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KINETIX SYSTEMS HOLDINGS LIMITED

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8606)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED
(THE “STOCK EXCHANGE”)**

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 that 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement for which the directors (the “**Directors**”) of Kinetix Systems Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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 announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors of the Company (the “**Board**”) hereby presents the audited consolidated financial results of the Group for the year ended 31 December 2025, together with the comparative figures for the corresponding period in 2024, as set out below.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 HK\$’000	2024 <i>HK\$’000</i>
Revenue	4	393,085	335,346
Cost of sales	6	<u>(314,450)</u>	<u>(268,841)</u>
Gross profit		78,635	66,505
Other income	5	959	884
Selling expenses	6	(19,075)	(14,523)
Provision for expected credit losses, net		(240)	(3,013)
Administrative and general expenses	6	<u>(56,376)</u>	<u>(56,447)</u>
Operating profit/(loss)		3,903	(6,594)
Finance costs	7	<u>(620)</u>	<u>(243)</u>
Profit/(loss) before income tax		3,283	(6,837)
Income tax expense	8	<u>(56)</u>	<u>(14)</u>
Profit/(loss) for the year		<u>3,227</u>	<u>(6,851)</u>
Attributable to:			
Owners of the Company		2,506	(4,701)
Non-controlling interests		<u>721</u>	<u>(2,150)</u>
		<u>3,227</u>	<u>(6,851)</u>
Earnings/(loss) per share for the profit/(loss) attributable to owners of the Company (in cents)			
Basic and diluted	9	<u>0.17</u>	<u>(0.33)</u>

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Profit/(loss) for the year	<u>3,227</u>	<u>(6,851)</u>
Other comprehensive loss		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	<u>(100)</u>	<u>(59)</u>
Other comprehensive loss for the year	<u>(100)</u>	<u>(59)</u>
Total comprehensive income/(loss) for the year	<u>3,127</u>	<u>(6,910)</u>
Attributable to:		
Owners of the Company	2,406	(4,760)
Non-controlling interests	<u>721</u>	<u>(2,150)</u>
	<u><u>3,127</u></u>	<u><u>(6,910)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,649	1,234
Right-of-use assets		9,606	2,699
Deposits	11	1,575	757
Deposit and prepayment for a life insurance		6,615	6,632
		<u>19,445</u>	<u>11,322</u>
Current assets			
Trade and other receivables	11	122,559	70,955
Contract assets		65,145	68,455
Amount due from the immediate holding company		1,067	555
Amounts due from non-controlling shareholders		190	250
Current income tax assets		–	1
Cash and cash equivalents		51,208	31,188
		<u>240,169</u>	<u>171,404</u>
Total assets		<u>259,614</u>	<u>182,726</u>
EQUITY			
Share capital	12	14,459	14,459
Reserves		62,925	60,519
		<u>77,384</u>	<u>74,978</u>
Equity attributable to owners of the Company		77,384	74,978
Non-controlling interests		(9,776)	(10,497)
		<u>67,608</u>	<u>64,481</u>
Total equity		<u>67,608</u>	<u>64,481</u>

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Long service payment obligations		46	46
Lease liabilities		6,036	1,061
Deferred income tax liabilities		73	17
		<u>6,155</u>	<u>1,124</u>
Current liabilities			
Trade and other payables	13	95,602	98,945
Contract liabilities		82,183	12,064
Bank borrowings		–	262
Amounts due to non-controlling shareholders		3,698	3,698
Lease liabilities		4,368	2,152
		<u>185,851</u>	<u>117,121</u>
Total liabilities		<u>192,006</u>	<u>118,245</u>
Total equity and liabilities		<u>259,614</u>	<u>182,726</u>

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

For the year ended 31 December 2025

1 GENERAL INFORMATION

Kinetix Systems Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 16 September 2016 and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) by way of shares offer (the “**Share Offer**”) on 16 July 2018. The registered office of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.

The Company is an investment holding company. The principal activities of the Group are provision of information technology (“**IT**”) infrastructure solutions services, IT development solutions services and IT maintenance and support services. In the opinion of the directors of the Company, the ultimate and the immediate holding company of the Company is Vigorous King Limited, a company incorporated in the British Virgin Islands (“**BVI**”) which is wholly owned by Mr. Yu Larry (“**Mr. Yu**”), who is also the Chairman, Chief Executive Officer and Executive Director of the Company.

These consolidated financial statements are presented in thousands of Hong Kong Dollars (“**HKS’000**”), unless otherwise stated.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Group have been prepared in accordance with the HKFRS Accounting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

The consolidated financial statements are prepared on a going concern basis.

(a) New and amended standards adopted by the Group

The Group has applied the following new and amended standards, improvements and interpretation for the first time for their annual reporting period commencing 1 January 2025:

HKAS 21 and HKFRS 1 Lack of Exchangeability (amendments)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

The following new standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (amendments)	1 January 2027
HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

HKFRS 18, Presentation and disclosure in financial statements

HKFRS 18 will replace HKAS 1 Presentation of financial statements and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Except from the above, the directors of the Company have assessed the financial impact on the Group of the adoption of the above new standards and interpretations. These standards and interpretations are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the requirements. The Group intends to adopt the above new standards and interpretations when they become effective.

3 SEGMENT INFORMATION

(a) Segment revenue and results

The Company's executive directors monitor the operating results of its operating segment for the purpose of making decisions about resource allocation and performance assessment.

The chief operating decision-maker ("CODM") has been identified as the executive directors of the Company. The executive directors consider the segment from a business perspective. The Group has three (2024: three) operating segments that qualify as reporting segment under HKFRS 8 and the information that is regularly reviewed by the executive directors for the purposes of allocating resources and assessing performance of the operating segment is the consolidated financial statements of the Group.

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. The measure used for reporting segment profit is gross profit. No inter-segment sales have occurred during the year (2024: same). The Group's other income and expense items, such as other income and gains, selling expenses, administrative and general expenses, finance costs, and assets and liabilities are not measured under individual segments. Accordingly, neither information on segment assets and liabilities nor information concerning capital expenditure, depreciation, interest income and interest expenses is presented.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

	For the year ended 31 December 2025			
	IT solutions services			
	IT infrastructure solutions services <i>HK\$'000</i>	IT development solutions services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	219,697	124,608	48,780	393,085
Reportable segment cost of sales	<u>(193,662)</u>	<u>(88,855)</u>	<u>(31,933)</u>	<u>(314,450)</u>
Reportable segment gross profit	<u>26,035</u>	<u>35,753</u>	<u>16,847</u>	78,635
Selling expenses	(6,315)	(8,673)	(4,087)	(19,075)
Provision for expected credit loss, net	(80)	(109)	(51)	(240)
Unallocated other income				959
Unallocated employee benefits costs				(37,361)
Unallocated depreciation				(4,626)
Unallocated finance costs				(620)
Unallocated expenses				<u>(14,389)</u>
Profit before income tax				3,283
Income tax expense				<u>(56)</u>
Profit for the year				<u><u>3,227</u></u>

For the year ended 31 December 2024

	IT solutions services			
	IT infrastructure solutions services <i>HK\$'000</i>	IT development solutions services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	179,019	108,505	47,822	335,346
Reportable segment cost of sales	<u>(151,094)</u>	<u>(84,521)</u>	<u>(33,226)</u>	<u>(268,841)</u>
Reportable segment gross profit	<u>27,925</u>	<u>23,984</u>	<u>14,596</u>	66,505
Selling expenses	(7,753)	(4,699)	(2,071)	(14,523)
Provision for expected credit loss, net	(1,605)	(998)	(410)	(3,013)
Unallocated other income				884
Unallocated employee benefits costs				(40,886)
Unallocated depreciation				(3,477)
Unallocated finance costs				(243)
Unallocated expenses				<u>(12,084)</u>
Loss before income tax				(6,837)
Income tax expense				<u>(14)</u>
Loss for the year				<u><u>(6,851)</u></u>

(b) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

The geographical information of the Group's revenue from external customers for the years ended 31 December 2025 and 2024 is set out below.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Geographical markets:		
– Hong Kong	391,484	331,065
– Macau	833	3,573
– Singapore	768	628
– The United Kingdom	<u>–</u>	<u>80</u>
	<u><u>393,085</u></u>	<u><u>335,346</u></u>

The geographical information of the Group's non-current assets other than deposits and deposit and prepayment for a life insurance for the years ended 31 December 2025 and 2024 is set out below.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Geographical markets:		
– Hong Kong	10,841	2,985
– Macau	414	948
	<u>11,255</u>	<u>3,933</u>

(c) Information about major customers

For the years ended 31 December 2025 and 2024, there were no customers which individually contributed over 10% of the Group's total revenue.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue from contracts with external customers

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Revenue		
IT solutions services		
– IT infrastructure solution services	219,697	179,019
– IT development solution services	124,608	108,505
IT maintenance and support services	48,780	47,822
	<u>393,085</u>	<u>335,346</u>

For the year ended 31 December 2025

IT solutions services				
IT infrastructure solutions services <i>HK\$'000</i>	IT development solutions services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Total <i>HK\$'000</i>	
At a point in time	141,291	–	–	141,291
Over time	78,406	124,608	48,780	251,794
	219,697	124,608	48,780	393,085

For the year ended 31 December 2024

IT solutions services				
IT infrastructure solutions services <i>HK\$'000</i>	IT development solutions services <i>HK\$'000</i>	IT maintenance and support services <i>HK\$'000</i>	Total <i>HK\$'000</i>	
At a point in time	132,925	–	–	132,925
Over time	46,094	108,505	47,822	202,421
	179,019	108,505	47,822	335,346

5 OTHER INCOME

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Bank interest income	311	558
Imputed interest income from deposit for a life insurance policy	143	138
Sundry income	505	188
	<u>959</u>	<u>884</u>

6 EXPENSES BY NATURE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Cost of hardware and software recognised as expenses	191,504	142,018
Subcontracting cost of IT services	86,775	91,343
Auditor's remuneration		
– Audit services	700	763
Entertainment expenses	2,869	2,683
Lease payments under short-term leases for office premises	9	77
Depreciation of property, plant and equipment	682	1,047
Depreciation of right-of-use assets	3,944	2,430
Loss on disposal of property, plant and equipment	–	6
Loss on write-off of property, plant and equipment	4	598
Legal and professional fees	621	887
Premium charges on a life insurance policy	160	160
Employee benefit costs (including directors' emoluments)	92,311	94,166
Insurance expenses	988	860
Computer and internet expenses	2,016	1,270
Other expenses	7,318	1,503
	<u>389,901</u>	<u>339,811</u>
Total cost of sales, selling expenses and administrative and general expenses	<u>389,901</u>	<u>339,811</u>

7 FINANCE COSTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Interest expense on lease liabilities	522	169
Interest expense on bank borrowings	98	74
	<u>620</u>	<u>243</u>

8 INCOME TAX EXPENSE

Hong Kong Profits Tax has been provided at the two-tiered rate of 8.25% for the first HK\$2,000,000 of the estimated assessable profit of the qualifying group entity and 16.5% on the remaining estimated assessable profit of the Group for the years ended 31 December 2025 and 2024. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group has sufficient tax loss brought forward to off-set assessable profit for the year ended 31 December 2025 (2024: same).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands (2024: Nil).

No Macau corporate income tax was made as the Macau subsidiaries as they have been either loss-making or the amount is immaterial (2024: Nil).

No PRC Corporate Income Tax provision was made as the PRC subsidiary has sustained a loss for taxation purpose for the year ended 31 December 2025 (2024: Nil).

The amount of income tax expense charged to the consolidated income statement represents:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Under-provision in prior years	<u>–</u>	<u>43</u>
	<u>–</u>	<u>43</u>
Deferred income tax	56	(29)
	<u>56</u>	<u>14</u>

9 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year in ordinary shares issued during the years.

	2025	2024
Profit/(loss) attributable to the owners of the Company (<i>HK\$'000</i>)	2,506	(4,701)
Weighted average number of ordinary shares in issue (<i>thousands</i>)	1,445,900	1,445,900
Basic earnings/(loss) per share (<i>HK cents</i>)	<u>0.17</u>	<u>(0.33)</u>

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all potentially dilutive ordinary shares. The Company has potentially dilutive ordinary shares of share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

For the years ended 31 December 2025 and 2024, diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as the exercise of potential ordinary shares in relation to the outstanding share options would have anti-dilutive effects to the basic earnings/(loss) per share.

10 DIVIDENDS

The directors have resolved not to declare any dividend for the year ended 31 December 2025 (2024: Nil).

11 TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade receivables	<i>(a)</i>	76,282	55,757
Less: provision for loss allowance		<u>(13,676)</u>	<u>(15,459)</u>
		<u>62,606</u>	<u>40,298</u>
Unbilled receivables	<i>(b)</i>	35,473	7,019
Less: provision for loss allowance		<u>(70)</u>	<u>(5)</u>
		<u>35,403</u>	<u>7,014</u>
Deposits		2,154	872
Prepayments		21,561	21,192
Prepayments for a life insurance		160	160
Others		<u>2,250</u>	<u>2,176</u>
		<u>124,134</u>	<u>71,712</u>
Less: non-current portion of deposits		<u>(1,575)</u>	<u>(757)</u>
Current portion of trade and other receivables		<u>122,559</u>	<u>70,955</u>

The carrying amounts of the Group's trade and other receivables are denominated in HK\$, US\$ and RMB.

The other classes within trade and other receivables do not contain impaired assets. The Group does not hold any collateral as security.

(a) Trade receivables

The Group normally grants credit terms to its customers ranging from 30 to 45 days. The following is an aged analysis of trade receivables presented based on invoice date, net of allowance for trade receivables:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
0 to 30 days	33,377	26,084
31 to 90 days	16,493	11,598
91 to 180 days	4,242	410
Over 180 days	<u>8,494</u>	<u>2,206</u>
	<u>62,606</u>	<u>40,298</u>

The following is an aged analysis of trade receivables presented based on due date, net of allowance for trade receivables.

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Not yet past due nor impaired	41,278	30,087
1 to 30 days	7,076	8,146
31 to 90 days	6,143	1,560
91 to 180 days	7,146	261
Over 180 days	963	244
	<u>62,606</u>	<u>40,298</u>

The movement in provision for loss allowance on trade receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	15,459	14,575
Provision for ECLs	203	3,485
Written off	(1,986)	(2,601)
	<u>13,676</u>	<u>15,459</u>

(b) Unbilled receivables

The unbilled receivables were mainly attributable to fully completed IT solutions services and maintenance and support services which will be billed within the next twelve months from the end of the reporting period in accordance with the payment terms stipulated in the relevant contracts, quotation, purchase orders and service agreements entered into between the Group and the customers. For these completed services, the revenue has been fully recognised. Since the Group has unconditional right to consideration but only the passage of time is required before payment of that consideration is due, the Group classified these as unbilled receivables.

The movement in provision for loss allowance on unbilled receivables are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
At beginning of the year	5	126
Provision for/(reversal of) ECLs	65	(121)
	<u>70</u>	<u>5</u>

12 SHARE CAPITAL

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Authorised: 10,000,000,000 shares at HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Issued and fully paid: 1,445,900,000 shares at HK\$0.01 each	<u>14,459</u>	<u>14,459</u>

13 TRADE AND OTHER PAYABLES

	<i>Notes</i>	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	17,518	33,407
Accrued purchases and services costs	<i>(b)</i>	64,682	53,482
Amounts due to directors of subsidiaries		767	7,156
Other payables and accruals		<u>12,635</u>	<u>4,900</u>
		<u>95,602</u>	<u>98,945</u>

The carrying amounts of trade and other payables approximate their fair values and are denominated in HK\$ and RMB.

(a) Trade payables

Trade payables principally comprise amounts outstanding for purchases and service costs and have an average credit term of 30 days (2024: 30 days).

The ageing analysis of the trade payables based on invoice date was as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
1 to 30 days	11,359	22,682
31 to 90 days	3,384	9,750
Over 90 days	<u>2,775</u>	<u>975</u>
At end of the year	<u>17,518</u>	<u>33,407</u>

(b) Accrued purchases and service costs

The accrued purchases and service costs were mainly attributable to services carried out by subcontractors/goods provided by suppliers which will be billed within the next twelve months from the end of the reporting dates in accordance with the payment terms stipulated in the relevant contracts, quotation, purchase orders and service agreements entered into between the Group and the suppliers or subcontractors.

14 CONTINGENT LIABILITIES

Contingent liabilities in respect of a legal claim

In April 2022, Kinetix System Limited (“**Kinetix**”), a wholly owned subsidiary of the Company entered into an agreement with a subcontractor (the “**Plaintiff**”) to provide services for an IT infrastructure solution services project. In November 2023, Kinetix requested to stop the subcontracting service of the Plaintiff due to the substandard service provided by the Plaintiff. In September 2024, a claim was lodged to the district court against Kinetix for the breach of clauses in the agreement by the Plaintiff of the amount HK\$825,000. In 2025, the Plaintiff has filed a summons for extension of time to serve the writ, with no further progress, the management considered the claim cannot be estimated reliably and hence no provision was made as at 31 December 2025.

EXECUTIVE DIRECTOR'S STATEMENT

Dear Shareholders,

On behalf of the Board (the “**Board**”) of directors (the “**Director**”) of the Company, I am pleased to present the annual report of the Group for the year ended 31 December 2025 (“**FY2025**”) to the shareholders of the Company (the “**Shareholder**”).

Founded in 1998, we have become a reputable and traditional information technology (IT) services provider, offering a diverse portfolio that includes IT infrastructure solutions, IT development services, and IT maintenance and support. With around 27 years of experience in the IT consulting industry in Hong Kong, the Group serves both private and public sectors. Our clients include government agencies, banks and financial institutions, technology and media companies, as well as transportation and logistics firms.

Kinetix Systems Holdings Limited demonstrated a strong recovery in its financial performance for the year ended December 31, 2025. Revenue increased to HK\$393.1 million (FY2024: HK\$335.3 million), driving gross profit up to HK\$78.6 million (FY2024: HK\$66.5 million). Gross profit margin was broadly unchanged at 20.0% in FY2025 (FY2024: 19.8%), indicating that the increase in gross profit primarily reflected higher sales rather than an improvement in cost of sales relative to revenue. Operating performance improved to an operating profit of HK\$3.9 million for FY2025 (FY2024: operating loss of HK\$6.6 million), mainly supported by revenue growth and a decrease of the provision of expected credit losses. Profit before tax was HK\$3.3 million (FY2024: loss before tax of HK\$6.8 million), and profit for the year was HK\$3.2 million (FY2024: loss of HK\$6.9 million).

As Kinetix Systems Holdings Limited moves into 2026, the focus should be on sustaining revenue growth through market expansion and innovation. By managing costs effectively and investing in employee development, the company can enhance operational efficiency. Strengthening customer relationships will also be key to maintaining loyalty and driving sales. Overall, a strategic approach to growth and efficiency will help ensure continued profitability and stability in the future.

On behalf of the Board, I would like to extend our heartfelt thanks to our Shareholders, bankers, customers, and business partners for their unwavering support and trust in us. A special appreciation goes to our staff for their incredible efforts and contributions. With our dedicated management and skilled teams, I am confident that the Group will successfully reach our business objectives.

Hong Kong, 30 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

Established in 1998, we are currently a well-established IT services provider with business portfolio including provision of IT infrastructure solutions services, IT development solutions services and IT maintenance and support services with approximately 27 years of experience in the IT consulting services industry in Hong Kong. Our principal businesses include IT infrastructure solutions services, IT development solutions services and IT maintenance and support services.

BUSINESS REVIEW

For FY2025, the Group recorded a net profit attributable to equity shareholders of the Company of approximately HK\$2.5 million as compared to the net loss attributable to equity shareholders of the Company of approximately HK\$4.7 million in FY2024. The improvement in results of approximately HK\$10.1 million was primarily due to (i) the increase in gross profit of approximately HK\$12.1 million mainly represented by the increase in gross profit in the provision of infrastructure solution services and IT development solution services in FY2025; and (ii) the decrease in provision for expected credit losses by approximately HK\$2.8 million as compared to FY2024.

However, these positive impacts were partially offset by an increase in selling expense of HK\$4.6 million.

Provision of IT infrastructure solution services

This segment provides IT infrastructure solutions services to our clients by advising them the hardware and/or software that their IT systems would require and procuring the relevant hardware and/or software and integrating them with our client's IT systems. In FY2025, this segment generated revenue of HK\$219.7 million, accounting for 55.9% of total revenue. This represented a substantial increase of approximately 22.7%, rising from HK\$179.0 million. The growth can be attributed to a higher number of projects awarded and an increase in the total contract value during FY2025.

Provision of IT development solution services

This segment provides IT development solutions services that generally include system analysis and design, software development and technology consultancy. In FY2025, this segment generated revenue of HK\$124.6 million, representing 31.7% of total revenue. This reflects an 14.8% increase from approximately HK\$108.5 million in the previous year, primarily driven by a rise in the number of projects undertaken during FY2025.

Provision of IT maintenance and support services

This segment provides IT maintenance and support services. In FY2025, it generated approximately HK\$48.8 million in revenue, accounting for 12.4% of the total revenue. This marks an increase of about 2.0%, rising from approximately HK\$47.8 million in the previous year. The increase was primarily driven by an increase in the average contract value of IT maintenance and support projects during FY2025.

BUSINESS OBJECTIVES AND USE OF PROCEEDS

By leveraging on the Group’s current sales network, its services, technology, and customers recognition, the Group intends to continue with our business strategies and the implementation plan as set out in the prospectus of the Company dated 13 February 2023 (the “Prospectus”) of the Rights Issue. The plan includes:

- (1) Develop and cultivate the new energy vehicle industry
- (2) Expand the technical and development solution services in the PRC
- (3) Working capital and other general corporate purposes

An analysis comparing the business objectives as set out in the Prospectus with the Group’s actual business progress for the period from the issuance of Rights Issue to 31 December 2025 are set out below:

The bases and assumptions (including commercial assumptions) in support of our assessment. The net proceeds of the Group raised from the Rights Issue was approximately HK\$29.9 million, after deducting the underwriting fees, commissions, and other listing expenses. Up to 31 December 2025, the Group has utilised proceeds from the Rights Issue of approximately HK\$18.0 million and a summary of use of proceeds are set out in the table below:

	As set out in the Prospectus HK\$’million	Amount expected to be used up to 31 December 2025 HK\$’million	Amount actually used up to 31 December 2025 HK\$’million	Balance as at 31 December 2025 HK\$’million	Expected timeline to fully utilise the remaining net proceeds
Develop and cultivate the new energy vehicle industry	11.9	–	–	11.9	31 December 2026
Expand the technical and development solution services in the PRC	8.0	8.0	8.0	–	Fully utilised
Working capital and other general corporate purposes	10.0	10.0	10.0	–	Fully utilised
Total	29.9	18.0	18.0	11.9	

Up to 31 December 2025, the actual application of net proceeds from the Rights Issue were used according to the intentions previously disclosed in the Prospectus. However, save for the use of proceeds for expanding the technical and development solution services in the PRC and as working capital and other general corporate purposes which was in line with the timeline as disclosed in the Prospectus, there was a general delay in the timeline in the use of proceeds for the development and cultivation of the new energy vehicle industry due to the following reason:

The amount of approximately HK\$11.9 million was earmarked for development and cultivation of new energy vehicle industry through potential merger and acquisition opportunities of companies principally engaged in new energy vehicle consulting, supply chain solution, technical and development solution services in the PRC was generally delayed mainly due to (i) the decline in purchasing power of citizen in the PRC as a result of the macroeconomic downturn; and (ii) the oversupply and significant increase in market competition in the new energy vehicle industry.

In FY2025, the Group continued to seek possible cooperation and opportunities in the new energy vehicle business proactively. However, due to the aforementioned reasons, the Group was unable to identify appropriate opportunity that favourable to our Group, resulting in the inability to utilise remaining proceeds for further development. Looking ahead to FY2026, the Group plans to reassess its strategic priorities in light of the evolving market landscape. The expected timeline for utilising the remaining proceeds is based on the best estimation of the present and future business market situation as determined by the Board. It is anticipated that the full utilisation of the remaining net proceeds will extend to December 31, 2026.

In line with this, the management aim to enhance our market analysis and competitive intelligence to identify emerging trends and shifts in consumer behavior. Additionally, the management will explore collaborations not only within the new energy vehicle industry but also in adjacent sectors that may offer synergistic benefits.

By adopting a more agile approach and leveraging innovation, the Group aims to navigate current challenges and position itself favourably for future growth. The focus will be on aligning with companies that demonstrate strong growth potential, sustainable practices, and technological advancements, thereby ensuring maximum value for our stakeholders.

The Group will perform adequate due diligence and negotiate the principal terms and conditions of any potential acquisition as opportunities materialise. Appropriate announcements will be made as necessary, in accordance with the GEM Listing Rules. Management will continue to assess the Group's operations and financial performance, adapting plans for the remaining proceeds to cope with changing market conditions and striving for improved business performance.

OUTLOOK AND PROSPECTS

Looking forward, Kinetix Systems Holdings Limited recognises that the global business environment remains dynamic and may present challenges. However, the company is focused on maintaining stable revenue growth and enhancing profitability in the upcoming fiscal year. With a commitment to operational efficiency, Kinetix will continue to utilise its project management office to monitor and optimise project costs, ensuring satisfactory gross profit margins.

The company aims to expand its range of services and geographical footprint, capitalising on its solid IT expertise and industry experience. By proactively seeking new business opportunities and strengthening relationships with existing clients, Kinetix is well-positioned to achieve sustainable growth. With a strategic focus on enhancing business operations and financial stability, Kinetix remains optimistic about delivering value to its stakeholders in the medium to long term.

Revenue

For FY2025, the Group's revenue reached approximately HK\$393.1 million, reflecting an increase of about HK\$57.8 million, or 17.2%, compared to FY2024 (2024: approximately HK\$335.3 million). This growth was driven by several key factors: (i) a rise in revenue from IT infrastructure solution services projects, which increased by approximately HK\$40.7 million due to a greater number of awarded projects and an increase in total contract value; and (ii) an increase in revenue from IT development solution services projects, which saw a growth of approximately HK\$16.1 million due to a rise in the overall number of projects.

Gross Profit and Gross Profit Margin

For FY2025, the Group's gross profit amounted to approximately HK\$78.6 million, representing an increase of around HK\$12.1 million, or 18.2%, compared to FY2024 (2024: approximately HK\$66.5 million). This growth was primarily driven by higher sales volume. The Group's gross profit margin was broadly stable at 20.0% in by 2025 (FY2024: 19.8%).

Selling Expenses

The Group's selling expenses for FY2025 amounted to approximately HK\$19.1 million, representing an increase of approximately HK\$4.6 million or 31.3% compared to FY2024 (2024: approximately HK\$14.5 million). Such increase was mainly attributed by the increase in salaries expenses by approximately HK\$4.3 million due to the increase in number of staff, salary increment in sales department and the increase in sales commission due to better business performance.

Administrative and general expenses

Administrative and general expenses for FY2025 were approximately HK\$56.4 million, broadly in line with FY2024 (FY2024: HK\$56.4 million). Administrative staff costs decreased by HK\$3.5 million to HK\$37.4 million (FY2024: HK\$40.9 million), primarily reflecting cost-control measures and a reduction in headcount. This saving was partly offset by higher depreciation of right-of-use assets.

Profit and Total Comprehensive Income for the Year

The Group recorded a net profit of approximately HK\$3.2 million for FY2025, a notable improvement compared to the net loss of approximately HK\$6.9 million for FY2024. Factors contributing to this increase included a decrease in expected credit loss provisions by about HK\$2.8 million, an increase in gross profit of approximately HK\$12.1 million. These positive impacts were slightly offset by the increase in selling expense. The total comprehensive income for FY2025 was approximately HK\$3.1 million, compared to a total comprehensive loss of approximately HK\$6.9 million in FY2024, which mainly include the abovementioned reasons and an exchange difference arising on translation of a subsidiary in Shanghai.

LIQUIDITY AND FINANCIAL RESOURCES

We maintained a healthy liquidity position, with working capital financed primarily through cash generated from our operating activities during FY2025, and our use of cash primarily relates to operating activities and purchase of property, plant and equipment. As at 31 December 2025, we had cash and cash equivalents of approximately HK\$51.2 million (31 December 2024: approximately HK\$31.2 million), which were cash at banks and in hand. Up to the date of consolidated financial statements, the Group did not have bank borrowings (31 December 2024: HK\$0.3 million). The Group have a credit facility from the Bank of East Asia of HK\$10.0 million as at 31 December 2025 (31 December 2024: HK\$10.0 million) which are secured by a deed of assignment of the insurance policy of the Chairman of the Company and a corporate guarantee of HK\$31.0 million plus interest and other charges provided by the Company. The Group's gearing ratio, which is calculated by total debt (defined as bank and other debts incurred not in the ordinary course of business) divided by total equity, was 20.9% as at 31 December 2025 (31 December 2024: 11.1%). The gearing ratio rose mainly because the increase in contract liabilities outweighed the growth in cash generated from operating activities and the increase in trade receivables.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout FY2025. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

CAPITAL STRUCTURE

As at 31 December 2025, the capital structure of the Company comprised share capital and reserves and bank borrowings.

CAPITAL EXPENDITURE

Our capital expenditure for the FY2025 and FY2024 was approximately HK\$1.1 million and approximately HK\$0.6 million respectively.

FOREIGN EXCHANGE EXPOSURE

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group mainly operates in Hong Kong with most of the transactions denominated and settled in HK\$. During FY2025, the Group's exposure to foreign currency risk primarily arose from certain financial instruments including deposit for a life insurance policy, trade receivables, cash and cash equivalents trade payables and bank borrowings which are denominated in US\$ and RMB. During FY2025 and FY2024, the Group did not adopt any hedging strategy but the management continuously monitored the foreign exchange risk exposure on a case-by-case basis. The Group did not use any hedging contracts to engage in speculative activities during FY2025 and FY2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have capital commitment for equipment as at 31 December 2025 (2024: HK\$Nil).

CHARGES ON GROUP ASSETS

As at 31 December 2025, except for the banking facilities which are secured by a deed of assignment of the insurance policy of the Chairman of the Company and a corporate guarantee of HK\$31.0 million plus interest and other charges provided by the Company, there were no other charges on the Group's assets (2024: HK\$31.0 million).

EVENT AFTER THE REPORTING PERIOD

The Group did not have significant event subsequent to 31 December 2025.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during FY2025.

FINAL DIVIDEND

The Board did not recommend the payment of any dividend for the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this announcement.

CORPORATE GOVERNANCE

The Directors believe that good corporate governance provides a framework for effective management, successful business growth and a healthy corporate culture, which will benefit the Company's stakeholders. Therefore, the importance of good corporate governance in management and internal control procedures is critical in achieving transparency and accountability. The Company has long been committed to the pursuit a high standard of corporate governance and has adopted and complied with the code provisions of the CG Code as set out in Appendix C1 to the GEM Listing Rules and, the Board considers that the Company has complied with the CG Code for FY2025, except for the deviation as stated below.

Code Provision C.1.8

Under the CG Code provision C.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its Directors. Currently, the Company does not have insurance cover for legal action against its Directors. Every Director is, subject to the provisions of the applicable laws, indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities he/she may sustain or incur in or about the execution of his/her office or otherwise in relation thereto pursuant to the Articles. However, as the risk management and internal control systems of our Group is effective and constantly under review, and as all the executive Directors and management are familiar with the operation of the Group and the IT industry, the Board believes that the risk of the Directors being sued or getting involved in litigation in their capacity as Directors is relatively low, and hence the Board is of the view that the benefits of the insurance may not outweigh the cost. Therefore, the Board considers that the Directors' exposure to risk is manageable.

Code Provision C.2.1

Under the CG Code provision C.2.1, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Yu Larry is the Chairman and the Chief Executive Officer of the Company. In view of Mr. Yu Larry is one of the co-founders of the Group and has been operating and managing the Group since 1998, the Board believes that it is in the best interest of the Group to have Mr. Yu Larry taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the CG Code provision C.2.1 is appropriate in such circumstance.

The Directors will continue to review their corporate governance practices to enhance their corporate governance standards. The Company will from time to time comply with increasingly stringent regulatory requirements and meet the growing expectations of our investors and regulators.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, each of the Directors has confirmed that he/she has complied with the Standard of Dealings and the code of conduct regarding securities transactions for FY2025 and up to the date of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution to the Shareholders were approximately HK\$60.6 million. Under the Companies Law of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to Shareholders subject to the provisions of its Articles and provided that immediately following the distribution or dividend payment, the Company is able to pay its debts as they fall due in the ordinary course of business. In accordance with the articles of association of the Company, dividends shall be distributed out of the retained earnings, including the share premium, of the Company.

COMPETING INTERESTS

Based on the information available to the Company and within the knowledge and belief of the Directors, none of the Directors or the controlling shareholders of the Company (as defined under the GEM Listing Rules) had any business or interest which competes or may compete with the business of the Group, or had any other conflict of interest with the Group during FY2025.

REVIEW OF ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group's Auditor, Linksfield CPA Limited ("**Linksfield**"), to the amounts set out in the Group's draft consolidated financial statements for the FY2025. The work performed by Linksfield in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Linksfield on the preliminary announcement.

AUDIT COMMITTEE

The audit committee established by the Company (the "**Audit Committee**") currently comprises three independent non-executive Directors. The Audit Committee has reviewed the annual results of the Group for the year ended 31 December 2025 at a meeting held on 30 March 2026.

ANNUAL GENERAL MEETING

The annual general meeting of the Company is scheduled to be held on Friday 12 June 2026 (the “AGM”). A notice convening the AGM will be published and dispatched to the Shareholders in the manner required by the Listing Rules in due course.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 8 June 2026 to Friday, 12 June 2026 (both dates inclusive) during which period no transfer of Shares will be registered. In order to attend and vote at the AGM, all transfer of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. on Saturday, 6 June 2026.

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company’s website (www.kinetix.com.hk). The annual report for the year ended 31 December 2025 containing the information required by the GEM Listing Rules will be despatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 30 March 2026

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

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.kinetix.com.hk.