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KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

PROFIT WARNING

This announcement is made by Kinetix Systems Holdings Limited (the “**Company**”), and together with its subsidiaries, the (“**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the Group’s unaudited consolidated management accounts for the nine months ended 30 September 2021 (the “**Current Period**”) and the information currently available, the Group is expected to record a loss of approximately HK\$14.7 million as compared to profit of approximately HK\$4.9 million for the nine months ended 30 September 2020 (the “**Previous Period**”).

The decrease in profit were mainly attributed to:

- i) the decrease in gross profit by approximately HK\$5.4 million, which was mainly due to the decrease in number of projects in provision of IT infrastructure solution services and the decrease in project size;
- ii) the decrease in other income by approximately HK\$2.5 million mainly due to the decrease in the government subsidies;

- iii) the increase in staff cost in administrative and selling expenses by approximately HK\$6.1 million due to the increase in number of staff and commission expenses;
- iv) the increase in rental payment by HK\$0.7 million to the additional offices used by subsidiaries; and
- v) the increase in depreciation and amortization by approximately HK\$5.0 million.

The Company is still in the process of finalising its financial results for the Current Period. The information contained in this announcement is only based on the preliminary assessment by the Board on the unaudited consolidated management accounts of the Group for the Current Period and the information currently available, which have not been reviewed by the audit committee of the Company or audited by the Company's auditors. The above information may be subject to adjustments. The actual financial results for the Current Period may be different from what is disclosed in this announcement. Shareholders and potential investors are advised to read carefully the quarterly results announcement of the Group for the Current Period, which is expected to be published on or about 12 November 2021 in accordance with the GEM Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kinetix Systems Holdings Limited
Yu Larry
Chairman

Hong Kong, 9 November 2021

As at the date of this announcement, the Board comprises Mr. Yu Larry, Mr. Leung Patrick Cheong Yu and Mr. Law Cheung Moon as executive Directors; Mr. Cheng Kwan Ngai, Ms. Chen Jie and Mr. Tang Biao as non-executive Directors; Ms. Lam Shun Ka, Dr. He Dazhi, Mr. Li Xiaoping and Mr. Tong Tsz Kwan as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM’s website at www.hkgem.com for at least 7 days from the date of its publication and on the Company’s website at www.kinetix.com.hk.

** For identification purpose only*