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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 adviser.

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

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

**PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

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Capitalised terms used in this cover page shall have the same meanings as those defined in this circular unless otherwise stated.

A letter from the Board is set out on pages 4 to 10 of this circular. A letter from the Independent Board Committee is set out on page 11 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendations to the Independent Shareholders and the Independent Board Committee is set out on pages 12 to 21 of this circular.

The notice convening the EGM to be held at Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Wednesday, 28 April 2021 at 10:00 a.m. is set out on pages 22 to 25 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM 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 54, 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 EGM 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 EGM or any adjournment thereof (as the case may be) should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please see page 26 of this circular for measures being taken to try to prevent and control the spread of the coronavirus disease 2019 (COVID-19) at the EGM, including:

- compulsory body temperature checks;
- wearing of a surgical face mask for each attendee; and
- no distribution of corporate gift or refreshment.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company strongly recommends Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

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, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 7 May 2020 in which the Shareholders had approved, among other matters, the Existing General Mandate
“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“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
“Conversion Shares”	new Shares to be issued upon conversion of the Convertible Bonds
“Convertible Bonds”	convertible bonds in the aggregate principal amount of HK\$48,000,000 issued by the Company, pursuant to the sale and purchase agreement dated 21 December 2020 entered into between Kinetix Systems Limited, an indirect wholly-owned subsidiary of the Company, as purchaser and Dalian Luminary Technology Inc. as vendor
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to be held at Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Wednesday, 28 April 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the Refreshment of General Mandate

DEFINITIONS

“Existing General Mandate”	the general mandate granted at the AGM to the Directors to allot, issue and deal with up to 160,000,000 new Shares, being 20% of the total number of issued Shares on the date of the AGM
“GEM”	the GEM of the Stock Exchange
“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 dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company, comprising all the independent non-executive Directors, to advise the Independent Shareholders on the Refreshment of General Mandate
“Independent Financial Adviser”	Elstone Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser to the Company in respect of the Refreshment of General Mandate
“Independent Shareholder(s)”	Shareholder(s) other than any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company and all their respective associates
“Kinetix Shanghai”	Shanghai Kinetix Systems Company Limited, an indirectly wholly-owned subsidiary of the Company
“Latest Practicable Date”	7 April 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Memorandum”	the Strategic Cooperation Memorandum entered into between Kinetix Shanghai and the Shanghai Jing’an District Finance Bureau on 25 February 2021

DEFINITIONS

“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of the EGM
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting the New General Mandate
“RMB”	the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD

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KINETIX SYSTEMS HOLDINGS LIMITED

捷冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

Executive Directors:

Mr. Yu Pak Lun Larry (*Chairman*)
Mr. Leung Patrick Cheong Yu (*Compliance officer*)
Mr. Law Cheung Moon

Non-Executive Directors:

Mr. Cheng Kwan Ngai
Ms. Chen Jie

Independent Non-Executive Directors:

Mr. Lam Yau Hin
Ms. Lam Shun Ka (*Formerly known as Lam Yuk Shan*)
Dr. He Dazhi

Registered Office:

Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

*Principal Place of Business
in Hong Kong:*

Room 2702
Rykadan Capital Tower
135 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

8 April 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF GENERAL MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the Refreshment of General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the Refreshment of General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the Refreshment of General Mandate; and (iv) the notice of EGM, at which the necessary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve the Refreshment of General Mandate.

LETTER FROM THE BOARD

EXISTING GENERAL MANDATE

At the AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot and issue not more than 160,000,000 Shares, being 20% of the entire issued share capital of the Company of 800,000,000 Shares as at the date of passing of the relevant resolution.

As announced in the announcements of the Company dated 21 December 2020, 6 January 2021, 20 January 2021 and 1 February 2021, up to 160,000,000 Shares may be allotted and issued under the Existing General Mandate under the Convertible Bonds. The Existing General Mandate has been utilized as to 160,000,000 Shares, representing 100% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company had not made any refreshment of the Existing General Mandate since the AGM and save for the 160,000,000 Conversion Shares under the Convertible Bond, there were no other outstanding options, warrants, convertible securities or other rights to subscribe for Shares.

PROPOSED GRANT OF NEW GENERAL MANDATE

As at the Latest Practicable Date, the Existing General Mandate has been fully utilised. The Company will convene the EGM at which ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing of the relevant ordinary resolution at the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Existing General Mandate since the AGM. The New General Mandate proposed will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 800,000,000 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company

LETTER FROM THE BOARD

between the Latest Practicable Date and the date of the EGM, the Company will be allowed under the New General Mandate to allot and issue up to 160,000,000 Shares, representing 20% of the aggregate number of the issued Shares as at the date of the Latest Practicable Date.

REASONS FOR THE GRANT OF THE NEW GENERAL MANDATE

The Company is an investment holding company while its subsidiaries' principal businesses are provision of information technology ("IT") infrastructure solutions services, IT development solutions services, IT maintenance and support services and trading of entertainment products.

Having reviewed the financial position of the Group, the Board considers that the Group has imminent need for funding because of the following reasons:

1. As disclosed in the announcement of the Company dated 25 February 2021, Kinetix Shanghai, an indirectly wholly-owned subsidiary of the Company, entered into the Memorandum with the Shanghai Jing'an District Finance Bureau on 25 February 2021 in relation to the comprehensive co-operation with the Shanghai Municipal Government and the establishment of its PRC's headquarter. According to the Memorandum, Shanghai Kinetix is required to have not less than US\$20 million of working capital within 2 months of the date of the Memorandum.
2. To accelerate the integration of the comprehensive co-operation pursuant to the Memorandum, the Group has an additional funding need in the amount of approximately RMB4 million for the construction and decoration work of the Enterprise Incubation Centre which the Group aim to complete by May 2021.
3. The Group requires additional funding for its general working capital to support its business development in the PRC.

As a result of the issuance of Convertible Bonds, the Existing General Mandate has been fully utilised. It is expected that the next annual general meeting of the Company will be held around the end of May 2021, which is about 1–2 months from the date of this circular. As set out above, the Company is in imminent need of cash for its general working capital prior to the next annual general meeting of the Company and hence has an imminent need to refresh the Existing General Mandate. The New General Mandate will allow the Company to have sufficient flexibility to grasp appropriate fund raising opportunities during this period. As such, the Directors consider that the Refreshment of General Mandate is justifiable.

The Directors have considered other financing alternatives apart from equity financing such as debt financing, right issue, open offer or internal cash resources to meet the immediate funding needs of the Group, if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

LETTER FROM THE BOARD

However, debt financing such as bank borrowing may incur interest burden to the Group and may be subject to at least 2 to 3 months of due diligence and negotiations. In addition, the ability of the Group to obtain bank borrowing usually depends on the Group's profitability, financial position and the then prevailing market condition. In addition, debt financing not only creates additional interest paying obligations on the Group which affects its profitability but also increases its gearing ratio. Furthermore, debt financing may involve pledge of assets (e.g. the Group's equity interest of incubation portfolio companies) which may potentially impair the Group's flexibility in managing its investment portfolio including but not limited to the realization of its investments. Given that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing for the Group to obtain additional funding.

As for rights issue or open offer, it would require the Company to undergo a comparatively lengthy process, which is estimated to take up to approximately 4 months, in order to (i) identify suitable underwriter(s) and to negotiate terms agreeable to the parties; (ii) prepare the requisite compliance and legal documentation, including but not limited to the underwriting agreement(s), announcement(s) and prospectus(es). As such, the Board is of the view that the lengthy period involved in a rights issue or an open offer may result in the Company being subject to the adverse effects of the current volatile market, and therefore increase uncertainty in being able to raise the requisite amount of funds.

With regard to the issue of Shares under New General Mandate (if granted to the Directors), the process usually takes approximately 1–2 months and minimal cost is involved. As at the Latest Practicable Date, the Company is currently in the preliminary process of negotiating certain terms and conditions with some institutions for conducting proposed equity fund raising of the Company within the next 1–2 months but as at the Latest Practicable Date, no formal or legally binding agreement has been entered into by any members of the Group. The Refreshment of General Mandate would enhance the financial flexibility of the Group to raise additional capital and decisions may have to be made within a limited period of time in order to respond to any opportunities promptly. In addition, if the Existing General Mandate is refreshed, the Group will also be in a better bargaining position in negotiation of any potential business or investments. Should the negotiations of the Company with the respective institutions come to fruition in the near future, the Company will be able to enter into a formal agreement with the relevant institutions shortly after the Refreshment of General Mandate.

It is noted that the issue of Shares under the New General Mandate (if granted to the Directors) is only one of the means of financing of the Group. In the event that any opportunities arise and need prompt decision, the Group could consider and use different methods (including utilising the New General Mandate) to conduct fund raising.

LETTER FROM THE BOARD

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Set out below is the fund raising activities of the Company in the past twelve months immediately prior to the Latest Practicable Date:

Dates of announcements	Event	Net proceeds	Intended and actual use of proceeds
21 December 2020, 6 January 2021, 20 January 2021, 1 February 2021	Issue of Convertible Bonds	HK\$48,000,000	100% of the net proceeds from the issue of Convertible Bonds were used as the consideration for the acquisition of exclusive LED products agency selling rights

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

EGM

Pursuant to Rule 17.42A of the GEM Listing Rules, the Refreshment of General Mandate will be subject to Independent Shareholders' approval at a general meeting of the Company. Any controlling Shareholders and their respective associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the Refreshment of General Mandate.

As at the Latest Practicable Date, to the best knowledge, belief and information of the Directors, having made all reasonable enquiries, Vigorous King Limited, a company owned as to 100% by Mr. Yu Pak Lun Larry (the chairman and an executive Director of the Company), was holding an aggregate of 415,000,000 Shares, representing approximately 51.88% of the existing issued share capital of the Company. As such, Vigorous King Limited is required to abstain from voting in favour of the resolution regarding the Refreshment of General Mandate at the EGM.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, except Vigorous King Limited, no Shareholder is required to abstain from voting on the proposed resolution on the Refreshment of General Mandate at the EGM.

Any vote of the Independent Shareholders at the EGM will be taken by poll and the results of the EGM will be made after the EGM.

LETTER FROM THE BOARD

A notice convening the EGM to be held at Room 2702, Rykadan Capital Tower, 135 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong, on Wednesday, 28 April 2021 at 10:00 a.m. is set out on pages 22 to 25 of this circular. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM 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 54, 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 EGM 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 EGM or any adjournment thereof (as the case may be) should you so wish.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Mr. Lam Yau Hin, Ms. Lam Shun Ka and Dr. He Dazhi, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the Refreshment of General Mandate.

Elstone Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate.

RECOMMENDATIONS

The Directors consider that the Refreshment of General Mandate is in the interests of the Company and the Independent Shareholders and so recommend the Independent Shareholders to vote in favour of the Refreshment of General Mandate to be proposed at the EGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM for approving the Refreshment of General Mandate.

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out in pages 12 to 21 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate and the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders in relation to the Refreshment of General Mandate.

LETTER FROM THE BOARD

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 Group. 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.

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



KINETIX SYSTEMS HOLDINGS LIMITED

捷冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

8 April 2021

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

We refer to the circular of the Company dated 8 April 2021 (the “**Circular**”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed Refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned. Elstone Capital Limited has been appointed as the Independent Financial Adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, Elstone Capital Limited as set out in its letter of advice to us on pages 12 to 21 of the Circular, we are of the opinion that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable so far as the Company and the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Lam Yau Hin

Ms. Lam Shun Ka

Dr. He Dazhi

Independent Non-Executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Elstone Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, which has been prepared for the purpose of incorporation in this circular.



8 April 2021

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 8 April 2021 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Existing General Mandate was granted to the Directors to allot, issue and otherwise deal with not more than 160,000,000 new Shares, being approximately 20% of the total number of issued Shares as at the date of passing of the relevant resolution at the AGM. As at the Latest Practicable Date, the Existing General Mandate was fully utilised, where a total of 160,000,000 Shares, representing 100% of the Shares which may be allotted and issued under the Existing General Mandate, following the completion of the issuance of the Convertible Bonds. Therefore, the Board proposes to refresh the general mandate for the Directors to allot, issue and otherwise deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution(s) at the EGM.

Pursuant to Rule 17.42A of the GEM Listing Rules, as the Refreshment of General Mandate is proposed to be made before the next annual general meeting of the Company, it will be subject to Independent Shareholders’ approval at the EGM. Any controlling shareholders and their respective associates, or where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution(s) to approve the Refreshment of General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Vigorous King Limited, a company owned as to 100% by Mr. Yu Pak Lun Larry (the chairman and an executive Director of the Company), was holding an aggregate of 415,000,000 Shares, representing approximately 51.88% of the existing issued share capital of the Company. As such, Vigorous King Limited is required to abstain from voting in favour of the resolution regarding the Refreshment of General Mandate at the EGM.

The Independent Board Committee comprises Mr. Lam Yau Hin, Ms. Lam Shun Ka (formerly known as Ms. Lam Yuk Shan) and Dr. He Dazhi, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on whether the Refreshment of General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Elstone Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

OUR INDEPENDENCE

We are not associated with the Company, its directors, subsidiaries, associates or substantial shareholders or their respective associates. In the past two years, there was no engagement between the Group and us. As at the Latest Practicable Date, we did not have any relationships or interests with the Group that could reasonably be regarded as hindrance to our independence. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group. Accordingly, we are considered to be eligible to give independent advice in respect of the Refreshment of General Mandate.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the management of the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all material respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of such information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided, opinion expressed, representations made to us or referred to in the Circular and that all information provided, opinion expressed or representations made, to us by the Directors and the management of the Group are true, accurate, complete and not

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

misleading in all material respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of any member of the Group or any of their respective subsidiaries and associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in respect of the Refreshment of General Mandate, we have taken into account the principal factors and reasons set out below:

1. Background of the Refreshment of General Mandate

The Group is principally engaged in provision of information technology (“IT”) infrastructure solutions services, IT development solutions services and IT maintenance and support services and trading of entertainment products. At the AGM, the Shareholders approved among other things, an ordinary resolution to grant to the Directors the Existing General Mandate to issue up to 160,000,000 Shares, which is equivalent to 20% of the aggregate number of the issued Shares as at the date of passing of the said resolution. The Existing General Mandate has not been refreshed it was granted at the AGM.

As disclosed in the announcement of the Company dated 21 December 2020, Kinetix Systems Limited, an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Dalian Luminary Technology Inc., (“**Dalian Luminary**”) to acquire the exclusive LED products agency selling rights with a term of 15 years through the issuance of Convertible Bonds with a principal amount of HK\$48 million at the conversion price of HK\$0.30 per Share to Dalian Luminary. Assuming the conversion rights are exercised in full, 160,000,000 new Shares, being approximately 20% of the total number of issued Shares as at the Latest Practicable Date will fall to be allotted and issued under the Existing General Mandate to Dalian Luminary. Completion of the issuance of the Convertible Bonds took place on 1 February 2021. As a result of the completion of the issue, the Existing General Mandate has been fully utilized.

As at the Latest Practicable Date, the Company had an aggregate of 800,000,000 Shares in issue. The grant of the New General Mandate could allow the Directors to allot, issue and otherwise deal with up to 160,000,000 new Shares, representing approximately 20% of the aggregate number of issued Shares as at the Latest Practicable Date, assuming that no further Shares are issued and/or repurchased by the Company prior to the date of EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The New General Mandate, if granted, will continue in force until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

2. Reasons for the Refreshment of General Mandate

As disclosed in the Letter from Board, the Existing General Mandate has been fully utilised and it is expected that the next annual general meeting of the Company will be held around the end of May 2021 (the “**2021 AGM**”). The Board proposes to seek the approval of the Independent Shareholders at the EGM on the Refreshment of General Mandate to provide the Company with sufficient flexibility to grasp appropriate fund raising opportunities before the 2021 AGM.

As disclosed in the announcement of the Company dated 25 February 2021, Kinetix Shanghai, an indirectly wholly-owned subsidiary of the Company, entered into the Memorandum with the Shanghai Jing’an District Finance Bureau in relation to the comprehensive co-operation with the Shanghai Municipal Government and the establishment of its PRC’s headquarters and required additional funding for its general working capital to support its business development in the PRC. According to the Memorandum, Kinetix Shanghai is required to have not less than US\$20 million (equivalent of approximately HK\$155 million) of working capital within 2 months of the date of the Memorandum, i.e. 25 April 2021.

Based on the annual report of the Company for the year ended 31 December 2020 (“**2020 Annual Report**”), the Group had cash and cash equivalents of approximately HK\$35.8 million as at 31 December 2020. As stated in the 2020 Annual Report, the net proceeds of the Group raised from the initial public offering was approximately HK\$34.1 million, after deducting the underwriting fees, commissions and other listing expenses. As advised by the Directors, the unutilized net proceeds amounted to approximately HK\$19.7 million as at 31 December 2020, of which approximately HK\$19.1 million have been earmarked for specific uses such as developing IT solutions services and expanding the application of ERP system, etc., which does not fall into the category of the abovementioned project with the Shanghai Municipal Government. As at the Latest Practicable Date, the majority of the existing cash, bank balances and existing banking facilities of the Group have been earmarked for the Group’s projects on hand. As such, we concur with the Directors that the grant of the New General Mandate will allow the Company to capture any suitable fund raising opportunities in a timely manner that may

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arise before the 2021 AGM in order to meet its financial needs on the recent business development.

As advised by the Directors, the Group has unused bank facilities of HK\$25 million to fulfil the capital needs of the Group as at the Latest Practicable Date. However, the purpose of the loan is restricted to financing payment of invoices issued by the suppliers of the Group.

In assessing whether the Company has an imminent need to refresh the Existing General Mandate, we have reviewed (i) the 2020 Annual Report; and (ii) the earmarked IPO proceeds and the cash and cash equivalents as at 31 December 2020. Based on our review and discussion with the management of the Group, we noted that (i) the Group had cash and cash equivalents of approximately HK\$35.8 million as at 31 December 2020; and (ii) the Group shall lay down not less than US\$20 million (equivalent to approximately HK\$155 million) by 25 April 2021 for the Group's project in Shanghai with an additional approximately RMB4 million (equivalent to approximately HK\$4.8 million) for the construction and decoration work of the Enterprise Incubation Centre. The Company had an immediate need of fund in the short run. On this basis, we concur with the Directors that the Company has an imminent need to refresh the General Mandate. Should suitable fund raising opportunities on favorable terms arise prior to the 2021 AGM, the Company can utilise the New General Mandate for the proposed equity financing and the proceeds from which may be used for the business development.

As disclosed in the 2020 Annual Report, the Group believes that the global and local economic uncertainties and the COVID-19 pandemic may adversely affect the Group's business and overall short-term performance. The Group will be cautious in managing the business risk; be prepared to respond to changes in the challenging business environment, and aim to strategically develop the Group's business to mitigate the impacts. The Group will carefully plan and formulate strategies to manage these factors, continues to seek new business opportunities and diversify the Group's business segments. As at the Latest Practicable Date, the Company was in the progress of exploring suitable equity fund raising opportunities within the next 1 to 2 months. Although the Company had no concrete fund raising plan as at the Latest Practicable Date, a decision to harness any fund raising opportunities is often required to be made within a very short period of time. As such, we concur with the Directors that the Refreshment of General Mandate will allow the Company to capture any suitable fund raising or business opportunities in a timely manner that may arise before the 2021 AGM.

As compared to issuing Shares under general mandate, issuing Shares under specific mandate when the relevant terms regarding the fund raising plan is finalised will require longer lead time, arising from the preparation, printing and despatch of the relevant circular and notice of extraordinary general meeting as well as the holding and convening of extraordinary general meeting for each occasion. Furthermore, as advised by the Directors, the specific mandate may not be obtained in a timely manner to secure suitable investors especially given the volatility of the market. The Directors consider that if the Company is

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able to identify any suitable fund raising opportunities with attractive terms prior to the 2021 AGM, the Board will be able to respond to the market promptly with the New General Mandate. As compared to obtaining specific mandate from an extraordinary general meeting, the process of issuing Shares under general mandate for fund raising is simpler and less time-consuming which would allow the Company to avoid the uncertainties arising from such circumstances where specific mandate may not be obtained from the Shareholders in a timely manner.

Taking into account (i) the full utilisation of the Existing General Mandate as at the Latest Practicable Date; (ii) the existing financial resources of the Group; (iii) the funding requirement of the Group's project with Shanghai Municipal Government prior to the 2021 AGM and (iv) the restriction of current banking facilities, we consider that the Refreshment of General Mandate would provide the Company with more financial flexibility and options to raise further capital for the operation of the Group prior to the 2021 AGM without seeking further approval from the Shareholders in an extraordinary general meeting when such funding needs arise, which is in the interests of the Company and the Shareholders as a whole. As advised by the Board, the Company had no concrete fund raising plan to utilise the New General Mandate as at the Latest Practicable Date.

3. Fund raising activities of the Company during the past twelve months

Set out below is the summary of fund raising activity of the Group during the past twelve months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended and actual use of proceeds
21 December 2020, 6 January 2021, 20 January 2021, 1 February 2021	Issue of Convertible Bonds	HK\$48 million	100% of the net proceeds from the issue of Convertible Bonds were used as the consideration for the acquisition of exclusive LED products agency selling rights

Save for the abovementioned, the Company had not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

4. Other financing alternatives

The Directors have considered other financing alternatives apart from equity financing such as debt financing, right issue, open offer or internal cash resources to meet the immediate funding needs of the Group, if appropriate, taking into consideration the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. As advised by the Directors, debt financing such as bank borrowing may incur interest burden to the Group and may be subject to at least 2 to 3 months of due diligence and negotiations. The ability of the Group to obtain bank borrowing usually depends on the Group's profitability, financial position and the then prevailing market condition. In addition, debt financing not only creates additional interest paying obligations on the Group which affects its profitability but also increases its gearing ratio. Furthermore, debt financing may involve pledge of assets (e.g. the Group's equity interest of incubation portfolio companies) which may potentially impair the Group's flexibility in managing its investment portfolio including but not limited to the realization of its investments. Given that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing available to the Directors if the refreshment of the general mandate is granted.

As regards rights issue or open offer, the Directors consider that it may involve substantial time and cost to complete as compared to equity financing by issuance of new Shares under general mandate. Although both rights issue and open offer would allow the Shareholders to maintain their respective pro-rata shareholdings in the Company, the discount to market price needed to be offered may be higher for a rights issue or an open offer in order to enhance its attractiveness to shareholders, as compared to a placing of new Shares. In addition, substantial underwriting costs may be involved and there is a lack of certainty in the successful implementation of a rights issue or an open offer with their longer timetable.

The Directors have confirmed that they would exercise due and careful consideration when choosing the optimal financing method available to the Group to the best of their knowledge and belief.

In addition, the Refreshment of General Mandate will provide the Company with an alternative and the Company will have flexibility and discretion in deciding the financing methods for its operation and business development. Therefore, we concur with the Directors that raising funds through issue of new Shares under the New General Mandate can better control the completion risk and is more cost-effective and time-efficient.

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5. Potential dilution effect to the existing public Shareholders

The utilisation of the New General Mandate would dilute shareholding of existing Shareholders. The table below sets out the shareholding structure of the Company (i) as disclosed in the announcement dated 21 December 2020; and (ii) for illustrative purpose, immediately upon full utilisation of the New General Mandate:

Shareholders	Shareholding as disclosed in the announcement dated 21 December 2020				Shareholding upon full utilisation of the New General Mandate			
	Assuming no conversion of the Convertible Bonds into conversion shares		Assuming full conversion of the Convertible Bonds into conversion shares		Assuming no conversion of the Convertible Bonds into conversion shares before the date of the EGM		Assuming full conversion of the Convertible Bonds into conversion shares before the date of the EGM (Note 5)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Vigorous King Limited (Note 1)	415,000,000	51.88	415,000,000	43.23	415,000,000	43.23	415,000,000	36.02
Ms. Leung Ruby Huey Boon (Note 2)	80,000,000	10.00	80,000,000	8.33	80,000,000	8.33	80,000,000	6.94
Ms. Yiu Wai Ki (Note 2)	80,000,000	10.00	80,000,000	8.33	80,000,000	8.33	80,000,000	6.94
Dalian Luminary Technology Inc.	-	-	160,000,000	16.67	-	-	160,000,000	13.89
Maximum number of new Shares that can be issued under the New General Mandate	-	-	-	-	160,000,000 (Note 3)	16.67	192,000,000 (Note 4)	16.67
Other public shareholders	225,000,000	28.12	225,000,000	23.44	225,000,000	23.44	225,000,000	19.53
Total	800,000,000	100.00	960,000,000	100.00	960,000,000	100.00	1,152,000,000	100.00

Notes:

- Vigorous King Limited is held as to 100% by Mr. Yu Pak Lun Larry (the chairman and an executive Director of the Company). Therefore, Mr. Yu Pak Lun Larry is deemed to be interested in the Shares which Vigorous King Limited is interested in for the purpose of the SFO.
- Ms. Leung Ruby Huey Boon and Ms. Yiu Wai Ki are deemed to be interested in 80,000,000 Shares separately as disclosed in the latest disclosure of interests filing under the SFO.
- The issuance of a maximum of 160,000,000 Shares under the New General Mandate is based on 20% of the number of issued Shares assuming no conversion of the Convertible Bonds before the date of the EGM (i.e. 800,000,000 Shares).
- The issuance of a maximum of 192,000,000 Shares under the New General Mandate is based on 20% of the number of issued Shares assuming full conversion of the Convertible Bonds before the date of the EGM (i.e. 960,000,000 Shares).
- Percentages may not add up to 100% due to rounding.

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In the last twelve months immediately prior to the Latest Practicable Date, the Company completed the issuance of the Convertible Bonds in February 2021 under the Existing General Mandate to acquire the exclusive LED products agency selling rights. As at the Latest Practicable Date, no rights attaching to the Convertible Bonds have been exercised. As illustrated above, the shareholding of the existing public Shareholders would be diluted from approximately 28.12% to approximately 23.44% and approximately 19.53% respectively upon full utilisation of the New General Mandate, assuming no conversion and full conversion of the Convertible Bonds into conversion shares before the date of the EGM. As advised by the Directors, given that (i) the shareholding of Ms. Leung Ruby Huey Boon and Ms. Yiu Wai Ki in the Company will be less than 10% upon the full utilisation of the New General Mandate and (ii) both Ms. Leung Ruby Huey Boon and Ms. Yiu Wai Ki are independent third parties to the Company, the Shares held by both shareholders will be counted as part of the public float of the Company upon the full utilisation of the New General Mandate. As such, the minimum requirements of the public float under Chapter 11 of the GEM Listing Rules is ensured.

We consider that the aggregate dilution impact on the existing Shareholders to be acceptable as compared to pre-emptive fund raising alternatives such as rights issue or open offer after taking into account that (i) the potential dilution impact on the existing Shareholders may be even greater as the price for a rights issue or an open offer would normally involve a substantial discount to the market price if the Shareholders choose not to subscribe for their own entitlements under the rights issue or open offer; (ii) the new Shares cannot be allotted and issued at more than 20% discount to the benchmark market price under the New General Mandate; and (iii) the New General Mandate will provide the Group with more financial flexibility and options to raise further capital for the Group's operation as the Company is able to respond to any fund raising opportunities with favorable terms in a timely manner whereas there is a lack of certainty in the successful implementation of a rights issue or an open offer with its longer timetable.

In conducting any placing of new Shares pursuant to the New General Mandate, the Directors would have a fiduciary duty to the Company to negotiate fair terms that are in the interests of the Company and the Shareholders as a whole. In deciding whether to use and how to use the New General Mandate, the Directors would take into account, among other things, the immediate funding need of the Group, the time and cost involved, and the potential dilution of shareholding of the existing Shareholders that may be brought by any placing of new Shares. In considering any proposal for issuing new Shares, the Directors would also consider the pricing and availability of opportunities for other financing alternatives such as debt financing or internal resources, with the aim to achieve an efficient capital structure of the Company. Based on the above and given the volatility of the capital market, we consider that the Refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole as it would provide the Directors with the flexibility to capture any suitable equity fund raising opportunities that may arise from time to time in a timely manner.

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OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Refreshment of General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the Refreshment of General Mandate.

Yours faithfully,
For and on behalf of
ELSTONE CAPITAL LIMITED

Ringo Kwan
Managing Director

Fanny Lee
Managing Director

Mr. Ringo Kwan and Ms. Fanny Lee have been responsible officers of Type 6 (advising on corporate finance) regulated activity under the SFO since 2005 and 2006, respectively. Both of them have participated in the provision of independent financial advisory services for various types of transactions involving companies listed in Hong Kong.



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) 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, 28 April 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“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 of the Company (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

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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 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).”

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2. “**THAT** conditional upon the passing of resolution no. 1 above, the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the number of Shares of the Company not exceeding 20% of the aggregate number of issued Shares as at the date of the passing of this resolution and the number of Shares repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of issued Shares as at the date of the AGM, pursuant to the resolution passed at the AGM).”

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

Hong Kong, 8 April 2021

As at the date of this notice, 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, Ms. Lam Shun Ka and Dr. He Dazhi 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 Level 54, 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 EGM 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 EGM, 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 EGM 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, 23 April 2021 to Wednesday, 28 April 2021, 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 EGM, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Thursday, 22 April 2021.

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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 EGM 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 1 and 2 of this notice, a circular giving details of the refreshment of general mandates will be despatched to Shareholders.
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 Wednesday, 28 April 2021, 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.

PRECAUTIONARY MEASURES FOR THE EGM

In light of the recent ongoing spread of coronavirus disease 2019 (COVID-19), the Company will implement the following precautionary measures at the EGM in order to protect the health and safety of all participants including the Shareholders, their proxies and other personnel (the “**Participants**”) in the EGM, including:

1. all the Participants will subject to compulsory body temperature checks;
2. all the Participants will be requested of wearing of surgical face masks throughout the EGM. Any person who does not comply with this requirement may be denied entry into the EGM venue and be asked to leave the EGM venue. A safe distance between seats are also recommended;
3. all Participants in the EGM shall use sanitiser to sanitise their hands at least once when they enter into the EGM venue, and when they leave after the EGM;
4. no beverage and refreshment will be served either during or after the EGM to avoid close contacts of the Participants during their attendance; and
5. other safety measures as appropriate.

Shareholders are reminded that any person who is subject to any Hong Kong Government prescribed quarantine, with fever or respiratory symptoms, a body temperature over 37.5 degree Celsius or without wearing a surgical face mask will not be given access to the venue of the EGM, which also means that you will not be allowed to enter the venue and attend the EGM.

The Company strongly recommends Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person. Shareholders who choose to do so should take action as soon as possible to ensure the proxy instructions reach the Company’s Hong Kong branch share registrar not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjourned meeting thereof.

If Shareholders have any questions relating to the EGM, please contact Tricor Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office as follows:

Address:
Level 54, Hopewell Centre
183 Queen’s Road East, Hong Kong
Telephone: (852) 2980 1333
Fax: (852) 2810 8185