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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Karrie International Holdings Limited (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**Karrie International Holdings Limited**

**嘉利國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1050)**

- (1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED ADOPTION OF SHARE OPTION SCHEME OF  
KRP DEVELOPMENT HOLDINGS LIMITED;  
(4) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**
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A notice convening the annual general meeting of the Company to be held at 9/F., Southeast Industrial Building, 611–619 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Friday, 26 August 2022 at 3:00 p.m. is set out on pages 40 to 45 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting should they so wish.

**PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING**

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Annual General Meeting (“AGM”):

- (1) Compulsory temperature checks
- (2) Wearing of surgical face mask
- (3) No distribution of refreshments and corporate gifts

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the AGM venue. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their proxy forms by the time specified above, instead of attending the AGM in person.

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## PRECAUTIONARY MEASURES FOR THE AGM

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In view of the ongoing COVID-19 epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the AGM to protect each attendee from the risk of infection:

- (1) Compulsory body temperature checks will be conducted on each attendee at the entrance of the AGM venue. Any attendee with a body temperature of over 37.4 degrees Celsius may be denied entry into the AGM venue, or be required to leave the AGM venue.
- (2) The Company requires each attendee to wear a surgical face mask throughout the AGM and in the AGM venue, and to maintain a safe distance between seats.
- (3) No refreshments will be served and no corporate gifts will be distributed.

To the extent permitted under the laws of Hong Kong, the Company reserves the right to entry into the AGM venue or require any person to leave the AGM venue, in order to ensure safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. As alternative, by using form of proxy with voting instructions inserted, Shareholders may appoint chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person.

If Shareholders have any question relating to the AGM, please contact the Company's Hong Kong branch share registrar as follows:

Computershare Hong Kong Investor Services Limited  
Rooms 1712–1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong  
Tel: (852) 2862-8628  
Fax: (852) 2529-6087

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held at 9/F., Southeast Industrial Building, 611–619 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Friday, 26 August 2022 at 3:00 p.m.;
“Board”	the board of Directors;
“CG Code”	the Corporate Governance Code, as set out in Appendix 14 to the Listing Rules;
“Company”	Karrie International Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Distribution”	the conditional special interim dividend expected to be declared by the Board to be satisfied by way of the distribution in specie of such number of Shares held by the Company to, <i>inter alia</i> , the Qualifying Shareholders, in the proportion of one KRP Development Share for every four Shares held by them on such record date to be determined by the Company;
“Existing Bye-laws”	the existing Bye-laws of the Company adopted at the annual general meeting of the Company held on 27 November 1996 and subsequently amended at an annual general meeting held on 30 July 2004 and 4 August 2006, respectively;
“General Mandates”	the Issuance Mandate, the Repurchase Mandate and the Top-up Mandate;
“Grantee(s)”	any participant who accepts an Offer in accordance with the terms of the KRP Development Share Option Scheme, or the legal personal representative(s) entitled under the KRP Development Share Option Scheme to exercise any Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;

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## DEFINITIONS

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“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 2(a) of the Letter from the Board in this circular;
“KRP Development”	KRP Development Holdings Limited (嘉創房地產控股有限公司), a company incorporated in the Cayman Islands with limited liability on 2 September 2020, and a wholly-owned subsidiary of the Company;
“KRP Development Board”	the board of directors of KRP Development;
“KRP Development Director(s)”	director(s) of KRP Development;
“KRP Development Group”	KRP Development and its subsidiaries from time to time;
“KRP Development Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of KRP Development;
“KRP Development Share Option Scheme”	the KRP Development Share Option scheme proposed to be adopted by KRP Development which will take effect subject to, among other things, the commencement of dealings in the KRP Development Shares on the Main Board of the Stock Exchange;
“Latest Practicable Date”	15 July 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing”	the listing of KRP Development Shares on the Main Board of the Stock Exchange;
“Listing Document”	the listing document to be issued by KRP Development in relation to the Spin-off;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);

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## DEFINITIONS

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“New Bye-laws”	the new Bye-laws which consolidates all the Proposed Amendments as set out in Appendix IV to this circular (with proposed changes marked-up against the conformed version of the Existing Bye-laws posted on the website of the Stock Exchange) proposed to be adopted by the Shareholders with effect from the passing of the relevant special resolution;
“Offer”	the offer of the grant of an Option;
“Options”	the right granted under the KRP Development Share Option scheme to subscribe for Shares in accordance with the KRP Development Share Option scheme;
“Proposed Amendments”	the proposed amendments to the Existing Bye-laws;
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on such record date to be determined by the Company, other than the Shareholders whose addresses on the register of members of the Company are outside Hong Kong on such record date;
“Repurchase Mandate”	as defined in paragraph 2(b) of the Letter from the Board in this circular;
“Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Spin-off”	the spin-off of KRP Development by way of the Distribution and the separate listing of our Shares on the Main Board by way of introduction;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-Backs;
“Top-up Mandate”	as defined in paragraph 2(c) of the Letter from the Board in this circular; and
“%”	per cent.

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LETTER FROM THE BOARD

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**Karrie International Holdings Limited**

**嘉利國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1050)**

*Executive Directors:*

Mr. Ho Cheuk Fai (*Chairman & CEO*)

Ms. Chan Ming Mui, Silvia

Mr. Zhao Kai

Mr. Chan Raymond

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Non-executive Directors:*

Mr. Ho Cheuk Ming (*Deputy Chairman*)

Mr. Ho Kai Man

*Principal Place of Business  
in Hong Kong:*

9th Floor

Southeast Industrial Building

611–619 Castle Peak Road

Tsuen Wan, New Territories

Hong Kong

*Independent Non-executive Directors:*

Mr. Fong Hoi Shing

Mr. Yam Chung Shing

Dr. Lau Kin Wah

25 July 2022

*To the Shareholders*

Dear Sirs or Madams,

- (1) GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED ADOPTION OF SHARE OPTION SCHEME OF  
KRP DEVELOPMENT HOLDINGS LIMITED;  
(4) PROPOSED AMENDMENTS TO EXISTING BYE-LAWS;  
AND  
(5) NOTICE OF ANNUAL GENERAL MEETING**

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### 1. INTRODUCTION

The Board announced that on 31 March 2022, KRP Development submitted a listing application form (Form A1) to the Stock Exchange to apply for the listing of, and permission to deal in, the KRP Development Shares on the Main Board of the Stock Exchange

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) granting of the General Mandates to the Directors; (ii) re-electing of Directors; (iii) the proposed adoption of KRP Development Share Option Scheme; (iv) the proposed amendments to the Existing Bye-laws, and to give Shareholders the notice of the Annual General Meeting.

### 2. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 24 August 2021, approval was given by Shareholders for the granting of, *inter alia*, general mandates to the Directors to (i) repurchase Shares on the Stock Exchange up to 10% of the number of issued Shares of the Company as at the date of passing of the relevant resolution; and (ii) allot and issue Shares not exceeding 20% of the number of issued Shares of the Company as at the date of passing of the relevant resolution. In accordance with the terms of the approval, these general mandates will expire on 26 August 2022 upon the conclusion of the forthcoming Annual General Meeting.

To keep in line with current corporate practice of the Company, the grant of fresh general mandates for the same purpose is being sought from Shareholders and ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of general mandates to the Directors:

- (i) to allot, issue or deal with Shares of not exceeding 20% of the number of issued Shares of the Company on the date of passing of such resolution (the “**Issuance Mandate**”). As at the Latest Practicable Date, the total number of issued Shares was 2,021,309,200 Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 404,261,840 Shares representing 20% of the total number of issued Shares of the Company as at the date of the Annual General Meeting may be issued under the Issuance Mandate;
- (ii) to purchase Shares on the Stock Exchange of up to 10% of the number of issued Shares of the Company on the date of passing of such resolution (the “**Repurchase Mandate**”). As at the Latest Practicable Date, the total number of issued Shares was 2,021,309,200 Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the Annual General Meeting, up to a maximum of 202,130,920 Shares representing 10% of the total number of issued Shares of the Company as at the date of the Annual General Meeting may be repurchased by the Company under the Repurchase Mandate; and

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## LETTER FROM THE BOARD

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- (iii) to extend the Issuance Mandate by an amount representing the number of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate (the “**Top-up Mandate**”).

The General Mandates will continue in force until whichever is the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; and (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in the above resolutions. The existing mandates granted to the Directors to issue and to repurchase Shares shall expire at the conclusion of the Annual General Meeting. With reference to the Issuance Mandate and the Repurchase Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I to this circular.

### **3. PROPOSED RE-ELECTION OF DIRECTORS**

Pursuant to the Bye-law 87(1) of the Bye-laws, at each Annual General Meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that the chairman of the Board and/or the managing director of the Company shall not, whilst holding their office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire each year.

In addition, every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years according to Code Provision B.2.2 of the CG Code. Therefore, Mr. Fong Hoi Shing, Mr. Yam Chung Shing and Mr. Ho Kai Man will retire from office by rotation at the Annual General Meeting.

Mr. Fong Hoi Shing has served in the Company for more than 9 years as an independent non-executive Director. Code Provision B.2.3 of the CG Code provides that serving more than 9 years could be relevant to the determination of a non-executive director’s independence. If an independent non-executive director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. The papers to shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be elected. Pursuant to Rule 3.13 of the Listing Rules, each of the independent non-executive Directors, including the retiring Directors (namely Mr. Fong Hoi Shing), has provided an annual confirmation: (i) that he complies with each of the independence criteria referred to in Rule 3.13(1) to (8) of the Listing Rules; and (ii) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any

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## LETTER FROM THE BOARD

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connection with any core connected person (as defined in Rule 1.01 of the Listing Rules) of the Company. Mr. Fong has not engaged in any executive management of the Group. Taking into consideration his independent scope of work in the past years, the Board considers that Mr. Fong continues to be independent under these independence criteria and has proved to be capable of efficiently exercising independent judgment. The Board believes that Mr. Fong's continued tenure bring considerable stability to the Board and the Board has benefited greatly from the presence of Mr. Fong who have provided valuable insight into the Group.

Brief biographical details of the above Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

#### 4. PROPOSED ADOPTION OF THE KRP DEVELOPMENT SHARE OPTION SCHEME

The purposes of the proposed adoption of KRP Development Share Option Scheme are to provide incentives to the eligible participants to contribute to KRP Development Group and to enable KRP Development Group to recruit and retain high-calibre employees and attract human resources that are valuable to the KRP Development Group.

The KRP Development Share Option Scheme constitutes share option scheme governed by Chapter 17 of the Listing Rules. As the KRP Development Board are entitled to determine any performance targets and minimum holding period which apply to an Option on a case by case basis, and fix the subscription price, it is expected that Grantee of an Option will have an incentive to contribute to the development of the KRP Development Group.

Pursuant to Note (1) to Rule 17.03(3) of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes must not in aggregate exceed 10% ("**General Scheme Limit**") of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the scheme (alternatively, in respect of a scheme of a subsidiary that will become effective only upon its separate listing, the 10% limit may be calculated by reference to the relevant class of securities of the subsidiary in issue as at the date of its listing).

Accordingly, the total number of KRP Development Shares in issue as at the date of commencement of the Listing of the KRP Development Shares on the Stock Exchange will be used as the basis for calculation of the General Scheme Limit.

The eligible participants under the KRP Development Share Option Scheme cover any employee, any non-executive director, supplier, person or entity providing research, development or other technological support, adviser or consultant, and others who have contributed or may contribute to KRP Development, who in the sole discretion of the KRP Development Board has made or may make potential contribution to the development and growth of the KRP Development Group.

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## LETTER FROM THE BOARD

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Whilst the eligible participants include supplier(s), person(s) or entity(ies) providing research, development or other technological support, adviser(s) or consultant(s), and others, who in the sole discretion of the KRP Development Board has/have contributed or may contribute to the KRP Development Group (“**Non-Employee Participants**”) in addition to employee(s) of the KRP Development Group, the eligibility of any of the eligible participants (whether being an employee or not) shall be determined by the KRP Development Board from time to time on the basis of the KRP Development Board’s opinion as to such eligible participant’s contribution to the development and growth of the KRP Development Group. The KRP Development Board considers that the grant of Options to these eligible Non-Employee Participants will offer incentives for suppliers, persons or entities providing research, development or other technological support, advisers and consultants to provide better services to the KRP Development Group: (i) for suppliers to offer more economic and quality supplies to the KRP Development Group; (ii) for persons or entities providing research, development or other technological support to provide special skills or skills or technical knowledge to the KRP Development Group; and (iii) for advisers and consultants to maximise the quality of their service offerings to the KRP Development Group, thereby optimising performance efficiency and benefiting the long-term growth of the KRP Development Group.

The KRP Development Board believes that it is beneficial to maintain the flexibility to grant Options to Non-Employee Participants, because (i) on the one hand the KRP Development Group could maintain more cash in hands if the KRP Development Group, subject to negotiation between the parties, pays such Non-Employee Participants fully or partly in Options as an alternative to monetary consideration; and (ii) on the other hand, given the exercise price of the Options is fixed at the time of grant, the greater the increase in the Share price after the grant, the greater the value of the Options, it is therefore expected that if the Non-Employee Participants are granted with Options as their consideration (in part or in full), that will provide extra incentive for them to contribute to the overall development of the KRP Development Group with a view to creating greater value to the KRP Development Group and its shareholders and the KRP Development Share price that will provide extra incentive for them to contribute to the overall development of the KRP Development Group with a view to creating greater value to the KRP Development Group and its shareholders and the KRP Development Share price.

Accordingly, the KRP Development Board will assess the eligibility of these eligible Non-Employee Participants based on various factors such as performance conditions, or targets to be achieved and potential and/or actual contribution to the business affairs of and benefits to the KRP Development Group. It is expected that the Non-Employee Participants will make an effort to contribute to the development of the KRP Development Group. In particular, in determining the criteria for the eligible Non-Employee Participants, the KRP Development Board will take into account the following factors: (i) the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the KRP Development Group; (ii) whether they have contributed to the business development of the KRP Development Group; and (iii) whether they will contribute to the medium-to-long-term business development of KRP Development Group.

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## LETTER FROM THE BOARD

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Based on the aforesaid, whilst the KRP Development Group does not have any present intention to grant any Options under the KRP Development Share Option Scheme to any Non-Employee Participants, the KRP Development Group believes that it is beneficial to maintain the flexibility to grant Options to such Non-Employee Participants under the KRP Development Share Option Scheme.

A summary of the principal terms of the KRP Development Share Option Scheme is set out in Appendix III to this circular. A copy of the rules of the KRP Development Share Option Scheme will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.karrie.com/en/>) for 14 days from the date hereof up to and including the date of the AGM and available for inspection at the AGM.

The KRP Development Share Option Scheme is conditional upon:

- (i) the passing by the shareholder of KRP Development of an ordinary resolution to approve the adoption of KRP Development Share Option Scheme;
- (ii) the passing by the Shareholders in general meeting of an ordinary resolution to approve the adoption of KRP Development Share Option Scheme by KRP Development pursuant to the Listing Rules;
- (iii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in, any KRP Development Shares which may fall to be issued pursuant to the exercise of Options under the KRP Development Share Option Scheme; and
- (iv) the commencement of the Listing of the KRP Development Shares on the Stock Exchange.

The KRP Development Board and the shareholder of KRP Development has approved the adoption of the KRP Development Share Option Scheme on 22 July 2022.

The Directors consider it inappropriate to disclose the value of Options which may be granted under the KRP Development Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumption including, the exercise price, the exercise period, the interest rate, expected volatility and other variables. As no Options have been granted, certain variables are not available for calculating the value of Options. The Directors believe that any calculation of the value of Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors, and having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the proposed adoption of the KRP Development Share Option Scheme at the extraordinary general meeting.

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## LETTER FROM THE BOARD

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### 5. PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS

To comply with the new Listing Rules requirements regarding the adoption of “Core Standards” for shareholders’ information and protection, the Board proposes to amend the Company’s Existing Bye-laws as follows:

- (i) to provide that an annual general meeting of the Company is held in each financial year, rather than calendar year;
- (ii) to provide that all members have the right to speak and vote at a general meeting, unless specifically required to abstain from voting by the Listing Rules; and
- (iii) to provide that an ordinary, rather than special, resolution of members is required to appoint and remove the Company’s auditors.

In addition, to align with the legislative amendments under Bermuda law, the Board proposes to amend the Bye-laws to update the reference to the relevant Bermuda legislation. The Board also proposes certain minor housekeeping amendments to the Bye-laws for the purpose of clarifying existing practices and making consequential amendments in line with the Proposed Amendments.

The Proposed Amendments are set out in Appendix IV to this circular. The Chinese translation of the proposed New Bye-laws is for reference only. In case of any discrepancy or inconsistency between the English version and its Chinese translation, the English version shall prevail.

The legal advisers of the Company as to laws of Hong Kong have confirmed to the Company that the Proposed Amendments comply with the requirements of the Listing Rules and the legal advisers of the Company as to laws of Bermuda have confirmed to the Company that the Proposed Amendments do not contravene or violate the applicable laws of Bermuda. In addition, the Company has confirmed to the Stock Exchange that there is nothing unusual about the Proposed Amendments.

The Proposed Amendments are subject to the approval of the Shareholders by way of special resolution at the AGM.

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## **LETTER FROM THE BOARD**

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### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 40 to 45 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude Shareholders from attending and voting in person at the Annual General Meeting or any adjourned meeting should they so wish.

### **7. VOTING BY WAY OF POLL**

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the Annual General Meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted upon by a show of hands. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the Annual General Meeting pursuant to Bye-law 66 of the Bye-laws.

The results of the poll will be published after the conclusion of the Annual General Meeting on the respective websites of the Stock Exchange and the Company.

### **8. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **9. ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Repurchase Mandate); Appendix II (Details of the Directors proposed to be re-elected at the Annual General Meeting), Appendix III (Summary of the principal terms of the KRP Development Share Option Scheme) and Appendix IV (Proposed amendments to the existing Bye-laws) to this circular.

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## LETTER FROM THE BOARD

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### 10. RECOMMENDATION

The Directors consider that the resolutions to be proposed at the Annual General Meeting for (i) granting of the General Mandates to the Directors; (ii) re-electing of Directors; (iii) the proposed adoption of KRP Development Share Option Scheme; and (iv) the proposed amendments to the Existing Bye-laws as set out in the notice of the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
On behalf of the Board  
**Karrie International Holdings Limited**  
**Ho Cheuk Fai**  
*Chairman*

*This appendix serves as the explanatory statement required to be sent to Shareholders by the Listing Rules in connection with the repurchase by companies with a primary listing on the Stock Exchange of their own securities. The intention of this explanatory statement is to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the proposed Repurchase Mandate to be granted to the Directors.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the total number of issued Shares of the Company comprised 2,021,309,200 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 202,130,920 Shares (representing 10% of the total number of issued Shares as at the date of granting of the Repurchase Mandate).

## **2. REASON FOR REPURCHASES**

The Directors believe that the Repurchase Mandate is in the best interest of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. The Directors have no present intention to repurchase any Shares.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, 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 such purpose. The amount of premium payable on a purchase may only be paid out of either funds of the Company that would otherwise have been available for dividend or distribution or out of the share premium account of the Company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2022 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the twelve months up to the Latest Practicable Date were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2021</b>		
July	1.82	1.51
August	1.69	1.55
September	1.62	1.45
October	1.66	1.41
November	1.66	1.52
December	1.68	1.50
<b>2022</b>		
January	1.59	1.50
February	1.65	1.52
March	1.59	1.37
April	1.54	1.43
May	1.50	1.41
June	1.55	1.37
July (up to the Latest Practicable Date)	1.45	1.37

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Bermuda and in accordance with the memorandum of association of the Company and the Bye-laws.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in Rule 1.01 of the Listing Rules), has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the Shareholders.

No core connected persons (as defined in Rule 1.01 of the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

## 6. TAKEOVERS CODE

If on the exercise of the powers to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best knowledge and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, New Sense Enterprises Limited, Castfast Properties Development Co., Ltd., Mr. Ho Cheuk Fai, Mr. Ho Wai Hon, Mr. Ho Cheuk Ming and Ms. Ho Po Chu (together the "**Concert Group**") were together beneficially interested in 1,480,224,000 Shares, representing approximately 73.23% of the issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the Annual General Meeting, in the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of the Concert Group will be increased to approximately 81.37% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. If the Repurchase Mandate is exercised in full, the number of Shares held by the public would be reduced to less than the minimum public float of 25%. However, the Directors have no present intention to repurchase Shares to such extent.

## 7. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

*As required by the Listing Rules, the following are the particulars of the Directors to be re-elected at the Annual General Meeting:*

**MR. FONG HOI SHING**

Mr. FONG Hoi Shing (“**Mr. Fong**”), aged 58, was appointed as an independent non-executive Director in December 2004. He has extensive experience in accounting, finance and management. He holds a master degree in professional accounting, a postgraduate diploma in corporate administration and a higher diploma in accountancy from The Hong Kong Polytechnic University. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a Chartered Secretary, a Chartered Governance Professional and an associate of The Chartered Governance Institute and the Hong Kong Chartered Governance Institute. Mr. Fong does not hold any directorship in other companies listed on the Stock Exchange in the past three years.

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Fong was interested (within the meaning of Part XV of the Securities and Futures Ordinance) in 42,000 Shares. As at the Latest Applicable Date, Mr. Fong had no relationship with any directors, senior management, substantial shareholders nor controlling shareholders of the Company. Mr. Fong does not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies.

Mr. Fong is entitled to a Director’s fee of HK\$150,000 per annum which is determined by the Board with reference to his experience, performance and duties. He is appointed for a term of one year and if he is re-elected at the Annual General Meeting, he will hold office until 30 November 2022, subject to extension by mutual agreement and retirement by rotation and re-election at the annual general meeting of the Company as and when required under the Bye-laws.

The nomination was made by the Board in accordance with the Nomination Policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information relating to the re-election of Mr. Fong as an independent non-executive Director to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**MR. YAM CHUNG SHING**

Mr. YAM Chung Shing (“**Mr. Yam**”), aged 62, was appointed as an independent non-executive Director of the Company in November 2015, is an Honorable President of Dongguan City Association of Enterprises with Foreign Investment, the Honorable Citizen of Dongguan, Standing Committee of Chinese People’s Political Consultative Conference, Dongguan City and an Executive Vice President and Secretary of Association of the Hong Kong Members of Dongguan’s (Hong Kong & Macau) Chinese People’s Political Consultative Conference Committee. He has invested and developed several projects. He has extensive experience in business management and project investment. Save as disclosed herein, Mr. Yam does not hold any directorship in other companies listed on the Stock Exchange in the past three years.

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Yam was interested (within the meaning of Part XV of the Securities and Futures Ordinance) in 500,000 Shares. As at the Latest Practicable Date, Mr. Yam had no relationship with any directors, senior management, substantial shareholders nor controlling shareholders of the Company. Mr. Yam does not hold any cross-directorships or have any significant links with other Directors through involvement in other companies or bodies.

Mr. Yam is currently receiving a Director’s fee of HK\$150,000 per annum which is determined by the Board with reference to his experience, performance and duties. He is appointed for a term of one year and if he is re-elected at the Annual General Meeting, he will hold office until 30 November 2022, subject to extension by mutual agreement and retirement by rotation and re-election at the annual general meeting of the Company as and when required under the Bye-laws.

The nomination was made by the Board in accordance with the Nomination Policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**MR. HO KAI MAN**

Mr. HO Kai Man (“**Mr. Ho**”), aged 41, was appointed as an executive Director from 12 July 2012 to 31 October 2012 and was re-designated as a non-executive Director in November 2012. He joined the Group in November 2005. He has been appointed as the Assistant Corporate Planning General Manager and Executive Committee member and is responsible for handling internal and external business and political contact, establishing of communication platform, promoting energy-saving, environment protection and cleaner production etc and maintaining the Group’s sustainability. He is also the director of certain subsidiaries of the Group. Mr. Ho graduated from Auckland University of Technology majoring in Computer Science. He had engaged in the works of various departments of the Group so that he has familiarized himself with the business operation of the Group. He is the nephew of Mr. Ho Cheuk Fai, Chairman and Chief Executive Officer of the Company and is the son of Mr. Ho Cheuk Ming, a non-executive director and deputy chairman of the Company. Mr. Ho does not hold any directorship in other companies listed on the Stock Exchange in the past three years.

So far as the Directors are aware, as at the Latest Practicable Date, Mr. Ho has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, Mr. Ho had no relationship with any directors, senior management, substantial shareholders nor controlling shareholders of the Company

According to the service agreement dated 1 November 2012 between Mr. Ho and the Company, Mr. Ho is entitled to an annual salary of HK\$480,000. During the year ended 31 March 2022, Mr. Ho receives a total amount of HK\$194,300 as bonuses, including a discretionary performance bonus based on his performance during the previous year and not exceeding his monthly salary from time to time and a bonus payment with reference to the audited consolidated net profit of the Group for the relevant financial year. Both the discretionary performance bonus and the bonus payment are to be determined by the Board at its absolute discretion. Mr. Ho’s emoluments are determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions. The service agreement which is without a fixed period commenced from 1 November 2012 and shall continue thereafter until terminated by either Mr. Ho or the Company giving to the other party not less than three months’ written notice without payment of compensation (other than statutory compensation). After his re-election at the forthcoming Annual General Meeting, he will continue to serve on the Board until he resigns or is removed and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

The nomination was made by the Board in accordance with the Nomination Policy and taken into account the diversity aspects (including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service), with due regard for the benefits of diversity, as set out under the Board Diversity Policy.

Save as disclosed herein, there is no other information relating to the re-election of Mr. Ho as a non-executive Director to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

*This Appendix summaries the principal terms of the KRP Development Share Option Scheme and does not form, nor is intended to be, part of the KRP Development Share Option Scheme nor should it be taken as affecting interpretation of the rules of the KRP Development Share Option Scheme:*

## 1. PURPOSE OF THE KRP DEVELOPMENT SHARE OPTION SCHEME

The KRP Development Share Option scheme is an incentive scheme established to recognise and motivate the contributions that Eligible Participants (as defined below) have made or may make to the KRP Development Group. The KRP Development Share Option scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in KRP Development with the view to achieve the following principal objectives: (a) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of the KRP Development Group; and (b) attract and retain or otherwise maintain ongoing business relationship with the Eligible Participants whose contributions are, will or expected to be beneficial to the KRP Development Group. For the purpose of the KRP Development Share Option scheme, “Eligible Participants” means any person who satisfies the eligibility criteria in paragraph 2 below.

## 2. WHO MAY JOIN AND BASIS OF ELIGIBILITY

Our Board may at its discretion grant options to:

- (i) any Eligible Employees. “Eligible Employees” means any employee (whether full time or part time, including any executive director but excluding any non-executive director) of KRP Development, any subsidiary or any entity in which the KRP Development Group holds at least 20% of its issued share capital (“**Invested Entity**”);
- (ii) any non-executive director (including independent non-executive directors) of KRP Development, any subsidiary or any Invested Entity;
- (iii) any supplier of goods or services of any member of the KRP Development Group or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to any member of the KRP Development Group or any Invested Entity;
- (v) any KRP Development Shareholder of any member of the KRP Development Group or any Invested Entity or any holder of any securities issued by any member of the KRP Development Group or any Invested Entity;
- (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the KRP Development Group or any Invested Entity; and

- (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the KRP Development Group, and, for the purposes of the KRP Development Share Option scheme, options may be granted to any company wholly-owned by one or more Eligible Participants.

The basis of eligibility of any participant to be granted any option shall be determined by the KRP Development Board (or as the case may be, our independent non-executive Directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of the KRP Development Group.

### **3. SUBSCRIPTION PRICE OF KRP DEVELOPMENT SHARES**

The subscription price for any KRP Development Share under the KRP Development Share Option scheme shall subject to any adjustments made pursuant to paragraph 14 below, be a price determined by the KRP Development Board and shall not be less than the highest of:

- (i) the closing price of the KRP Development Shares as stated in the Stock Exchange's daily quotations sheet for trade on the offer date of the relevant option, which must be a day on which the Stock Exchange is open for the business of dealing in securities (a "**Trading Day**");
- (ii) the average closing price of the KRP Development Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the offer date of the relevant option; and
- (iii) the nominal value of a Share on the offer date. For the purpose of calculating the exercise price where KRP Development has been listed for less than five Trading Days, the closing price of the KRP Development Shares for the Listing Date.

### **4. GRANT OF OPTIONS AND ACCEPTANCE OF OFFERS**

An offer for the grant of options shall be deemed to have been accepted when KRP Development receives the letter containing the offer duly signed by the grantee together with a remittance of HK\$1.00 (or such other nominal sum in any currency as the KRP Development Board may determine) in favour of KRP Development as consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Eligible Participant.

**5. MAXIMUM NUMBER OF KRP DEVELOPMENT SHARES**

- (i) Subject to sub-paragraphs (ii) to (iv) below and assuming that the total number of KRP Development Shares in issue remains unchanged from the Latest Practicable Date to the Distribution Record Date, the maximum number of KRP Development Shares in respect of which options may be granted under the KRP Development Share Option scheme shall not, in aggregate, exceed 10% of the KRP Development Shares in issue as at the Listing Date, being 50,532,730 KRP Development Shares (the “**Scheme Mandate Limit**”) unless approved by the KRP Development Shareholders pursuant to sub-paragraph (iii) below. Options lapsed in accordance with the terms of the scheme(s) will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) Subject to sub-paragraphs (iii) and (iv) below, the Scheme Mandate Limit may be renewed by the KRP Development Shareholders in general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the KRP Development Shares in issue as at the date of approval of such renewal by the KRP Development Shareholders. Upon such renewal, all options granted under the KRP Development Share Option scheme and any other share option schemes of KRP Development (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the KRP Development Share Option scheme or any other share option schemes of KRP Development) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to the KRP Development Shareholders containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.
- (iii) Subject to sub-paragraphs (iv) below, the KRP Development Board may seek separate shareholders’ approval in general meeting to grant options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by KRP Development before such approval is sought and KRP Development must issue a circular to the KRP Development Shareholders containing such relevant information from time to time as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.
- (iv) The maximum number of KRP Development Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the KRP Development Share Option scheme and any other share option schemes adopted by the KRP Development Group must not, in aggregate, exceed 30% of the KRP Development Shares in issue from time to time. No options may be granted under the KRP Development Share Option scheme or any other share option schemes adopted by the KRP Development Group if such grant will result in the said 30% limit being exceeded.

**6. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT**

No option shall be granted to any Eligible Participant which, if exercised in full would result in the total number of the KRP Development Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the KRP Development Share Option scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of our KRP Development Shares in issue as at the date of such grant. Any grant of further options above this limit shall be subject to the following requirements:

- (i) approval of the KRP Development Shareholders at general meeting, with such Eligible Participant and his/her close associates (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting;
- (ii) a circular in relation to the proposal for such further grant must be sent by KRP Development to the KRP Development Shareholders with such information from time to time as required by the Listing Rules;
- (iii) the number and terms of the options to be granted to such proposed grantee shall be fixed before the KRP Development Shareholders' approval mentioned in (i) above; and
- (iv) for the purpose of calculating the minimum exercise price for the KRP Development Shares in respect of the further options proposed to be so granted, the date of board meeting for proposing such grant of further options shall be taken as the date of offer of such options.

**7. REQUIREMENTS ON GRANTING OPTIONS TO CERTAIN CORE CONNECTED PERSONS**

Any grant of options to any Director, chief executive or substantial shareholder of KRP Development, or any of their respective associates, must be approved by the independent non-executive Directors (excluding an Independent Non-executive director who or whose associate is a proposed grantee of an option).

Where any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates would result in the total number of the KRP Development Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the total number of KRP Development Shares in issue; and

- (ii) having an aggregate value, based on the closing price of the KRP Development Shares at the date of such grant, in excess of HK\$5 million,

such further grant of options must be approved by the KRP Development Shareholders by poll in a general meeting where the grantee, his/her associates and core connected persons of KRP Development must abstain from voting in favour at such general meeting. KRP Development will send a circular to the KRP Development Shareholders containing the information required under the Listing Rules.

## **8. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS**

No option shall be granted after inside information has come to the knowledge of our Company until KRP Development has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of (i) the date of our Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving KRP Development's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for KRP Development to announce its results for any year or half-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. No option may be granted during any period of delay in publishing a results announcement. "Inside information" has the meaning defined in the SFO.

The KRP Development Board may not make any offer to an Eligible Participant who is a KRP Development Director during the periods or times in which the KRP Development Board are prohibited from dealing in KRP Development Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by KRP Development.

## **9. TIME OF EXERCISE OF OPTION**

An option may (and may only) be exercised in accordance with the terms of the KRP Development Share Option scheme at any time during a period as the KRP Development Board may determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof, and provided that the KRP Development Board may determine the minimum period for which an option has to be held or other restrictions before its exercise.

The grantee shall not exercise an option to the extent that the public float of KRP Development will be less than 25% (or such higher percentage as required by the Stock Exchange or the Listing Rules) of the issued share capital of KRP Development immediately after the allotment and issue of the KRP Development Shares upon such exercise of the option.

**10. PERFORMANCE TARGETS**

Save as determined by the KRP Development Board and provided in the offer of grant of the options, there is no performance target that must be achieved before the options can be exercised.

**11. RANKING OF KRP DEVELOPMENT SHARES**

The KRP Development Shares to be allotted and issued upon exercise of an option shall be subject to all the provisions of the Articles for the time being in force and shall rank *pari passu* in all respects with the then existing fully paid KRP Development Shares in issue on the allotment date and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the allotment date. Any KRP Development Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered into the register of members of KRP Development as the holder thereof.

**12. RIGHTS ARE PERSONAL TO GRANTEE**

An option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle KRP Development to cancel any option granted to such grantee to the extent not already exercised.

**13. RIGHTS ON CESSATION OF EMPLOYMENT**

- (i) In the event of death of the grantee (being an individual) before exercising the option in full, his/her personal representative(s) may exercise the option up to the grantee's entitlement (to the extent exercisable as at the date of his/her death and not already exercised) within a period of 12 months following his/her death or such longer period as the KRP Development Board may determine.
- (ii) In the event of the grantee who is an Eligible Employee ceasing to be an Eligible Employee for any reason other than his/her death, or the termination of his/her employment pursuant to paragraph 18(v), the grantee may exercise the option (to the extent exercisable as at the date of such cessation and not already exercised) within 30 days following such cessation or such longer period as the KRP Development Board may determine. The date of cessation as aforesaid shall be the last day on which the grantee was actually at work with KRP Development or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the KRP Development Board may determine.

**14. EFFECTS OF ALTERATIONS TO SHARE CAPITAL**

In the event of any alteration in the capital structure of KRP Development while an option remains exercisable or the KRP Development Share Option scheme remains in effect whether by way of capitalisation of profits or reserves, bonus issue, rights issue, consolidation, subdivision or reduction of share capital of KRP Development, such corresponding alterations (if any) shall be made in the number or nominal amount of KRP Development Shares to which the KRP Development Share Option scheme or any option(s) relate so far as unexercised; and/or the subscription price; and/or the method of exercise of the options; and/or the maximum number of KRP Development Shares subject to the KRP Development Share Option scheme.

Any adjustments required under this paragraph must be made in compliance with the Listing Rules and give a grantee the same proportion of the equity capital as that to which that grantee was previously entitled and shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but no such adjustments may be made to the extent that KRP Development Shares would be issued at less than nominal value, provided that in such circumstance, the subscription price shall be reduced to the nominal value. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser of KRP Development or the auditor(s) of KRP Development must confirm to our Board in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

**15. RIGHTS ON A GENERAL OFFER**

If a general or partial offer (whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner) is made to all the holders of KRP Development Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), KRP Development shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the options granted to them, the KRP Development Shareholders. If such offer becomes or is declared unconditional, the grantee shall be entitled to exercise the option (to the extent exercisable as at the date on which the offer becomes or is declared unconditional and not already exercised) in full or in part at any time within 14 days after the date on which the offer becomes or is declared unconditional.

**16. RIGHTS ON WINDING-UP**

In the event notice is given by KRP Development to the KRP Development Shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up KRP Development, KRP Development shall forthwith give notice thereof to the grantee and the grantee shall be entitled to exercise all or any of his/her options (to the extent exercisable as at the date of the notice of meeting and not already exercised) at any time not later than two Trading Days (excluding any period(s) of closure of KRP Development's share registers) prior to the proposed meeting of KRP Development to consider the winding-up and KRP Development shall, as soon as possible and in any event no later than the Trading Day (excluding any period(s) of closure of KRP Development's share registers) immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of KRP Development Shares to the grantee which falls to be issued on such exercise.

**17. RIGHTS ON COMPROMISE OR ARRANGEMENT**

In the event of a compromise or arrangement between KRP Development and its members or creditors being proposed in connection with a scheme for the restructuring, reconstruction or amalgamation of KRP Development, KRP Development shall give notice thereof to all grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme, and there upon the grantee shall be entitled to exercise all or any of his/her option(s) (to the extent which has become exercisable as at the date of the notice and not already exercised) at any time not later than two Trading Days (excluding any period(s) of closure of KRP Development's share registers) prior to the proposed meeting and KRP Development shall, as soon as possible and in any event no later than the Trading Day (excluding any period(s) of closure of KRP Development's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of KRP Development Shares to the grantee which falls to be issued on such exercise.

**18. LAPSE OF OPTIONS**

An option (to the extent not already exercised) shall automatically lapse and not be exercisable on the earliest of:

- (i) the expiry of the option period;
- (ii) the expiry of any of the periods referred to in paragraph 13 above;
- (iii) subject to paragraph 16 above, the date of the commencement of the winding-up of KRP Development;
- (iv) the expiry of the period referred to in paragraph 17 above;

- (v) the date on which the grantee who is an Eligible Employee ceases to be an Eligible Employee by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him/her an Eligible Employee, or the date on which he/she begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he/she has been convicted of any criminal offence involving his or her integrity or honesty, unless otherwise resolved to the contrary by our Board;
- (vi) in respect of a grantee other than an Eligible Employee, the date on which the KRP Development Board shall at their absolute discretion determine that (i)(a) such grantee has committed any breach of any contract entered into between such grantee on one part and the KRP Development Group or any Invested Entity on the other part; or (b) such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) such grantee could no longer make any contribution to the growth and development of the KRP Development Group by reason of the cessation of its relations with the KRP Development Group or by any other reason whatsoever; and (ii) the option shall lapse as a result of any event specified in subparagraph (i)(a), (b) or (c) above, unless otherwise resolved to the contrary by our Board;
- (vii) the expiry of the period referred to in paragraph 15 above; and
- (viii) the date on which the grantee commits a breach of paragraph 12 or any terms or conditions attached to the grant of the option or an event, in respect to a grantee, referred to in (2) below occurs, unless otherwise resolved to the contrary by our Board.

If the grantee is a company wholly-owned by one or more Eligible Participants:

- (1) the provisions of paragraphs 13(i) and (ii), 18(v) and (vi) shall apply to the grantee and to the options granted to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 13(i) and (ii), 18(v) and (vi) shall occur with respect to the relevant Eligible Participant; and
- (2) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly-owned by the relevant Eligible Participant, provided that the KRP Development Board may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**19. CANCELLATION OF OPTIONS GRANTED BUT NOT YET EXERCISED**

- (i) Any options granted but not exercised may be cancelled by the KRP Development Board and such cancellation is recommended by the remuneration committee of KRP Development. Any options granted but subsequently renounced by the Grantee may be cancelled by the KRP Development Board.
- (ii) If an option is cancelled under paragraph 19(i), the Grantee shall not be entitled to any compensation from KRP Development.
- (iii) Where KRP Development cancels options and issue new options to the same Grantee, the issue of such new options may only be made with available unissued options (excluding the cancelled options) within the Scheme Mandate Limit.

**20. PERIOD OF THE KRP DEVELOPMENT SHARE OPTION SCHEME**

Subject to the terms of the KRP Development Share Option scheme, the KRP Development Share Option scheme shall be valid and effective for a period of 10 years after the adoption date, after which no further options may be issued. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding, the provisions of the KRP Development Share Option scheme shall remain in full force and effect.

Our Board may impose such terms and conditions of the offer of grant either on a case-by-case basis or generally as are not inconsistent with the KRP Development Share Option scheme including but not limited to the minimum period for which an option must be held before it can be exercised.

**21. ALTERATION TO THE KRP DEVELOPMENT SHARE OPTION SCHEME**

The KRP Development Share Option scheme may be altered in any respect by resolution of our Board except that the terms and conditions of the KRP Development Share Option scheme relating to matters set out in Rule 17.03 of the Listing Rules (or any other relevant provisions of the Listing Rules from time to time applicable) cannot be altered to the advantage of grantees or prospective grantees except with the prior approval of the KRP Development Shareholders in general meeting. No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the grantee as would be required of the KRP Development Shareholders under the Articles for the time being of KRP Development for a variation of the rights attached to KRP Development Shares.

Any alterations to the terms and conditions of the KRP Development Share Option scheme which are of a material nature or any change to the terms of options granted must be approved by the KRP Development Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the KRP Development Share Option scheme.

Any change to the authority of the KRP Development Board or administrators of the KRP Development Share Option scheme in relation to any alterations to the terms of the KRP Development Share Option scheme must be approved by the KRP Development Shareholders in general meeting.

The amended terms of the KRP Development Share Option scheme and/or the options must continue to comply with the requirements set out in the note to rule 17.03(13) of the Listing Rules and the supplementary guidance being the attachment to FAQ No. 072/2020 released by the Stock Exchange on 6 November 2020 and/or any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Subject to the above paragraphs, our Board may at any time alter, amend or modify the terms and conditions of the KRP Development Share Option scheme such that the provisions of the KRP Development Share Option scheme would comply with all relevant legal and regulatory requirements in all relevant jurisdictions to the extent as considered necessary by the KRP Development Board to implement the terms of the KRP Development Share Option scheme.

## **22. TERMINATION TO THE KRP DEVELOPMENT SHARE OPTION SCHEME**

KRP Development by ordinary resolution in general meeting or the KRP Development Board may at any time terminate the operation of the KRP Development Share Option scheme and in such event, no further options will be offered but the provisions of the KRP Development Share Option scheme shall remain in force in all other respects.

Options complying with the provisions of the Listing Rules which are granted during the life of the KRP Development Share Option scheme and remain unexpired immediately prior to the termination of the operation of the KRP Development Share Option scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the KRP Development Share Option scheme.

## **23. CONDITIONS OF THE KRP DEVELOPMENT SHARE OPTION SCHEME**

The KRP Development Share Option scheme is conditional upon (i) the Stock Exchange granting the approval of the listing of and permission to deal in the KRP Development Shares in issue and the KRP Development Shares to be issued pursuant to the Spin-off and any KRP Development Shares which may fall to be issued pursuant to the exercise of any options under the KRP Development Share Option scheme; (ii) the commencement of dealings in the KRP Development Shares on the Stock Exchange; (iii) the passing by our Board and our sole Shareholder of resolution approving and adopting the KRP Development Share Option scheme; and (iv) the passing by the Karrie International Shareholders in accordance with the Listing Rules and all applicable laws at the extraordinary general meetings of Karrie International Shareholders of resolution approving the KRP Development Share Option scheme.

As at the Latest Practicable Date, no option had been granted by KRP Development under the KRP Development Share Option Scheme. An application has been made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in the KRP Development Shares to be issued and allotted by KRP Development pursuant to the exercise of options that may be granted under the KRP Development Share Option scheme in respect of up to 10% of the KRP Development Shares in issue as at the Listing Date.

The KRP Development Board consider it inappropriate to disclose the value of options which may be granted under the KRP Development Share Option scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. The KRP Development Board believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

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**APPENDIX IV                      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

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*This appendix sets out the Proposed Amendments to the Bye-laws as follows:*

<b>Bye-law</b>	<b>Before the Proposed Amendments</b>	<b>After the Proposed Amendments</b>	<b>Reasons for the Proposed Amendments</b>
1	“Act” – the Companies Act 1981 of Bermuda.	“Act” – the Companies Act 1981 <u>(as amended)</u> of Bermuda.	House-keeping purpose to update the reference to the relevant Bermuda legislation
2(h)	a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than twenty-one (21) clear days’ Notice, specifying (without prejudice to the power contained in these Bye-laws to amend the same) the intention to propose the resolution as a special resolution, has been duly given. Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than twenty-one (21) clear days’ Notice has been given;	a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which <del>not less than twenty-one (21) clear days’</del> Notice, specifying <del>(without prejudice to the power contained in these Bye-laws to amend the same)</del> the intention to propose the resolution as a special resolution, has been duly given: <del>Provided that, except in the case of an annual general meeting, if it is so agreed by a majority in number of the Members having the right to attend and vote at any such meeting, being a majority together holding not less than ninety-five (95) per cent. in nominal value of the shares giving that right and in the case of an annual general meeting, if it is so agreed by all Members entitled to attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which less than</del> twenty-one (21) clear days’ Notice has been given;	House-keeping purpose

**APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

Bye-law	Before the Proposed Amendments	After the Proposed Amendments	Reasons for the Proposed Amendments
2(i)	<p>a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which not less than fourteen (14) clear days' Notice has been duly given;</p>	<p>a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which <del>not less than fourteen (14) clear days'</del> Notice has been duly given;</p>	House-keeping purpose
9	<p>Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.</p>	<p>Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. <del>Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.</del></p>	As App. 3 Para 8 repealed on 1 Jan 2022, the Company decides to delete the relevant requirement.

Bye-law	Before the Proposed Amendments	After the Proposed Amendments	Reasons for the Proposed Amendments
56	An annual general meeting of the Company shall be held in each year other than the year in which its statutory meeting is convened at such time (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place as may be determined by the Board.	<u>Subject to the Companies Act, An</u> annual general meeting of the Company shall be held in each <u>financial year</u> other than the financial year in which its statutory meeting is convened at such time ( <u>within six (6) months after the end of the Company's financial year</u> <del>within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting</del> unless a longer period would not infringe the rules of the Designated Stock Exchange, if any) and place as may be determined by the Board.	App. 3 Para 14(1) To adopt "Core Standards" for shareholder protections to provide that an annual general meeting of the Company is held in each financial year, rather than calendar year.
59(1)	An annual general meeting and any special general meeting at which the passing of a special resolution is to be considered shall be called by not less than twenty-one (21) clear days' Notice. All other special general meetings may be called by not less than fourteen (14) clear days' Notice but a general meeting may be called by shorter notice if it is so agreed:  (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and  (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent. (95%) in nominal value of the issued shares giving that right.	<u>An annual general meeting of the Company and any special general meeting at which the passing of a special resolution is to be considered</u> shall be called by not less than twenty-one (21) clear days' Notice. All other general meetings <u>of the Company</u> may be called by not less than fourteen (14) clear days' Notice but a general meeting may be called by shorter notice if it is so agreed:  (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and  (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety five per cent. (95%) in nominal value of the issued shares giving that right.	House-keeping purpose

**APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

Bye-law	Before the Proposed Amendments	After the Proposed Amendments	Reasons for the Proposed Amendments
61(1)	All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.	All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of sanctioning dividends, the reading, considering and adopting of the accounts and balance sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and <u>the appointment and removal</u> of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.	House-keeping purpose to include the removal the Company’s auditors
61A	–	<u>All Members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the rules of the Designated Stock Exchange, to abstain from voting to approve the matter under consideration.</u>	App. 3 Para 14(3) To adopt “Core Standards” for shareholder protections to provide that all members have the right to speak and vote at a general meeting, unless specifically required to abstain from voting by the Listing Rules.

**APPENDIX IV                      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

<b>Bye-law</b>	<b>Before the Proposed Amendments</b>	<b>After the Proposed Amendments</b>	<b>Reasons for the Proposed Amendments</b>
84(2)	<p>Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.</p>	<p>Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands <u>and the right to speak.</u></p>	<p>App. 3 Para 19 To adopt “Core Standards” for shareholder protections to provide that a member who is a clearing house entitles to appoint representatives at any meeting of the Company and those representatives be entitled to exercise the same rights and powers on behalf of the clearing house, including the right to speak and vote.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

Bye-law	Before the Proposed Amendments	After the Proposed Amendments	Reasons for the Proposed Amendments
86(2)	<p>The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.</p>	<p>The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorisation by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the <del>next</del> <u>following first</u> annual general meeting of the Company <u>after his appointment</u> and shall then be eligible for re-election at that meeting.</p>	<p>App. 3 Para 4(2) To adopt “Core Standards” for shareholder protections to provide that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the first annual general meeting of the issuer after his appointment, and shall then be eligible for re-election.</p>
154(1)	<p>Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.</p>	<p>Subject to Section 88 of the Act, at the annual general meeting or at a subsequent special general meeting in each year, the Members <u>may by ordinary resolution</u> <del>shall</del> appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.</p>	<p>App. 3 Para 17 To adopt “Core Standards” for shareholder protections to provide that it is clearly to state that an ordinary resolution of members is required to appoint the Company’s auditors.</p>

**APPENDIX IV PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

Bye-law	Before the Proposed Amendments	After the Proposed Amendments	Reasons for the Proposed Amendments
154(3)	The Members may, at any general meeting convened and held in accordance with these Bye laws, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.	<u>Subject to the Act, The the</u> Members may, at any general meeting convened and held in accordance with these Bye laws, by <del>special</del> <u>ordinary</u> resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.	App. 3 Para 17 To adopt “Core Standards” for shareholder protections to provide that an ordinary, rather than special, resolution of members is required to appoint and remove the Company’s auditors.
156	The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.	The remuneration of the Auditor shall be fixed by the Company in general meeting <u>by ordinary resolution</u> or in such manner as the Members may determine.	App. 3 Para 17 To adopt “Core Standards” for shareholder protections to provide that it is clearly to state that an ordinary resolution of members is required to approve the remuneration of the Company’s auditors.
164(2)	A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.	<u>Subject to the Companies Act, A-a</u> resolution that the Company be wound up by the court or be wound up voluntarily shall be <u>passed by way of</u> a special resolution.	App. 3 Para 21 House-keeping purpose and to adopt “Core Standards” for shareholder protections to provide that a special resolution of members is required to approve a voluntary winding up of the Company.

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**APPENDIX IV                      PROPOSED AMENDMENTS TO THE EXISTING BYE-LAWS**

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	<b>Before the Proposed Amendments</b>	<b>After the Proposed Amendments</b>	<b>Reasons for the Proposed Amendments</b>
167	No Bye law shall be rescinded, altered or amended and no new Bye law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.	<u>Without prejudice to any other requirements of the Statutes, No Bye law shall be rescinded, altered or amended and no new Bye law shall be made until the same has been approved by a resolution of the Directors and confirmed by a special resolution of the Members.</u> A special resolution shall be required to alter the provisions of the memorandum of association, <u>to approve any amendment of these Bye-Laws</u> or to change the name of the Company.	App. 3 Para 16 House-keeping purpose and to adopt “Core Standards” for shareholder protections to provide that a special resolution of members is required to change the Company’s constitutional documents.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Karrie International Holdings Limited**

**嘉利國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1050)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of Karrie International Holdings Limited (the “Company”) will be held at 9/F., Southeast Industrial Building, 611–619 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong on Friday, 26 August 2022 at 3:00 p.m. for the purpose of transacting the following businesses:

#### **AS ORDINARY RESOLUTIONS**

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors (the “**Directors**”) and the auditors of the Company for the year ended 31 March 2022.
2. To consider and declare a final dividend for the year ended 31 March 2022.
- 3A. (i) To re-elect Mr. Fong Hoi Shing as an independence non-executive Director who has served more than 9 years in the Company;  
  
(ii) To re-elect Mr. Yam Chung Shing as an independence non-executive Director;  
  
(iii) To re-elect Mr. Ho Kai Man as a non-executive Director.
- 3B. To authorise the board (the “**Board**”) of Directors to fix the remuneration of the Directors.
4. To re-appoint Messrs. KPMG as the auditors of the Company and authorise the Board to fix their remuneration.

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

5A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time or on the exercise of any options granted under the KRP Development Share Option scheme of the Company or an issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws (the **“Bye-laws”**) of the Company, shall not exceed 20 per cent. of the number of issued Shares of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

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## NOTICE OF ANNUAL GENERAL MEETING

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“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5B. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in (a) accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the number of issued Shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- 5C. “**THAT** conditional on the passing of the resolutions set out in paragraphs 5A and 5B of the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in paragraph 5A of the notice convening this meeting be and is hereby extended by the addition to the aggregate number of Shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 5B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate number of issued Shares of the Company as at the date of passing this resolution.”
6. “**THAT** the rules of the share option scheme of a subsidiary of the Company, KRP Development Holdings Limited (“**KRP Development Share Option Scheme**”), a copy of which is marked “A” and a summary of which is set out in a circular of the Company dated 25 July 2022 and despatched to the shareholders of the Company of which the notice convening this Meeting forms part marked “B” and both produced to the Meeting and for the purpose of identification signed by a director of the Company, be and is hereby approved and adopted to be the share option scheme of KRP Development Holdings Limited and the directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions and arrangement as may be necessary or expedient in order to give effect to the KRP Development Share Option Scheme.”

### AS SPECIAL RESOLUTION

7. “**THAT:**
- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing bye-laws of the Company (the “**Bye-laws**”), the details of which are set out in Appendix IV to the circular of the Company dated 25 July 2022, be and are hereby approved;
  - (b) the amended and restated Bye-laws (the “**New Bye-laws**”) incorporating and consolidating all the Proposed Amendments as set out in Appendix IV of the circular of the Company dated 25 July 2022 in the form of the printed document marked “C” produced to this meeting and for the purpose of identification signed by the chairman of this meeting, be and is hereby adopted, confirmed and approved as the Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediate effect after the close of this meeting; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) any Director of the Company be and is hereby authorised to carry out and take all actions necessary and to sign all necessary documents in connection with or to give effect to the Proposed Amendments to the existing Bye-laws and the adoption of the New Bye-laws.”

*As at the date of this notice, the executive Directors are Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai and Mr. Chan Raymond; the non-executive Directors are Mr. Ho Cheuk Ming and Mr. Ho Kai Man; the independent non-executive Directors are Mr. Fong Hoi Shing, Mr. Yam Chung Shing and Dr. Lau Kin Wah.*

By Order of the Board  
**Karrie International Holdings Limited**  
**Ho Cheuk Fai**  
*Chairman*

Hong Kong, 25 July 2022

*Principal place of business in Hong Kong:*

9th Floor  
Southeast Industrial Building  
611–619 Castle Peak Road  
Tsuen Wan, New Territories  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A member who is holding two or more shares of the Company is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company. A form of proxy for use at the above meeting is enclosed herewith.
2. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting at the AGM (or any adjournment thereof) in person.
3. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
4. The register of members of the Company will be closed from Monday, 22 August 2022 to Friday, 26 August 2022 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 19 August 2022.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. The register of members of the Company will be closed from Thursday, 1 September 2022 to Friday, 2 September 2022 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend for the year ended 31 March 2022, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 31 August 2022.
  
6. In the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 6:00 a.m. or any time after 6:00 a.m. on Friday, 26 August 2022, the AGM will be adjourned to the same time and place on the first business day after Friday, 26 August 2022.