Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	
	RMB million	*RMB million*	Change
Total Revenue	**5,655.8**	4,745.1	+19.2%
Revenue – coal mining segment	**5,368.5**	4,733.9	+13.4%
Gross profit	**3,123.2**	2,803.0	+11.4%
Gross profit margin	**55.2%**	59.1%	–3.9 p.p.
Profit before tax – coal mining segment	**3,045.7**	2,539.0	+20.0%
Profit after tax	**2,080.7**	2,072.7	+0.4%
Net profit margin	**36.8%**	43.7%	–6.9 p.p.
Earnings per share – Basic and Diluted	**RMB25.06 cents**	RMB24.65 cents	
Interim dividend paid per share	**HKD4.0 cents**	HKD3.0 cents	
Special dividend paid per share	**HKD7.0 cents**	HKD4.0 cents	
Declared special dividend per share	**HKD3.5 cents**	Nil	
Proposed final dividend per share	**HKD4.5 cents**	HKD5.0 cents	

The board (the "**Board**") of directors (the "**Directors**") of Kinetic Development Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Note	**2024** *RMB'000*	2023 *RMB'000*
Revenue	*5*	**5,655,829**	4,745,069
Cost of sales		**(2,532,609)**	(1,942,031)
Gross profit		**3,123,220**	2,803,038
Other incomes and losses, net	*6*	**(75,247)**	(27,000)
Gains on fair value changes of financial assets		**144,493**	29,278
Selling expenses		**(39,730)**	(16,938)
Administrative expenses		**(344,114)**	(257,146)
Profit from operations		**2,808,622**	2,531,232
Share of profits less losses of associates		**10,610**	11,109
Finance costs	*8*	**(82,477)**	(101,440)
Profit before taxation	*7*	**2,736,755**	2,440,901
Income tax expense	*9*	**(656,101)**	(368,178)
Profit for the year		**2,080,654**	2,072,723
Other comprehensive income for the year that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements from functional currency to presentation currency		**25,821**	42,547
Total comprehensive income for the year		**2,106,475**	2,115,270

	Note	2024 RMB'000	2023 RMB'000
Profit for the year attributable to:			
Equity shareholders of the Company		**2,109,787**	2,077,831
Non-controlling interests		**(29,133)**	(5,108)
		2,080,654	2,072,723
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**2,134,877**	2,121,303
Non-controlling interests		**(28,402)**	(6,033)
		2,106,475	2,115,270
Basic and diluted earnings per share attributable to equity shareholders of the Company (RMB cents)	*11*	**25.06**	24.65

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	**2024** *RMB'000*	2023 *RMB'000*
Non-current assets			
Property, plant and equipment		**3,431,271**	2,483,678
Right-of-use assets		**186,832**	88,049
Intangible assets		**3,200,749**	3,233,648
Interest in associates		**174,032**	79,833
Goodwill		**156,181**	250,673
Deferred tax assets		**75,142**	26,726
Prepayments for proposed acquisitions	*12*	**2,236,770**	2,449,881
Other non-current assets	*13*	**261,055**	168,239
Total non-current assets		**9,722,032**	8,780,727
Current assets			
Financial assets at fair value through profit or loss		**334,409**	220,592
Inventories		**1,716,335**	115,274
Trade and other receivables	*14*	**200,439**	194,053
Pledged and restricted deposits		**127,584**	727,784
Cash at bank and on hand		**629,937**	734,143
Current portion of other non-current assets		**259,990**	165,341
Total current assets		**3,268,694**	2,157,187
Current liabilities			
Trade and other payables	*15*	**1,522,347**	1,066,741
Contract liabilities	*16*	**891,021**	68,351
Bank loans	*17*	**535,720**	1,033,000
Lease liabilities		**20,363**	1,898
Income tax payable		**456,410**	402,086
Total current liabilities		**3,425,861**	2,572,076
Net current liabilities		**(157,167)**	(414,889)
Total assets less current liabilities		**9,564,865**	8,365,838

	Note	**2024** RMB'000	2023 RMB'000
Non-current liabilities			
Bank loans	*17*	**342,600**	269,800
Lease liabilities		**57,193**	6,989
Long-term payables	*18*	**779,414**	583,936
Deferred tax liabilities		**53,362**	41,841
Accrual for reclamation costs		**57,549**	43,073
Total non-current liabilities		**1,290,118**	945,639
NET ASSETS		**8,274,747**	7,420,199
EQUITY			
Share capital	*19*	**54,293**	54,293
Reserves		**8,173,983**	7,313,557
Total equity attributable to equity shareholders of the Company		**8,228,276**	7,367,850
Non-controlling interests		**46,471**	52,349
TOTAL EQUITY		**8,274,747**	7,420,199

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE AND GROUP INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 27 July 2010 under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) and its shares are publicly traded on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Company's registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Group is mainly engaged in the extraction and sale of coal products. There has been no significant change in the Group's principal activities during the year.

In the opinion of the Directors, King Lok Holdings Limited, a company incorporated in the British Virgin Islands, is the immediate holding company of the Company; and the ultimate holding company of the Company is TMF (Cayman) Ltd., a company incorporated in Cayman Islands.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the "**HKFRSs**"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (the "**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for the assets and liabilities are stated at their fair value as explained in the accounting policies set out in the full set of annual report. The consolidated financial statements also comply with the applicable disclosure requirements set out in the Appendix D2 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The consolidated financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting year of the Group. Note 3 to the consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in the consolidated financial statements.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

As at 31 December 2024, the Group had net current liabilities of RMB157,167,000 and has undertaken several acquisitions with prepayments made amounting to RMB2,236,770,000 as disclosed in Note 12 to the financial information extracted from consolidated financial statements. The Directors estimated that the remaining amounts to be made in relation to the aforementioned acquisitions and other additional capital expenditure will be approximately RMB1,347,104,000; and may undertake other necessary additional amount to complete the acquisitions. In addition, the Group has also been contemplating to expand existing business through actively seeking potential mining project targets or diversifying its business by stepping into new business other than coal mining. The Group may seek financing from banks or other financial institutions in order to fund the acquisitions and future capital expenditure.

The Group's ability to fund the aforementioned acquisitions and capital expenditures largely relies on its future operating cash inflows and its ability to finance through external borrowings, which may be influenced by the government macro-control policies and volatility in coal market price.

The scale of the expected capital expenditure and possible mismatch of future cash flow projections may indicate the existence of a material uncertainty which would cast significant doubt on the Group's ability to continue as a going concern.

The Directors assessed the Group's ability to continue as a going concern, taking into account (i) the Group's current cash at bank and on hand; (ii) the expected operating cash flows of the Group for at least the next twelve months from the end of the current reporting year; and (iii) the Group's capital expenditure and other necessary additional amount forecast for at least the next twelve months from the end of the current reporting year, with the potential gap to be satisfied by external borrowings. The Directors are of the opinion that the Group is proactively monitoring the progress of the acquisitions and additional cashflow needs and will take feasible initiatives to conclude the transactions. The Group will also carefully monitor its liquidity position. Assuming that the Group is able to generate sufficient cash inflows from future operations and obtain borrowings from banks or other financial institutions when needed, the Group will be able to meet its liabilities as and when they fall due for at least the next twelve months. Accordingly, it is appropriate to prepare the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amounts and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied the following amendments to HKFRSs issued by the HKICPA to the consolidated financial statements for the current accounting year:

- Amendments to HKAS 1, *Presentation of financial statements – Classification of liabilities as current or non-current* ("2020 amendments") and amendments to HKAS 1, *Presentation of financial statements – Non-current liabilities with covenants* ("2022 amendments")

- Amendments to HKFRS 16, *Leases – Lease liability in a sale and leaseback*

- Amendments to HKAS 7, *Statement of cash flows and HKFRS 7, Financial instruments: Disclosures – Supplier finance arrangements*

None of the amendments to HKFRSs have had a material effect on how the Group's results and financial position for the current or prior years have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting year.

4 OPERATING SEGMENT INFORMATION

Management has determined operating segments with reference to the reports reviewed by the chief operating decision maker ("**CODM**") of the Group that are used to assess the performance and allocate resources. The Group manages its businesses by business lines, in a manner consistent with the way in which the information is reported internally to the Group's CODM. During the year ended 31 December 2024, the Group entered into agreements with counterparties to acquire certain properties and expanded its business into additional lines beyond coal mining. The reportable segments of the Group are coal mining segment and other segments, which mainly include real estate development, agriculture and animal husbandry and cigar and tobacco, all of which align with the business plans and information provided to the CODM of the Group.

(i) Segment results, assets and liabilities

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

Segment assets include all current and non-current assets, excluding financial assets at fair value through profit or loss and deferred tax assets. Segment liabilities include all current and non-current liabilities, excluding income tax payable, taxes payable other than income tax and deferred tax liabilities.

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. The head office and corporate expenses are not allocated to individual segments.

Profit before taxation is utilized to assess the profit or loss of the reporting segment.

The information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2024 and 2023 is set out below.

	Coal mining segment		Other segments		Total	
	2024	2023	**2024**	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Reportable segment revenue	**5,368,508**	4,733,879	**318,328**	36,172	**5,686,836**	4,770,051
Inter-segment revenue	**–**	–	**(31,007)**	(24,982)	**(31,007)**	(24,982)
Revenue from external customers	**5,368,508**	4,733,879	**287,321**	11,190	**5,655,829**	4,745,069
Reportable segment profit/(loss) before taxation	**3,045,732**	2,538,963	**(206,958)**	(21,020)	**2,838,774**	2,517,943
Interest income	**33,873**	16,241	**241**	71	**34,114**	16,312
Finance costs	**(77,624)**	(97,218)	**(4,733)**	(4,131)	**(82,357)**	(101,349)
Depreciation and amortisation	**(136,823)**	(127,211)	**(37,710)**	(11,380)	**(174,533)**	(138,591)
Impairment on goodwill, other long-term assets and inventories	**–**	–	**(198,327)**	–	**(198,327)**	–
Reportable segment assets	**9,105,228**	8,347,866	**3,475,947**	2,342,730	**12,581,175**	10,690,596
Additions to non-current segment assets	**1,466,147**	564,056	**182,945**	327,887	**1,649,092**	891,943
Reportable segment liabilities	**3,067,974**	2,704,203	**953,006**	200,705	**4,020,980**	2,904,908

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2024	2023
	RMB'000	*RMB'000*
Revenue		
Reportable segment revenue	**5,686,836**	4,770,051
Elimination of inter-segment revenue	**(31,007)**	(24,982)
Consolidated revenue *(Note 5)*	**5,655,829**	4,745,069

	2024	2023
	RMB'000	*RMB'000*
Profit		
Reportable segment profit before taxation	**2,838,774**	2,517,943
Elimination of inter-segment profits	**–**	–
Reportable segment profit before taxation derived from Group's external customers	**2,838,774**	2,517,943
Other incomes and losses, net	**(49,361)**	(51,509)
Depreciation and amortisation	**(14,777)**	(653)
Finance costs	**(120)**	(91)
Unallocated head office and corporate expenses	**(37,761)**	(24,789)
Consolidated profit before taxation	**2,736,755**	2,440,901

	At 31 December 2024	At 31 December 2023
	RMB'000	*RMB'000*
Assets		
Reportable segment assets	**12,581,175**	10,690,596
Financial assets at fair value through profit or loss	**334,409**	220,592
Deferred tax assets	**75,142**	26,726
Consolidated total assets	**12,990,726**	10,937,914

	At 31 December 2024 *RMB'000*	At 31 December 2023 *RMB'000*
Liabilities		
Reportable segment liabilities	**4,020,980**	2,904,908
Income tax payable	**456,410**	402,086
Taxes payable other than income tax	**185,227**	168,880
Deferred tax liabilities	**53,362**	41,841
Consolidated total liabilities	**4,715,979**	3,517,715

(iii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets (excluding the deferred tax assets). The geographical location of customers is based on the location at which the goods or services are delivered. The geographical location of the non-current assets is based on the physical location of the asset to which they are operated or the location of the business to which they are managed.

	Revenues from external customers		Non-current assets	
			At 31 December	At 31 December
	2024	2023	**2024**	2023
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
The PRC	**5,639,594**	4,743,699	**8,999,301**	8,165,143
Other regions or countries	**16,235**	1,370	**647,589**	588,858
	5,655,829	4,745,069	**9,646,890**	8,754,001

5 REVENUE

The principal activities of the Group are the extraction and sales of coal products. Revenue represents the sales value of goods supplied to customers, excluding value added taxes or any trade discounts.

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers		
Sales of coal products	**5,368,508**	4,733,879
Sales of properties	**236,427**	–
Others	**50,894**	11,190
	5,655,829	4,745,069

Revenue from the joint trial operation of Yong'an Coal Mine of the Group for the year ended 31 December 2024 was RMB21,516,000.

Revenue from major customers accounting for more than 10% of the Group's revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from major customers		
Customer A	**818,412**	–
Customer B	**715,176**	218,783
Customer C	**578,074**	528,055

Note: Customer A did not have any transaction with the Group during the year ended 31 December 2023 while Customer B contributed less than 10% of the Group's revenue for the year ended 31 December 2023.

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**5,655,829**	4,745,069

Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of coal and other products

The performance obligation is satisfied upon delivery of the coal and other products and certain residual payment, representing 10% to 20% of transaction amounts, is generally due within 30 to 90 days from delivery.

Sales of properties

The performance obligation is satisfied upon delivery of the completed properties.

6 OTHER INCOMES AND LOSSES, NET

	2024	2023
	RMB'000	*RMB'000*
Government grants	**79,101**	89,554
Interest income	**34,861**	19,792
Net gains on redemption of financial assets at fair value through profit or loss	**1,180**	–
Impairment of goodwill	**(94,492)**	–
Foreign exchange differences, net	**(51,954)**	(54,675)
Donation	**(21,982)**	(119,158)
Impairment of other non-current assets	**(17,213)**	–
Penalties	**(9,718)**	(6,502)
Gains on disposal of an associate	**–**	21,152
Compensation received	**–**	15,000
Net (losses)/gains on disposal of property, plant and equipment	**(116)**	7,355
Others	**5,086**	482
	(75,247)	(27,000)

7 PROFIT BEFORE TAXATION

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

	2024	2023
	RMB'000	*RMB'000*
Cost of inventories sold	**1,276,455**	886,466
Transportation and storage costs	**1,256,154**	1,055,565
Cost of sales	**2,532,609**	1,942,031
Salaries, wages, bonuses and benefits	**408,545**	339,718
Contribution to defined contribution plans	**16,744**	14,426
Staff costs (including directors' emoluments)	**425,289**	354,144
Depreciation of property, plant and equipment	**134,397**	106,139
Amortisation of intangible assets	**34,889**	27,947
Depreciation of right-of-use assets	**6,498**	5,158
Auditor's remuneration		
– Annual audit service	**5,780**	5,300
– Non-audit service	**1,830**	630

Cost of inventories sold for the year ended 31 December 2024 included RMB375,121,000 (2023: RMB299,605,000) relating to staff costs, depreciation of property, plant and equipment and right-of-use assets, and amortisation of intangible assets, which were included in the respective expenses disclosed above.

8 FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	RMB'000	*RMB'000*
Interest expenses	**47,767**	64,824
Unwinding of discount	**34,710**	36,616
	82,477	101,440

9 INCOME TAX EXPENSE

	2024	2023
	RMB'000	*RMB'000*
Current tax – the PRC	**659,730**	379,977
Deferred income tax		
Reversal and origination of temporary differences	**(3,629)**	(11,799)
Total tax expense for the year	**656,101**	368,178

(a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and its subsidiaries, including but not limited to Blue Gems Worldwide Limited, Star Idea Enterprises Limited ("**Star Idea**") and Power Wisdom Strategic Limited, were not subject to any income tax in the Cayman Islands and the British Virgin Islands, respectively.

(b) Pursuant to the rules and regulations of the Kingdom of Cambodia, Power Cigar Tobacco Co., Ltd. was subject to a rate of 20% on the taxable income.

(c) Except for Inner Mongolia Zhunge'er Kinetic Coal Limited ("**Kinetic Coal**"), PRC corporate income tax was provided at a rate of 25% on the taxable income of the subsidiaries operating in the Mainland China, as adjusted for income and expense items which were not assessable or deductible for income tax purposes. Kinetic Coal was recognised as qualified enterprise subject to the "Western Development Strategy" on 28 December 2023, hence it enjoys a preferential income tax rate of 15% from 2023 to 2030.

(d) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if certain criteria are met. The Group is therefore subject to withholding taxes on dividends distributed by those subsidiaries established in the Mainland China in respect of earnings generated from 1 January 2008. In 2023, the Company, Blue Gems Worldwide Limited and Kinetic (Asia) Limited obtained Hong Kong SAR Certificate of Resident Status for the calendar year 2022 and the two succeeding calendar years, respectively. As a result, under the "Arrangement between the Mainland China and Hong Kong SAR for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income", the Group was subject to a withholding tax rate of 5% from 2022 to 2024. The Group provided for and paid the withholding taxes subject to a tax rate of 5% for the year ended 31 December 2024.

(e) Reconciliation between income tax expense and profit before taxation at applicable tax rate is as follows:

	2024	2023
	RMB'000	*RMB'000*
Profit before taxation	**2,736,755**	2,440,901
Tax on profit before taxation, calculated at the rates applicable to the results in the jurisdictions concerned	**465,236**	474,776
Effect of non-deductible expenses	**8,761**	4,556
Adjustments in respect of current tax for previous years	**715**	(108,389)
Effect of non-taxable income	**(847)**	(1,660)
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**94,207**	(43,671)
Tax losses not recognised as deferred tax assets	**88,029**	42,566
Income tax expense	**656,101**	368,178

10 DIVIDENDS

	2024	2023
	RMB'000	*RMB'000*
Interim dividend paid – HKD4.0 cents (2023: HKD3.0 cents) per ordinary share	**308,953**	231,978
Special dividend paid – HKD7.0 cents (2023: HKD4.0 cents) per ordinary share	**537,491**	307,004
Declared special dividend – HKD3.5 cents (2023: Nil) per ordinary share	**273,288**	–
Proposed final dividend – HKD4.5 cents (2023: HKD5.0 cents) per ordinary share	**351,293**	381,972

On 18 March 2025, the Board has further resolved to declare a special dividend of HKD3.5 cents per ordinary share. The declared special dividends are scheduled to be paid in cash on or around 15 April 2025.

The proposed final dividends subsequent to the end of the reporting year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The proposed final dividends and the declared special dividends have not been recognised as a liability as at 31 December 2024.

11 EARNINGS PER SHARE

The calculation of basic earnings per share for the year ended 31 December 2024 is based on the profit for the year attributable to equity shareholders of the Company of RMB2,109,787,000 and the weighted average number of ordinary shares of 8,418,618,000 in issue during the year. The calculation of the weighted average number of ordinary shares takes into account the effect of the purchase of shares under the share award scheme.

The calculation of basic earnings per share for the year ended 31 December 2023 is based on the profit for the year attributable to equity shareholders of the Company of RMB2,077,831,000 and the weighted average number of ordinary shares of 8,430,000,000 in issue during the year.

There were no dilutive potential ordinary shares during the years ended 31 December 2024 and 2023, and therefore, diluted earnings per share is the same as the basic earnings per share.

12 PREPAYMENTS FOR PROPOSED ACQUISITIONS

	Note	**2024** ***RMB'000***	2023 *RMB'000*
In progress:			
– Acquisition of Guizhou Liliang Energy Co., Ltd. ("**Guizhou Liliang**")	*(a)*	**1,080,256**	1,080,256
– Acquisition of properties and equity interests from Guangzhou Seedland Real Estate Development Co., Ltd ("**Seedland**")	*(b)*	**311,484**	803,000
		1,391,740	1,883,256
Completed after the reporting year:			
– Acquisition of Seedlife Holding Limited ("**Seedlife**")	*(c)*	**278,405**	–
– Acquisition of properties from Hainan Hangxiao Real Estate Development Co., Ltd ("**Hainan Hangxiao**")	*(d)*	**–**	564,625
– Acquisition of Qinhuangdao Jifu Real Estate Development Co., Ltd. ("**Qinhuangdao Jifu**")	*(d)*	**564,625**	–
		843,030	564,625
Related parties		**2,234,770**	2,447,881
Third parties		**2,000**	2,000
		2,236,770	2,449,881

Notes:

(a) On 24 December 2021, the Group entered into an acquisition agreement with Guizhou Liliang, an entity owned by Mr. Zhang Li, to acquire its 75% equity interests in Liupanshui Changlin Real Estate Development Co., Ltd. which would own the mining rights of a coal mine in Guizhou province upon completion of a restructuring, with a total consideration of RMB1,100,000,000. According to the acquisition agreement, the Group prepaid RMB550,000,000 in 2021 and RMB530,256,000 in 2022 to Guizhou Liliang, respectively. Prior to the completion of the acquisition, certain conditions shall be satisfied. If those conditions were not satisfied, the Group is entitled to require Guizhou Liliang to refund any payment (without interest) which the Group had actually made to it under the acquisition agreement. The recoverability of the prepayments is secured by 100% equity interests of Guizhou Liliang. This transaction is a connected and major transaction and subject to the shareholders' approval.

(b) On 29 April and 12 July 2022, the Group entered into a property purchase agreement ("**2022 Property Purchase Agreement**") and revised supplementary agreement ("**Supplementary Agreement**"), respectively, with subsidiaries of Seedland, including Qingdao Shilu Ocean Big Data Investment Development Co., Ltd. ("**Qingdao Shilu**"), Zunyi Field Real Estate Development Co., Ltd. ("**Zunyi Field**"), Jingmen Shiqiang Real Estate Co., Ltd., Wuxi Shidi Real Estate Co., Ltd. ("**Wuxi Shidi**"), Zhongshan Shidi Real Estate Co., Ltd. ("**Zhongshan Shidi**") and Wuhan Pingan Zhongxin Real Estate Co., Ltd. ("**Wuhan Pingan**") (collectively, the "**Sellers**"), all of which are controlled by Mr. Zhang Liang, Johnson, to acquire certain properties with a total consideration of RMB809,480,000. According to the agreements, in 2022, the Group prepaid RMB670,000,000 to Guangzhou Chaiju Architectural Design Consulting Co., Ltd. ("**Guangzhou Chaiju**") and RMB26,000,000 Zhuhai Hengqin Tianshi Enterprise Management Consulting Co., Ltd. ("**Zhuhai Hengqin**"); and in 2023 the Group further prepaid RMB107,000,000 to Zhuhai Hengqin. The transaction is a connected transaction of the Group which was duly approved by the independent shareholders of the Company on the extraordinary general meeting of the Company held on 25 October 2022.

On 1 December 2023, the Group entered into the second supplemental agreement ("**Second Supplemental Agreement**") with the Sellers and Taiyuan Hetai Shengrui Real Estate Co., Limited. ("**Taiyuan Hetai**", a subsidiary of Wuxi Shidi), pursuant to which (i) the target properties located in Jingmen, Wuxi and Wuhan ("**Terminated Properties**") would no longer be sold to the Group, and (ii) the Group entered into a share transfer agreement with Wuxi Shidi to acquire 100% equity interests in Taiyuan Hetai ("**Target Shares**") with a consideration of RMB220,000,000, which shall be set off against and deducted from the prepayment for acquisition of properties from Seedland. In addition, given that the Target Shares are subject to a pledge provided as security in favour of Huarong Rongde Asset Management Co. Ltd ("**Huarong Rongde**") for a debt which was used for Ziteng project of Taiyuan Hetai ("**Debt**"), the Group would become one of the obligators to settle the Debt with Huarong Rongde at a cost of no more than RMB380,000,000 so that Huarong Rongde would discharge the pledge over the Target Shares. According to the Second Supplemental Agreement, the Group prepaid RMB40,000,000 to Huarong Rongde on behalf of Taiyuan Hetai in 2023.

On 7 February 2024, the Group entered into a supplemental agreement to the Second Supplemental Agreement with the Sellers and Taiyuan Hetai, pursuant to which (i) if the acquisition will not be completed before 30 September 2024, the Group shall be entitled to terminate the Second Supplemental Agreement; and (ii) if the actual amount of the Debt owed by Taiyuan Hetai upon the completion of the transfer of the Target Shares exceeds the amount of debt factored in the valuation of Taiyuan Hetai as at 30 November 2023, the Sellers shall compensate the Group for the excess amount (the "**Excess Debt Amount**") by (a) reducing the equity consideration by the Excess Debt Amount on a dollar-to-dollar basis; and (b) providing additional properties with a total value not less than the Excess Debt Amount to the Group. The transaction is a connected transaction of the Group which was duly approved by the independent shareholders of the Company on the extraordinary general meeting of the Company held on 13 March 2024. The acquisition of Taiyuan Hetai contemplated under the Second Supplemental Agreement was completed on 3 June 2024, and Taiyuan Hetai had become a wholly-owned subsidiary of the Group.

On 6 June 2024, the Group entered into the third supplemental agreement ("**Third Supplemental Agreement**") with Qingdao Shilu, Zunyi Field, Zhongshan Shidi, Wuhan Pingan and Guangzhou Hengyi Equipment Installation and Maintenance Co., Ltd. ("**Guangzhou Hengyi**"), pursuant to which, (i) Guangzhou Hengyi transferred 6 units of commercial properties ("**Target Properties**") to the Group for a total consideration of RMB45,000,000; (ii) the sales tax payable by Guangzhou Hengyi in connection with the transfer of the Target Properties, which amounts to RMB4,184,000, has been paid by the Group, and shall be deducted from the total consideration of RMB45,000,000 such that the net consideration payable by the Group for the acquisition of the Targets Properties shall become RMB40,816,000 (the "**Net Consideration**"). The Net Consideration shall be set off against and deducted from the prepayment for acquisition of properties from Seedland; (iii) the 11 units of commercial properties ("**2024 Terminated Properties**") with an allocated consideration of RMB40,890,000, would be no longer transferred to the Group; and (iv) the rights and obligations between the Sellers and the Group in respect of the 2024 Terminated Properties are terminated with effect from the date of the Third Supplemental Agreement. The transaction was completed during the year ended 31 December 2024.

On 1 November 2024, the Group entered into the fifth supplemental agreement with Qingdao Shilu and Zhongshan Shidi (collectively, the "**2024 Further Adjusted Properties Sellers**") as well as Zhuhai Seedland, pursuant to which, (i) the commercial properties which located in Zhongshan City, Guangdong Province with an aggregate building area of approximately 3,440.90 square meters ("**2024 Third Terminated Properties**") would no longer be sold to the Group; and (ii) the rights and obligations between the 2024 Further Adjusted Properties Sellers and the Group in respect of the 2024 Third Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement) are terminated with effect from the date of the fifth supplemental agreement.

On 1 November 2024, the Group entered into a share transfer agreement with Zhuhai Seedland Real Estate Development Co., Ltd. ("**Zhuhai Seedland**"), to acquire the 100% equity interests of each of Maoming Shengda Real Estate Co. Ltd. and Maoming Shengcheng Real Estate Co., Ltd. for a total consideration amounting to RMB70,000,000. The income tax amounting to RMB12,250,000 payable by Zhuhai Seedland for this acquisition will be paid by the Group, and has been deducted from the total consideration, thus, the payable consideration for this acquisition becomes RMB57,750,000 ("**Payable Consideration**"). The Payable Consideration shall be fully set off by the 2024 Third Terminated Properties paid amount. The transaction is a connected transaction of the Group which was duly approved by the independent shareholders of the Company on the extraordinary general meeting of the Company held on 3 January 2025.

(c) On 6 June 2024, the Group entered into a letter of intent ("**Letter of Intent**") with Mr. Zhang Liang, Johnson and Seedland Smart Service Group Limited ("**Seedland Smart Service**"), pursuant to which, (i) the Group formalised its intent to acquire the 100% equity interests of Seedlife from Seedland Smart Service; (ii) Mr. Zhang Liang, Johnson and Seedland Smart Service (collectively, "**Seedlife Sellers**") agreed to facilitate the Group to conduct due diligence on Seedlife; and (iii) the Group shall transfer HKD25,000,000 to Seedlife Sellers as a deposit for the proposed acquisition.

On 6 September 2024, the Group, Seedland Smart Service and Seedlife entered into a share purchase agreement, to acquire 100% equity interests of Seedlife for a total consideration of RMB423,000,000 ("**Equity Consideration**").

The Equity Consideration shall be paid in the following manner: (i) an amount of HKD25,000,000, as a deposit, which has been transferred by the Group to Mr. Zhang Liang, Johnson under the Letter of Intent (the "**LOI Deposit**"); (ii) an amount of not more than RMB25,000,000 shall be paid by the Group to Seedland Smart Service if so requested by Seedland Smart Service within 30 business days following the date of the Share Purchase Agreement ("**Further Cash Payment**"); (iii) an amount which equals the difference between RMB77,230,000 and the Further Cash Payment shall be paid by the Group to Seedland Smart Service on the date of Closing (the "**Closing Cash Payment**"); (iv) an amount of RMB42,300,000, which represents the taxes payable by the Seedlife Sellers arising from the sale of equity interests of Seedlife and which the Group will pay on the Seedlife Sellers' behalf shall be deducted from the Equity Consideration; (v) an amount of RMB50,000,000, which represents the amount of an account receivable due from the Seedlife Sellers and its subsidiaries (excluding Seedlife) to Seedlife as at the date of the Share Purchase Agreement shall be further deducted from the Equity Consideration; and (vi) the remaining amount of RMB230,700,000 (subject to downward adjustment to take into account any profit shortfall, (such amount as adjusted (if applicable) the "**Final Set-off Amount**"), shall be set off against the equivalent amount in the pre-existing outstanding paid amount.

On 6 September 2024, the Group entered into a fourth supplemental agreement ("**Fourth Supplemental Agreement**") with Qingdao Shilu, Zunyi Field, Zhongshan Shidi, (collectively, the "**2024 Adjusted Properties Sellers**"), Seedland Smart Service and Mr. Zhang Liang, Johnson, pursuant to which, (i) the commercial properties which located in Zunyi City, Guizhou Province and Zhongshan City, Guangdong Province with an aggregate building area of approximately 22,109.87 square meters ("**2024 Further Terminated Properties**"), with an allocated consideration equal to the Final Set-off Amount, would no longer be sold to the Group; (ii) the rights and obligations between the 2024 Adjusted Properties Sellers and the Group in respect of the 2024 Further Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) are terminated with effect from the date of the Fourth Supplemental Agreement.

On 12 November 2024, the Group, Seedland Smart Service and Seedlife entered into a share purchase supplemental agreement ("**Share Purchase Supplemental Agreement**") to the Share Purchase Agreement, pursuant to which, the payment term of the equity consideration was amended to provide that the Seedlife Sellers shall refund to the Group all payments received by them (including the LOI Deposit and the Further Cash Payment) within 30 days of a written notice by the Group if the Group cannot obtain all necessary approvals required by the Listing Rules, as well as an interest calculated based on the one-year loan prime rate published by the People's Bank of China from the date of payment by the Group of the relevant amount up to actual date of repayment. Save for the aforementioned, all other terms and conditions set forth in the share purchase agreement shall remain unchanged and in full force and effect.

The transaction is a connected transaction of the Group which was duly approved by the independent shareholders of the Company on the extraordinary general meeting of the Company held on 3 January 2025.

Upon the completion of the acquisition on 13 January 2025, Seedlife has become an indirect wholly-owned subsidiary of the Group.

(d) On 30 May 2022, the Group entered into a property purchase framework agreement ("**Property Purchase Framework Agreement**") with Hainan Hangxiao, an entity controlled by Guangzhou R&F Properties Co., Ltd. ("**R&F Properties**") of which Mr. Zhang Li is one of major shareholders, to acquire certain properties with a total consideration of RMB1,000,939,000. According to the property purchase framework agreement, the Group prepaid RMB564,625,000 to Hainan Hangxiao.

On 6 December 2024, the Group, Hainan Hangxiao, R&F Properties, Beijing R&F City Real Estate Development Co., Ltd.*（北京富力城房地產開發有限公司）(“**Beijing R&F City**”), Beijing R&F Tianchuang Advertising Co., Ltd.*（北京富力天創廣告有限公司）(“**Beijing R&F Tianchuang**”) and Qinhuangdao Jifu entered into the acquisition framework agreement (“**Acquisition Framework Agreement**”), pursuant to which, among others, (i) the Group agreed to acquire, Beijing R&F City and Beijing R&F Tianchuang agreed to sell 100% equity interests in Qinhuangdao Jifu at nil consideration; (ii) R&F Properties agreed to transfer to the Group, and the Group agreed to receive, the creditor's rights held by R&F Properties against Qinhuangdao Jifu totalling to RMB617,394,000 (“**Creditor's Rights**”) for a consideration of RMB564,625,000 (“**Creditor's Rights Transfer**”); (iii) the Hainan Hangxiao agreed to transfer to R&F Properties, and R&F Properties agreed to receive, the debt owed by the Hainan Hangxiao to the Group (i.e. the amount paid by the Group under the Property Purchase Framework Agreement) in the amount of RMB564,625,000 (“**Debt Transfer**”); and (iv) the Hainan Hangxiao and the Group agreed to terminate the Property Purchase Framework Agreement. The consideration payable by the Group for the Creditor's Rights Transfer shall be fully set off by the equivalent amount payable by R&F Properties under the Debt Transfer.

Pursuant to the Acquisition Framework Agreement, upon Closing, the Property Purchase Framework Agreement will be terminated with immediate effect. Except for the amount paid by the Group under the Property Purchase Framework Agreement, which shall be fully set off against the consideration payable by the Group for the Creditor's Rights Transfer under the Acquisition Framework Agreement, neither the Hainan Hangxiao nor the Group shall have any other obligations under the Property Purchase Framework Agreement. As at the date of this announcement, the acquisition of Qinhuangdao Jifu has been completed.

On 17 February 2023, Mr. Zhang Liang, Johnson and King Lok Holdings Limited, an entity then 100% owned by Mr. Zhang Liang, Johnson and currently 100% held by The Zhang Family Overseas Limited, a discretionary trust with Mr. Zhang Liang, Johnson as the settlor for the benefit of himself and his family members, agreed to pledge 5,307,450,000 shares held by them in the Company and the interests derived therefrom as security for the performance of contractual obligations of Guizhou Liliang, Mr. Zhang Li and subsidiaries of Seedland under the relevant acquisitions and loan agreements. The share pledge arrangement serves as a security of the prepayments made for the acquisition of Guizhou Liliang, acquisition of properties from Seedland, as well as loans to Guizhou Liliang.

The Directors have assessed the progress of the transactions and the ability of the related parties to fulfil the obligations under the agreements described above and even if these transactions not completed as schedule the counterparties are financially capable to repay the outstanding amounts to the Company.

13 OTHER NON-CURRENT ASSETS

	2024	2023
	RMB'000	*RMB'000*
Loans to a related party	**259,990**	231,956
Prepayment for application of license of enlarged coal production capacity	**90,967**	–
Financial assets at fair value through profit or loss *(Note)*	**84,734**	–
Prepayments of equipment	**44,632**	55,639
Input value-added tax ("**VAT**") to be deducted	**–**	8,223
Long-term deferred expenses	**6,774**	6,932
Others	**51,161**	30,830
	538,258	333,580
Impairment of other non-current assets	**(17,213)**	–
	521,045	333,580
Current portion of other non-current assets – Loans to a related party	**(259,990)**	(165,341)
Other non-current assets	**261,055**	168,239

Note: According to the performance undertaking clauses in the supplemental agreement of the Acquisition of Star Idea and its subsidiaries, the seller should compensate the Company in cash based on the shortfall of aggregate actual earnings before interests, taxes, depreciation and amortisation ("**EBITDA**") compared with the aggregate estimated EBITDA of Star Idea and its subsidiaries during the period encompassing five financial years ending 31 December 2027. As at 31 December 2024, the fair value of aforementioned compensation amounting to RMB84,734,000 was recognised (as at acquisition date: nil). The actual amount of compensation will be adjusted in line with the actual performance of Star Idea and its subsidiaries from 2025 to 2027.

14 TRADE AND OTHER RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade debtors	**6,528**	6,738
Other receivables		
– Prepayments and deposits	**93,931**	107,593
– Amount due from a related party	**17,308**	40,000
– Deductible input VAT	**74,426**	33,663
– Others	**8,246**	6,059
	200,439	194,053

An aging analysis of the trade debtors as at the end of the reporting year, based on the invoice date and net of provisions, is as follows:

	2024	2023
	RMB'000	*RMB'000*
Within 6 months	**6,528**	6,738

Trade debtors are generally due within 30 to 90 days from the date of billing.

The allowances for trade receivables are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date. As the Directors are of opinion that the amount of expected credit losses is minimal, no loss allowance for trade and other receivables recognised as at 31 December 2024 under HKFRS 9.

15 TRADE AND OTHER PAYABLES

	Note	**2024** *RMB'000*	2023 *RMB'000*
Taxes payable other than income tax		**185,227**	168,880
Payables for construction	*(a)*	**812,692**	309,315
Notes payable		**106,661**	58,736
Payables for an acquisition		**69,282**	67,799
Amounts due to other related parties		**11,000**	13,077
Dividends payable		**–**	307,004
Other payables and accruals	*(b)*	**337,485**	141,930
		1,522,347	1,066,741

Note:

(a) Payables for construction are non-interest bearing.

An aging analysis of the payables for construction as at the end of the reporting year, based on the invoice date, is as follows:

	2024 *RMB'000*	2023 *RMB'000*
Within 1 year	**737,295**	292,038
1 to 2 years	**58,900**	3,974
Over 2 years	**16,497**	13,303
	812,692	309,315

(b) Other payables and accruals are non-interest bearing and are expected to be settled within one year or repayable on demand.

16 CONTRACT LIABILITIES

	2024 *RMB'000*	2023 *RMB'000*
Short-term advances received from customers		
Sales of goods	**542,001**	68,351
Sales of properties	**349,020**	–
	891,021	68,351

For the year ended 31 December 2024, all of the contract liabilities balance at the beginning of the year was recognised as revenue.

17 BANK LOANS

		At 31 December 2024			At 31 December 2023		
	Note	**Effective interest rate (%)**	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current							
Bank loan – secured		**–**	**–**	**–**	3.50%	2024	400,000
Bank loan – secured	*(a)*	**5.51%**	**2025**	**155,070**	–	–	–
Long-term bank loan due within 1 year – secured		**–**	**–**	**–**	6.65%	2024	33,000
Long-term bank loan due within 1 year – secured		**–**	**–**	**–**	5.00%	2024	350,000
Long-term bank loan due within 1 year – secured	*(b)*	**5.00%**	**2025**	**150,000**	5.00%	2024	150,000
Long-term bank loan due within 1 year – secured	*(c)*	**5.00%**	**2025**	**100,000**	5.00%	2024	100,000
Long-term bank loan due within 1 year – secured	*(d)*	**5.50%**	**2025**	**30,650**	–	–	–
Long-term bank loan due within 1 year – secured	*(e)*	**4.90%**	**2025**	**100,000**	–	–	–
				535,720			1,033,000
Non-current							
Long-term bank loan – secured	*(b)*	**–**	**–**	**–**	5.00%	2025	150,000
Long-term bank loan – secured	*(c)*	**–**	**–**	**–**	5.00%	2025	100,000
Long-term bank loan – secured	*(d)*	**5.50%**	**2026**	**67,600**	5.50%	2025	19,800
Long-term bank loan – secured	*(e)*	**4.90%**	**2026**	**275,000**	–	–	–
				342,600			269,800
				878,320			1,302,800

Notes:

(a) As at 31 December 2024, the Group's bank loans amounting to RMB155,070,000 were secured by the mining right of Yong'an Coal Mine held by Ningxia Kinetic Mining Co., Limited ("**Ningxia Kinetic**").

(b) As at 31 December 2024, the Group's bank loans amounting to RMB150,000,000 secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal will be due in 2025.

(c) As at 31 December 2024, the Group's bank loans amounting to RMB100,000,000 secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal will be due in 2025.

(d) As at 31 December 2024, the Group's bank loans amounting to RMB98,250,000 were guaranteed by Kinetic Coal, of which bank loans amounting to RMB30,650,000 will be due in 2025, and the rest of the bank loans amounting to RMB67,600,000 will be due in 2026.

(e) As at 31 December 2024, the Group's bank loans amounting to RMB375,000,000 were secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal, of which bank loans amounting to RMB100,000,000 will be due in 2025, and the rest of bank loans amounting to RMB275,000,000 will be due in 2026.

18 LONG-TERM PAYABLES

	2024	2023
	RMB'000	*RMB'000*
Present value of payables in relation to mining rights	**554,197**	610,906
Present value of compensation payable in relation to the demolition and relocation	**307,578**	29,411
	861,775	640,317
Current portion of trade and other payables	**(82,361)**	(56,381)
	779,414	583,936

19 SHARE CAPITAL

	2024	2023
	RMB'000	*RMB'000*
Issued and fully paid: 8,430,000,000 ordinary shares of USD0.001 each	**54,293**	54,293

There was no movement in the Company's share capital during the year. The authorised share capital of the Company is USD500,000,000 consisting of 500,000,000,000 ordinary shares of USD0.001 each.

20 ACQUISITION OF SUBSIDIARIES

Acquisition of Taiyuan Hetai

As disclosed in Note 12(b) to the consolidated financial statements, on 1 December 2023, the Group entered into the Second Supplemental Agreement with Sellers and Taiyuan Hetai to acquire 100% equity interests of Taiyuan Hetai. The total consideration of the acquisition was RMB220,000,000. Upon the completion of the acquisition, the Group controls 100% equity interests of Taiyuan Hetai.

Taiyuan Hetai and its sole subsidiary Taiyuan Shirui Real Estate Co., Ltd. are companies incorporated in the PRC with limited liability. They are principally engaged in real estate development and sales.

The identifiable assets of Taiyuan Hetai are mainly properties under development. The acquisition was completed on 3 June 2024 ("**Acquisition Date**").

The acquisition of Taiyuan Hetai contributed consolidated revenue of RMB236,427,000 and consolidated net loss of RMB75,114,000 to the Group for the period from the Acquisition Date to 31 December 2024.

The assets and liabilities arising from the acquisition of Taiyuan Hetai are as follows:

	Fair value at the Acquisition Date ***RMB'000***
Property, plant and equipment	**31**
Deferred tax assets	**33,509**
Inventories	**1,307,589**
Trade and other receivables	**15,439**
Cash at bank and on hand	**12,847**
Trade and other payables	**(423,580)**
Contract liabilities	**(506,608)**
Other borrowing	**(193,190)**
Provisions	**(26,037)**
Total identifiable net assets	**220,000**
Total consideration for the identifiable net assets acquired	**220,000**
Less: cash at bank and on hand of acquiree	**(12,847)**
prepayment for the proposed acquisition in previous years	**(220,000)**
Add: prepayment in relation to the Debt	**66,761**
Net cash outflow arising from the acquisition of Taiyuan Hetai	**53,914**

21 SUBSEQUENT EVENTS AFTER THE REPORTING YEAR

(a) Completion of the Seedlife acquisition

Upon the completion of the acquisition on 13 January 2025, Seedlife has become a subsidiary of the Group. The acquisition of Seedlife will be accounted for as a business combination in accordance with HKFRS 3, *Business Combinations*. The Group is still in the process of assessing the fair value of the net identifiable assets of Seedlife and its subsidiaries.

(b) Entering into the property management services framework agreement

On 13 January 2025, Shenzhen Qianhai Seedland Intelligent Service Holding Group Co., Ltd.* (深圳前海實地智慧服務控股集團有限公司) ("**Qianhai Seedland**"), an indirect wholly-owned subsidiary of the Company, and Seedland entered into the property management services framework agreement, pursuant to which, among others, Qianhai Seedland agreed to provide, and Seedland agreed to receive, property management services and other value-added services for a term commencing from 13 January 2025 to 31 December 2025. The total service fees payable by Seedland for receiving property management services and other value-added services to be provided by Qianhai Seedland in 2025 shall not exceed RMB60,000,000. For property management services, the service fees payable by Seedland shall not exceed RMB48,000,000. For other value-added services, the service fees payable by Seedland shall not exceed RMB12,000,000.

Save as those disclosed in this results announcement, the Group has no significant events subsequent to 31 December 2024 that require disclosure.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

Market Review

2024 was marked by a complex international landscape, characterised by weak global economic growth momentum, intensifying geopolitical tensions and rising trade protectionism. Domestically in China, effective demand was insufficient, and the transition between old and new growth impetus experienced challenges. In spite of the complex and severe situation of increasing external pressure and internal difficulties, the Chinese government implemented comprehensive policies that maintained overall economic stability with modest progress. According to the National Bureau of Statistics of China, China's GDP reached approximately RMB134.9 trillion in 2024, surpassing RMB130 trillion for the first time, with 5% year-on-year growth. China maintained its position as the world's second-largest economy and served as a key driver of global economic growth. The industrial enterprises above the designated size in China recorded total revenue of approximately RMB137.8 trillion, representing a year-on-year increase of 2.1% on a comparable basis, while the total profit of these enterprises amounted to approximately RMB7,431.05 billion, representing a year-on-year decrease of 3.3% on a comparable basis.

In 2024, the domestic coal market showed a loose supply-demand pattern. The supply side witnessed sufficient domestic coal production complemented by a notable increase in coal imports, effectively securing the country's coal supply. According to the National Bureau of Statistics of China, China's raw coal output from industrial enterprises above the designated size was approximately 4.76 billion tonnes in 2024, representing a year-on-year increase of 1.3% on a comparable basis; while China's coal imports for the corresponding period was approximately 540 million tonnes, representing a year-on-year increase of 14.4% on a comparable basis. On the demand side, although the demand for downstream coal-fired power generation remained high in 2024, the growth rate was limited. According to the National Bureau of Statistics of China, China's power generation by industrial enterprises above the designated size was approximately 9.4 trillion kWh in 2024, representing a year-on-year increase of 4.6% on a comparable basis.

In 2024, domestic coal prices as a whole showed a trend of "narrow fluctuation and slight downward adjustment". While the average coal price decreased, it remained historically high. Affected by the decrease in coal prices, the operating results of the industry in general recorded a year-on-year decrease. According to China's National Bureau of Statistics, the coal mining and washing enterprises above the designated size in China recorded revenue from their principal business of approximately RMB3,160.33 billion in 2024, representing a year-on-year decrease of 11.1% on a comparable basis. Total profit amounted to approximately RMB604.64 billion, representing a year-on-year decrease of 22.2% on a comparable basis.

Overall, the domestic coal market in 2024 was in a stage of "pursuing stable production to secure supply". The supply was inclined towards abundance, leading to a drop in the average coal price, and the overall performance of coal enterprises experienced a certain degree of retracement.

Business Review

Principal Coal Business

As a leading integrated coal enterprise in China, the Group's business activities operate through the whole coal industry chain, covering coal production, washing, loading, transportation and trading.

In 2024, the average coal market price experienced downward pressure due to several factors. The Group made accurate market foresight, decisively implementing pre-sales in the fourth quarter of 2024, which hedged against the risk of sharp market downturns. Also, the Group adopted a competitive bidding sale method, swiftly securing high-value demand across different phases, contributing to the Group's annual sales price above the market level. In 2024, the Group's 5,000 kcal low-sulfur environmentally friendly thermal coal recorded an average price of approximately RMB753.0 per tonne, representing a year-on-year decrease of approximately 6.1%, yet still higher than the prevailing market price, with receivables collection ratio on sales reaching 100%.

In 2024, the Group continued to leverage its own low-sulfur, high-ash-fusion-temperature and high-quality thermal coal product "Kinetic 2", while flexibly utilising diverse purchase and sale models such as Free on Board, Delivered Ex Quay, Free on Trains and Ex-Mine Sales. This further enhanced the market coverage and brand influence of the Group's coal products among downstream customer groups, continuously consolidating and expanding its market share. The Group successfully achieved its sales and revenue targets for 2024. For the year ended 31 December 2024, revenue from the Group's principal coal business amounted to approximately RMB5,368.5 million, representing an increase of 13.4% compared to the corresponding period last year, and contributed 94.9% of the Group's total revenue. The sales of the Group's 5,000 kcal coal products rose by approximately 21.8% compared to the corresponding period last year, mainly due to the production at the Group's Dafanpu Coal Mine in the first half of 2024 free from the temporary unfavorable underground mining conditions that existed in the corresponding period of 2023. In addition, significant improvements in mining efficiency throughout the year also contributed to the increase in the Group's coal production.

In 2024, the Group continued to advance its refined management strategy by further integrating it into all operational segments. In production, the Group completed the intelligent construction and renovation of the coal processing plant at the Dafanpu Coal Mine, which further improved production efficiency and reduced electricity consumption and workshop operating costs. In transportation, strict controls were implemented to effectively reduce losses during automobile and rail transportation. Through outstanding achievements in refined management, the Group effectively buffered the impact of declining sales prices on profit margins. For the year ended 31 December 2024, the Group's gross profit margin was approximately 55.2%, positioning it a leading position in the industry.

Based on the above business strategies, the Group has maintained high-quality development, bringing relatively considerable profit returns to shareholders. For the year ended 31 December 2024, the net profit before tax from the Group's principal coal business amounted to approximately RMB3,045.7 million, representing a year-on-year increase of 20.0%.

The Group always puts safe production as its top priority. The Group's Dafanpu Coal Mine in Inner Mongolia had been rated as the "National Class 1 Safe Production Standardised Coal Mine" by the National Mine Safety Administration, honoured with the title of "Coal Industry Premium Safe and Efficient Mine" by the China National Coal Association, and received the highest honour of "Class A Coal Mine" granted by the Energy Bureau of Zhunge'er Banner for consecutive years.

The Group upholds the principles of green and sustainable development. In 2024, the Dafanpu Coal Mine continued to maintain the honor of being a national-level Green Mine and was featured as a model case study at the Inner Mongolia Green Mine Special Exhibition organised by the Department of Natural Resources of Inner Mongolia Autonomous Region and the Geological Museum of China. Inner Mongolia Zhunge'er Kinetic Coal Limited received recognition as the "Advanced Enterprise in the Construction of Green Mines in Zhunge'er Banner for the Year 2023" and the "Advanced Enterprise in the Construction of Green Mines in Ordos City", fully demonstrating the Group's comprehensive strength in sustainable mining development.

In addition, the Group's Yong'an Coal Mine, located in Ningxia Hui Autonomous Region, entered the joint trial operation phase on 8 November 2024, which is planned to reach full production capacity in 2026, with a designed annual production capacity of 1.20 million tonnes. The Weiyi Coal Mine, also located in Ningxia, is still under construction and is scheduled to commence operations in the second half of 2025 and reach full production capacity in 2027, with a designed annual production capacity of 0.9 million tonnes. The Yong'an Coal Mine is equipped with a large coking coal processing plant with an annual processing capacity of 2.40 million tonnes to support the production and operations of the Yong'an Coal Mine and the Weiyi Coal Mine in Ningxia. The clean coal produced through the washing process is high-quality coking coal, suitable for use for coking, blending for coking, power generation and coal chemical processes, providing quality products for clients in the coking, steel and other industries. This breakthrough from a single thermal coal to comprehensive coal variety production not only broadens the Group's product line but also strengthens the Group's comprehensive competitiveness in the coal market, laying a solid foundation for the Company's future sustainable growth.

In 2024, the Group took its first step towards international development in the coal sector by announcing the subscription of 51% shares in MC Mining Limited ("**MC Mining**") through subscription of new shares of MC Mining, with the first phase of subscription of 13.04% shares already completed in August 2024. The second phase of subscription is in progress. Currently, the Group holds a total of 27.60% shares of MC Mining. Upon completion of the subscription, the Group will develop and operate four coal mining projects in South Africa, encompassing both thermal and coking coals, with total mineable resources of 1.96 billion tonnes (based on the annual report of MC Mining for the year ended 30 June 2023). These high-quality resources are positioned to become a key driver of the Group's future performance growth.

Ancillary Businesses

In recent years, the Group has developed potential ancillary businesses including agriculture and animal husbandry, real estate investment and cigar and tobacco on the basis of consolidating the core advantages of its principal coal business, aiming to seek more profit growth opportunities for shareholders.

In terms of agriculture and animal husbandry, the Group has successfully established an ecological industry chain integrating agricultural product planting and livestock breeding in its mine reclamation area. Guangtaichang Original Breeding Pig Farm*（廣太昌原種豬場）of Inner Mongolia Liangyun Animal Husbandry Development Co., Ltd.*（內蒙古量蘊牧業發展有限公司）was built in 2022, and 650 French original breeding pigs have been introduced from France. In the first phase, a breeding area is planned to be built, including a breeding farm and two fattening farms. Lijiata Fattening Farm*（李家塔育肥場）was put into production in August 2023. Huajian Village Qianhao Breeding Farm*（鏵尖村前壕擴繁場）was completed and put into operation in May 2024. Wulan Bulang Fattening Farm*（烏蘭不浪育肥場）(first phase) is expected to be completed and put into operation by the end of 2026. The first phase of the project is expected to reach full capacity by mid-2026, with 7,200 breeding pigs in stock and 170,000 pigs of various types marketed in 2027.

In terms of real estate investment, the Group has been acquiring real estate projects in Wuhai, Taiyuan, Guangzhou, Qinhuangdao and Maoming in recent years, comprising office buildings, retail stores, underground parking facilities, villas and residential apartments. While vigorously driving sales efforts, the Group also closely monitored the construction progress of projects under construction to ensure that all these projects will proceed in an orderly manner and will be delivered according to schedule.

In addition, the Group commenced the business of production, operation and sales of cigars and tobacco in Cambodia by acquiring 73% equity interests in Star Idea Enterprises Limited in October 2023. In December 2024, the Group capitalized the loan to Star Idea of RMB200 million along with the accrued interest into the share capital of Star Idea. Currently, the Group holds a total of 82.81% equity interests in Star Idea. In 2024, the Group successfully launched two new flavors of the "Asia Star" cigarettes, receiving positive feedback in Southeast Asian and international markets.

Future Outlook

Looking forward to 2025, global economic growth will continue to be disrupted by geopolitical conflicts and sluggish international trade. According to the World Economic Outlook issued by the World Bank in January 2025, global economic recovery is projected to remain slow over the next two years, with the growth rate maintaining at 2.7%, below the pre-pandemic level. The Chinese government is expected to adhere to its overarching approach of maintaining stable growth, continuously expanding the domestic market and promoting technological innovation, thereby China's economy is expected to maintain stable growth.

With regard to the coal market, it is anticipated to see an intensifying coal supply surplus in the domestic market in 2025, with coal prices expected to decline further. On the supply side, raw coal output continues to remain robust, with imports expected to maintain at a high level. On the demand side, the macroeconomy is expected to focus on maintaining stable growth, so it will take a longer time to drive up coal demand, resulting in a limited release of demand growth. Nevertheless, in the medium to long term, thermal power generation will maintain its dominant position. With the ongoing recovery of the domestic economy and increasing demand for electricity, leading coal enterprises are well-positioned to maintain positive performance.

Looking ahead to 2025, the Group will continue to place equal emphasis on safety assurance, efficiency improvement and environmental protection in its mine development. The Group will further implement its refined operation strategy, fully exploring and capitalising on the core advantages of its own low-sulfur, high-quality thermal coal brand product "Kinetic 2". By staying responsive to market dynamics, the Group will adjust its sales timing and strategies, while expanding into the sales market for coking coal products, striving to effectively improve the Group's operating efficiency and achieve dual growth in revenue and profit.

Looking forward, the Group will continue to uphold the principle of high-quality development. While maintaining steady and efficient growth in its principal coal business, the Group will actively explore and expand diversified ancillary businesses to further enhance its overall operational efficiency and create greater value for shareholders.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased from approximately RMB4,745.1 million for the year ended 31 December 2023 to approximately RMB5,655.8 million for the year ended 31 December 2024, representing an increase of 19.2% as compared with the corresponding period last year. The revenue from the coal mining segment continues to represent a significant portion of the Group's total revenue, amounting to approximately RMB5,368.5 million for the year ended 31 December 2024. In contrast, the other segments such as real estate development, agriculture and animal husbandry and cigar and tobacco still remain in the development stage, contributing approximately RMB287.3 million to the Group's total revenue, representing a tangible increase of approximately RMB276.1 million from the revenue of approximately RMB11.2 million for the year ended 31 December 2023.

Despite the lower average selling price of the Group's 5,000 kcal coal products for the year ended 31 December 2024 compared to the corresponding period last year, the resumption of normal production levels at the Dafanpu Coal Mine was the primary driver behind the increase in the Group's revenue.

Cost of Sales

For the year ended 31 December 2024, the Group incurred cost of sales of approximately RMB2,532.6 million as compared to the cost of sales amounted to approximately RMB1,942.0 million for the year ended 31 December 2023. The cost of sales of the Group mainly comprised salaries of coal mine workers, costs of supplementary materials, fuel and electricity, depreciation, amortisation, surcharges of mining operations and transportation costs.

Gross Profit and Gross Profit Margin

During the year ended 31 December 2024, the Group recorded a gross profit of approximately RMB3,123.2 million and a gross profit margin of 55.2% as compared to the gross profit of approximately RMB2,803.0 million and the gross profit margin of 59.1% for the year ended 31 December 2023.

The increase in Group's gross profit for the year ended 31 December 2024 aligned with the increase in the Group's revenue. The decrease in Group's gross profit margin for the year ended 31 December 2024 was mainly attributable to the decline in coal prices in the PRC during the reporting year.

Other Incomes and Losses, Net

The net amount of other incomes and losses of the Group changed from net losses of approximately RMB27.0 million for the year ended 31 December 2023 to net losses of approximately RMB75.2 million for the year ended 31 December 2024. This was mainly attributed to the impairment loss related to the underperformance of Star Idea and its subsidiaries, the increase in interest income and the decrease in donation for the year ended 31 December 2024.

For the years ended 31 December 2024 and 2023, the Group's net amount of other incomes and losses mainly comprised impairment of goodwill, impairment of other non-current assets, government grants, net foreign exchange differences, net gains/(losses) on disposal of property, plant and equipment and termination of lease contracts, interest income, donation, and net gains from the disposal of financial assets.

Selling Expenses

Selling expenses of the Group increased from approximately RMB16.9 million for the year ended 31 December 2023 to approximately RMB39.7 million for the year ended 31 December 2024, representing an increase of 134.6% as compared with the corresponding period last year. The Group's selling expenses mainly comprised salaries of sales staff and marketing related expenses. The increase in the Group's selling expenses was mainly attributable to the the increase in sales headcount and advertising expenses in the cigar and tobacco business during the reporting year, particularly given that this business was acquired in the last quarter of 2023.

Administrative Expenses

The Group's administrative expenses increased from approximately RMB257.1 million for the year ended 31 December 2023 to approximately RMB344.1 million for the year ended 31 December 2024, representing an increase of 33.8% as compared with the corresponding period last year. The increase in the Group's administrative expenses was mainly attributable to the increase in lease expenses and professional fees for corporate exercises during the reporting year. The Group's administrative expenses mainly comprised salaries and related personnel expenses of the administrative, finance and human resources departments, consultancy fees, lease expenses and other incidental administrative expenses.

Finance Costs

The Group's finance costs decreased from approximately RMB101.4 million for the year ended 31 December 2023 to approximately RMB82.5 million for the year ended 31 December 2024, representing a decrease of 18.7% as compared with the corresponding period last year. The decrease in the Group's finance costs was mainly attributable to the decrease in average balance of interest-bearing liabilities during the year.

Income Tax Expense

The major components of income tax expense in the consolidated statement of profit or loss and other comprehensive income are:

	2024	2023
	RMB'000	*RMB'000*
Current tax – the PRC	**659,730**	379,977
Deferred income tax		
– Reversal and origination of temporary differences	**(3,629)**	(11,799)
Total tax expense for the year	**656,101**	368,178

The details of the income tax expense are disclosed in Note 9 to the consolidated financial statements.

Profit for the Year

The Group recorded a consolidated profit after tax of approximately RMB2,080.7 million for the year ended 31 December 2024, which slightly increased from the consolidated profit after tax of approximately RMB2,072.7 million for the year ended 31 December 2023. Net profit margin declined from 43.7% for the year ended 31 December 2023 to 36.8% for the year ended 31 December 2024.

OTHER FINANCIAL INFORMATION

Liquidity and Financial Resources

As at 31 December 2024, the Group had net current liabilities of approximately RMB157.2 million and has undertaken several acquisitions with prepayments made amounting to approximately RMB2,236.8 million as disclosed in Note 12 to the consolidated financial statements. The Directors estimated that the remaining amounts to be made in relation to the aforementioned acquisitions and other additional capital expenditure will be approximately RMB1,347.1 million and may undertake other necessary additional amount to complete the acquisitions. In addition, the Group has also been contemplating to expand existing business through actively seeking potential mining project targets or diversifying its business by stepping into new business beyond coal mining. The Group needs to seek financing from banks or other financial institutions in order to fund the acquisitions and future capital expenditure. In light of our current liquidity position and our projected cash inflows generated from operations, the Directors believe that the Group has sufficient working capital for our present requirements and for the next 12 months.

For the year ended 31 December 2024, the Group's cash at bank were primarily utilized for the development of the Group's Dafanpu Coal Mine, Yong'an Coal Mine and Weiyi Coal Mine. Additionally, it served to manage the Group's indebtedness and fund working capital needs. The Group financed its funding requirements mainly through a combination of interest-bearing bank loans and cash generated from operating activities. The Group's gearing ratio were 2.9% as at 31 December 2024 and 7.1% as at 31 December 2023, respectively. This ratio is calculated as net debt divided by capital plus net debt. Net debt is calculated as total borrowings less cash at bank and on hand. Capital is equivalent to the total equity.

As at 31 December 2024, the Group's cash at bank and on hand, amounting to approximately RMB629.9 million, were denominated in RMB (97.27%), Hong Kong dollars (2.31%), U.S. dollars (0.41%) and Cambodian Riel (0.01%).

As at 31 December 2024 and 31 December 2023, the Group's secured bank loans were as follows:

	2024	2023
	RMB'000	*RMB'000*
Current	**535,720**	1,033,000
Non-Current	**342,600**	269,800
	878,320	1,302,800

As at 31 December 2024, the Group's bank loans amounting to approximately RMB155.1 million were secured by the mining right of Yong'an Coal Mine held by Ningxia Kinetic.

As at 31 December 2024, the Group's bank loans amounting to approximately RMB150.0 million secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal will be due in 2025.

As at 31 December 2024, the Group's bank loans amounting to approximately RMB100.0 million secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal will be due in 2025.

As at 31 December 2024, the Group's bank loans amounting to approximately RMB98.3 million were guaranteed by Kinetic Coal, of which bank loans amounting to approximately RMB30.7 million will be due in 2025, and the rest of the bank loans amounting to approximately RMB67.6 million will be due in 2026.

As at 31 December 2024, the Group's bank loans amounting to approximately RMB375.0 million were secured by the mining right of Dafanpu Coal Mine held by Kinetic Coal, of which bank loans amounting to approximately RMB100.0 million will be due in 2025, and the rest of bank loans amounting to approximately RMB275.0 million will be due in 2026.

Capital Expenditures

The Group incurred capital expenditures of approximately RMB1,418.8 million for the year ended 31 December 2024, which were mainly related to the acquisition, purchase of machinery and equipment and construction of the Yong'an Coal Mine, Weiyi Coal Mine and other projects. These capital expenditures were financed by a combination of interest-bearing bank loans and internal resources.

Capital Commitments

The Group's capital commitments as at 31 December 2024 amounted to approximately RMB1,347.1 million which were mainly related to purchase of machinery and equipment and construction of the Yong'an Coal Mine, Weiyi Coal Mine and other projects.

Charge on Assets

As at 31 December 2024, the Group's total bank loans were approximately RMB878.3 million, among these approximately RMB155.1 million were secured by the mining right of Yong'an Coal Mine held by Ningxia Kinetic, and while which approximately RMB625.0 million were secured by the mining right of Dafanpu coal mine held by Kinetic Coal. The remaining bank loans, totalling approximately RMB98.2 million, were secured by the corporate guarantee of Kinetic Coal.

Off-balance Sheet Arrangement

The Group did not have any outstanding derivative financial instruments and off-balance sheet guarantees for outstanding loans. The Group did not engage in trading activities involving non-exchange traded contracts.

Contingent Liabilities

As at 31 December 2024, the Group had no material contingent liabilities.

Significant Investments and Acquisitions

Taiyuan Hetai Acquisition

On 3 June 2024, the Group has completed the acquisition of 100% equity interest in Taiyuan Hetai for the consideration of RMB220,000,000, which has been set off against the equivalent amount in the prepaid amount by the Group under the agreements on sale and purchase of properties entered into between subsidiaries of Seedland and Kinetic (Qinhuangdao) Energy Group Ltd.(力量(秦皇島)能源集團有限公司) (the "**Kinetic Qinhuangdao**") in 2022 (the "**Seedland Prepayment**").

Taiyuan Hetai is a limited liability company established in the PRC. It primarily engages in real estate development and sales and is currently developing the Kinetic Yingtong Plaza*（力量盈通廣場）, formerly known as the Ziteng Project. Kinetic Yingtong Plaza* is located in the Taiyuan Hi-Tech Industrial Development Zone, with the focuses on commercial buildings with small units ranging from 38 to 110 square meters. The development comprises 12 buildings, ground-level shops, and underground garages, with a total building area of approximately 296,500 square meters. Its strategic location is adjacent to the airport, railway station, and a subway station under construction.

Acquisition of commercial properties in Guangzhou

During 2024, the Group has completed the acquisition of certain commercial properties, which include six commercial units located at No. 16 Huaxia Road, Tianhe District（天河區）, Guangzhou, Guangdong Province, with an aggregate building area of approximately 1,182.0 square meters, for a total consideration of RMB45,000,000. After deducting the sales tax payable by the seller from the total consideration, the remaining amount of RMB40,816,000 has been fully set off against the equivalent amount in Seedland Prepayment.

Subscription of Shares in MC Mining

On 26 August 2024, the Group and MC Mining entered into a share subscription agreement of which the Group will conditionally subscribe for shares in two closings for the total consideration of US$90,000,000.

At the first closing, the Group has completed to acquire 62,102,002 shares representing 13.04% of MC Mining's issued shares at 30 August 2024 for a consideration of US$12,970,588. At the second closing, the Group will purchase additional shares for a consideration of US$77,029,412 in instalments, bringing its total ownership to 51% of MC Mining's issued shares. As at the date of this announcement, the Group holds 27.60% of the ordinary shares of MC Mining upon the completion of the first two tranches of second closing.

MC Mining is a company operating in South Africa primarily engaged in steelmaking, coal and thermal coal exploration, development and mining. It has maintained a primary listing on Australian Securities Exchange with a secondary listing on the Johannesburg Stock Exchange. MC Mining's key projects include the Uitkomst Colliery, Makhado Project, Vele Colliery and the Greater Soutpansberg Projects, located in different regions of South Africa.

Upon the completion of the second closing, MC Mining will become an indirectly non-wholly owned subsidiary of the Group and its financial results will be consolidated into the Group. Integrating the management expertise and assets of both the Group and MC Mining will mark a significant milestone in the Company's strategy to expand its global footprint.

Acquisition of Qinhuangdao Jifu

On 6 December 2024, the Group entered into an acquisition framework agreement with Hainan Hangxiao and other vendors. Pursuant to the acquisition framework agreement, the Group shall acquire 100% of the equity interests in Qinhuangdao Jifu at nil consideration. The amount of RMB564,625,000 payable by the Group for the creditors right held by R&F Properties against Qinhuangdao Jifu has been fully set off by the equivalent prepaid amount paid by the Group to Hainan Hangxiao under the property purchase framework agreement signed on 30 May 2022.

Qinhuangdao Jifu is a limited liability company established in the PRC. It principally engages in real estate development and is currently developing a real estate project located south of Songshi Golf, west of Tuofeng Road, and north of Planning Secondary Road 7（松石高爾夫以南、駝峰路以西、規劃次乾路七以北）, Beidaihe District, Qinhuangdao City, Hebei Province. It will include villas, apartments and commercial buildings, with a total site area of 166,900 square meters and a total gross floor area of 87,989 square meters. The project is currently under construction and expected to be completed by 2030.

As at the date of this announcement, the acquisition of Qinhuangdao Jifu has been completed.

Seedlife Acquisition

On 13 January 2025, the Group has completed the acquisition of 100% equity interests of Seedlife for a total consideration of RMB423,000,000. After deducting the aggregate of (i) an amount of HKD25,000,000, equivalent to RMB22,770,000, which shall be paid as a deposit under the Letter of Intent, (ii) an amount of not more than RMB25,000,000 which shall be paid to Seedland Smart Service if so requested by Seedland Smart Service within 30 Business Days following the date of the Share Purchase Agreement (the "**Further Cash Payment**"); and (iii) an amount which equals the difference between RMB77,230,000 and the Further Cash Payment directly paid to Seedland Smart Service (the "**Seller**") and Mr. Zhang Liang, Johnson, a taxes payable of RMB42,300,000 and an account receivable due from the Seller and its subsidiaries to Seedlife of RMB50,000,000 from the total consideration, the remaining amount of RMB230,700,000 has been set off against the equivalent amount in Seedland Prepayment.

Seedlife is a limited liability company incorporated under the Laws of the British Virgin Islands. It principally engages in property management services through its subsidiaries in the PRC.

Following the acquisition of Seedlife, the Board anticipates it will enable the Group to establish an additional revenue stream, further enhancing the financial performance of the Group.

Maoming Acquisition

Upon the approval from the independent shareholders by way of poll on 3 January 2025, the Group has proceeded to acquire 100% equity interests of each of Maoming Shengda Real Estate Co., Ltd.* (茂名晟大置業有限公司) ("**Maoming Shengda**") and Maoming Shengcheng Real Estate Co., Ltd.* (茂名晟城置業有限公司) ("**Maoming Shengcheng**") for a total consideration of RMB70,000,000. After deducting the income tax payable by the seller from the total consideration, the remaining amount of RMB57,750,000 has been fully set off against the equivalent amount in Seedland Prepayment.

Maoming Shengda and Maoming Shengcheng principally engage in real estate development and sales business and the Group could benefit from the future operation and management of Maoming Shengda and Maoming Shengcheng through their ongoing Royal Ivy Phase I and Phase II, respectively.

The Royal Ivy Project is located in Maonan District, Maoming City, Guangdong Province. Phase I includes six buildings for commercial and residential use, covering a gross floor area of 89,572.90 square meters. Phase II comprises three additional buildings covering a gross floor area of 44,158.30 square meters. The Group anticipates completing Phase I by the third quarter of 2025 and Phase II by the last quarter of 2026. Based on current progress, pre-sales for Phase I are expected to launch in the second quarter of 2025.

As at the date of this announcement, the registration of the share transfer of Maoming Shengda and Maoming Shengcheng to the Group is still in progress.

Events after the Reporting Year

The details of the subsequent events after the reporting year are disclosed in Note 21 to the consolidated financial statements. Save as those disclosed in this announcement, the Group has no significant events subsequent to 31 December 2024 that require disclosure.

Financial Risk Management

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank deposits and short-term debt obligations with a floating interest rate. As at 31 December 2024, the Group did not hold short-term debt obligations with a floating interest rate and are not exposed to significant interest rate risk.

(b) Foreign currency risk

The Group are not exposed to significant foreign currency exchange risk as their transactions of operation and balances are substantially denominated in their respective functional currencies.

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group utilises cash flow forecast and other relevant information to monitor its liquidity requirements and to ensure that the Group has sufficient cash to support its business and operational activities.

Human Resources and Emolument Policy

As at 31 December 2024, the Group had a total of 2,520 full-time employees in the Mainland China, Hong Kong and Cambodia. For the year ended 31 December 2024, the total staff costs, including the directors' emoluments, amounted to approximately RMB425.3 million.

The Group's emolument policies are formulated based on the performance and experience of employees and in line with the salary trends in the Mainland China, Hong Kong and Cambodia. Other employee benefits include performance-related bonuses, insurance and medical coverage, share options and share awards. The share option scheme adopted by the Company on 6 March 2012 expired on 5 March 2022. On 29 November 2022, the Company adopted 2022 Share Award Scheme, which is funded by existing shares of the Company. On 22 May 2023, the Company also adopted 2023 Share Option Scheme and 2023 Share Award Scheme (which only grant of awards involving new shares may be made). On 6 January 2025, the Group granted 263,500,000 awarded shares to employee participants in accordance with the terms of the 2023 Share Award Scheme. Appropriate training programs are also provided to employees in order to ensure continuous staff training and development of employees.

OTHER INFORMATION

Final Dividend

On 25 March 2025, the Board has proposed a final dividend of HKD4.5 cents per share, payable to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 2 June 2025. It is expected that the final dividend will be paid in cash on or before Friday, 13 June 2025. The total amount of the final dividend to be distributed is HKD379,350,000. The proposal of the distribution of final dividend is subject to the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company (the "**AGM**").

Closure of Register of Members for Attending the AGM

The register of members of the Company will be closed from Thursday, 15 May 2025 to Tuesday, 20 May 2025 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attending and voting at the forthcoming AGM. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 14 May 2025.

Closure of Register of Members for Final Dividend

The register of members of the Company will be closed from Thursday, 29 May 2025 to Monday, 2 June 2025 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to the proposed final dividend. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 28 May 2025.

Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2024, neither the Company nor any of its subsidiaries, has purchased, sold or redeemed any of the Company's listed securities.

Directors' and Relevant Employees' Securities Transactions

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors' securities transactions.

All Directors have confirmed, following specific enquiries made by the Company, that they have fully complied with the required standards set out in the Model Code and the Company's code of conduct for the year ended 31 December 2024.

Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with written guidelines on terms no less exacting than the required standards set out in the Model Code. Each of the relevant employees has been given a copy of the written guidelines.

No incident of non-compliance with these guidelines by the relevant employees was brought to the attention of the Company.

Corporate Governance Code

As the Board believes that good corporate governance can create value for the shareholders of the Company, the Board is committed to maintaining a high standard of corporate governance practices by putting strong emphasis on a quality Board, sound internal controls and effective accountability to the shareholders of the Company as a whole.

The Board is of the view that the Group has complied with the code provisions set out in Part 2 of Appendix C1 to the Listing Rules for the year ended 31 December 2024.

The Group has adopted the code in the Corporate Governance Code (the "**CG Code**") as set out in Appendix C1 of the Listing Rules as its own code of corporate governance. The Board will continue to enhance its corporate governance practices to ensure that it complies with the CG Code and align with the latest developments.

Audit Committee

The audit committee of the Company (the "**Audit Committee**") comprises two independent non-executive Directors, namely Ms. Liu Peilian (Chairman) and Mr. Chen Liangnuan, and one non-executive Director, namely Ms. Zhang Lin. A meeting of the Audit Committee was held on 25 March 2025 to meet with the independent auditor of the Company and review the annual results and the draft audited consolidated financial statements of the Group for the year ended 31 December 2024.

Scope of Work of Independent Auditor

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary annual results announcement have been agreed by the Group's auditor, KPMG, Certified Public Accountants, to the amounts set out in the Group's draft audited consolidated financial statements for the year ended 31 December 2024. The work performed by KPMG in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by KPMG on the preliminary annual results announcement.

Extract of Independent Auditor's Report

The following is the extract of the independent auditor's report on the Group's draft audited consolidated financial statements for the year ended 31 December 2024:

Opinion

*In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.*

Material Uncertainty Regarding Going Concern

We draw your attention to Note 2.1 to the consolidated financial statements, which indicates that the Group determines to incur significant capital expenditure for its proposed acquisitions and its mining projects. The Group's ability to fund the expenditure largely relies on its ability to generate future operating cash inflows and obtain borrowings from banks or other financial institutions which may be influenced by government policies and volatility in coal market price. As stated in Note 2.1 to the consolidated financial statements, these facts or circumstances, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Publication of the Annual Results and 2024 Annual Report on the websites of the Stock Exchange and the Company

This annual results announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk) and the Company's website (http://www.kineticme.com). The annual report for 2024 will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

* *The English translation of the Chinese names of the respective companies and places in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English names of the respective companies and places.*

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

Hong Kong, 25 March 2025

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.