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## **Kinetic Development Group Limited**

**力量發展集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1277)**

### **SUPPLEMENTAL ANNOUNCEMENT DISCLOSEABLE AND CONNECTED TRANSACTION ACQUISITION OF TARGET PROPERTIES AND EQUITY INTERESTS**

References are made to the announcements of the Company dated 2 May 2022 and 12 July 2022.

On 29 April 2022, the Original Vendors entered into the Property Purchase Agreement with the Purchaser, an indirect wholly-owned subsidiary of the Company, pursuant to which the Original Vendors agreed to sell, and the Purchaser agreed to purchase, the Original Properties for the consideration of RMB769,014,000.

On 12 July 2022, the Purchaser entered into a Supplemental Agreement with the Vendors and the Terminating Vendors, pursuant to which, among other things, the Vendors agreed to sell, and the Purchaser agreed to purchase, the Target Properties, which represented adjustment to the scope of the Original Properties, for a consideration of RMB809,480,000. In addition, pursuant to the Supplemental Agreement, the rights and obligations of the Terminating Vendors and the Purchaser under the Property Purchase Agreement are terminated with effect from the date of the Supplemental Agreement, which effectively replaced the Property Purchase Agreement.

The Board announces that, on 1 December 2023, the Purchaser entered into the Second Supplemental Agreement with the Vendors and Taiyuan Hetai, pursuant to which, among others, (i) the Terminated Properties would no longer be sold to the Purchaser, and (ii) Wuxi Shidi, one of the Vendors, has agreed to sell, and the Purchaser has agreed to acquire, 100% equity interest in Taiyuan Hetai for the consideration of RMB220,000,000 (the “**Equity Consideration**”), and Wuxi Shidi and the Purchaser have entered into the Share Transfer Agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Hetai. Save as varied by the Second Supplemental Agreement by the Vendors and the Purchaser, the other provisions of the Supplement Agreement shall continue in full force and effect.

The Directors (excluding the independent non-executive Directors reserve their views pending receipt of advice from the Independent Financial Adviser) consider that the terms of the Second Supplemental Agreement, including the Equity Consideration, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendors are ultimately beneficially owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling shareholder of the Company, as to respectively 100% (with regards to Vendor 1, Vendor 4 and Vendor 5); 98% (with regards to Vendor 3); 90% (with regards to Vendor 2); and 95% (with regards to Vendor 6). As such, the Vendors are associates of Mr. Zhang Liang, Johnson thus connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition constitutes a connected transaction of the Company under the Listing Rules and is subject to the announcement, reporting, and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM for the Independent Shareholders to consider and approve, if thought fit, the Second Supplemental Agreement and the transaction contemplated therein. Mr. Zhang Liang, Johnson, Mr. Zhang Li and their respective associates will abstain from voting at the EGM. An Independent Board Committee of the Company will be formed to advise the Independent Shareholders in respect of the Second Supplemental Agreement and the transaction contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

A circular containing, among other things, (i) further details of the Second Supplemental Agreement and the transactions thereunder; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; and (iv) a notice to convene the EGM, will be dispatched to the Shareholders as soon as possible and is currently expected to be on or before 20 May 2024, to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

*As completion of the Acquisition is subject to Independent Shareholder's approval, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.*

## **INTRODUCTION**

References are made to the announcements of the Company dated 2 May 2022 and 12 July 2022. On 29 April 2022, the Original Vendors entered into the Property Purchase Agreement with the Purchaser, an indirect wholly-owned subsidiary of the Company, pursuant to which the Original Vendors agreed to sell, and the Purchaser agreed to purchase, the Original Properties for the consideration of RMB769,014,000. On 12 July 2022, the Purchaser entered into a Supplemental Agreement with the Vendors and the Terminating Vendors, pursuant to which, among other things, the Vendors agreed to sell, and the Purchaser agreed to purchase, the Target Properties, which represented adjustment to the scope of the Original Properties, for a consideration of RMB809,480,000. In addition, pursuant to the Supplemental Agreement, the rights and obligations of the Terminating Vendors and the Purchaser under the Property Purchase Agreement are terminated with effect from the date of the Supplemental Agreement, which effectively replaced the Property Purchase Agreement.

The Board announces that, on 1 December 2023, the Purchaser entered into the Second Supplemental Agreement with the Vendors and Taiyuan Hetai, pursuant to which, among others, (i) the Terminated Properties would no longer be sold to the Purchaser, and (ii) Wuxi Shidi, one of the Vendors, has agreed to sell, and the Purchaser has agreed to acquire, 100% equity interests in Taiyuan Hetai, and Wuxi Shidi and the Purchaser have entered into the Share Transfer Agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Hetai. Save as varied by the Second Supplemental Agreement by the Vendors and the Purchaser, the other provisions of the Supplement Agreement shall continue in full force and effect.

## THE ACQUISITION

The principal terms of the Second Supplemental Agreement are set out below:

**Date:** 1 December 2023

**Parties:** The Purchaser, the Vendors and Taiyuan Hetai

**Scope of Terminated Properties:** The Purchaser and the Vendors agreed that the following Target Properties as set out in the Property Purchase Agreement as amended by the Supplemental Agreement are no longer offered for sale to the Purchaser (the “**Terminated Properties**”):

- (i) 1 unit located in Dong Bao District\* (東寶區), Jingmen, Hubei Province, with a building area of approximately 4,787 square meters currently held by Vendor 3;
- (ii) 2 units located in Huishan District\* (惠山區), Wuxi, Jiangsu Province, with a building area of approximately 4,072 square meters currently held by Vendor 5; and
- (iii) 77 units in Buildings No. 34 and No. 35 located in land No. 104C of Wuhan Economic and Technological Development Zone\* (武漢高新技術開發區), Wuhan, Hubei Province, with an aggregate building area of approximately 9,231 square meters currently held by Vendor 1.

**Proposed acquisition of 100% equity interests in Taiyuan Hetai:** Wuxi Shidi agreed to sell, and the Purchaser agreed to acquire 100% equity interest in Taiyuan Hetai for the consideration of RMB220,000,000 (the “**Equity Consideration**”), and the Purchaser and Wuxi Shidi have entered into the Share Transfer Agreement detailing the terms of such acquisition of equity interests. The closing of such acquisition (the “**Closing**”) shall take place when registration with the relevant market regulation authority in the PRC has been completed. Wuxi Shidi and the Purchaser have agreed that the Equity Consideration shall be set off against the amount paid by the Purchaser for the purchase of Terminated Properties of RMB218,250,000 (the “**Paid Amount**”), and the Purchaser is not required to pay the Equity Consideration to Wuxi Shidi at the Closing.

The principal terms of the Share Transfer Agreement are set out below:

<b>Date:</b>	1 December 2023
<b>Parties:</b>	The Purchaser and Wuxi Shidi
<b>Assets to be acquired:</b>	100% equity interests in Taiyuan Hetai
<b>Consideration:</b>	The Equity Consideration for the Acquisition is RMB220,000,000.
<b>Payment terms and source of funding:</b>	The Equity Consideration shall be set off against the Paid Amount, and the Purchaser is not required to pay the Equity Consideration to Wuxi Shidi at the closing of the Acquisition.
<b>Closing of the Acquisition:</b>	The Closing shall take place when registration with the relevant market regulation authority in the PRC has been completed.
<b>Warranties given by Wuxi Shidi:</b>	Wuxi Shidi provided customary warranties including on its capacity to enter into the agreement, title to the Target Shares and the authenticity and accuracy of information provided to the Purchaser in relation to the sale of the equity interests.
<b>Conditions precedent to Closing:</b>	<p>The Closing shall not take place until all the following conditions have been fulfilled or waived by the Purchaser in writing:</p> <ul style="list-style-type: none"><li>(i) all requisite approvals (including but not limited to approvals from the shareholders and/or Stock Exchange) and consents from third-party creditors (if applicable) have been obtained;</li><li>(ii) the pledge over the Target Shares has been discharged;</li><li>(iii) the Purchaser is satisfied with the due diligence results on Taiyuan Hetai (including but not limited to financial, legal, and commercial due diligence).</li></ul>

**Termination of the Share Transfer Agreement:**

Unless otherwise agreed in the Share Transfer Agreement, the Share Transfer Agreement shall be terminated upon the occurrence of the following circumstances:

- (i) both parties agree to terminate the Share Transfer Agreement;
- (ii) the purpose of the Share Transfer Agreement could not be achieved due to force majeure.

**BASIS OF DETERMINATION OF CONSIDERATION**

The Equity Consideration was arrived at after arm's length negotiations between the Purchaser and Wuxi Shidi with reference to the valuation of 100% equity interests in Taiyuan Hetai at RMB221,985,000 as at 31 August 2023 according to the valuation report prepared by the Independent Valuer using the asset-based approach.

In addition, given that the Target Shares are subject to a pledge provided as security in favour of Huarong Rongde for the Debt, after completion of all relevant regulatory approvals applicable to the Acquisition, the Purchaser intends to enter into an agreement with Huarong Rongde to become one of the obligators to settle the Debt up to RMB380,000,000 so that Huarong Rongde will discharge the pledge over the Target Shares.

As informed by Wuxi Shidi, the original acquisition cost of Taiyuan Hetai was approximately RMB853,700,000 with reference to the valuation of the land, which was the main asset of Taiyuan Hetai at that time.

**INFORMATION ON TAIYUAN HETAI**

Taiyuan Hetai is a limited liability company established in the PRC and a wholly-owned subsidiary of Wuxi Shidi. It principally engages in real estate development and sales business and is currently developing the Ziteng Project. The Ziteng Project is located in Taiyuan Hi-Tech Industrial Development Zone\* (太原高新技術產業開發區), mainly focusing on the development of commercial buildings with small units of 38–110 square meters. The Ziteng Project includes 12 buildings, ground-level shops and underground garages with a total building area of approximately 296,500 square meters. The Ziteng Project is currently under construction and is expected to be completed by the end of 2024. Taiyuan Hetai owns 100% equity interest in Taiyuan Shirui, a limited liability company established in the PRC with main business in real estate development and sales. As of the date of this announcement, Taiyuan Shirui has no real estate project under development.

According to the unaudited consolidated management accounts of Taiyuan Hetai, (i) the net losses before and after taxation and extraordinary items for the 12 months ended 31 December 2021 were RMB129,099,000 and RMB127,514,000 respectively; and (ii) the net losses before and after taxation and extraordinary items for the 12 months ended 31 December 2022 were RMB15,855,000 and RMB11,891,000 respectively. The consolidated total assets of Taiyuan Hetai as of 31 August 2023 were approximately RMB1,303,467,000.

## **INFORMATION ON THE GROUP AND PARTIES INVOLVED IN THIS TRANSACTION**

The Group is principally engaged in the extraction and sales of coal products.

The Purchaser is a limited liability company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company. It principally engages in the wholesale and retail of coal products, metals and metal mines, machinery and equipment and hardware products, import of coal, warehousing, and leasing and management of its own properties.

The Vendors are companies incorporated in the PRC with limited liability and principally engage in real estate development and property management. As of the date of this announcement, the Vendors are ultimately beneficially owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling shareholder of the Company, as to respectively 100% (with regards to Vendor 1, Vendor 4 and Vendor 5); 98% (with regards to Vendor 3); 90% (with regards to Vendor 2); and 95% (with regards to Vendor 6).

Taiyuan Hetai is a limited liability company established in the PRC and a wholly-owned subsidiary of Wuxi Shidi. It principally engages in real estate development and sales business and is currently developing the Ziteng Project. As of the date of this announcement, Taiyuan Hetai is ultimately beneficially owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling shareholder of the Company. Taiyuan Hetai owns 100% equity interest in Taiyuan Shirui, a limited liability company established in the PRC with main business in real estate development and sales.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As at the date of this announcement, the Purchaser has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the purchase of Target Properties pursuant to the Property Purchase Agreement as amended by the Supplemental Agreement. However, the overall progress of the property registration procedures in relation to the Target Properties, including in particular the Terminated Properties for which the Paid Amount of RMB218,250,000 has been paid, have been significantly delayed and not yet been completed as at the date of this announcement. To protect and safeguard the interests of the Purchaser, the Vendors and the Purchaser have agreed that the Terminated Properties will no longer be sold to the Purchaser. Instead, the Paid Amount will be set off against the consideration for the acquisition of 100% equity interest in Taiyuan Hetai. Arrangement to protect and safeguard the remaining amount of the consideration paid under the Property Purchase Agreement as amended by the Supplemental Agreement is under further discussion.

Taiyuan Hetai is a limited liability company established in the PRC and a wholly-owned subsidiary of Wuxi Shidi. It principally engages in real estate development and sales business and is currently developing the Ziteng Project. Besides, Taiyuan Hetai holds 100% equity interests in Taiyuan Shirui, a limited liability company established in the PRC with main business in real estate development and sales. The Company may benefit from the future operation and management of Taiyuan Hetai by acquiring its 100% equity interests, taking into account the prospects of Taiyuan Hetai. In addition, after completion of all relevant

regulatory approvals applicable to the Acquisition, the Purchaser intends to enter into an agreement with Huarong Rongde to become one of the obligators to settle the Debt so that Huarong Rongde will discharge the pledge over the Target Shares. The Target Shares will be free from any encumbrance at completion, which will bring certainty and more flexibility to the Group in respect of the future planning in respect of the Ziteng Project.

The terms and conditions of the Second Supplemental Agreement are negotiated on an arm's length basis between the Purchaser, the Vendors and Taiyuan Hetai. The Directors (excluding the independent non-executive Directors whose view will be given upon receiving the advice from the Independent Financial Adviser) consider that the terms of the Second Supplemental Agreement, including the Equity Consideration, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Ms. Zhang Lin, a non-executive Director, being an associate of Mr. Zhang Liang, Johnson, has abstained from voting on the Board meeting approving the Second Supplemental Agreement in accordance with the articles of association of the Company.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendors are ultimately beneficially owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling shareholder of the Company, as to respectively 100% (with regards to Vendor 1, Vendor 4 and Vendor 5); 98% (with regards to Vendor 3); 90% (with regards to Vendor 2); and 95% (with regards to Vendor 6). As such, the Vendors are associates of Mr. Zhang Liang, Johnson thus connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transaction contemplated under the Second Supplemental Agreement constitutes a connected transaction of the Company under the Listing Rules and is subject to the announcement, reporting, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM for the Independent Shareholders to consider and approve, if thought fit, the Second Supplemental Agreement and the transaction contemplated therein. Mr. Zhang Liang, Johnson, Mr. Zhang Li and their respective associates will abstain from voting at the EGM. An Independent Board Committee of the Company will be formed to advise the Independent Shareholders in respect of the Second Supplemental Agreement and the transaction contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.



## GENERAL

A circular containing, among other things, (i) further details of the Second Supplemental Agreement and the transactions thereunder; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Acquisition; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition; and (iv) a notice to convene the EGM, will be dispatched to the Shareholders as soon as possible and is currently intended to be on or before 20 May 2024, to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

*As completion of the Acquisition is subject to Independent Shareholder's approval, the Acquisition may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.*

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the proposed acquisition of 100% equity interest in Taiyuan Hetai pursuant to the terms of the Second Supplemental Agreement;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Kinetic Development Group Limited (formerly known as Kinetic Mines and Energy Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Debt”	the debt which was used for Ziteng Project including the principal amount owed to Huarong Rongde by Taiyuan Hetai, the default interest arising from the delay in repayment of the principal amount and other costs and fees incurred, in aggregate amounting to not more than approximately RMB380,000,000;
“Directors”	the director(s) of the Company;
“EGM”	the extraordinary general meeting to be convened to approve the Second Supplemental Agreement and the transactions thereunder;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

“Huarong Rongde”	Huarong Rongde Asset Management Co. Ltd (華融融德資產管理有限公司), an asset management company incorporated in the PRC with limited liability;
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive directors;
“Independent Financial Adviser”	China Sunrise Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong), being the independent financial adviser to advise the Independent Board Committee, in relation to the Second Supplemental Agreement and the transaction thereunder;
“Independent Shareholder(s)”	Shareholders other than (i) Mr. Zhang Liang, Johnson, who is considered to have a material interest in, are interested in or involved in the Second Supplemental Agreement and the transaction thereunder, (ii) Mr. Zhang Li, being an associate of Mr. Zhang Liang, Johnson;
“Independent Valuer”	Asia-Pacific Consulting and Appraisal Limited, an independent valuer appointed by the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Original Properties”	the target properties located in Wuhan, Jingmen, Tianjin, Huizhou and Qingdao, the details of which are set out in the “Information on the Target Properties” section in the announcement dated 2 May 2022;
“Original Vendors”	the vendors as disclosed in the announcement dated 2 May 2022, namely (i) the Terminating Vendors and (ii) Vendor 1, Vendor 2 and Vendor 3;
“PRC”	The People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Property Purchase Agreement”	the agreement on sale and purchase of properties entered into between the Original Vendors and the Purchaser on 29 April 2022;
“Purchaser”	Kinetic (Qinhuangdao) Energy Co., Ltd.* (力量(秦皇島)能源有限公司), a company incorporated in the PRC with limited liability on 4 August 2011 and an indirectly wholly-owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;

“Second Supplemental Agreement”	the second supplemental agreement entered into between the Purchaser, the Vendors and Taiyuan Hetai on 1 December 2023;
“Seedland”	Guangzhou Seedland Real Estate Development Co., Ltd (實地地產集團有限公司), a company incorporated in the PRC with limited liability and 100%-owned by Mr. Zhang Liang, Johnson;
“Share(s)”	ordinary share(s) with a nominal value of US\$0.001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of share(s) of US\$0.001 each in the share capital of the Company;
“Share Transfer Agreement”	the share transfer agreement dated 1 December 2023 entered into between Wuxi Shidi and the Purchaser in relation to purchase of 100% equity interests in Taiyuan Hetai;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement entered into between the Purchaser, the Terminating Vendors and the Vendors on 12 July 2022;
“Taiyuan Hetai”	Taiyuan Hetai Shengrui Real Estate Co., Ltd. (太原和泰盛瑞置業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Wuxi Shidi;
“Taiyuan Shirui”	Taiyuan Shirui Real Estate Co., Ltd.(太原實瑞置業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Taiyuan Hetai;
“Target Properties”	the target properties located in Wuhan, Jingmen, Qingdao, Zhongshan, Wuxi and Zunyi, the details of which are set out in the “Information on the Target Properties” section in the announcement of the Company dated 12 July 2022;
“Target Shares”	the shares of Taiyuan Hetai;
“Terminating Vendors”	the vendors to the Property Purchase Agreement whose rights and obligations shall be terminated pursuant to the Supplemental Agreement, namely, (i) Qingdao Shihaoxing Real Estate Co., Ltd.* (青島實昊星置業有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland; (ii) Huizhou Guopeng Color Printing Co., Ltd.* (惠州市國鵬彩印有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland; and (iii) Tianjin Jinhewan Real Estate Co., Ltd.* (天津金河灣置業有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;

“US\$”	United States dollar, the lawful currency of United States;
“Vendor 1”	Wuhan Pingan Zhongxin Real Estate Co., Ltd.* (武漢平安中信置業有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland;
“Vendor 2”	Qingdao Shilu Ocean Big Data Investment Development Co., Ltd.* (青島實錄海洋大數據投資開發有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;
“Vendor 3”	Jingmen Shiqiang Real Estate Co., Ltd.* (荊門實強房地產置業有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;
“Vendor 4”	Zhongshan Shidi Real Estate Development Co., Ltd.* (中山實地房地產開發有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of Seedland;
“Vendor 5” or “Wuxi Shidi”	Wuxi Shidi Real Estate Development Co., Ltd. * (無錫實地房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland;
“Vendor 6”	Zunyi Shidi Real Estate Development Co., Ltd.* (遵義實地房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;
“Vendors”	the vendors of the Target Properties, namely, Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5 and Vendor 6;
“%”	per cent.

\* *The English translation of the Chinese name(s) in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

By Order of the Board  
**Kinetic Development Group Limited**  
**Ju Wenzhong**  
*Chairman and Executive Director*

Hong Kong, 1 December 2023

*As at the date of this announcement, the board of directors of the Company comprises seven directors, of whom three are executive directors, namely Mr. Ju Wenzhong (Chairman), Mr. Li Bo (Chief Executive Officer) and Mr. Ji Kunpeng; one is a non-executive director, namely Ms. Zhang Lin; and three are independent non-executive directors, namely Ms. Liu Peilian, Mr. Chen Liangnuan and Ms. Xue Hui.*