
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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kinetix
KINETIX SYSTEMS HOLDINGS LIMITED
捷冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF THE RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of the Company (the “AGM”) to be held at 6/F, SML Tower, No. 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Thursday, 27 June 2024 at 10:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular. A form of proxy for use at the AGM is also enclosed with this circular.

Whether or not you are able to attend the AGM in person, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours (i.e. Tuesday, 25 June 2024 at 10:30 a.m.) before the time appointed for holding the AGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

Hong Kong, 6 June 2024

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at 6/F, SML Tower, No. 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 27 June 2024 at 10:30 a.m. or any adjournment thereof;
“AGM Notice”	the notice convening the AGM set out on pages AGM-1 to AGM-5 of this circular;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associate(s)”	has the same meaning as defined in the GEM Listing Rules;
“Board”	the board of Directors;
“close associate(s)”	has the same meaning as defined in the GEM Listing Rules;
“Companies Act”	The Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	Kinetix Systems Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM of the Stock Exchange;
“Controlling Shareholders”	has the meaning ascribed to it under the GEM Listing Rules, and, in the case of the Company, means Ms. Tong Po Ki Vicky, Vigorous King Limited and Mr. Yu Larry individually and as a group of persons;
“core connected person(s)”	has the same meaning as defined in the GEM Listing Rules;
“Director(s)”	the director(s) of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;

DEFINITIONS

“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with additional Shares subject to a restriction that the aggregate number of Shares allotted or agreed to be allotted must not exceed 20% of the number of issued Shares as at the date of the resolution granting the general mandate at the AGM;
“Latest Practicable Date”	30 May 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Date”	16 July 2018, being a day on which Shares are traded on the Hong Kong Stock Exchange;
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares up to a maximum number equivalent to 10% of the number of issued Shares as at the date of the resolution granting the repurchase mandate at the AGM;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company;

DEFINITIONS

“Share Option Scheme”	the share options scheme of the Company adopted by the Company on 22 June 2018;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission as amended from time to time; and
“%”	per cent.

LETTER FROM THE BOARD



KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

Executive Directors:

Mr. Yu Larry

(Chairman & Chief Executive Officer)

(formerly known as Yu Pak Lun Larry)

Mr. Law Cheung Moon

Mr. Leung Patrick Cheong Yu

Registered office:

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

P.O. Box 1350

Grand Cayman KY1-1108

Cayman Islands

Independent Non-executive Directors:

Ms. Lam Shun Ka

(formerly known as Lam Yuk Shan)

Mr. Li Xiaoping

Mr. Tong Tsz Kwan

*Headquarters and principal place of
business in Hong Kong:*

6/F, SML Tower

No. 165 Hoi Bun Road

Kwun Tong

Kowloon

Hong Kong

6 June 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
(2) RE-ELECTION OF THE RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with information regarding certain resolutions to be put forward at the AGM including details of the proposed Issue Mandate, the proposed Repurchase Mandate and the extension of the Issue Mandate by addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate; (ii) set out an explanatory statement regarding the Repurchase Mandate; (iii) provide you with details of the proposed re-election of retiring Directors; and (iv) give you notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

Resolutions in writing were passed by the Shareholders on 30 June 2023 pursuant to which, among other matters:

- (i) a general unconditional mandate was given to the Directors to exercise all powers of the Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options which may be granted under the Share Option Scheme, Shares with an aggregate number of Shares not exceeding the sum of (aa) 20% of the number of Shares in issue and (bb) the number of such Shares which may be repurchased by the Company itself pursuant to the authority granted to the Directors as referred to in sub-paragraph (ii) below; and
- (ii) a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, such number of Shares not exceeding 10% of the number of Shares in issue; and
- (iii) the extension of the general mandate to allot, issue and deal with Shares pursuant to sub-paragraph (i) above by the addition of such Shares repurchased by the Company pursuant to sub-paragraph (ii) above.

The above mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (i) to grant the Issue Mandate; and
- (ii) to grant the Repurchase Mandate.

In addition, a separate ordinary resolution will also be proposed at the AGM to extend the Issue Mandate by the addition of such Shares repurchased by the Company pursuant to the Repurchase Mandate.

The full text of above resolutions is set out in resolutions number 4 to 6 as set out in the notice of the AGM contained in pages AGM-1 to AGM-5 of this circular.

LETTER FROM THE BOARD

The above mandates shall only continue in force until:

- (a) the conclusion of the next annual general meeting of the Company (unless renewed by an ordinary resolution of the Shareholders in a general meeting, whether unconditionally or subject to conditions); or
- (b) the date by which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or any other applicable Cayman Islands law to be held; or
- (c) the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors,

whichever occurs first.

The Directors have no present intention to exercise the Issue Mandate or the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, a total of 1,445,849,998 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 289,169,999 Shares representing 20% of the number of issued Shares as at the date of the resolution granting the general mandate at the AGM.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

By virtue of Article 108(a) of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 108(a) of the Articles of Association, Ms. Lam Shun Ka, Mr. Li Xiaoping and Mr. Tong Tsz Kwan, being independent non-executive Directors shall retire, and being eligible, have offered themselves for re-election, at the AGM.

Nomination Procedure

When identifying suitable candidates for directorship, the nomination committee will carry out the selection process by making reference to the skills, experience, education background, professional knowledge, personal integrity and time commitments of the proposed candidates, and

LETTER FROM THE BOARD

also the Company's needs and other relevant statutory requirements and regulations required for the positions. All candidates must be able to meet the standards as set forth in Rules 5.01 and 5.02 of the GEM Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 5.09 of the GEM Listing Rules. Qualified candidates will then be recommended to the Board for approval.

To enhance the quality of the performance of the Board and to achieve diversity on the Board, the Board adopted on 13 July 2018 its Board Diversity Policy, amended on 31 December 2018, pursuant to which (i) all Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board; and (ii) selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. If it involves the appointment of an independent non-executive director of the Board, the nomination committee shall also consider the perspectives, skills and experience that the person can bring to the Board, and how the person would contribute to the diversity of the Board. The Company shall take into account its own business model and specific needs and disclose the rationale for the factors it uses for this purpose. The ultimate decision be based on merit and contribution that the selected candidates will bring to the Board.

Recommendation of the Nomination Committee

The Nomination Committee assessed the independence of the independent non-executive Directors, Ms. Lam Shun Ka, Mr. Li Xiaoping and Mr. Tong Tsz Kwan based on reviewing their annual written confirmation of independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules and confirmed that they remain independent.

The Nomination Committee considered Ms. Lam's extensive experience in sales channel development, her working profile and experience in information technology related companies and other experience and factors as set out in Appendix II to this circular. The Nomination Committee was satisfied that Ms. Lam could contribute her experience in sales management and corporate governance.

The Nomination Committee considered Mr. Li's extensive experience in legal perspective, his working profile, other experience and factors as set out in Appendix II to this circular. The Nomination Committee was satisfied that Mr. Li could contribute his experience in legal perspective.

The Nomination Committee also considered Mr. Tong's extensive experience in accounting, auditing and corporate financing, his working profile, experience in account and finance industries and other experience and factors as set out in Appendix II to this circular. The Nomination Committee was satisfied that Mr. Tong could contribute his experience in accounting, corporate financing and company secretarial aspects.

LETTER FROM THE BOARD

The Nomination Committee was satisfied that Ms. Lam, Mr. Li and Mr. Tong could contribute to the Board from a diversified background and perspective, and had the required character, integrity and experience to continuously fulfil their role as independent non-executive Directors effectively. The Nomination Committee believed that the re-election of Ms. Lam, Mr. Li and Mr. Tong as the independent non-executive Directors would be in the best interests of the Company and its Shareholders as a whole.

Accordingly, with the recommendation of the nomination committee, the Board has proposed that all the above retiring Directors, namely Ms. Lam, Mr. Li and Mr. Tong stand for re-election as Directors at the AGM. Further information about the Board's composition and diversity as well as the attendance record at the meetings of the Board and/or its committees and the general meetings of the Directors (including the retiring Directors) is disclosed in the corporate governance report of the annual report.

The particulars of the Directors proposed to be re-elected are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 6/F, SML Tower, No. 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Thursday, 27 June 2024 at 10:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

ACTIONS TO BE TAKEN

You will find enclosed a form of proxy for use at the AGM. Whether or not you are able to attend the AGM in person, you are requested to complete, sign and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) should you so wish.

VOTING BY POLL AT THE AGM

Pursuant to Article 72 of the Articles of Association and the requirement of Rule 17.47 of the GEM Listing Rules, every resolution submitted to the AGM shall be determined by voting by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hand. The Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024 (both dates inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Friday, 21 June 2024.

RESPONSIBILITY STATEMENT

This circular, 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 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.

RECOMMENDATION

The Directors consider that the resolutions set out in the AGM Notice including the grant of the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the re-election of retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favor of all resolutions as set out in the AGM Notice.

Your attention is also drawn to the additional information set out in Appendix I and Appendix II to this circular.

By Order of the Board
Kinetix Systems Holdings Limited
Yu Larry
Chairman, Chief Executive Officer

This appendix serves as an explanatory statement as required under the GEM Listing Rules to provide the requisite information to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. GEM LISTING RULES FOR REPURCHASES OF SHARES

The GEM Listing Rules permit companies with a primary listing on the GEM Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions.

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(b) Source of funds

Repurchases of Shares by the Company must be paid out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Articles of Association, the GEM Listing Rules and the Companies Act. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Any repurchase of Shares by the Company may be made out of profits or share premium account of the Company or out of proceeds of a fresh issue of Shares made for that purpose or, if so authorised by the Articles of Association and subject to the Companies Act, out of capital.

Any premium payable on a redemption or repurchase over the par value of the Shares to be purchased must be paid for out of profits of the Company or out of the Company's share premium account or, if so authorised by the Articles of Association and subject to the Companies Act, out of capital.

(c) Reasons for repurchases

The Directors believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

(d) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

The Directors consider that the exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital or the gearing position of the Company (as compared with the position as at 31 December 2023, being the date of the Company's latest audited consolidated financial statements). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital or the gearing position of the Company (as compared with the position as at 31 December 2023, being the date of the Company's latest audited consolidated financial statements) which in the opinion of the Directors are from time to time appropriate for the Company.

The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued shares of the Company was 1,445,849,998 Shares.

As at the Latest Practicable Date, there was 80,000,000 share option granted under the Share Option Scheme.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 144,584,999 Shares, representing 10% of the number of issued Shares as at the date of the resolution granting the repurchase mandate at the AGM. The above mandate will expire on the earliest of: (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (ii) the expiration of the period within which the Company is required by any applicable law or the Articles of Association to hold the next annual general meeting of the Company; or (iii) revoked or varied by ordinary resolution of the Shareholders in general meeting.

3. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the applicable laws and regulations of Cayman Islands and the memorandum of association and Articles of Association of the Company.

4. EFFECT OF THE TAKEOVERS CODE

As at the Latest Practicable Date, based on disclosures made under Part XV of the SFO and to the best of the knowledge and belief of the Directors, information on the substantial Shareholders was as follows:

Shareholders	Number of Shares held	Approximate percentage of interest in the Company	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Vigorous King Limited ¹	459,810,000 Shares	31.80%	35.34%
Ms. Tong Po Ki Vicky ²	460,797,826 Shares	31.87%	35.41%
Mr. Lam Sze Chun Jackson	134,350,000 Shares	9.29%	10.32%
Rich Trend Hong Kong Investment Limited ³	50,000,000 Shares	3.46%	3.84%
Goldlink Hong Kong Investment Limited ⁴	50,000,000 Shares	3.46%	3.84%
Ms. Yiu Wai Ki	73,400,000 Shares	5.08%	5.64%
Mr. Leung Wan Hung ⁵	73,400,000 Shares	5.08%	5.64%

Notes:

1. Vigorous King Limited is held as to 100% by Mr. Yu Larry. Therefore, Mr. Yu Larry is deemed to be interested in the Shares which Vigorous King Limited is interested in by virtue of the SFO.
2. Ms. Tong Po Ki Vicky is the spouse of Mr. Yu Larry. Therefore, Ms. Tong is deemed to be interested in the Shares which Mr. Yu Larry is interested in by virtue of the SFO.
3. Rich Trend Hong Kong Investment Limited is held as to 100% by Mr. Lam Sze Chun Jackson. Therefore, Mr. Lam Sze Chun Jackson is deemed to be interested in the Shares which Rich Trend Hong Kong Investment Limited is interested in by virtue of the SFO.
4. Goldlink Hong Kong Investment Limited is held as to 100% by Mr. Lam Sze Chun Jackson. Therefore, Mr. Lam Sze Chun Jackson is deemed to be interested in the Shares which Goldlink Hong Kong Investment Limited is interested in by virtue of the SFO.
5. Mr. Leung Wan Hung is the spouse of Ms. Yiu Wai Ki. Therefore, Mr. Leung is deemed to be interested in the Shares which Ms. Yiu Wai Ki is interested in by virtue of the SFO.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

If, as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code) depending on the level of increase of the Shareholder's interests, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code as a result of the increase.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Mr. Yu Larry ("**Mr. Yu**") is deemed to be interested in 459,810,000 Shares which are beneficially owned by Vigorous King Limited, a company wholly-owned by Mr. Yu. Ms. Tong Po Ki Vicky ("**Ms. Tong**") is the spouse of Mr. Yu Larry. Therefore, Ms. Tong is deemed to be interested in the Shares which Mr. Yu Larry is interested in by virtue of the SFO. For the purpose of the Takeovers Code, Mr. Yu and Ms. Tong and their respective associates are concert parties and are taken to have interests in a total of 460,797,826 Shares representing approximately 35.41% of the issued share capital of the Company.

In the event that the Directors shall exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate which is proposed to be granted by the Shareholders and assuming that no further Shares are issued or repurchased prior to the AGM, the aggregate interests of both Mr. Yu and Ms. Tong and their respective associates would be increased to approximately 35.41% of the issued Shares. In the opinion of the Directors, such increase would give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which will trigger the mandatory offer requirement pursuant to the rules of the Takeovers Code.

Save as disclosed above, the Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

The Directors have no present intention to exercise the Repurchase Mandate to such extent as to result in takeover obligation or the public holding of Shares would be reduced to below 25% of the total number of issued shares of the Company.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

6. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Hong Kong Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

7. SHARE PRICE

The highest and lowest closing prices at which the Shares were traded on the Stock Exchange during the previous 12 months up to the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
June	0.169	0.148
July	0.160	0.140
August	0.146	0.123
September	0.156	0.125
October	0.167	0.134
November	0.146	0.112
December	0.119	0.090
2024		
January	0.097	0.076
February	0.097	0.083
March	0.089	0.070
April	0.080	0.060
May (up to the Latest Practicable Date)	0.080	0.067

The particulars of Directors who are subject to re-election at the AGM and which are required to be disclosed under the GEM Listing Rules are set out below:

DIRECTORS

Independent non-executive directors

Ms. Lam Shun Ka (林汛珈) (Formerly known as Lam Yuk Shan (林玉珊)), aged 52, is an independent non-executive Director. She is primarily responsible for participating in meetings of the Board to bring an independent judgment to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to our Group as and when required. Ms. Lam is also the chairman of the Nomination Committee and the Remuneration Committee, and a member of the Audit Committee.

Ms. Lam has over 17 years of experience in sales channel development. Ms. Lam was an administrative specialist at IBM China/Hong Kong Limited from January 2005 to November 2005, a sales operation at the same company from April 2006 to March 2007 and a business operation professional in IBM Software Sales Department of IBM China/Hong Kong Limited from March 2007 to February 2016.

Ms. Lam obtained a bachelor of social science degree, majoring in government and public administration from The Chinese University of Hong Kong in December 1995. She obtained a bachelor of laws degree from the Manchester Metropolitan University (United Kingdom) through distance learning in September 2004.

Mr. Li Xiaoping (李小平), aged 52, is an independent non-executive Director. He is primarily responsible for participating in meetings of the Board to bring an independent judgment to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to our Group as and when required. Mr. Li is also a member of the Nomination Committee, the Remuneration Committee and the Audit Committee.

Mr. Li has over 29 years of experience in the legal field. He is currently a practicing partner of Zhejiang Maidi Law Firm* (浙江麥迪律師事務所) in the PRC. He has served in several law firms in PRC since 1994, and was promoted to partner in 1997. He is also a member of the company and security profession committee of the Lawyers Association of Zhejiang Province* (浙江省律師協會公司與證券專業委員會) and a member of the Finance and Insurance Committee of Zhejiang Province* (浙江省金融與保險專業委員會). Mr. Li obtained a certificate of lawyer qualification in the PRC in 1996 and he passed the Self-taught Higher Education Examination (高等教育自學考試) in law at the Zhengzhou University (鄭州大學) in 2003.

* For identification purposes only

In 2015, Mr. Li was elected as one of the most influential lawyers in the Xihu district by the Political and Legal Affairs Commission of the Xihu District of Hangzhou City (杭州市西湖區委政法委) and the Justice Bureau of the Xihu District of Hangzhou City (杭州市西湖區司法局) of Zhejiang Province, the PRC. In 2017, he was accredited as an excellent lawyer by the Justice Bureau of the Xihu District of Hangzhou City (杭州市西湖區司法局).

Mr. Tong Tsz Kwan (唐旨均), aged 44, is an independent non-executive Director. He is primary responsible for participating in meetings of the Board to bring an independent judgment to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to our Group as and when required. Mr. Tong is also the chairman of the Audit Committee. He has over 22 years of accounting, auditing and corporate financing experiences. Mr. Tong joined Sing Lee Software (Group) Limited (stock code: 8076) since June 2007 and is currently its chief financial officer and company secretary, responsible for accounting, corporate financing and company secretarial duties. Mr. Tong is currently an independent non-executive Director of Oriental Payment Group Holdings Limited (stock code: 8613).

Mr. Tong graduated with a Master of Business Administration Degree in Finance from University of Southern Queensland in May 2008. He is a fellow member of the Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Tong is a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (“HKCGI”, formerly known as The Hong Kong Institute of Chartered Secretaries).

Mr. Tong is the member of the Anxi County, Fujian Province Committee of Chinese People’s Political Consultative Conference. Mr. Tong is also the director of the Hong Kong Fukien Chamber of Commerce and Hong Kong Fukien Chamber of Commerce Education Fund Limited, member of the Youth Affairs Working Committee of China Star Light Charity Fund Association, executive vice president of the Hong Kong Quarry Bay Residents Association. Mr. Tong is also the Vice General Secretary of the 5th Committee of Quanzhou Overseas Friendship Association and director of An Kwei Clans Association (H.K.) Limited. He is the member of Vocational Training Council Accountancy Training Board, External Academic Advisor of Master of Science in Professional Accounting and Corporate Governance in City University of Hong Kong, External Advisor of the Department of Accountancy and Law of Hong Kong Baptist University and advisor of Business Association, Business and Economics Association, the Hong Kong University Students’ Union.

Ms. Lam has entered into a letter of appointment with the Company for an initial term of three years commencing on the 7 March 2019 until terminated by either party giving not less than three months’ written notice to the other expiring at the end of the initial term of her appointment or any time thereafter.

Mr. Li has entered into a letter of appointment with the Company for an initial term of three years commencing on 6 August 2021 until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter.

Mr. Tong has entered into a letter of appointment with the Company for an initial term of three years commencing on the 28 September 2021 until terminated by either party giving not less than three months' written notice to the other expiring at the end of the initial term of his appointment or any time thereafter.

Except Mr. Li is entitled to a director's fee of HK\$12,000 per annum, each of the independent non-executive Directors is entitled to a director's fee of HK\$60,000 per annum. Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding his/her office as an independent non-executive Director. The emolument of independent non-executive Directors was determined by the Remuneration Committee and approved by the Board by reference to the Company's operating results, his/her performance, seniority, experience, duties and responsibilities within the Group and comparable market statistics and shall be reviewed annually by the Remuneration Committee.

Saved as disclosed above, none of the above retiring Directors has any interests or underlying interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the above retiring Directors (i) holds any directorship in the last three years prior to the Latest Practicable Date in public companies the securities of which are listed on any securities market in Hong Kong or overseas; or (ii) has any relationship with any Directors, senior management or substantial or controlling shareholders (as defined in the GEM Listing Rules) of the Company or any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no other information in relation to the above retiring Directors that is required to be disclosed pursuant to Rules 17.50(2)(h) to 17.50(2)(v) of the GEM Listing Rules, nor are there other matters in relation to his re-election that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



KINETIX SYSTEMS HOLDINGS LIMITED

捷冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of Kinetix Systems Holdings Limited (the “Company”) will be held at 6/F, SML Tower, No. 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Thursday, 27 June 2024, at 10:30 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements together with the report of the directors (the “Directors”) and the independent auditor’s report of the Company for the year ended 31 December 2023.
2.
 - (a) To re-elect Ms. Lam Shun Ka as an independent non-executive Director of the Company;
 - (b) To re-elect Mr. Li Xiaoping as an independent non-executive Director of the Company;
 - (c) To re-elect Mr. Tong Tsz Kwan as an independent non-executive Director of the Company; and
 - (d) To authorise the board of Directors to fix their remuneration of the directors.
3. To re-appoint Linksfield CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration.

ORDINARY RESOLUTIONS

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

4. “THAT:
 - (a) subject to paragraph (c) below, and pursuant to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make or grant offers, agreements and options (including but

NOTICE OF ANNUAL GENERAL MEETING

not limited to warrants, bonds and debentures convertible into shares of the Company) which would or might require shares in the capital of the company to be issued, allotted or disposed of, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the shares of the company to be issued, allotted or disposed of, either during or after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares upon the exercise of options which may be granted under any share option scheme or under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or any other person of shares or rights to acquire shares of the Company; or (iii) any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the number of shares of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose 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 (unless renewed by an ordinary resolution of the shareholders of the Company in a general meeting, whether unconditionally or subject to conditions); or
- (ii) the date by which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or any other applicable Cayman Islands law to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company revoking or varying the authority given to the Directors; and

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares of the Company or offer or issue of options, warrants or similar giving rights to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities) (subject in all cases 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 recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the GEM Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the number of the shares of the Company in issue at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and
- (c) for the purpose 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 (unless renewed by an ordinary resolution of the shareholders of the Company in a general meeting, whether unconditionally or subject to conditions); or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the date by which the next annual general meeting of the Company is required by the Articles of Association, the Companies Act or any other applicable Cayman Islands law to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company revoking or varying the authority given to the Directors.”
6. “**THAT** the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph 4 of this notice by the addition of such Shares repurchased by the Company pursuant to paragraph 5 of this notice.”

By Order of the Board
Kinetix Systems Holdings Limited
Yu Larry
Chairman, Chief Executive Officer

Hong Kong, 6 June 2024

As at the date of this notice, the board of directors of the Company comprises Mr. Yu Larry, Mr. Law Cheung Moon and Mr. Leung Patrick Cheong Yu as executive Directors; Ms. Lam Shun Ka, Mr. Li Xiaoping and Mr. Tong Tsz Kwan as independent non-executive Directors.

Notes:

1. A member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, on a poll, vote in his stead. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours (i.e. Tuesday, 25 June 2024 at 10:30 a.m.) before the time for holding the meeting or any adjournment thereof (as the case may be).
3. Completion and return of a form of proxy will not preclude members of the Company from attending and voting in person at the annual general meeting or any adjournment thereof should they so wish and in such event, the form of proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any Shares, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said person as present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
5. The register of members of the Company will be closed from Monday, 24 June 2024 to Thursday, 27 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the annual general meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 21 June 2024.

NOTICE OF ANNUAL GENERAL MEETING

6. According to Rule 17.47(4) of the GEM Listing Rules, any vote of Shareholders at general meeting of the Company must be taken by poll. Therefore, all proposed resolutions put to the vote at the AGM will be taken by way of poll and the Company will announce the results of the poll in the manner prescribed under Rule 17.47(5) of the GEM Listing Rules.
7. With regard to ordinary resolutions set out in paragraphs 2 and 4 to 6 of this notice, a circular giving details of the re-electing of Directors and general mandates to issue and to repurchase Shares will be despatched to Shareholders. The biographical details of the retiring Directors who are subject to re-election at the meeting are set out in Appendix II to the circular.
8. If tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons or a black rainstorm warning is in effect at any time after 7:00 a.m. on Thursday, 27 June 2024, the meeting will be postponed and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.