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KINETIX SYSTEMS HOLDINGS LIMITED

捷冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

**(1) RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS;
AND
(2) ADJUSTMENTS TO THE SHARE OPTIONS UNDER
THE SHARE OPTION SCHEME**

Reference is made to the prospectus of the Company dated 13 February 2023 (the “**Prospectus**”) and the announcement of the Company dated 1 March 2023 (the “**Announcement**”) in relation to, among others matters, the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, a total of 5 valid applications and acceptances under the PAL in respect of a total of 160,678,718 Rights Shares had been received, representing approximately 33.34% of the total number of the Rights Shares available for subscription under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising under the Rights Issue. Based on the subscription results, the Rights Issue was undersubscribed by 321,271,282 Rights Shares, representing approximately 66.66% of the total number of the Rights Shares available for subscription under the Rights Issue.

As at the Record Date, there was no Non-Qualifying Shareholder. As such, the number of the NQS Unsold Rights Shares is nil.

PLACING ARRANGEMENT OF THE UNSUBSCRIBED RIGHTS SHARES AND THE NQS UNSOLD RIGHTS SHARES AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, 321,271,282 Unsubscribed Rights Shares (the “**Placing Shares**”), representing approximately 66.66% of the total number of the Rights Shares available for subscription under the Rights Issue, were subject to the Placing Arrangement.

The Board is pleased to announce that 321,271,280 Placing Shares, representing approximately 22.22% of the Company’s issued Shares immediately after completion of the Rights Issue, had been successfully placed to not less than six placees at the placing price of HK\$0.065 per Placing Share, which is equal to the Subscription Price. Accordingly, the amount of the Net Gain per Unsubscribed Rights Share and the NQS Unsold Rights Share under the Compensatory Arrangements is nil and no Net Gain was realised and to be received by any No Action Shareholder and Non-Qualifying Shareholder on Friday, 31 March 2023.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the placees and where appropriate, their respective ultimate beneficial owner(s), procured by the Placing Agent (i) are independent of and not connected or acting in concert with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates; (ii) will not result in them and their associates or persons acting in concert with any of them, when aggregated with the total number of Shares (if any) already held by them, holding more than 30% of the enlarged issued Shares of the Company immediately after completion of the Rights Issue; and (iii) will not own 10% or more of the total number of issued Shares immediately upon completion of the Rights Issue.

Based on the subscription results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares to be allotted and issued amounted to 481,949,998 Rights Shares, representing 99.99% of the total number of Rights Shares offered for subscription under the Rights Issue.

THE PLACING AGREEMENT BECOMING UNCONDITIONAL

All conditions with respect to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares set out in the Prospectus have been fulfilled and the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares became unconditional at 4:00 p.m. on Tuesday, 7 March 2023.

INTENDED USE OF PROCEEDS FROM THE RIGHTS ISSUE

The gross proceeds raised from the Rights Issue are approximately HK\$31.3 million and the net proceeds from the Rights Issue (after deducting all necessary costs and expenses) are approximately HK\$29.9 million. The Company intends to apply the net proceeds in the manner disclosed in the paragraph headed “Reasons for and benefits of the Rights Issue and use of proceeds” in the “Letter from the Board” of the Prospectus.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue.

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>% (Note 1)</i>	<i>Number of Shares</i>	<i>% (Note 1)</i>
Controlling shareholder				
Vigorous King <i>(Note 2)</i>	<u>400,360,000</u>	<u>41.54</u>	<u>459,810,000</u>	<u>31.80</u>
Sub-total	<u>400,360,000</u>	<u>41.54</u>	<u>459,810,000</u>	<u>31.80</u>
Substantial shareholder				
Goldlink Hong Kong Investment Limited <i>(Note 3)</i>	50,000,000	5.19	51,090,000	3.54
Rich Trend Hong Kong Investment Limited <i>(Note 4)</i>	50,000,000	5.19	64,100,000	4.43
Mr. Lam Sze Chun Jackson	<u>34,350,000</u>	<u>3.56</u>	<u>35,730,000</u>	<u>2.47</u>
Sub-total	<u>134,350,000</u>	<u>13.94</u>	<u>150,920,000</u>	<u>10.44</u>
Independent places	–	–	321,271,280	22.22
Public Shareholders	<u>429,190,000</u>	<u>44.52</u>	<u>513,848,718</u>	<u>35.54</u>
Total	<u>963,900,000</u>	<u>100.00</u>	<u>1,445,849,998</u>	<u>100.00</u>

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
2. Vigorous King Limited is direct and wholly-owned by Mr. Yu.
3. Goldlink Hong Kong Investment Limited is direct and wholly-owned by Mr. Lam Sze Chun Jackson.
4. Rich Trend Hong Kong Investment Limited is direct and wholly-owned by Mr. Lam Sze Chun Jackson.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of the fully-paid Rights Shares will be despatched to those entitled thereto by ordinary post to their respective registered address at their own risk on Thursday, 9 March 2023.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 10 March 2023.

ADJUSTMENTS TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, adjustments may be required to be made to the exercise prices of and/or the number of the Shares falling to be issued upon exercise of the outstanding Share Options granted by the Company under the Share Option Scheme respectively as a result of the Rights Issue.

Date of grant	Immediately prior to the adjustments as a result of completion of the Rights Issue	Exercise price per Share (HK\$)	Immediately after the adjustments as a result of completion of the Rights Issue	Adjusted exercise price per Share (HK\$)
	Number of Shares falling to be issued upon exercise of the outstanding Share Options		Adjusted number of Shares falling to be issued upon exercise of the outstanding Share Options	
16 August 2021	34,500,000	0.152	35,500,000	0.148
20 August 2021	32,000,000	0.154	32,927,536	0.150
	<u>66,500,000</u>		<u>68,427,536</u>	

Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged. Linksfield CPA Limited, the auditor of the Company, has certified in writing that the calculations with respect to the above adjustments are in compliance with (i) the terms of the Share Option Scheme; (ii) the requirements set out in Rule 23.03(13) of the GEM Listing Rules; and (iii) the Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020.

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

Hong Kong, 8 March 2023

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; 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 Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.kinetix.com.hk.