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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)

CONNECTED TRANSACTION ACQUISITION OF 2024 TARGET PROPERTIES AND LETTER OF INTENT

INTRODUCTION

References are made to the announcements of the Company dated 2 May 2022, 12 July 2022, 1 December 2023, 12 December 2023, 7 February 2024 and 3 June 2024 (the “**Announcements**”), and to the circulars of the Company dated 30 September 2022 and 21 February 2024 (the “**Circulars**”).

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

On 12 July 2022, Kinetic Qinhuangdao entered into the Supplemental Agreement with the Vendors and the 2022 Terminated Vendors, pursuant to which, among others, the Vendors agreed to sell, and Kinetic Qinhuangdao agreed to purchase, the 2022 Adjusted Properties, which represented an adjustment to the scope of the Original Properties, for the consideration of RMB809,480,000. In addition, pursuant to the Supplemental Agreement, the rights and obligations between the 2022 Terminated Vendors and Kinetic Qinhuangdao under the 2022 Property Purchase Agreement are terminated with effect from the date of the Supplemental Agreement, which effectively replaced the 2022 Property Purchase Agreement.

On 1 December 2023, Kinetic Qinhuangdao entered into the Second Supplemental Agreement with the Vendors and Taiyuan Hetai, pursuant to which, among others, (i) the 2023 Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) Wuxi Shidi (Vendor 5) has agreed to sell, and Kinetic Qinhuangdao has agreed to acquire, 100% equity interests in Taiyuan Hetai for the consideration of RMB220,000,000, and Wuxi Shidi and Kinetic Qinhuangdao have entered into a share transfer agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Hetai. Accordingly, the Second Supplemental Agreement removed the 2023 Terminated Properties from the scope of the properties to be acquired by Kinetic Qinhuangdao from the Vendors. The acquisition of Taiyuan Hetai contemplated under the Second Supplemental Agreement has been completed on 3 June 2024.

As at the date of this announcement, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the purchase of 2023 Adjusted Properties, among which the registrations of the properties with the total consideration of approximately RMB583,000,000 have not yet been completed (the “**Pre-existing Outstanding Paid Amount**”).

THIRD SUPPLEMENTAL AGREEMENT

The Board is pleased to announce that, on 6 June 2024 (after trading hours), Kinetic Qinhuangdao entered into the Third Supplemental Agreement with the 2024 Agreement Vendors and Guangzhou Hengyi, pursuant to which, among others, (i) Guangzhou Hengyi transferred the 2024 Target Properties to Kinetic Qinhuangdao for a total consideration of RMB45,000,000; (ii) the sales tax payable by Guangzhou Hengyi in connection with the transfer of the 2024 Target Properties, which amounts to RMB4,184,000, has been paid by Kinetic Qinhuangdao, and shall be deducted from the total consideration of RMB45,000,000 such that the net consideration payable by Kinetic Qinhuangdao for the acquisition of the 2024 Targets Properties shall become RMB40,816,000 (the “**Net Consideration**”). The Net Consideration shall be set off against and deducted from the Pre-existing Outstanding Paid Amount; (iii) the latest outstanding paid amount following the set-off mentioned in (ii) above stands at RMB542,184,000 (the “**Latest Outstanding Paid Amount**”); (iv) the 2024 Terminated Properties, with an allocated consideration of RMB40,890,000, would no longer be sold to Kinetic Qinhuangdao; and (v) the rights and obligations between the 2024 Agreement Vendors and Kinetic Qinhuangdao in respect of the 2024 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement) are terminated with effect from the date of the Third Supplemental Agreement.

LETTER OF INTENT

In addition, on the same date, the Company entered into the Letter of Intent with Mr. Zhang Liang, Johnson and Seedland Smart Service, pursuant to which, among others, (i) the Company formalized its intent to acquire the 100% equity interests of Seedlife from Seedland Smart Service; (ii) Mr. Zhang Liang, Johnson and Seedland Smart Service agreed to facilitate the Company to conduct due diligence on Seedlife; and (iii) the Company shall transfer HKD25,000,000 to Mr. Zhang Liang, Johnson and Seedland Smart Service as a deposit for such acquisition. The Letter of Intent is not legally binding except for certain customary provisions for documents of similar nature including “Exclusivity Period” and “Termination and Return of Deposit” provisions as disclosed in the “Letter of Intent” section of this announcement, as well as certain other provisions in respect of the liabilities for breach, governing law and dispute resolutions.

The Company, Mr. Zhang Liang, Johnson and Seedland Smart Service are negotiating the detailed terms of the Seedlife Acquisition, including, among others, the total amount and payment terms of the Seedlife Consideration, which includes without limitation the possibility of setting off (in full or in part) the Seedlife Consideration against the Latest Outstanding Paid Amount. Based on the information currently available to the Company, if the Seedlife Acquisition materializes, it may constitute a connected and discloseable transaction which is subject to the requirements on disclosure and shareholders' approval under Chapter 14 and Chapter 14A of the Listing Rules, in which case the Company will make further announcement(s) and comply with other applicable requirements under the Listing Rules.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the 2024 Agreement Vendors, Seedland Smart Service and Guangzhou Hengyi are ultimately beneficially owned by Mr. Zhang Liang, Johnson as to respectively 100% (with regards to Vendor 1 and Vendor 4); 90% (with regards to Vendor 2); 95% (with regards to Vendor 6); 100% (with regards to Seedland Smart Service); and 100% (with regards to Guangzhou Hengyi). As at the date of this announcement, Mr. Zhang Liang, Johnson is interested in 62.96% shares of the Company held through King Lok Holdings Limited, the controlling shareholder of the Company, by reason of being a settlor of the Zhang Family Overseas Limited, a discretionary family trust for the benefit of himself and his family members. As such, the 2024 Agreement Vendors, Seedland Smart Service and Guangzhou Hengyi are associates of Mr. Zhang Liang, Johnson, and thus connected persons of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Third Supplemental Agreement are more than 0.1% but less than 5%, the Third Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Seedlife 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 and the Circulars.

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

On 12 July 2022, Kinetic Qinhuangdao entered into the Supplemental Agreement with the Vendors and the 2022 Terminated Vendors, pursuant to which, among others, the Vendors agreed to sell, and Kinetic Qinhuangdao agreed to purchase, the 2022 Adjusted Properties, which represented an adjustment to the scope of the Original Properties, for the consideration of RMB809,480,000. In addition, pursuant to the Supplemental Agreement, the rights and obligations between the 2022 Terminated Vendors and Kinetic Qinhuangdao under the 2022 Property Purchase Agreement are terminated with effect from the date of the Supplemental Agreement, which effectively replaced the 2022 Property Purchase Agreement.

On 1 December 2023, Kinetic Qinhuangdao entered into the Second Supplemental Agreement with the Vendors and Taiyuan Hetai, pursuant to which, among others, (i) the 2023 Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) Wuxi Shidi (Vendor 5) has agreed to sell, and Kinetic Qinhuangdao has agreed to acquire, 100% equity interests in Taiyuan Hetai for the consideration of RMB220,000,000, and Wuxi Shidi and Kinetic Qinhuangdao have entered into a share transfer agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Hetai. Accordingly, the Second Supplemental Agreement removed the 2023 Terminated Properties from the scope of the properties to be acquired by Kinetic Qinhuangdao from the Vendors. The acquisition of Taiyuan Hetai contemplated under the Second Supplemental Agreement has been completed on 3 June 2024.

As at the date of this announcement, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the acquisition of 2023 Adjusted Properties, among which the registrations of the properties with the total consideration of approximately RMB583,000,000 have not yet been completed.

THE THIRD SUPPLEMENTAL AGREEMENT

The Board is pleased to announce that, on 6 June 2024 (after trading hours), Kinetic Qinhuangdao entered into the Third Supplemental Agreement with the 2024 Agreement Vendors and Guangzhou Hengyi, pursuant to which, among others, (i) Guangzhou Hengyi transferred the 2024 Target Properties to Kinetic Qinhuangdao for a total consideration of RMB45,000,000; (ii) the sales tax payable by Guangzhou Hengyi in connection with the transfer of the 2024 Target Properties, which amounts to RMB4,184,000, has been paid by Kinetic Qinhuangdao, and shall be deducted from the total consideration of RMB45,000,000, such that the Net Consideration payable by Kinetic Qinhuangdao for the acquisition of the 2024 Targets Properties shall become RMB40,816,000. The Net Consideration shall be set off against and deducted from the Pre-existing Outstanding Paid Amount; (iii) the Latest Outstanding Paid Amount following the set-off mentioned in (ii) above stands at RMB542,184,000; (iv) the 2024 Terminated Properties, with an allocated consideration of RMB40,890,000, would no longer be sold to Kinetic Qinhuangdao; and (v) the rights and obligations between the 2024 Agreement Vendors and Kinetic Qinhuangdao in respect of the 2024 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement) are terminated with effect from the date of the Third Supplemental Agreement.

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

Date: 6 June 2024

Parties: Kinetic Qinhuangdao, 2024 Agreement Vendors and Guangzhou Hengyi

Scope of the 2024 Terminated Properties: 2024 Terminated Properties belonging to Vendor 1:

These comprise 11 units of properties for commercial use located in Buildings 35 and 36, Shidi Junlan Ting An, Xiaojun Village, Junshan Street, site 104C, Wuhan Economic & Technological Development Zone, with an aggregate building area of approximately 2,475.1 square meters.

2024 Terminated Properties belonging to Vendor 4:

These comprise 4 units of properties for commercial use located in Baihe Garden, No. 113 Bo Ai Street, Zhongshan Torch Development Zone, with an aggregate building area of approximately 795.3 square meters.

Transfer of the 2024 Target Properties: Guangzhou Hengyi transferred the 2024 Target Properties to Kinetic Qinhuangdao for a total consideration of RMB45,000,000. After deducting tax payable by Guangzhou Hengyi of RMB4,184,000, which Kinetic Qinhuangdao paid on its behalf, from such total consideration, the Net Consideration of RMB40,816,000 shall be set off against the equivalent amount in the Pre-existing Outstanding Paid Amount.

Basis of Determination of Consideration of the 2024 Target Properties

The consideration for the acquisition of the 2024 Target Properties was arrived at after arm's length negotiations between the Company and Guangzhou Hengyi with reference to, among other things, the valuation of the 2024 Target Properties of RMB45,000,000 as at 31 March 2024 according to the valuation report prepared by Asia-Pacific Consulting and Appraisal Limited, the independent valuer appointed by the Company using the market approach.

Information on the 2024 Target Properties

The 2024 Target Properties comprise 6 units of properties for commercial use located in No. 16 Huaxia Road, Tianhe District* (天河區), Guangzhou, Guangdong Province with an aggregate building area of approximately 1,182.0 square meters.

As informed by Guangzhou Hengyi, the original acquisition cost of 2024 Target Properties amounts to approximately RMB36,300,000.

THE LETTER OF INTENT

In addition, on the same date, the Company entered into the Letter of Intent with Mr. Zhang Liang, Johnson and Seedland Smart Service, pursuant to which, among others, (i) the Company formalized its intent to acquire the 100% equity interests of Seedlife from Seedland Smart Service; (ii) Mr. Zhang Liang, Johnson and Seedland Smart Service agreed to facilitate the Company to conduct due diligence on Seedlife; and (iii) the Company shall transfer HKD25,000,000 to Mr. Zhang Liang, Johnson and Seedland Smart Service as a deposit for such acquisition. The Letter of Intent is not legally binding except for certain customary provisions for documents of similar nature including "Exclusivity Period" and "Termination and Return of Deposit" provisions as disclosed below, as well as certain other provisions in respect of the liabilities for breach, governing law and dispute resolutions.

The Company, Mr. Zhang Liang, Johnson and Seedland Smart Service are negotiating the detailed terms of the Seedlife Acquisition, including, among others, the total amount and payment terms of the Seedlife Consideration, which include without limitation the possibility of setting off (in full or in part) the Seedlife Consideration against the Latest Outstanding Paid Amount. Based on the information currently available to the Company, if the Seedlife Acquisition materializes, it may constitute a connected and discloseable transaction which is subject to the requirements on disclosure and shareholders' approval under Chapter 14 and Chapter 14A of the Listing Rules, in which case the Company will make further announcement(s) and comply with other applicable requirements under the Listing Rules.

The principal terms of the Letter of Intent are set out below:

Date:	6 June 2024
Sellers:	Mr. Zhang Liang, Johnson and Seedland Smart Service (collectively, " Seedlife Sellers ")
Buyer:	The Company

Assets to be Acquired:	100% equity interests in Seedlife
Consideration:	The deposit (the “ Deposit ”) for the transfer of 100% equity interests in Seedlife is HKD25,000,000. The Seedlife Consideration shall be determined with reference to the due diligence results of the Company and negotiation between the parties, subject to the formal agreement for the Seedlife Acquisition.
Due Diligence:	Seedlife Sellers agreed to facilitate the Company to conduct due diligence on Seedlife, including, among others, providing relevant materials in connection with the Seedlife Acquisition to the Company or its accountants, valuers, legal advisors or other professional parties.
Exclusivity Period:	Prior to (i) the date of the parties’ entry into any formal agreement for the Seedlife Acquisition; (ii) the date on which the Company decides not to continue with the Seedlife Acquisition; or (iii) the date following 60 days from the signing date of the Letter of Intent, whichever is the latest, Seedlife Sellers shall not negotiate with any other parties on the Seedlife Acquisition, unless the Company expressly waived its rights under the Letter of Intent in writing.
Termination and Return of Deposit:	If the Company decides not to continue with the Seedlife Acquisition after its due diligence, the Seedlife Sellers shall return the Deposit to the Company upon the Company’s notice. If the Company eventually cannot obtain all the pre-requisite approvals and consents for the Seedlife Acquisition (including but not limited to the approval at the general meeting(s) of the Company and/or the approval by the Stock Exchange (if applicable)), the matters under the Seedlife Acquisition shall be terminated, and the Seedlife Sellers shall return the Deposit to the Company upon the Company’s notice.

INFORMATION ON SEEDLIFE

Based on the information currently available to the Company, Seedlife is a limited liability company incorporated under the Laws of the British Virgin Islands and is held directly by Seedland Smart Service as to 100%. It principally engages in property management services through its subsidiaries in the PRC.

According to the unaudited consolidated management accounts in relation to the group companies of Seedlife, (i) the net profits before and after taxation and extraordinary items for the 12 months ended 31 December 2022 were RMB43,797,319.54 and RMB33,073,695.43 respectively; and (ii) the net profits before and after taxation and extraordinary items for the 12 months ended 31 December 2023 were RMB64,939,872.65 and RMB48,414,159.35

respectively. The unaudited consolidated total assets of Seedlife and its subsidiaries as of 31 December 2023 were RMB399,201,831.93.

The Company will announce further information in relation to Seedlife if and when the Seedlife Acquisition materializes.

INFORMATION OF THE GROUP AND THE PARTIES INVOLVED

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

The 2024 Agreement 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 and Vendor 4); 90% (with regards to Vendor 2); and 95% (with regards to Vendor 6).

Guangzhou Hengyi is a limited liability company incorporated in the PRC and is held indirectly by Mr. Zhang Liang, Johnson as to 100%. It principally engages in the installation and maintenance of machines and equipment in the PRC.

Based on the information currently available to the Company, Seedland Smart Service is a limited liability company incorporated under the Laws of the Cayman Islands and is held indirectly by Mr. Zhang Liang, Johnson as to 100%. It principally engages in the property management services through its subsidiaries in the PRC.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As at the date of this announcement, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the acquisition of 2023 Adjusted Properties pursuant to the 2022 Property Purchase Agreement as amended by the Supplemental Agreement and the Second Supplemental Agreement. However, the overall progress of the property registration procedures in relation to the 2023 Adjusted Properties, including in particular the 2024 Terminated Properties, have not yet been completed as at the date of this announcement. To protect and safeguard the interests of the Company and the Shareholders, the Group has been proactively exploring opportunities and identifying suitable assets to replace all or part of the 2023 Adjusted Properties which are subject to delay in registration with other assets that can be secured from the Vendors, Seedland and Mr. Zhang Liang, Johnson. Accordingly, (i) Kinetic Qinhuangdao has secured the 2024 Target Properties from Guangzhou Hengyi under the Third Supplemental Agreement, and has agreed with Guangzhou Hengyi that the Net Consideration will be set off against an equivalent amount in the Pre-existing Outstanding Paid Amount, as a result of which the Latest Outstanding Paid Amount now stands at RMB542,184,000; and (ii) the Company, Seedland Smart Service and Mr. Zhang Liang, Johnson are discussing the possibility of partially setting off the Seedlife Consideration against the Latest Outstanding Paid Amount.

The terms and conditions of the Third Supplemental Agreement and the Letter of Intent are negotiated on an arm's length basis between the relevant parties therein. The Directors (including the independent non-executive Directors) consider that the terms of the Third Supplemental Agreement and the Letter of Intent, including the Deposit and the consideration for the acquisition of the 2024 Target Properties, 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 Third Supplemental Agreement, the Letter of Intent and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the 2024 Agreement Vendors, Seedland Smart Service and Guangzhou Hengyi are ultimately beneficially owned by Mr. Zhang Liang, Johnson, as to respectively 100% (with regards to Vendor 1 and Vendor 4); 90% (with regards to Vendor 2); 95% (with regards to Vendor 6); 100% (with regards to Seedland Smart Service); and 100% (with regards to Guangzhou Hengyi). As at the date of this announcement, Mr. Zhang Liang, Johnson is interested in 62.96% shares of the Company held through King Lok Holding Limited, the controlling shareholder of the Company, by reason of being a settlor of the Zhang Family Overseas Limited, a discretionary family trust for the benefit of himself and his family members. As such, the 2024 Agreement Vendors, Seedland Smart Service and Guangzhou Hengyi are associates of Mr. Zhang Liang, Johnson, and thus connected persons of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Third Supplemental Agreement are more than 0.1% but less than 5%, the Third Supplemental Agreement and the transactions contemplated thereunder are subject to the announcement requirements but are exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Seedlife 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:

“2022 Adjusted Properties” the target properties located in Wuhan, Jingmen, Qingdao, Zhongshan, Wuxi and Zunyi, which represent an adjustment to the scope of the Original Properties, the details of which were set out in the “Information on the Target Properties” section in the announcement of the Company dated 12 July 2022;

“2022 Property Purchase Agreement”	the agreement on sale and purchase of properties entered into between the Original Vendors and Kinetic Qinhuangdao on 29 April 2022;
“2022 Terminated Vendors”	the vendors under the 2022 Property Purchase Agreement whose rights and obligations were terminated pursuant to the Supplemental Agreement;
“2023 Adjusted Properties”	the target properties in the 2022 Adjusted Properties which were not among the 2023 Terminated Properties;
“2023 Terminated Properties”	the properties among the 2022 Adjusted Properties located in Jingmen, Wuxi and Wuhan which would no longer be sold to Kinetic Qinhuangdao pursuant to the Second Supplemental Agreement, the details of which were set out in the “Scope of Terminated Properties” in the announcement of the Company dated 1 December 2023;
“2024 Agreement Vendors”	the vendors that entered into the Third Supplemental Agreement with Kinetic Qinhuangdao and Guangzhou Hengyi, namely, Vendor 1, Vendor 2, Vendor 4 and Vendor 6;
“2024 Terminated Properties”	the properties among the 2023 Adjusted Properties located in Wuhan and Zhongshan which would no longer be sold to Kinetic Qinhuangdao pursuant to the Third Supplemental Agreement, the details of which are set out in the “Scope of the 2024 Terminated Properties” section in this announcement;
“2024 Target Properties”	the target properties located in Guangzhou, the details of which are set out in the “Information on 2024 Target Properties” section in this announcement;
“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;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;

“Guangzhou Hengyi”	Guangzhou Hengyi Equipment Installation and Maintenance Co., Ltd.* (廣州恆逸設備安裝維護有限公司), a company incorporated in the PRC with limited liability, which is indirectly held by Mr. Zhang Liang, Johnson as to 100%;
“HKD”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Kinetic Qinhuangdao”	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 and an indirectly wholly-owned subsidiary of the Company;
“Letter of Intent”	the letter of intent dated 6 June 2024 entered into between the Company, Seedland Smart Service and Mr. Zhang Liang, Johnson in relation to the Seedlife Acquisition, which is not legally binding except for certain customary provisions for documents of similar nature;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Original Properties”	the original 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 of the Company dated 2 May 2022;
“Original Vendors”	Qingdao Shihaoxing Real Estate Co., Ltd.* (青島實昊星置業有限公司), Huizhou Guopeng Color Printing Co., Ltd.* (惠州市國鵬彩印有限公司), Tianjin Jinhewan Real Estate Co., Ltd.* (天津金河灣置業有限公司), Vendor 1, Vendor 2 and Vendor 3, the original vendors under the 2022 Property Purchase Agreement;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Supplemental Agreement”	the second supplemental agreement entered into between Kinetic Qinhuangdao, 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;
“Seedland Smart Service”	Seedland Smart Service Group Limited, a limited liability company incorporated under the Laws of the Cayman Islands and is held indirectly by Mr. Zhang Liang, Johnson as to 100%;
“Seedlife”	Seedlife Holding Limited, a limited liability company incorporated under the Laws of the British Virgin Islands and is held directly by Seedland Smart Service as to 100%;
“Seedlife Acquisition”	the acquisition of 100% equity interests of Seedlife, as contemplated under the Letter of Intent;
“Seedlife Consideration”	the final consideration for the acquisition of Seedlife, which is under negotiation between the Company, Seedland Smart Service and Mr. Zhang Liang, Johnson as at the date of this announcement;
“Shares”	ordinary share(s) with a nominal value of US\$0.001 each in the share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement entered into between Kinetic Qinhuangdao, the Original Vendors, Vendor 4, Vendor 5 and Vendor 6 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, whose entire equity interests were acquired by Kinetic Qinhuangdao pursuant to the Second Supplemental Agreement;
“Third Supplemental Agreement”	the third supplemental agreement entered into between the 2024 Agreement Vendors, Kinetic Qinhuangdao and Guangzhou Hengyi on 6 June 2024;
“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” collectively, 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, 6 June 2024

As at the date of this announcement, the Board 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.