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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)

**VOLUNTARY ANNOUNCEMENT
UPDATE ON BUSINESS DEVELOPMENT**

This voluntary announcement is made by Kinetix Systems Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”).

Reference is made to the announcement of the Company dated 29 January 2021 (the “**Announcement**”) in relation to the comprehensive co-operation with the Shanghai Municipal Government and the establishment of its PRC’s headquarter. The Company is pleased to announce that Shanghai Kinetix Systems Limited (“**Kinetix Shanghai**”), an indirectly wholly-owned subsidiary of the Company was established on 22 February 2021. The PRC’s headquarter is at a four storey building with the gross floor area of over 2,000 square meters in Jing'an District, Shanghai which has commenced business operations.

Kinetix Shanghai has signed a Strategic Cooperation Memorandum (the “**Memorandum**”) with the Shanghai Jing'an District Finance Bureau on 25 February 2021, as laying the foundation for the Company’s expansion in PRC, “Belt and Road Initiative” countries and the oversea markets. The Shanghai Jing'an District Finance Bureau welcomes and appreciates the endeavor of Kinetix Shanghai business expansion in Shanghai and will provide its comprehensive support to Kinetix Shanghai for its business development, scientific and technological research and development and talent recruitment. Kinetix Shanghai will actively participate in and make contributions to the local economic development. With the establishment of its PRC headquarters in Jing'an District, Shanghai, Kinetix Shanghai will focus on smart city business and develop an Enterprise Incubation Centre features the forging four key hubs: (i) the Business Coordination Centre; (ii) the Enterprise Incubation Centre; (iii) the New Energy Vehicle Centre; and (iv) the Research and Development Centre.

According to the Memorandum, the scope of the cooperation including but not limited to (i) integrate and enhance the level of development of Kinetix Shanghai by actively promoting the development and advancement of Kinetix Shanghai’s different business units; and (ii) the Shanghai Jing'an District Finance

Bureau will provide its full support in policy, partnership opportunities exploration and other aspects, in order to contribute greater strength and achieve high-quality economic development and sustainable urban development in Shanghai. Kinetix Shanghai and the Shanghai Jing'an District Finance Bureau will continue to seek cooperation opportunities to achieve mutual benefit and win-win situation in the long run.

Looking forward to the future, the establishment of Kinetix Shanghai and the Company's headquarters in Shanghai sets a significant milestone of the Company's expansion into the PRC and overseas market. The Company will actively cooperate with the PRC's government, accelerate the integration of its information technology infrastructure solution services and information technology development solutions services to participate and contribute to the PRC's economic development and continues to seek new business opportunities with the aim to maximize shareholders' interest.

This announcement is a voluntary announcement made by the Company to keep the shareholders and potential investors informed of the latest business development of the Group.

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

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

Hong Kong, 25 February 2021

As at the date of this announcement, the board of directors of the Company comprises Mr. Yu Pak Lun Larry, Mr. Leung Patrick Cheong Yu, and Mr. Law Cheung Moon as executive directors; Mr. Cheng Kwan Ngai and Ms. Chen Jie as non-executive directors; Mr. Lam Yau Hin, Mr. Yeung Wai Keung, and Ms. Lam Shun Ka as independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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.

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www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.kinetix.com.hk.