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Kinetic Development Group Limited
力量發展集團有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1277)

CONTINUING CONNECTED TRANSACTIONS 2026 PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

Reference is made to the announcement of Company dated 13 January 2025 regarding, among other matters, the continuing connected transactions contemplated under the Property Management Services Framework Agreement, which is currently scheduled to expire on 31 December 2025.

RENEWAL OF PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

As the Group intends to continue the transactions contemplated under the Property Management Services Framework Agreement in the ordinary and usual course of business after 31 December 2025, the Company, on behalf of Qianhai Seedland, proposes to renew the Property Management Services Framework Agreement with Seedland upon its expiration for a further term of one year commencing on 1 January 2026, on substantially the same terms.

The Board is pleased to announce that, on 31 December 2025 (after trading hours), Qianhai Seedland, an indirect wholly-owned subsidiary of the Company, and Seedland entered into the 2026 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 1 January 2026 to 31 December 2026.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Seedland is wholly-owned by Mr. Zhang Liang, Johnson. Mr. Zhang Liang, Johnson is interested in 62.96% Shares of the Company held through King Lok Holdings Limited, the controlling Shareholder of the Company, by reason of being a settlor of the Zhang Family Overseas Limited, a discretionary family trust for the benefit of himself and his family members. As such, Seedland is an associate of Mr. Zhang Liang, Johnson, and thus a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the 2026 Property Management Services Framework Agreement exceed 0.1% but are all less than 5%, the 2026 Property Management Services Framework Agreement and the proposed annual caps for the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

2026 PROPERTY MANAGEMENT SERVICES FRAMEWORK AGREEMENT

The Board is pleased to announce that, on 31 December 2025 (after trading hours), Qianhai Seedland, an indirect wholly-owned subsidiary of the Company, and Seedland entered into the 2026 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 1 January 2026 to 31 December 2026.

The principal terms of the 2026 Property Management Services Framework Agreement are set out below:

Date: 31 December 2025

Parties:

(i) Qianhai Seedland; and

(ii) Seedland

Scope of Services:

(i) property management services, including security, cleaning, gardening and landscaping, car park management and daily repair and maintenance services; and

(ii) other value-added services, including on-site services, preliminary consulting services and other preliminary services and property agency services for properties owned by Seedland.

Term: From 1 January 2026 to 31 December 2026. Subject to compliance with Chapter 14A of the Listing Rules and other applicable laws and regulations, Qianhai Seedland and Seedland may renew the term of the 2026 Property Management Services Framework Agreement.

Annual caps: The total service fees payable by Seedland for receiving property management services and other value-added services to be provided by Qianhai Seedland in 2026 shall not exceed RMB55,000,000.

For property management services, the service fees payable by Seedland shall not exceed RMB45,000,000.

For other value-added services, the service fees payable by Seedland shall not exceed RMB10,000,000.

Pricing Basis:

Seedland shall pay service fees to Qianhai Seedland, which shall be determined based on arm's length negotiation between the parties on normal commercial terms, with reference to a number of factors, including but not limited to (i) the nature of the relevant properties and the age of the buildings; (ii) infrastructure characteristics, scale, geographical location and surrounding conditions; (iii) the scope of services to be provided; (iv) expected operating expenses (including labour costs, material costs, and administrative expenses); (v) tender results (where tender is required); (vi) target profit margins; and (vii) pricing guidelines/regulations for property management fees specified by local government (if applicable). Qianhai Seedland may also determine the service fees with reference to the price offered to other independent third-party customers for similar services and the market price for similar services. The price offered by Qianhai Seedland to Seedland shall not be lower than the price offered by Qianhai Seedland to independent third-party customers for comparable services.

Seedland shall endeavour to obtain quotes from at least two independent third-party service providers who provide the same or comparable property management services. If the services provided by Qianhai Seedland and other independent third-party service providers are identical and the prices offered by Qianhai Seedland are comparable, Seedland must select Qianhai Seedland as its service provider.

For early-stage property management service projects that are subject to tender under relevant laws, the service fees payable by Seedland to Qianhai Seedland shall be determined based on the tender results.

Payment Terms:

The specific payment terms shall be stipulated in individual property management service agreements to be entered into between Seedland and Qianhai Seedland from time to time based on arm's length negotiation and business practice. For Qianhai Seedland, the transactions shall be conducted in the ordinary and usual course of its business, on normal or better commercial terms.

Key Representations and Warranties:

Each of Seedland and Qianhai Seedland represents and warrants that:

(i) It has full and legal power and authority to enter into the 2026 Property Management Services Framework Agreement and perform its obligations hereunder, and has obtained all necessary approvals for this purpose;

(ii) The 2026 Property Management Services Framework Agreement constitutes its legal, valid and binding obligations, and such obligations are enforceable in accordance with the terms of the 2026 Property Management Services Framework Agreement;

(iii) Seedland shall pay the service fees to Qianhai Seedland in accordance with the 2026 Property Management Services Framework Agreement and individual agreements to be entered into under the 2026 Property Management Services Framework Agreement;

(iv) Qianhai Seedland shall provide services to the Seedland in accordance with the 2026 Property Management Services Framework Agreement and individual agreements to be entered into under the 2026 Property Management Services Framework Agreement;

(v) There are no disputes ongoing, pending, or threatened against itself or the assets under the 2026 Property Management Services Framework Agreement that would have a significant adverse impact on the ability of each party to execute or perform the 2026 Property Management Services Framework Agreement or fulfill the obligations hereunder; and

(vi) If the total annual amounts for any services under the 2026 Property Management Services Framework Agreement may exceed the annual caps, Seedland and Qianhai Seedland agree to take necessary measures to increase the annual caps in accordance with the relevant provisions of the Listing Rules (such as convening an independent shareholders' meeting to seek approval from independent shareholders (if applicable), applying for exemption from the Stock Exchange or notifying the Stock Exchange and announcing continuing connected transactions, etc.). Prior to obtaining the exemption from the Stock Exchange, the approval from independent shareholders or meeting the relevant requirements of the Listing Rules (if applicable), Seedland and Qianhai Seedland shall conduct the relevant transactions within the annual caps. Otherwise, the performance of the 2026 Property Management Services Framework Agreement shall be suspended immediately.

HISTORICAL TRANSACTION AMOUNTS

The table below sets out the historical transaction amounts for the two years ended 31 December 2023 and 2024 and the ten months ended 31 October 2025, respectively:

	For the years ended 31 December		For the ten months ended 31 October
	2023	**2024**	**2025**
	(RMB)	*(RMB)*	*(RMB)*
Property management services	40,582,000	45,779,000	37,516,000
Other value-added services	5,895,000	15,247,000	5,829,000

The above historical transaction amounts for the ten months ended 31 October 2025 are unaudited figures and remain subject to audit adjustments.

ANNUAL CAPS AND BASIS OF DETERMINATION

The proposed maximum annual transaction amounts under the 2026 Property Management Services Framework Agreement for the year ending 31 December 2026 are as follows:

	For the year ending 31 December 2026
	(RMB)
Property management services	45,000,000
Other value-added services	10,000,000

In determining the proposed annual caps for the transactions contemplated under the 2026 Property Management Services Framework Agreement, the Company has considered, among others, the following key factors:

(i) the historical transaction amounts and trend of property management service fees and other value-added service fees;

(ii) the expected demand from the Seedland for property management services and value-added services;

(iii) Although the income of the property management services in 2025 was lower than the original cap due to property sales and delivery timing differences, the proposed annual cap reflects anticipated increases in property handovers, shifting corresponding service transactions from Seedland to property owners. Hence the adjustment accounts for the delivery of sold properties from Seedland-held to owner-held status, which shifts service income categories;

(iv) The income of other value-added services in 2025 was lower than expected due to changes in pre-sale plans and reduced service needs from Seedland. However, the proposed annual cap maintains a prudent buffer in view of potential increases in on-site sales activities and customized service arrangements. These services include sales on-site support, pre-sale consulting, pre-opening cleaning, and other early-stage operational services provided to Seedland prior to formal property handover; and

(v) a reasonable buffer to accommodate for inflation and other unforeseen factors, which may affect the total annual amounts of property management service fees and value-added services fees.

INTERNAL CONTROL MEASURES

In order to ensure the terms of the 2026 Property Management Services Framework Agreement are on normal commercial terms and fair and reasonable to the Company and the Shareholders, the Group has adopted the following internal control policies and measures:

(i) the finance department of the Group will closely monitor the transactions under the 2026 Property Management Services Framework Agreement to ensure that the transaction amounts will not exceed the annual caps;

(ii) the legal department of the Group will conduct regular checks to assess whether the transactions contemplated under the 2026 Property Management Services Framework Agreement are conducted on normal commercial terms, in accordance with the terms set out therein and whether the service fees and relevant contract terms are in the interest of the Company and the Shareholders as a whole;

(iii) the Company's external auditors will conduct an annual review of the transactions under the 2026 Property Management Services Framework Agreement to ensure that the transaction amounts are within the annual caps and the transactions are conducted in accordance with the terms set out in the 2026 Property Management Services Framework Agreement; and

(iv) the Company's independent non-executive Directors will conduct regular reviews of the status of the transactions under the 2026 Property Management Services Framework Agreement to ensure that the Company has complied with its internal approval process, the terms of the 2026 Property Management Services Framework Agreement and the relevant requirements under the Listing Rules.

INFORMATION OF THE GROUP AND THE PARTIES INVOLVED

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

Qianhai Seedland is a limited liability company incorporated in the PRC and has become an indirect wholly-owned subsidiary of the Group upon the completion of Seedlife Acquisition on 13 January 2025. Qianhai Seedland principally engages in property management services through its subsidiaries in the PRC.

Seedland is a limited liability company incorporated in the PRC and principally engages in real estate development. As at the date of this announcement, Seedland is wholly-owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling Shareholder of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

Qianhai Seedland primarily engages in provision of property management services through its subsidiaries in the PRC and has been providing efficient property management services and other value-added services to Seedland since its incorporation in 2021. As a result of the long-term business relationship, Qianhai Seedland has been familiar with the requirements and the specifications for the property management services and other value-added services that Seedland requires, and Seedland has been satisfied with the professional and quality services provided by Qianhai Seedland. Compared to other independent third-party service providers, Qianhai Seedland has a better understanding of Seedland's property management service needs. The Directors believe that entering into the 2026 Property Management Services Framework Agreement is beneficial for the long-term business relationship with Seedland and is also a good opportunity to generate return for its Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms of the 2026 Property Management Services Framework Agreement, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Ms. Zhang Lin, a non-executive Director and an associate of Mr. Zhang Liang, Johnson, has abstained from voting on the Board meeting approving the 2026 Property Management Services Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Seedland is wholly-owned by Mr. Zhang Liang, Johnson. Mr. Zhang Liang, Johnson is interested in 62.96% Shares of the Company held through King Lok Holdings Limited, the controlling Shareholder of the Company, by reason of being a settlor of the Zhang Family Overseas Limited, a discretionary family trust for the benefit of himself and his family members. As such, Seedland is an associate of Mr. Zhang Liang, Johnson, and thus a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the 2026 Property Management Services Framework Agreement exceed 0.1% but are all less than 5%, the 2026 Property Management Services Framework Agreement and the proposed annual caps for the transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"2026 Property Management Services Framework Agreement"	the Property Management Services Framework Agreement entered into between Qianhai Seedland and Seedland on 31 December 2025, due to expire on 31 December 2026;
"associate"	has the meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors of the Company;
"Company"	Kinetic Development Group Limited (formerly known as Kinetic Mines and Energy Limited), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;

"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	The People's Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Property Management Services Framework Agreement"	the property management services framework agreement entered into between Qianhai Seedland and Seedland on 13 January 2025 due to expire on 31 December 2025;
"RMB"	Renminbi, the lawful currency of the PRC;
"Qianhai Seedland"	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), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Group;
"Seedland"	Guangzhou Seedland Real Estate Development Co., Ltd*（實地地產集團有限公司), a company incorporated in the PRC with limited liability and wholly-owned by Mr. Zhang Liang, Johnson;
"Seedlife"	Seedlife Holding Limited, a limited liability company incorporated under the laws of the British Virgin Islands and has become an indirect wholly-owned subsidiary of the Group upon the completion of Seedlife Acquisition on 13 January 2025;

"Seedlife Acquisition"	the acquisition of 100% equity interests of Seedlife, as contemplated under the share purchase agreement dated 6 September 2024, which was approved by the independent Shareholders at the extraordinary meeting by way of polls on 3 January 2025;
"Shares"	ordinary share(s) with a nominal value of US$0.001 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"%"	per cent

* *The English translation of the Chinese names of the respective companies 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.*

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

Hong Kong, 31 December 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.