

kinetix

Kinetix Systems Holdings Limited

健冠控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8606

2026

INTERIM REPORT





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

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This report for which the directors (the “Directors” or individually a “Director”) of Kinetix Systems Holdings Limited (the “Company”, together with its subsidiaries, the “Group”, “we”, “our” or “us”) 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Yu Larry
(Chairman and Chief Executive Officer)
(formerly known as Yu Pak Lun Larry)
Mr. Law Cheung Moon
Mr. Leung Patrick Cheong Yu

Independent Non-executive Directors

Ms. Lam Shun Ka
(formerly known as Lam Yuk Shan)
Mr. Li Xiaoping
Mr. Tong Tsz Kwan

COMPANY SECRETARY

Mr. Fung Kui Kei

REGISTERED OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS

Suites 3103-3105
31/F, AIA Kowloon Tower
Landmark East
100 How Ming Street
Kwun Tong
Kowloon
Hong Kong

AUDITOR

Linksfield CPA Limited
Certified Public Accountants and
Registered Public Interest Entity Auditor
Unit 2001-2, 20th floor
Podium Plaza, 5 Hanoi Road
Tsim Sha Tsui, Kowloon

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road, Hong Kong

STOCK CODE

8606

WEBSITE

www.kinetix.com.hk



FINANCIAL HIGHLIGHTS

- The total revenue of the Group amounted to approximately HK\$233.3 million for the six months ended 30 June 2026, increased by approximately 8.1% as compared to that of the same period in 2025.
- The gross profit amounted to approximately HK\$41.7 million for the six months ended 30 June 2026, increased by approximately 9.0% as compared to that of the same period in 2025.
- The Group recorded a net profit of approximately HK\$3.4 million for the six months ended 30 June 2026, as compared to a net profit of approximately HK\$3.1 million for the six months ended 30 June 2025.
- The board of Directors (the “Board”) resolved not to recommend the payment of interim dividend for the six months ended 30 June 2026.

FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The Board hereby presents the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2026, together with the unaudited comparative figures for the corresponding period in 2025 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		Six months ended 30 June	
	Notes	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Revenue	5(a)	233,250	215,710
Cost of sales		(191,567)	(177,458)
Gross profit		41,683	38,252
Other income and gains	5(b)	816	474
Selling expenses		(9,698)	(7,457)
Administrative and general expenses		(29,246)	(26,073)
Reversal of/(Provision for) allowance for expected credit losses		179	(1,903)
Finance costs		(307)	(141)
Profit before tax	6	3,427	3,152
Income tax expenses	8	(22)	(67)
Profit for the period		3,405	3,085
Attributable to:			
Owners of the Company		3,279	2,508
Non-controlling interests		126	577
Profit for the period		3,405	3,085
		HK cents	HK cents
Earnings per share			
– Basic and diluted	10	0.23	0.17



	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Profit for the period	3,405	3,085
Other comprehensive loss <i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	(129)	(29)
Actuarial loss on long service payment obligation	–	(34)
Other comprehensive loss for the period, net of tax	(129)	(63)
Total comprehensive income for the period	3,276	3,022
Attributable to:		
Owners of the Company	3,150	2,445
Non-controlling interests	126	577
	3,276	3,022

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

		As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
	Notes		
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	11	1,785	1,649
Right-of-use assets		7,284	9,606
Deposits	12	1,622	1,575
Deposit and prepayment for a life insurance		6,442	6,615
		17,133	19,445
Current assets			
Trade and other receivables	12	108,172	122,559
Contract assets		47,673	65,145
Amount due from immediate holding company		1,067	1,067
Amounts due from non-controlling shareholders		190	190
Cash and cash equivalents		91,585	51,208
		248,687	240,169
Total assets		265,820	259,614



		As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Notes			
	Equity		
	Capital and reserves		
	Share capital	14,459	14,459
	Reserves	66,075	62,925
	Equity attributable to owners of the Company	80,534	77,384
	Non-controlling interests	(9,650)	(9,776)
	Total equity	70,884	67,608
	Liabilities		
	<i>Non-current liabilities</i>		
	Long service payment obligations	46	46
	Lease liabilities	3,863	6,036
	Deferred income tax liabilities	62	73
		3,971	6,155
	Current liabilities		
	Trade and other payables	102,567	95,602
	Contract liabilities	80,541	82,183
	Amounts due to non-controlling shareholders	3,698	3,698
	Lease liabilities	4,126	4,368
	Income tax payable	33	–
		190,965	185,851
	Total liabilities	194,936	192,006
	Total equity and liabilities	265,820	259,614

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Share capital	Share premium	Other reserve	Share-based payment reserve	Exchange reserve	Accumulated losses		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
1 January 2025 (audited)	14,459	115,948	10	3,364	(1,007)	(57,796)	74,978	64,481
Profit for the period	-	-	-	-	-	2,508	2,508	3,085
Actuarial losses arising from changes in financial assumptions	-	-	-	-	-	(34)	(34)	(34)
Exchange difference arising from translation of foreign operations	-	-	-	-	(29)	-	(29)	(29)
Total comprehensive (loss)/income for the period	-	-	-	-	(29)	2,474	2,445	3,022
30 June 2025 (unaudited)	14,459	115,948	10	3,364	(1,036)	(55,322)	77,423	67,503
1 January 2026 (audited)	14,459	115,948	10	3,364	(1,107)	(55,290)	77,384	67,608
Profit for the period	-	-	-	-	-	3,279	3,279	3,405
Exchange difference arising from translation of foreign operations	-	-	-	-	(129)	-	(129)	(129)
Total comprehensive (loss)/income for the period	-	-	-	-	(129)	3,279	3,150	3,276
30 June 2026 (unaudited)	14,459	115,948	10	3,364	(1,236)	(52,011)	80,534	70,884

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Net cash generated from operating activities	43,759	30,110
Net cash used in investing activities	(486)	(1,234)
Net cash used in financing activities	(2,764)	(3,175)
Net increase in cash and cash equivalents	40,509	25,701
Cash and cash equivalents at beginning of period	51,208	31,188
Effect of foreign exchange rate changes	(132)	(71)
Cash and cash equivalents at end of period	91,585	56,818



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. GENERAL

The Company was incorporated in the Cayman Islands on 16 September 2016 as an exempted company with limited liability. 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 while its subsidiaries' principal businesses are provision of information technology ("IT") infrastructure solutions services, IT development solutions services, and IT maintenance and support services.

2. BASIS OF PREPARATION AND PRESENTATION

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2026 has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). The principal accounting policies used in preparing the unaudited interim condensed consolidated financial statements are consistent with those adopted in the preparation of the Group's annual financial statements for the year ended 31 December 2025.

The unaudited interim condensed consolidated financial statements have been prepared under the historical cost basis and presented in Hong Kong dollars ("HK\$"). All values are rounded to the nearest thousand except when otherwise indicated. The unaudited interim condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the Company's audit committee.

3. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSS")

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are same as those applied in the preparation of the Group's annual financial statements for the year ended 31 December 2025, except for the new and amendments to HKFRSs and interpretations issued by HKICPA that are first effective for the current accounting period of the Group. There has been no significant change to the accounting policy applied in these unaudited interim condensed consolidated financial statements for the period presented as a result of adoption of these amendments.

4. SEGMENT INFORMATION

The chief operating decision makers are identified as the executive Directors of the Group. The Group has identified its operating segment based on the regular internal financial information reported to the executive Directors for their decisions about resources allocation and review of performance. For the reporting period, the executive Directors have considered the only operating segment of the Group is the provision of IT infrastructure solutions services, IT development solutions services, and IT maintenance and support services.

Geographical information

The following is an analysis of the Group's revenue by the geographical locations of customers.

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Geographical markets:		
– Hong Kong	230,757	209,526
– Macau	1,499	1,281
– Singapore	994	4,903
	233,250	215,710

Information about major customers

Revenue from customers individually contributing 10% or more of the Group's revenue are as follow:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Customer A	50,273	26,200

5. REVENUE FROM CONTRACTS WITH CUSTOMERS, OTHER INCOME AND GAINS

(a) Revenue from contracts with customers

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Revenue		
IT solutions services		
IT infrastructure solutions services	119,130	133,905
IT development solutions services	87,556	55,785
IT maintenance and support services	26,564	26,020
	233,250	215,710

Disaggregation of revenue from contracts with customers by timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the executive directors of the Company for the purposes of resource allocation and assessment of segment performance for the period is set out below.

For the six months ended 30 June 2026				
IT solutions services				
	IT infrastructure solutions services (Unaudited) HK\$'000	IT development solutions services (Unaudited) HK\$'000	IT maintenance and support services (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Disaggregated by timing of revenue recognition				
At a point in time	82,319	–	1,881	84,200
Over time	36,811	87,556	24,683	149,050
Revenue from external customers	119,130	87,556	26,564	233,250

For the six months ended 30 June 2025				
IT solutions services				
	IT infrastructure solutions services (Unaudited) HK\$'000	IT development solutions services (Unaudited) HK\$'000	IT maintenance and support services (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
Disaggregated by timing of revenue recognition				
At a point in time	92,463	–	1,934	94,397
Over time	41,442	55,785	24,086	121,313
Revenue from external customers	133,905	55,785	26,020	215,710

(b) Other income and gains

The balance mainly represents bank and other interest income, subsidies received (the “Subsidies”) and exchange gains for the six months ended 30 June 2026.

The Subsidies represents the training subsidies received from the Hong Kong SAR Government. There are no unfulfilled conditions or contingencies related to the Subsidies.

For the six months ended 30 June 2025, the balance mainly represented bank interest income.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Auditor's remuneration		
– Non-audit services	–	17
Cost of hardware and software recognised as expenses	137,001	118,663
Cost of IT solutions services*	39,652	43,221
Cost of IT maintenance and support services*	14,914	15,574
Depreciation of property, plant and equipment	350	337
Depreciation of right-of-use assets	2,345	1,598
(Reversal of)/provision for allowance for expected credit losses	(179)	1,903
Loss on disposal of property, plant and equipment	–	46
Foreign exchange differences, net	(169)	260
Premium charges on a life insurance policy	80	80
Lease payments under short-term leases for director's quarter	390	390
Retirement fund scheme contributions	1,113	1,392
Directors' fee, salaries, allowances and other benefits in kind		
– Directors of the Company	1,460	2,139
– Other staff	28,755	23,149

* Included in the above costs are subcontracting costs amounting to HK\$38,863,000 (six months ended 30 June 2025: HK\$36,814,000) for the six months ended 30 June 2026.

7. COMPENSATION OF KEY MANAGEMENT PERSONNEL AND DIRECTORS' REMUNERATION

Certain Directors received remuneration from a subsidiary comprising the Group for their appointment as directors of this subsidiary. Compensation of key management personnel of the Company during the period was as follows:

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Directors' fee	120	66
Short-term employee benefits	1,070	2,049
Post-employment benefits	270	24
Total compensation paid to key management personnel	1,460	2,139

8. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Hong Kong Profits Tax		
– Current tax	(33)	–
– Over provision in prior years	–	–
Deferred income tax	11	(67)
	(22)	(67)

Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million for both periods. Overseas taxation is calculated at tax rates applicable to jurisdictions in which the Group operates. Pursuant to the rules and regulations of the Cayman Islands, the Company was not subject to any taxation under the jurisdictions of the Cayman Islands during the relevant periods.

9. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (30 June 2025: HK\$nil).

10. EARNINGS PER SHARE

(a) Basic earnings per share

	Six months ended 30 June	
	2026 (Unaudited) HK\$'000	2025 (Unaudited) HK\$'000
Profit for the period attributable to the owners of the Company	3,279	2,508
Weighted average number of ordinary shares in issue (in thousands)	1,445,850	1,445,850
Basic earnings per share (Hong Kong cents)	0.23	0.17

(b) Diluted earnings per share

Diluted earnings 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 six months ended 30 June 2026 and 30 June 2025, diluted earnings per share is the same as the basic earnings 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 per share.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired items of property, plant and equipment with cost of approximately HK\$486,000 (six months ended 30 June 2025: approximately HK\$733,000). No property, plant and equipment were disposed of or written off during the six months ended 30 June 2026 (six months ended 30 June 2025: approximately HK\$4,000).

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Trade receivables	47,439	62,606
Unbilled receivables	23,876	35,403
Deposits	2,445	2,154
Prepayments	31,109	21,561
Prepayment for a life insurance policy	160	160
Other receivables	4,765	2,250
	109,794	124,134
Analysed as:		
Non-current portion	1,622	1,575
Current portion	108,172	122,559
	109,794	124,134

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS (CONTINUED)

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Trade receivables	56,157	76,282
Less: provision for allowance for expected credit losses	(8,718)	(13,676)
	47,439	62,606

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Unbilled receivables	23,926	35,473
Less: provision for allowance for expected credit losses	(50)	(70)
	23,876	35,403

The following is an aging analysis of trade receivables presented based on the invoice date, and net of allowance for trade receivables.

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
0–30 days	26,591	33,377
31–90 days	8,935	16,493
91–180 days	5,832	4,242
Over 180 days	6,081	8,494
	47,439	62,606

12. TRADE AND OTHER RECEIVABLES AND DEPOSITS (CONTINUED)

The above trade receivables are net of any provision for allowance for expected credit losses. Allowance for expected credit losses are estimated by using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and information available to the Group at the reporting date about the current conditions and forecast of future economic conditions.

13. SHARE CAPITAL

	Number of ordinary shares of the Company	Share capital HK\$'000
Authorised ordinary shares of HK\$0.01 each At 30 June 2026 (unaudited) and 31 December 2025 (audited)	10,000,000,000	100,000
Issued and fully paid ordinary shares of HK\$0.01 each: At 30 June 2026 (unaudited) and 31 December 2025 (audited)	1,445,849,998	14,459

14. TRADE AND OTHER PAYABLES

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
Trade payables	35,419	17,518
Accrued purchases and service costs	53,938	64,682
Amounts due to directors of subsidiaries	–	767
Other payables and accruals	13,210	12,635
	102,567	95,602

14. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aging analysis of trade payables presented based on invoice date:

	As at 30 June 2026 (Unaudited) HK\$'000	As at 31 December 2025 (Audited) HK\$'000
0–30 days	32,843	11,359
31–90 days	1,610	3,384
Over 90 days	966	2,775
	35,419	17,518

15. RELATED PARTY TRANSACTIONS

- (a) No transactions with related parties were made for the six months ended 30 June 2026 and 30 June 2025.
- (b) Details of compensation of key management personnel of the Group are included in Note 7 to the financial statements.



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 28 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 and Outlook

For the six months ended 30 June 2026 ("Interim 2026"), the Group recorded a profit of approximately HK\$3.4 million, as compared to a profit of approximately HK\$3.1 million for the six months ended 30 June 2025 ("Interim 2025"). While the Group's revenue grew by approximately 8.1% and gross profit by approximately 9.0% during Interim 2026, the profit for the period remained broadly unchanged, as the improvement in gross profit was substantially absorbed by higher operating expenses. The results for Interim 2026 were mainly attributed to the net effect of: (i) the increase in gross profit by approximately HK\$3.4 million, primarily driven by the provision of IT development solutions services; (ii) the reversal of allowance for expected credit losses of approximately HK\$0.2 million in Interim 2026, as compared to a charge of approximately HK\$1.9 million in Interim 2025, following improved collection of trade receivables; but partially offset by (iii) the increase in selling expenses by approximately HK\$2.2 million, or approximately 30.1%, mainly represented by higher selling and distribution costs; and (iv) the increase in administrative and general expenses by approximately HK\$3.2 million, or approximately 12.2%, mainly represented by higher staff costs and depreciation of right-of-use assets.

Provision of IT infrastructure solutions 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. The revenue generated from this segment in Interim 2026 amounted to approximately HK\$119.1 million, representing approximately 51.1% of the total revenue for Interim 2026. The revenue derived from this segment decreased by approximately 11.0% from approximately HK\$133.9 million for Interim 2025 to approximately HK\$119.1 million for Interim 2026. The decrease was primarily due to a reduction in the total contract value of hardware and software procurement projects delivered during Interim 2026, as certain customers deferred their infrastructure replacement programmes.

Provision of IT development solutions services

This segment provides IT development solutions services that generally include system analysis and design, software development and technology consultancy. The revenue generated from this segment accounted for approximately 37.5% of the total revenue for Interim 2026. The revenue from this segment increased by approximately 57.0% from approximately HK\$55.8 million for Interim 2025 to approximately HK\$87.6 million for Interim 2026. The increase was primarily due to the accelerated progress of project delivery and the recognition of revenue from a number of sizeable software development projects awarded to the Group during Interim 2026.



Provision of IT maintenance and support services

This segment provides IT maintenance and support services. The revenue generated from this segment amounted to approximately HK\$26.6 million, representing approximately 11.4% of the total revenue for Interim 2026. The revenue derived from this segment increased by approximately 2.1% from approximately HK\$26.0 million for Interim 2025 to approximately HK\$26.6 million for Interim 2026. The increase in revenue from this segment was primarily due to the renewal of maintenance and support contracts at higher average contract values during Interim 2026.

PROSPECTS AND OUTLOOK

In the first half of 2026, the Group continued to demonstrate resilience amid a complex and evolving global economic landscape. Building upon the profitability achieved in the previous period, the Group recorded further revenue growth and a modest improvement in gross profit margin compared to Interim 2025. However, the macroeconomic environment remains uncertain, with persistent inflationary pressures, elevated interest rates, and geopolitical tensions continuing to affect consumer sentiment and business confidence across key markets.

Looking into the second half of 2026, the Group anticipates that volatility in global financial markets, coupled with shifting consumption patterns and cautious corporate spending, may pose challenges to short-term performance. In particular, the pace of digital transformation among our clients and the evolving regulatory landscape may influence demand for our core services and IT solutions.

To navigate these uncertainties, the Group will continue to adopt a prudent and agile approach to cost management and resource allocation. Strategic flexibility will remain central to our operations, enabling us to respond swiftly to market changes while safeguarding profitability and operational sustainability. The Group will also reinforce its risk management framework to mitigate potential disruptions and ensure business continuity.

Meanwhile, the Group remains committed to strengthening its core competencies and expanding its portfolio of value-added IT solutions. By leveraging our industry expertise and technological capabilities, we aim to capture emerging opportunities in areas such as cloud integration, AI-driven analytics, and enterprise automation. These initiatives are expected to enhance our service offerings and diversify revenue streams, contributing to long-term growth and shareholder value.

FINANCIAL REVIEW

Revenue

The Group's revenue for Interim 2026 amounted to approximately HK\$233.3 million, representing an increase of approximately HK\$17.5 million or 8.1% compared to Interim 2025 (2025: approximately HK\$215.7 million). The increase was attributable to (i) the increase in the revenue generated from provision of IT development solutions services by approximately HK\$31.8 million; (ii) the increase in the revenue generated from provision of IT maintenance and support services by approximately HK\$0.5 million but was partially offset by (iii) the decrease in the revenue generated from provision of IT infrastructure solutions services by approximately HK\$14.8 million. By geographical market, revenue from Hong Kong increased by approximately HK\$21.2 million while revenue from Singapore decreased by approximately HK\$3.9 million, reflecting the completion of a major project in that market during the prior period.



Gross profit and gross profit margin

The gross profit of the Group increased by approximately 9.0% from approximately HK\$38.3 million for Interim 2025 to approximately HK\$41.7 million for Interim 2026 as the increase was mainly attributable to the increase in gross profit of provision of IT development solutions services. The gross profit margin of the Group increased slightly from approximately 17.7% for Interim 2025 to approximately 17.9% for Interim 2026. Such increase was mainly attributable to (i) a shift in the Group's revenue mix towards provision of IT development solutions services and provision of IT maintenance and support services, which carry higher gross profit margins of approximately 19.9% and 43.9% respectively, as compared to provision of IT infrastructure solutions services at approximately 10.6%; and (ii) the decrease in direct staff costs of approximately HK\$6.3 million, or approximately 28.6%, following a reallocation of project delivery resources during Interim 2026.

Selling expenses

For Interim 2026, the Group's selling expenses amounted to approximately HK\$9.7 million, representing an increase of approximately HK\$2.2 million or 30.1% as compared to Interim 2025 of approximately HK\$7.5 million. Such increase was in line with the growth in revenue and the mix of projects secured during Interim 2026.

Administrative and general expenses

The Group's administrative and general expenses for Interim 2026 amounted to approximately HK\$29.2 million, representing an increase of approximately HK\$3.2 million or 12.2% as compared to Interim 2025 (2025: approximately HK\$26.1 million). Such increase was mainly attributed to (i) the increase in staff costs of administrative and support functions by approximately HK\$3.9 million following salary adjustments and increase in headcount, and (ii) the increase in depreciation of right-of-use assets by approximately HK\$0.7 million following the relocation of our office in Hong Kong; but partially offset by (iii) the net decrease in other administrative and general expenses by approximately HK\$1.4 million.

Profit and total comprehensive income for the period

The Group recorded a profit of approximately HK\$3.4 million for Interim 2026, as compared to a profit of approximately HK\$3.1 million for Interim 2025. The profit for Interim 2026 was mainly attributed to the net effect of: (i) the increase in gross profit by approximately HK\$3.4 million mainly represented by the increase in gross profit in the provision of IT development solutions services; (ii) the reversal of allowance for expected credit losses of approximately HK\$0.2 million for Interim 2026, as compared to a charge of approximately HK\$1.9 million for Interim 2025; and (iii) the increase in other income and gains by approximately HK\$0.3 million; but partially offset by (iv) the increase in administrative and general expenses by approximately HK\$3.2 million mainly represented by higher staff costs and depreciation of right-of-use assets, and (v) the increase in selling expenses by approximately HK\$2.2 million mainly represented by higher selling and distribution costs.

The total comprehensive income for Interim 2026 recorded of approximately HK\$3.3 million compared to the total comprehensive income for Interim 2025 recorded of approximately HK\$3.0 million, which include an exchange difference arising on translation of a subsidiaries in Shanghai and Singapore.



Liquidity and financial resources

The Group financed its operations primarily through cash generated from its operating activities. As at 30 June 2026, the Group had cash and cash equivalents of approximately HK\$91.6 million (31 December 2025: approximately HK\$51.2 million), which were cash at banks and in hand. As at 30 June 2026, the Group did not have any bank borrowings (31 December 2025: nil). The Group has a credit facility from the Bank of East Asia of HK\$10.0 million as at 30 June 2026 (31 December 2025: HK\$10.0 million), which are secured by a deed of assignment over life insurance policy purchased for the Company's director and a corporate guarantee of HK\$31.0 million plus interest and other charges provided by the Company.

The Group's gearing ratio, which was calculated by total debt (defined as bank and other debts incurred not in the ordinary course of business) divided by total equity, was nil as at 30 June 2026 (31 December 2025: nil), as the Group had no bank borrowings outstanding at either date.

Capital structure

As at 30 June 2026, the capital structure of the Company comprised issued share capital and reserves.

SIGNIFICANT INVESTMENTS

During Interim 2026, the Group did not hold any significant investment in equity interest in any other company.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES AND JOINT VENTURES

During Interim 2026, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group had a total of 157 employees (30 June 2025: 148). Total staff costs were approximately HK\$42.3 million for Interim 2026, as compared to approximately HK\$47.7 million for Interim 2025.

Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market condition and performance of the Group and individual staff (including the Directors). The remuneration policy and remuneration packages of the executive Directors and members of the senior management of the Group are reviewed by the Remuneration Committee.

SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) is a share incentive scheme prepared in accordance with Chapter 23 of the GEM Listing Rules. The Share Option Scheme was adopted on 22 June 2018.

Details of the movement in the share options granted under the Scheme for the six months ended 30 June 2026 are as follows:

Name or category of participants	Date of grant and vesting date of share options	Exercise period of share options granted	Exercise price of share options (HK\$ per share)	Number of share options					
				At 1 January 2026	Granted during the Interim 2026	Exercised during the Interim 2026	Lapsed during the Interim 2026	Cancelled during the Interim 2026	Outstanding as at 30 June 2026
Executive Directors									
Mr. Yu Larry	16 August 2021	16 August 2021 – 15 August 2031	0.152	987,826	–	–	–	–	987,826
Mr. Law Cheung Moon	20 August 2021	20 August 2021 – 19 August 2031	0.154	735,725	–	–	–	–	735,725
Mr. Leung Patrick Cheong Yu	20 August 2021	20 August 2021 – 19 August 2031	0.154	735,725	–	–	–	–	735,725
Chief Executive									
Mr. Lam Tai Wai David	16 August 2021	16 August 2021 – 15 August 2031	0.152	9,878,261	–	–	–	–	9,878,261
Other Employees									
	16 August 2021	16 August 2021 – 15 August 2031	0.152	9,878,261	–	–	–	–	9,878,261
Other Employees									
	20 August 2021	20 August 2021 – 19 August 2031	0.154	4,043,912	–	–	–	–	4,043,912
				26,259,710	–	–	–	–	26,259,710

Note: Consideration of HK\$1 was paid by each of the grantees on their acceptance of the share options granted.



The maximum number of shares of the Company available for issuance upon exercise of all share options under the Share Option Scheme is 26,259,710, representing approximately 1.82% of the issued shares of the Company as at 1 January 2026 and 30 June 2026. As at 1 January 2026 and 30 June 2026, the available share options under the mandate limit of the Share Option Scheme is Nil.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

There was no other plan for material investments or capital assets as at 30 June 2026.

CHARGES ON GROUP ASSETS

As at 30 June 2026, except for the banking facilities which are secured by a deed of assignment over life insurance policy purchased for the Company's director and the 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 (31 December 2025: HK\$31.0 million).

EXPOSURE TO EXCHANGE RATE FLUCTUATION

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, Singapore and PRC with most of the transactions denominated and settled in HKD, SGD, USD and RMB. During Interim 2026, the Group's exposure to foreign currency risk primarily arose from certain financial instruments including trade receivables, cash and cash equivalents and trade payables which are denominated in USD, SGD and RMB. During Interim 2026 and Interim 2025, 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 Interim 2026 and Interim 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During Interim 2026, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group had no material contingent liabilities, nor was aware of any pending or potential material legal proceedings involving the Group.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at 30 June 2026, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which will be required to notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, are as follows:

The Company

Directors/ Chief Executive	Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of interest in the Company
Mr. Yu Larry	Interest in controlled corporations ⁽²⁾	459,810,000 ordinary shares (L)	31.80%
	Beneficial owner	987,826 ordinary shares (L) ⁽³⁾	0.07%
Mr. Law Cheung Moon	Beneficial owner	735,725 ordinary shares (L) ⁽³⁾	0.05%
Mr. Leung Patrick Cheong Yu	Beneficial owner	735,725 ordinary shares (L) ⁽³⁾	0.05%
Mr. Lam Tai Wai David	Beneficial owner	9,878,261 ordinary shares (L) ⁽³⁾	0.68%



Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in the Shares.
- (2) The Company is held as to approximately 31.80% by Vigorous King Limited, which in turn is held as to 100% by Mr. Yu Larry.
- (3) These shares are derived from the interests in share options granted by the Company pursuant to the Share Option Scheme adopted by the Company on 22 June 2018.

The interests of the directors and chief executive in the share options of the Company are separately disclosed under the heading "Share Option Scheme" above.

Associated Corporation – Vigorous King Limited

Director	Nature of interest	Number and class of securities in associated corporation	Approximate shareholding percentage
Mr. Yu Larry	Beneficial owner	1 ordinary share	100%

Save as disclosed above, as at 30 June 2026, none of the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or which will be required to notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June 2026 so far as the Directors were aware, the following persons/entities (other than the Directors and the chief executive of the Company) had an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

The Company

Shareholders	Capacity/ Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of interest in the Company
Vigorous King Limited ⁽²⁾	Beneficial owner	459,810,000 ordinary shares (L)	31.80%
Ms. Tong Po Ki Vicky ⁽³⁾	Interest of spouse	460,797,826 ordinary shares (L)	31.87%
Ms. Yiu Wai Ki	Beneficial owner	73,400,000 ordinary shares (L)	5.08%
Mr. Leung Wan Hung ⁽⁴⁾	Interest of spouse	73,400,000 ordinary shares (L)	5.08%
Mr. Lam Sze Chun Jackson	Beneficial owner	134,350,000 ordinary shares (L)	9.29%
Goldlink Hong Kong Investment Limited ⁽⁵⁾	Beneficial owner	50,000,000 ordinary shares (L)	3.46%
Rich Trend Hong Kong Investment Limited ⁽⁶⁾	Beneficial owner	50,000,000 ordinary shares (L)	3.46%

Notes:

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in the ordinary shares.
- (2) Vigorous King Limited is held as to 100% by Mr. Yu Larry. Therefore, Mr. Yu Larry is deemed to be interested in the ordinary shares which Vigorous King Limited is interested in by virtue of the SFO.
- (3) Ms. Tong Po Ki Vicky is the spouse of Mr. Yu Larry. Therefore, Ms. Tong is deemed to be interested in the ordinary shares which Mr. Yu Larry is interested in by virtue of the SFO.
- (4) Mr. Leung Wan Hung is the spouse of Ms. Yiu Wai Ki. Therefore, Mr. Leung is deemed to be interested in the ordinary shares which Ms. Yiu Wai Ki is interested in by virtue of the SFO.
- (5) Goldlink Hong Kong Investment Limited is held as to 100% by Mr. Lam Sze Chun Jackson. Therefore, Mr. Lam is deemed to be interested in the ordinary shares which Goldlink Hong Kong Investment Limited is interested in by virtue of the SFO.
- (6) Rich Trend Hong Kong Investment Limited is held as to 100% by Mr. Lam Sze Chun Jackson. Therefore, Mr. Lam is deemed to be interested in the ordinary shares which Rich Trend Hong Kong Investment Limited is interested in by virtue of the SFO.

Save as disclosed above, as at 30 June 2026, the Directors were not aware of any persons who/entities which had an interest or short position in the ordinary shares or underlying ordinary shares, which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

REQUIRED STANDARD FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted its code of conduct regarding the Directors’ securities transactions on terms no less exacting than the required standard of dealings concerning securities transaction by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Code of Conduct”) as its own code governing securities transactions of the Directors, and after having made specific enquiry to all of the Directors, the Directors are satisfied that the required standard set out in the Code of Conduct and its code of conduct regarding the Directors’ securities transactions have been fully complied with, throughout the accounting period covered by this report.



CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 to the GEM Listing Rules and, in the opinion of the Board, the Company has complied with the CG Code for Interim 2026, save for the deviation from such code disclosed below.

The CG Code in Appendix C1 to the GEM Listing Rules provision C.2.1 provides that 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 circumstances.

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 any 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 of Association of the Company. 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 information technology 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.

Save for the deviations as mentioned above, the Board is satisfied that the Company had complied with all the code provisions of the CG Code since the Listing Date up to the date of this report.

INTERESTS IN COMPETING BUSINESS

During the Interim 2026, the Directors were not aware of any business or interest of the Directors, the controlling shareholders of the Company and their respective close associates that had competed or might compete with the business of the Group and any other conflicts of interests which any such person had or might have with the Group.

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 30 June 2026 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 30 June 2026, 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 30 June 2026 HK\$ million	Amount actually used up to 30 June 2026 HK\$ million	Balance as at 30 June 2026 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 30 June 2026, 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 2026, 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 utilize 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 utilizing 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 utilization 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 favorably 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.



AUDIT COMMITTEE

The Group has established an audit committee (the “Audit Committee”) on 22 June 2018 in compliance with Rule 5.28 of the GEM Listing Rules. Written terms of reference in compliance with code provision D.3.3 of the Code has been adopted. Among other things, the primary duties of the Audit Committee are to make recommendations to the Board on appointment, reappointment and removal of external auditor, to review financial statements of the Company and make judgments in respect of financial reporting; and to oversee the effectiveness of the internal control procedures of the Group.

The audit committee of the Company has reviewed with the management accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters including the review of the unaudited financial statements of the Group for the six months ended 30 June 2026 and this report, and is of the view that such statements have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

DIVIDENDS

The Board has resolved not to declare dividend for the six months ended 30 June 2026.

DISCLOSURE OF INFORMATION

This report will also be published on the websites of both the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kinetix.com.hk>) and shall be despatched to the shareholders timely and properly.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

Save as elsewhere disclosed in this report, there is no important event after Interim 2026.

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

Hong Kong, 28 August 2026