
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 Holding 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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND RE-ELECTION OF THE RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company (the “**AGM**”) to be held at Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Wednesday, 8 May 2019 at 10:00 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 Level 22, Hopewell Centre, 183 Queen’s Road East, 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.

Hong Kong, 29 March 2019

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.

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
General Mandates to Issue New Shares and to Repurchase Shares	4
Re-Election of Retiring Directors	5
Annual General Meeting	7
Actions to be Taken	8
Voting by Poll at the AGM	8
Closure of Register of Members	8
Recommendation	8
APPENDIX I — Explanatory Statement on the Repurchase Mandate	I-1
APPENDIX II — Particulars of the Retiring Directors Proposed for Re-election at the AGM	II-1
NOTICE OF ANNUAL GENERAL MEETING	AGM-1

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 Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 8 May 2019 at 10:00 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;
“Company”	Kinetix Systems Holding 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;
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“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 Pak Lun 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;
“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;

DEFINITIONS

“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”	25 March 2019, 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;
“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.



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 Pak Lun Larry

(Chairman & Chief Executive Officer)

Mr. Wong Tsun Ho Ian

Mr. Law Cheung Moon

Mr. Leung Patrick Cheong Yu

Independent Non-executive Directors:

Mr. Yeung Wai Keung

Mr. Lam Yau Hin

Mr. Cheung Wah Kit Jason

Ms. Lam Shun Ka

(formerly known as Lam Yuk Shan)

Registered office:

Estera Trust (Cayman) Limited

P.O. Box 1350

Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

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

Room 2702

Rykadan Capital Tower

135 Hoi Bun Road

Kwun Tong, Kowloon

Hong Kong

29 March 2019

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND RE-ELECTION OF THE RETIRING DIRECTORS
AND
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

LETTER FROM THE BOARD

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.

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SHARES

Resolutions in writing were passed by the Shareholders on 22 June 2018 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-2 to AGM-4 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 Law 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 800,000,000 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 160,000,000 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.

By virtue of Article 112 of the Articles of Association, apart from retirement of Directors by rotation at an annual general meeting, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to Articles 108(a) and 112 of the Articles of Association, all Directors shall retire at the AGM. Mr. Cheung Wah Kit Jason has decided not to offer himself for re-election while other Directors, being eligible, have offered themselves for re-election, at the AGM.

LETTER FROM THE BOARD

Mr. Cheung Wah Kit Jason informed the Board that due to his age and for health reason, he desired to devote more time to his family and pursue other personal interests, and decided not to offer himself for re-election after his retirement by rotation at the AGM, and he would retire from his positions as chairman of nomination committee and as a member of remuneration committee and audit committee with effect from the conclusion of 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 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 considered each of Mr. Yu, Mr. Wong, Mr. Law and Mr. Leung's extensive experience in the information technology industry, familiarity with the operation of the Group, working profile and other experience and factors as set out in Appendix II to this circular, against the overall strategies, client and sales management as well as project management of the Company, and was satisfied that each of Mr. Yu, Mr. Wong, Mr. Law and Mr. Leung had the required character, integrity and experience to continuously fulfil the role as an executive Director effectively.

The nomination committee believed that re-election of each of Mr. Yu, Mr. Wong, Mr. Law and Mr. Leung as an executive Director would be in the best interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

The nomination committee assessed the independence of each of the independent non-executive Directors including Mr. Yeung Wai Keung, Mr. Lam Yau Hin and Ms. Lam Shun Ka based on reviewing their respective annual written confirmation of independence to the Company pursuant to Rule 5.09 of the GEM Listing Rules and confirmed that all of them remain independent. In particular:

- (i) the nomination committee considered Mr. Yeung's extensive experience in information technology and its use in the finance and insurance sector, working profile and experience in large corporations, his educational background and other experience and factors as set out in Appendix II to this circular;
- (ii) the nomination committee also considered Mr. Lam's extensive experience in auditing, financial management reporting, and corporate governance of listed companies, his working profile and other experience and factors as set out in Appendix II to this circular; and
- (iii) the nomination committee also considered Ms. Lam's extensive experience in sales channel development, her working profile and experience in information technology related companies and as an independent non-executive director in another listed company, and other experience and factors as set out in Appendix II to this circular. The nomination committee was satisfied that Ms. Lam could contribute to the gender diversity of the Board and could contribute her experience in sales management and corporate governance.

The nomination committee was satisfied that each of Mr. Yeung, Mr. Lam and Ms. Lam could contribute to the Board from a diversified background and perspective, and had the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively. The nomination committee believed that the re-election of Mr. Yeung, Mr. Lam and Ms. Lam 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 Mr. Yu, Mr. Wong, Mr. Law, Mr. Leung, Mr. Yeung, Mr. Lam and Ms. Lam 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 Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 8 May 2019 at 10:00 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.

LETTER FROM THE BOARD

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 Level 22, Hopewell Centre, 183 Queen's Road East, 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.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 3 May 2019 to Wednesday, 8 May 2019 (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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 p.m. on Thursday, 2 May 2019.

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 Holding Limited
Yu Pak Lun 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 Law. 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 Law, 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 Law, 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 Law, 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 2018, 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 2018, 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 800,000,000 Shares.

As at the Latest Practicable Date, there was no outstanding 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 80,000,000 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

If as a result of a repurchase of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase of such Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code, unless a whitewash waiver is obtained. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

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	600,000,000 Shares	75%	83.3%
Ms. Tong Po Ki Vicky ²	600,000,000 Shares	75%	83.3%
Cocoon Holdings Limited ³	56,131,000 Shares	7.02%	7.80%

Notes:

1. Vigorous King Limited is held as to 100% by Mr. Yu Pak Lun Larry. Therefore, Mr. Yu Pak Lun 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 Pak Lun Larry. Therefore, Ms. Tong is deemed to be interested in the Shares which Mr. Yu Pak Lun Larry is interested in by virtue of the SFO.
3. Cocoon Holdings Limited is a company listed on the Stock Exchange and is an independent third party.

In the event that the Directors exercise the proposed Repurchase Mandate in full, the increase in above shareholdings in the Company would not give rise to an obligation to make a mandatory offer under the Takeover Code.

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.

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 prices at which the Shares were traded on the Stock Exchange since the Listing Date of the Company and up to the Latest Practicable Date were as follows:

	Share Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2018		
July	0.740	0.345
August	0.880	0.300
September	0.335	0.161
October	0.350	0.160
November	0.209	0.170
December	0.173	0.143
2019		
January	0.285	0.132
February	0.325	0.230
March (up to the Latest Practicable Date)	0.255	0.240

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**Executive Directors**

Mr. Yu Pak Lun Larry (余柏麟), aged 47, is the Chairman, Chief Executive Officer and an executive Director. Mr. Yu is also a member of the nomination committee and the remuneration committee. He joined the Group in 1998. He has been involved in the day-to-day management of the Group. Mr. Yu is primarily responsible for formulating and implementing our corporate strategies, overseeing our overall business development and implementing operation plans and participating in the day-to-day management of our business operations.

Mr. Yu has over 20 years of experience in the information technology industry and business management. He worked in Willas-Array Management & Consultants Limited as a technical programmer from August 1995 to June 1997, and in CoRe Solutions Limited as a consultant from June 1997 to November 1998. Mr. Yu is also serving as a director of Kinetix Limited, Kinetix Systems Limited, Rise Talent Limited, Kinetix Information Systems (Macao) Limited and D&C Consulting Company Ltd., subsidiaries of our Group.

Mr. Yu graduated from the University College London in the United Kingdom with a bachelor's degree in computer science with electronic engineering in August 1993. He obtained his master degree in computer science from the Hong Kong University of Science and Technology in November 1995 and master degree in law from Renmin University of China (中國人民大學) in the PRC in June 2011.

Mr. Yu was a shareholder and director of ATBinary Limited, a company incorporated in Hong Kong in April 2006 conducting the business of IT products agency, which was dissolved by deregistration in October 2009 pursuant to Section 291AA of the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force before 3 March 2014 which provides that a defunct solvent company may be dissolved by way of deregistration. The deregistration of this company was voluntary by way of submitting an application to the Companies Registry of Hong Kong because it has ceased to carry on business operation for more than three months immediately before the application.

Mr. Wong Tsun Ho Ian (黃俊豪), aged 38, is an executive Director. He joined the Group as the consultant trainee in March 2004. Mr. Wong was promoted to the associate consultant in February 2005, the consultant in January 2006, the senior consultant in February 2008, the project manager in July 2011 and the head of enterprise services in November 2015 in which he is primarily responsible for supervising and management of the delivery of all projects of our Group. Mr. Wong has over 15 years of experience in the information technology industry.

Mr. Wong graduated from the Queen's University in Canada with a bachelor's degree in computer engineering in May 2002.

Mr. Law Cheung Moon (羅章滿), aged 39, is an executive Director. He joined the Group as the associate consultant in May 2001. Mr. Law was promoted to the project manager in February 2008, the senior project manager in April 2010 and the head of professional resources in November 2015 in which he is primarily responsible for allocation, utilisation management and skill development of our professional resource. Mr. Law has over 17 years of experience in the information technology industry.

Mr. Law graduated from the Chinese University of Hong Kong with a bachelor's degree in engineering in November 2001.

Mr. Leung Patrick Cheong Yu (梁昌豫), aged 49, is an executive Director and compliance officer. He joined the Group as senior consultant in February 2004. Mr. Leung was promoted to the SOA-QPS programme manager in February 2011, senior manager in March 2014 and sales director in November 2015 where he is primarily responsible for management of SOA-QPS programme and sales coverage of products.

Mr. Leung has over 23 years of experience in the information technology industry. He worked in Claremont Technology Group, Inc. as a consultant from June 1995 to May 2000, and in Vignette Hong Kong Limited as a senior consultant from June 2000 to July 2002. He is also a proprietor of PCL Consulting Company since August 2002.

Mr. Leung graduated from the Purdue University in the United States of America with a bachelor's degree in mechanical engineering in December 1992. He obtained his master's degree in mechanical engineering from the Massachusetts Institute of Technology in the United States of America in September 1994.

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing on the Listing Date and shall continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. The emolument of executive Directors was determined by the remuneration committee and approved by the Board by reference to the Company's operating results, his performance, seniority, experience, duties and responsibilities within the Group and comparable market statistics and shall be reviewed annually by the remuneration committee. Executive Directors may also receive a discretionary bonus in respect of each completed calendar year of service. The amount of such bonus will be determined by the remuneration committee and the Board.

Independent Non-executive Directors

Mr. Yeung Wai Keung (楊偉強), aged 47, 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. Yeung is also the chairman of the remuneration committee, and a member of the nomination committee and the audit committee.

Mr. Yeung has over 24 years of experience in the information technology industry. He has extensive experience in management and business development of information technology and held various information technology related positions in large financial and insurance corporations such as The Hongkong and Shanghai Banking Corporation Limited, MetLife Limited and IBM China/Hong Kong Limited. Mr. Yeung is also employed by Moneysq Limited, a licensed moneylender, as Chief FinTech Officer in its FinTech Department.

Mr. Yeung graduated from the Hong Kong Polytechnic University with a bachelor's degree in arts in November 1994, majoring in computing studies, and graduated from the University of Hong Kong with master of science in electronic commerce and internet computing in December 2003. Mr. Yeung also graduated from RMIT University in Australia with a bachelor's degree in business in November 2004, majoring in economics and finance. He graduated from the Manchester Metropolitan University in England with a postgraduate diploma in English and Hong Kong Law (Common Professional Examination) in July 2005. He also obtained a master's degree in business administration from the University of Chicago in the United States of America in March 2016.

Mr. Lam Yau Hin (林佑顯), aged 36, 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. Lam is also the chairman of the audit committee, and a member of the nomination committee and the remuneration committee.

Mr. Lam has over 12 years of experience in accounting, auditing and corporate governance. He handled auditing assignments and occupied positions of audit clerk, audit senior and audit manager in various accounting firms since June 2006.

Mr. Lam graduated from the City University of Hong Kong with an Associate of Business Administration in Accountancy in November 2006. Mr. Lam was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in May 2011.

Ms. Lam Shun Ka (林汛珈) (formerly known as Lam Yuk Shan (林玉珊)), aged 47, 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 a member of the audit committee, a member of the remuneration committee and a member of the nomination committee of the Company.

Ms. Lam has over 10 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 operations professional in IBM Software Sales Department of IBM China/Hong Kong Limited from March 2007 to February 2016. Ms. Lam is currently (i) a contract agent

and a licensed representative (Type 1) of Glory Sky Global Markets Limited, a licensed entity in Hong Kong regulated by the Securities and Futures Commission of Hong Kong; and (ii) an independent non-executive director of Omnibridge Holdings Limited (stock code: 8462).

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.

Each of Mr. Yeung and Mr. Lam has entered into a letter of appointment with the Company for an initial term of three years commencing on the Listing Date 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.

Ms. Lam has entered into a letter of appointment with the Company for an initial term of three years commencing on 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.

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 office as an independent non-executive Director. The emolument of independent non-Directors was determined by the remuneration committee and approved by the Board by reference to the Company's operating results, his 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.



KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(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 Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Wednesday, 8 May 2019, at 10:00 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 2018.
2.
 - (a) To re-elect Mr. Yu Pak Lun Larry as an executive Director of the Company;
 - (b) To re-elect Mr. Wong Tsun Ho Ian as an executive Director of the Company;
 - (c) To re-elect Mr. Law Cheung Moon as an executive Director of the Company;
 - (d) To re-elect Mr. Leung Patrick Cheong Yu as an executive Director of the Company;
 - (e) To re-elect Mr. Yeung Wai Keung as an independent non-executive Director of the Company;
 - (f) To re-elect Mr. Lam Yau Hin as an independent non-executive Director of the Company;
 - (g) To re-elect Ms. Lam Shun Ka as an independent non-executive Director of the Company; and
 - (h) To authorise the board of Directors to fix their remuneration.
3. To re-appoint Moore Stephen CPA Limited as auditors of the Company and to authorise the board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

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 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 Law 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

“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;

NOTICE OF ANNUAL GENERAL MEETING

- (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
 - (ii) the date by which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law 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 Pak Lun Larry
Chairman, Chief Executive Officer

Hong Kong, 29 March 2019

As at the date of this notice, the board of directors of the Company comprises Mr. Yu Pak Lun Larry, Mr. Wong Tsun Ho Ian, Mr. Law Cheung Moon and Mr. Leung Patrick Cheong Yu as executive Directors; Mr. Yeung Wai Keung, Mr. Lam Yau Hin, and Ms. Lam Shun Ka as independent non-executive Directors.

NOTICE OF ANNUAL GENERAL MEETING

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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours 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 Friday, 3 May 2019 to Wednesday, 8 May 2019, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 2 May 2019.
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 Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the AGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.kinetix.com.hk and on the "Latest Company Announcements" page of the GEM website at www.hkgem.com to notify shareholders of the Company of the date, time and place of the rescheduled meeting.