being less than the nominal value of a Share, the Exercise Price payable shall be the nominal value.

12.4. Upon any adjustment required to be made pursuant to this Rule 12, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the Exercise Price thereafter in effect and (as applicable) the nominal value, class and/or number of Shares thereafter to be issued on the exercise of the Option. Any adjustment shall take effect upon such written notification being given.

13. ADMINISTRATION OF THE 2024 ESOS

13.1. The 2024 ESOS shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board, provided that no member of the Committee shall participate in any deliberation or decision in respect of Options granted or to be granted to him.

13.2. The Committee shall have the power, from time to time, to make and vary such regulations (not being inconsistent with the 2024 ESOS) for the implementation and administration of the 2024 ESOS as it thinks fit.

13.3. Any matter pertaining or pursuant to the 2024 ESOS and any dispute and uncertainty as to the interpretation of the 2024 ESOS, any rule, regulation or procedure thereunder or any rights under the 2024 ESOS shall be determined by the Committee.

13.4. Neither the 2024 ESOS nor the grant of Options under the 2024 ESOS shall impose on the Company or the Committee any liability whatsoever in connection with:

- (a) the lapsing or early expiry of any Options pursuant to the 2024 ESOS;
- (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the 2024 ESOS; and/or

- (c) any decision or determination of the Committee made pursuant to any provision of the 2024 ESOS.

13.5. Any decision of the Committee made pursuant to any provision of the 2024 ESOS (other than a matter to be certified by the Auditors) shall be final and binding.

14. MODIFICATIONS TO THE 2024 ESOS

14.1. Any or all the provisions of the 2024 ESOS may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

- (a) no modification or alteration shall alter adversely the rights attaching to any Option granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters in number of all the Shares which would fall to be allotted upon exercise in full of all outstanding Options;
- (b) any modification or alteration which would be to the advantage of Participants under the 2024 ESOS shall be subject to the prior approval of Shareholders in general meeting; and
- (c) no modification or alteration shall be made except in compliance with the Listing Manual and the approval of such regulatory authorities as may be necessary.

14.2. Notwithstanding anything to the contrary contained in Rule 14.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the 2024 ESOS in any way to the extent necessary to cause the 2024 ESOS to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

14.3. Written notice of any modification or alteration made in accordance with this Rule 14 shall be given to all Participants.

15. DURATION OF THE 2024 ESOS

15.1. The ESOS shall continue to be in force at the discretion of the Committee, subject to a maximum period of 10 years commencing on the date on which the 2024 ESOS is adopted by Shareholders in a general meeting, provided always that the 2024 ESOS may continue beyond the above stipulated period subject to compliance with applicable laws and regulations in Singapore and Bermuda and with the approval of Shareholders by resolution in general meeting and of any relevant authorities which may then be required.

15.2. The 2024 ESOS may be terminated at any time by the Committee or by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the 2024 ESOS is so terminated, no further Options shall be offered by the Company hereunder.

15.3. The termination of the 2024 ESOS shall not affect Options which have been granted and accepted in accordance with Rule 7, whether such Options have been exercised (whether fully or partially) or not.

16. TERMS OF EMPLOYMENT UNAFFECTED

16.1. The terms of employment of a Participant (being a Group Employee or Associated Company Employee) shall not be affected by his participation in the 2024 ESOS, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

17. NOTICES

17.1. Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other address (including electronic mail address or facsimile number), and marked for the attention of the Committee, as may be notified by the Company to him in writing.

17.2. Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.

17.3. Any notice or other communication from a Participant to the Company shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by the Participant when left at the address specified in Rule 17.2, or if sent by post, on the day following the date of posting or if sent by electronic mail or facsimile transmission, on the day of despatch.

18. TAXES

18.1. All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the 2024 ESOS shall be borne by that Participant.

19. COSTS AND EXPENSES

19.1. Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name pursuant to the exercise of any Option, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a CDP Depository Agent or CPF investment account with a CPF agent bank and all taxes referred to in Rule 18 which shall be payable by the relevant Participant.

19.2. Save for the taxes referred to in Rule 18 and such other costs and expenses expressly provided in the 2024 ESOS to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the 2024 ESOS including but not limited to the fees, costs and expenses relating to the allotment, issue and/or transfer of Shares pursuant to the exercise of any Option shall be borne by the Company

20. DISCLOSURE

20.1. The Company shall make the following disclosures in its annual report for as long as the 2024 ESOS continues in operation:

- (a) the names of the members of the Committee administering the 2024 ESOS;
- (b) the information in the table below, in respect of Options granted to the following Participants:
 - (i) Directors of the Company; and
 - (ii) Participants, other than those in (i) above, who receive 5% or more of the total number of Options available under the 2024 ESOS;

Name of Participant	Number of Options granted during the financial year under review (including terms)	Aggregate number of Options granted since commencement of the 2024 ESOS to end of financial year under review	Aggregate number of Options exercised since commencement of the 2024 ESOS to end of financial year under review	Aggregate number of Options outstanding as at the end of financial year under review
[...]	[...]	[...]	[...]	[...]

- (c) the number and proportion of Incentive Options granted during the financial year under review in the following bands:

Discount to Market Price (%)	Aggregate number of Incentive Options granted during the financial year under review	Proportions of Incentive Options to Market Price Options granted during the financial year under review
0-10	[...]	[...]
10-20	[...]	[...]

- (d) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements.

If any of the requirements above is not applicable, an appropriate negative statement must be included.

21. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the 2024 ESOS must abstain from voting on any resolution relating to the 2024 ESOS, including resolutions pertaining to (a) the implementation of the 2024 ESOS; and (b) the discount quantum in respect of the Exercise Price.

Any Shareholder, Group Employee, Associated Company Employee and Group Non-Executive Director (including their respective Associates) who is eligible to participate in the 2024 ESOS must decline to accept appointment as proxy to vote in respect of the said resolutions unless the Shareholder concerned shall have given specific instructions as to the manner in which his or her votes are to be cast.

22. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the 2024 ESOS including but not limited to, the Company's delay in allotting, issuing or delivering the Shares or procuring the listing of the Shares on the SGX-ST.

23. DISPUTES

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

24. GOVERNING LAW

The 2024 ESOS shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting Options in accordance with the 2024 ESOS, and the Company submit to the non-exclusive jurisdiction of the courts of the Republic of Singapore.

SCHEDULE 1 TO ANNEX A

FORM OF THE LETTER OF OFFER

Serial No : _____

Date : _____

To: [Name]
[Designation]
[Address]

Private and Confidential

Dear Sir/Madam,

2024 KARIN EMPLOYEE SHARE OPTION SCHEME

- 1. We have the pleasure of informing you that, pursuant to the 2024 Karin Employee Share Option Scheme (the “**2024 ESOS**”), you have been nominated to participate in 2024 ESOS by the Committee (the “**Committee**”) appointed by the Board of Directors of Karin Technology Holdings Limited (the “**Company**”). Terms as defined in 2024 ESOS shall have the same meaning when used in this letter.
- 2. Accordingly, in consideration of the payment of a sum of HK\$1.00, an offer is hereby made to grant you an option (the “**Option**”), to subscribe for and be allotted _____ Shares at the price of \$_____ for each Share.
- 3. The Exercise Period applicable to the Option is as follows:-

Exercise Period	
Commencement Date	Expiration Date
[•••]	[•••]

- 4. The offer of the Option herein and the Option are personal to you and shall not be transferred, charged, pledged, assigned or otherwise disposed of by you, in whole or in part, except with the prior approval of the Committee.
- 5. The Option shall be subject to the terms of this letter and the rules of the 2024 ESOS (as amended from time to time pursuant to the rules of the 2024 ESOS), a copy of which is available for inspection at the business address of the Company.

6. If you wish to accept the offer of the Option on the terms of this letter, please sign and return the enclosed Acceptance Form with a sum of HK\$1.00 not later than 5:00 p.m. on _____, failing which this offer will lapse.

Yours faithfully,
For and on behalf of the Company,
Karin Technology Holdings Limited

Name:

Designation:

SCHEDULE 2 TO ANNEX A

ACCEPTANCE FORM

Serial No : _____

Date : _____

To: The Committee,
2024 KARIN EMPLOYEE SHARE OPTION SCHEME
KARIN TECHNOLOGY HOLDINGS LIMITED
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Closing Date for Acceptance of Offer : _____

Number of Shares Comprised in the Options : _____

Exercise Price for each Share : \$ _____

Total Amount Payable : \$ _____

(exclusive of the relevant CDP charges)

1. I have read your Letter of Offer dated _____ (Date of Offer) and agree to be bound by the terms of the Letter of Offer and the rules of the 2024 ESOS referred to therein. Terms defined in your Letter of Offer shall have the same meanings when used in this Acceptance Form.
2. I hereby accept the Option to subscribe for _____ Shares at \$ _____ for each Share. I enclose cash for HK\$1.00 in payment for the purchase of the Option.
3. I understand that I am not obliged to exercise the Option.
4. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to subscribe for such shares.
5. I agree to keep all information pertaining to the grant of the Option to me confidential.
6. I further acknowledge that you have not made any representation to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the Offer.
7. I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificate(s) with CDP, my securities account with CDP, my securities sub-account with a CDP Depository Agent or my CPF investment account with a CPF agent bank (as the case may be).

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC No./Passport No./HKID No. : _____

Signature : _____

Date : _____

Note:

* Delete accordingly

SCHEDULE 3 TO ANNEX A

FORM OF EXERCISE OF OPTIONS

Total number of ordinary shares (the “ Shares ”) offered at \$_____ for each Share (the “ Exercise Price ”) under the Scheme on _____ (Date of Offer)	:	_____
Number of Shares previously allotted thereunder	:	_____
Outstanding balance of Shares to be allotted thereunder	:	_____
Number of Shares now to be subscribed	:	_____

To: The Committee,
 2024 KARIN EMPLOYEE SHARE OPTION SCHEME
KARIN TECHNOLOGY HOLDINGS LIMITED
 Clarendon House, 2 Church Street
 Hamilton HM 11, Bermuda

1. Pursuant to your Letter of Offer dated (Date of Offer) and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in Karin Technology Holdings Limited (the “**Company**”) at the Exercise Price of \$_____ for each Share.
2. I enclose a *cheque/cashier’s order/banker’s draft/postal order no. _____ for *S/HK\$_____ being the aggregate exercise price in payment for the subscription of the total number of the said Shares and CDP charges of \$_____.
3. I agree to subscribe for the said Shares subject to the terms of the Letter of Offer, the Acceptance Form, the Rules of the 2024 ESOS, the Memorandum and Bye-laws of the Company and the Singapore Companies Act (to the extent applicable to a company incorporated outside of Singapore).
4. I declare that I am subscribing for the said Shares for myself and not as a nominee for any other person.
5. I request the Company to allot and issue the said Shares in paragraph 1 above in the name of The Central Depository (Pte) Limited (“**CDP**”) for credit of my *securities account with CDP/sub-account with a Depository Agent/CPF investment account with my Agent Bank specified below and I hereby agree to bear such fees or other charges as may be imposed by CDP in respect thereof.
6. I agree the acquisition by me of the said Shares is subject to the terms of the Letter of Offer, the Acceptance Form, the Rules of the 2024 ESOS, the Memorandum and Bye-laws of the Company and the Singapore Companies Act (to the extent applicable to a company incorporated outside of Singapore). Terms defined in the 2024 ESOS shall have the same meanings when used in this Exercise Notice.

PLEASE PRINT IN BLOCK LETTERS

Name in full : _____

Designation : _____

Address : _____

Nationality : _____

*NRIC No./Passport No./HKID No. : _____

*Direct Securities Account No. : _____

OR

*Sub-Account No. : _____

Name of Depository Agent : _____

OR

*CPF Investment Account No. : _____

Name of Agent Bank : _____

Signature : _____

Date : _____

Note:

* Delete accordingly