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Kinergy Corporation Ltd.

精技集團有限公司*

(Incorporated in Singapore with limited liability)

(Stock Code: 3302)

GRANT OF SHARE OPTIONS

This announcement is made by Kinergy Corporation Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”, each a “**Director**”) of the Company hereby announces that, a total of 8,340,000 share options (the “**Options**”, each an “**Option**”) were granted by the Company to certain eligible participants (the “**Grantees**”) on 25 May 2023 (the “**Date of Grant**”), subject to acceptance of the Grantees, pursuant to the share option scheme of the Company adopted on 27 June 2018 (the “**Share Option Scheme**”). The Options will entitle the Grantees to subscribe for up to a total of 8,340,000 new ordinary shares of the Company (the “**Shares**”, each a “**Share**”), representing, upon full exercise, approximately 0.91% of all Shares in issue as at the date of this announcement. Details of the Options granted are as follows:

Date of Grant : 25 May 2023

Exercise price of Options granted : HK\$0.300 per Share, representing the highest of:

- (i) the closing price of HK\$0.230 per Share as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant;
- (ii) the average closing price of HK\$0.249 per Share as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the Date of Grant; and
- (iii) the volume weighted average price of HK\$0.300 per Share for the two months preceding the date of the Date of Grant

Number of Options granted	:	8,340,000 Options (each Option shall entitle the holder of the Option to subscribe for one Share)
Closing Price of the Shares on the Date of Grant	:	HK\$0.230 per Share
Validity period of the Options	:	For a period of five (5) years from the Date of Grant to 24 May 2028, both dates inclusive
Vesting period of the Options	:	The Options shall vest in three tranches in accordance with the following dates: <ul style="list-style-type: none"> (i) 2,776,000 of the Options granted shall be vested on 25 May 2024; (ii) 2,776,000 of the Options granted shall be vested on 25 May 2025; and (iii) 2,788,000 of the Options granted shall be vested on 25 May 2026.
Exercise period of the Options	:	The Options that have been vested are exercisable for the period commencing from the date of vesting of the Options to 24 May 2028 (both days inclusive)
Performance Target	:	The vesting of the Options is not subject to any performance targets.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected eligible participants as incentives or rewards to recognise and acknowledge their contributions to the Group.

Having considered that, (i) the ability of the Grantees to contribute to the overall operations, development and long-term growth of the Group with reference to their tenure with the Company and industry experience; (ii) the grant of Options to the Grantees is a recognition for their past contributions to the Group; (iii) the Grantees are Directors or employees of the Group who will directly contribute to the overall business performance, sustainable development and/or good corporate governance of the Group; and (iv) the Options will be vested in tranches over a period of three years, the Board and the remuneration committee of the Company are of the view that it is not necessary to set performance targets for the Grantees as the grant of Options (a) aligns the interests of the Grantees with those of the Company and the shareholders of the Company; (b) motivates the Grantees to commit themselves to the Company's continued competitiveness, operating results and growth in the future; and (c) reinforces their commitment to the long-term service of the Company, which is therefore consistent with the purpose of the Share Option Scheme.

Clawback Mechanism : All Options are subject to clawback mechanism as already set out in the existing terms of the Share Option Scheme. Under the terms of the Share Option Scheme, if a Grantee ceases to be an eligible participant of the Group by reason of the termination of his relationship with the Group as a result of the Grantee (i) being guilty of serious misconduct; (ii) having been convicted of a criminal offence involving his integrity or honesty or in relation to an employee of the Group; (iii) having committed an act of insolvency, bankruptcy or having made arrangements or compositions with his creditors; or (iv) on any other ground as determined by the Board that would warrant the termination of his employment at common law or pursuant to any applicable laws or under the service contract between the Grantee and the Group, any unexercised Option held by such Grantee shall lapse on the date of cessation and not be exercisable.

Financial Assistance : The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

The table below shows a breakdown of Options that were granted to (i) the Directors, chief executive and substantial shareholder of the Company; and (ii) the other employees of the Group:

Name of Grantee	Position held with the Group and relationship with the Group	Number of Options granted
Mr. Lim Kuak Choi Leslie	Executive Director, chief executive officer and one of the controlling shareholders of the Company	920,000
Mr. Tay Kim Kah	Executive Director and financial controller of the Group	1,500,000
Mr. Du Xiaotang	Executive Director and one of the controlling shareholders of the Company	920,000
Mr. Lim Khin Mann	Executive Director and one of the controlling shareholders of the Company	750,000
Mr. Henry Lee Wong	Chief Operating Officer of the Company and alternate Director to Mr. Lim Khin Mann	1,500,000
Three employees of the Group	Vice President of Global Supply Chain Management Department of the Company	1,250,000
	Director of Engineering Department of the Company	1,000,000
	Vice President of the Group	<u>500,000</u>
		<u><u>8,340,000</u></u>

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules) as at the date of this announcement.

LISTING RULES IMPLICATIONS

Pursuant to Rule 17.04(1) of the Listing Rules and the Share Option Scheme, the grant of Options by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors. The grant of Options to each of the above Directors, chief executives and substantial shareholders of the Company has been reviewed and approved by the independent non-executive Directors accordingly. Each of the above Directors has been abstained from voting in respect of the resolution for the approval of the grant of Options to him was concerned.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, (i) none of the Grantees was granted Options exceeding the 1% individual limit as defined in Rule 17.03D(1) of the Listing Rules; and (ii) none of the substantial shareholders was granted Options in excess of 0.1% of all Shares in issue as stipulated in Rule 17.04(3) of the Listing Rules, in the 12-month period up to and including the Date of Grant.

Subsequent to the grant of the Share Options and assuming full acceptance by the Grantees, 75,595,132 Shares will remain available for future grant under the scheme mandate limit of the Share Option Scheme.

By order of the Board
Kinergy Corporation Ltd.
Lim Kuak Choi Leslie
Executive Director and Chief Executive Officer

Hong Kong, 25 May 2023

* *For identification purpose only*

As at the date of this announcement, the executive Directors are Mr. Lim Kuak Choi Leslie, Mr. Du Xiaotang, Mr. Lim Khin Mann (Mr. Henry Lee Wong as his alternate) and Mr. Tay Kim Kah; the non-executive Directors are Mr. Loh Kin Wah (Chairman) and Mr. Wang Yizhe; and the independent non-executive Directors are Dr. Senerath Wickramanayaka Mudiyansele Sunil Wickramanayaka, Mr. Hoon Chee Wai and Dr. Ang Peng Huat.