
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Kinetic Development Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS ACQUISITION OF TAIYUAN SEEDLAND AND DONGZHIMEN PROPERTIES AND NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

Capitalized terms used shall have the same meanings as those defined in the section headed “Definitions” in this circular. A letter from the Board is set out on pages 1 to 8 of this circular. A letter from the Independent Board Committee is set out on page 62 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 64 to 128 of this circular. The valuation reports from Asia-Pacific Consulting and Appraisal Limited are set out on pages 1A-1 to 1B-15 of this circular.

A notice convening the EGM to be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 20 May 2026 at 3:30 p.m. is set out on pages EGM-1 to EGM-5 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for dispatch to the Shareholders. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time specified for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

20 April 2026

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE BOARD	9
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	62
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	64
APPENDIX IA – VALUATION REPORT OF THE TARGET COMPANY	IA-1
APPENDIX IB – VALUATION REPORT OF THE TARGET PROPERTIES ...	IB-1
APPENDIX II – GENERAL INFORMATION	II-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	EGM-1

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2022 Adjusted Properties”	the target properties located in Wuhan, Jingmen, Qingdao, Zhongshan, Wuxi and Zunyi, which represent an adjustment to the scope of the Original Properties, the details of which were set out in the “Information on the Target Properties” section in the announcement of the Company dated 12 July 2022;
“2024 Adjusted Properties Vendors”	Vendor 2, Vendor 4 and Vendor 6
“2022 Property Purchase Agreement”	the agreement on sale and purchase of properties entered into between the Original Vendors and Kinetic Qinhuangdao on 29 April 2022;
“2022 Terminated Vendors”	the vendors under the 2022 Property Purchase Agreement whose rights and obligations were terminated pursuant to the Supplemental Agreement;
“2023 Adjusted Properties”	the target properties in the 2022 Adjusted Properties which were not among the 2023 Terminated Properties;
“2023 Terminated Properties”	the properties among the 2022 Adjusted Properties located in Jingmen, Wuxi and Wuhan which would no longer be sold to Kinetic Qinhuangdao pursuant to the Second Supplemental Agreement, the details of which were set out in the “Scope of Terminated Properties” in the announcement of the Company dated 1 December 2023;
“2024 Adjusted Target Properties”	the target properties in the 2023 Adjusted Properties which were not among the 2024 Terminated Properties and the 2024 Further Terminated Properties;
“2024 Agreement Vendors”	the vendors that entered into the Third Supplemental Agreement with Kinetic Qinhuangdao and Guangzhou Hengyi, namely, Vendor 1, Vendor 2, Vendor 4 and Vendor 6;

DEFINITIONS

“2024 Further Terminated Properties”	the properties located in Zunyi and parts of the properties located in Zhongshan among the 2023 Adjusted Properties which would no longer be sold to Kinetic Qinguangdao pursuant to the Fourth Supplemental Agreement, the details of which are set out in the “Acquisition of Seedlife” section in this circular;
“2024 Target Properties”	the target properties located in Guangzhou, the details of which are set out in the “Information on 2024 Target Properties” section in the announcement of the Company dated 6 June 2024;
“2024 Terminated Properties”	the properties among the 2023 Adjusted Properties located in Wuhan and Zhongshan which would no longer be sold to Kinetic Qinguangdao pursuant to the Third Supplemental Agreement, the details of which are set out in the “Scope of the 2024 Terminated Properties” section in the announcement of the Company dated 6 June 2024;
“2024 Third Tranche Terminated Properties”	parts of the properties located in Zhongshan among the 2024 Adjusted Target Properties which would no longer be sold to Kinetic Qinguangdao pursuant to the Fifth Supplemental Agreement, the details of which are set out in the “Scope of the 2024 Third Tranche Terminated Properties” section in the announcement of the Company dated 4 November 2024;
“2026 Debt Settlement Contract”	the debt settlement contract entered into between Seedland, Guangdong Seedland, Kinetic Qinguangdao, Kinetic Shanxi, Zunyi Seedland and Beijing Seedland dated 20 April 2026;
“2026 Property Management Services Framework Agreement”	the Property Management Services Framework Agreement entered into between Kinetic Live and Seedland on 31 December 2025;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Beijing Seedland”	Beijing Seedland Qushi Real Estate Development Co., Ltd.* (北京實地趨勢房地產開發有限公司), a company incorporated in the PRC with limited liability and a wholly owned subsidiary of Seedland;

DEFINITIONS

“Board”	the board of Directors;
“Business Day”	any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in Hong Kong or PRC;
“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;
“Directors”	the director(s) of the Company;
“Debt Settlement Contract”	the debt settlement contract entered into between Seedland, Guangdong Seedland, Beijing Seedland and Kinetic Qinhuangdao on 4 December 2025;
“Dongzhimen Properties”	Dongzhimen 3110 Property and Dongzhimen 3111 Property;
“Dongzhimen 3110 Property”	Unit 3110 located at 31st Floor, No. 18 Dongzimenwai Xiaojie, Dongcheng District, Beijing with a building area of 375.87 square meters;
“Dongzhimen 3111 Property”	Unit 3111 located at 31st Floor, No. 18 Dongzimenwai Xiaojie, Dongcheng District, Beijing with a building area of 343.56 square meters;
“EGM”	the extraordinary general meeting to be convened to approve the Sixth Supplemental Agreement, the Share Transfer Agreement, the Taiyuan Seedland Acquisition, the Debt Settlement Contract, the Acquisition of Dongzhimen Properties and the transactions thereunder;
“Enlarged Group”	the Group and the Target Company immediately after the Closing;
“Fifth Supplemental Agreement”	the fifth supplemental agreement entered into between Kinetic Qinhuangdao, the 2024 Further Adjusted Properties Vendors as well as Zhuhai Seedland on 1 November 2024;

DEFINITIONS

“Fourth Supplemental Agreement”	the fourth supplemental agreement entered into between the Company, Kinetic Qinhuangdao, the 2024 Adjusted Properties Vendors, Seedland Smart Service and Mr. Zhang Liang, Johnson on 6 September 2024;
“Group”	the Company and its subsidiaries;
“Guangdong Seedland”	Guangdong Seedland Property Management Co., Ltd. * (廣東實地物業管理有限公司) is a company incorporated in the PRC with limited liability and is an indirectly wholly owned subsidiary of the Company;
“Guangzhou Hengyi”	Guangzhou Hengyi Equipment Installation and Maintenance Co., Ltd.* (廣州恆逸設備安裝維護有限公司), a company incorporated in the PRC with limited liability, which is indirectly held by Mr. Zhang Liang, Johnson as to 100%;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors;
“Independent Financial Adviser” or “Rainbow Capital”	Rainbow Capital (HK) Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders, in relation to the Share Transfer Agreement, the Taiyuan Seedland Acquisition, the Debt Settlement Contract, the Acquisition of Dongzhimen Properties and the transactions contemplated thereunder;
“Independent Shareholder(s)”	the Shareholder(s) other than those that are required under the Listing Rules to abstain from voting on the resolution(s) to be proposed at the EGM;
“Independent Valuer”	Asia-Pacific Consulting and Appraisal Limited, an independent valuer;

DEFINITIONS

“JIC Trust”	JIC Trust Co., Ltd. (中建投信託股份有限公司) a company incorporated in the PRC with limited liability, which is owned as to 90.05% by China Construction Bank Investment Co., Ltd. (中國建銀投資有限責任公司) and 9.95% by Jiantou Holdings Co., Ltd. (建投控股有限責任公司). JIC Trust is principally engaged in trust financing and wealth management services. The ultimate beneficial owner of JIC Trust is the State Council of the PRC (國務院). JIC Trust has no relationship with the Purchaser or the Seller and is a third party independent of the Company and its connected persons;
“Kinetic Live”	Shenzhen Kinetic Live Services Holding Group Limited* (深圳力量生活服務控股集團有限公司), formerly named 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;
“Kinetic Qinhuangdao”	Kinetic (Qinhuangdao) Energy Group Ltd.* (力量(秦皇島)能源集團有限公司), formerly known as Kinetic (Qinhuangdao) Energy Co., Ltd.* (力量(秦皇島)能源有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;
“Kinetic Shanxi”	Shanxi Kinetic Yingtong Real Estate Development Co., Ltd.* (山西力量盈通房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company;
“Latest Practicable Date”	20 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maoming Acquisition”	the acquisition of 100% equity interests of each of Maoming Shengda and Maoming Shengcheng;

DEFINITIONS

“Maoming Share Transfer Agreement”	the share transfer agreement dated 1 November 2024 entered into between the Kinetic Qinhuangdao and Zhuhai Seedland in relation to the acquisition of 100% equity interests of each of Maoming Shengda and Maoming Shengcheng;
“Original Properties”	the original target properties located in Wuhan, Jingmen, Tianjin, Huizhou and Qingdao, the details of which are set out in the “Information on the Target Properties” section in the announcement of the Company dated 2 May 2022;
“Original Vendors”	Qingdao Shihaoxing Real Estate Co., Ltd.* (青島實昊星置業有限公司), Huizhou Guopeng Color Printing Co., Ltd.* (惠州市國鵬彩印有限公司), Tianjin Jinhewan Real Estate Co., Ltd.* (天津金河灣置業有限公司), Vendor 1, Vendor 2 and Vendor 3, being the original vendors under the 2022 Property Purchase Agreement;
“PRC”	the People’s Republic of China, and for the purpose of this circular 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 dated 13 January 2025 entered into between Kinetic Live and Seedland;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Supplemental Agreement”	the second supplemental agreement entered into between Kinetic Qinhuangdao, the Vendors and Taiyuan Hetai on 1 December 2023;
“Seedland”	Guangzhou Seedland Real Estate Development Co., Ltd* (實地地產集團有限公司), a company incorporated in the PRC with limited liability and 100%-owned by Mr. Zhang Liang, Johnson;
“Seedland Smart Service”	Seedland Smart Service Group Limited, a limited liability company incorporated under the laws of the Cayman Islands and is held indirectly by Mr. Zhang Liang, Johnson as to 100%;

DEFINITIONS

“Seedlife”	Seedlife Holding Limited, a limited liability company incorporated under the laws of the British Virgin Islands and is held directly by Seedland Smart Service as to 100%;
“Seedlife Share Purchase Agreement”	the share purchase agreement dated 6 September 2024 entered into between the Company, Seedland Smart Service and Seedlife in relation to the acquisition of 100% equity interests of Seedlife;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) with a nominal value of US\$0.001 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Share Transfer Agreement”	the share transfer agreement dated 4 December 2025 entered into between the Kinetic Shanxi and Zunyi Seedland in relation to the acquisition of 100% equity interests of Taiyuan Seedland;
“Sixth Supplemental Agreement”	the sixth supplemental agreement entered into between Kinetic Qinhuangdao, Kinetic Shanxi, Vendor 2, Vendor 4 and Zunyi Seedland on 4 December 2025;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supplemental Agreement”	the supplemental agreement entered into between Kinetic Qinhuangdao, the Original Vendors, Vendor 4, Vendor 5 and Vendor 6 on 12 July 2022;
“Taiyuan Hetai”	Taiyuan Hetai Shengrui Real Estate Co., Ltd.* (太原和泰盛瑞置業有限公司), a limited liability company established in the PRC, whose entire equity interests were acquired by Kinetic Qinhuangdao pursuant to the Second Supplemental Agreement;
“Taiyuan Seedland”	Taiyuan Seedland Taijing Real Estate Development Co., Ltd.* (太原實地台經房地產開發有限公司), a limited liability company established in the PRC and a wholly owned subsidiary of Zunyi Seedland;

DEFINITIONS

“Third Supplemental Agreement”	the third supplemental agreement entered into between the 2024 Agreement Vendors, Kinetic Qinguangdao and Guangzhou Hengyi on 6 June 2024;
“Vendor 1”	Wuhan Pingan Zhongxin Real Estate Co., Ltd.* (武漢平安中信置業有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland;
“Vendor 2”	Qingdao Shilu Ocean Big Data Investment Development Co., Ltd.* (青島實錄海洋大數據投資開發有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;
“Vendor 3”	Jingmen Shiqiang Real Estate Co., Ltd.* (荊門實強房地產置業有限公司), a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland;
“Vendor 4”	Zhongshan Shidi Real Estate Development Co., Ltd.* (中山實地房地產開發有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of Seedland;
“Vendor 5” or “Wuxi Shidi”	Wuxi Shidi Real Estate Development Co., Ltd.* (無錫實地房地產開發有限公司), a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of Seedland;
“Vendor 6” or “Zunyi Seedland”	Zunyi Shidi Real Estate Development Co., Ltd.* (遵義實地房地產開發有限公司), a company incorporated in the PRC with limited liability and a directly non-wholly-owned subsidiary of Seedland;
“Vendors”	collectively, Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5 and Vendor 6;
“Zhuhai Seedland”	Zhuhai Seedland Real Estate Development Co., Ltd.* (珠海實地房地產開發有限公司), a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of Seedland; and
“%”	per cent.

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

LETTER FROM THE BOARD



力量发展
KINETIC DEVELOPMENT GROUP

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)

Executive Directors:

Mr. Ju Wenzhong (*Chairman*)
Mr. Li Bo (*Chief Executive Officer*)
Mr. Ji Kunpeng

Non-executive Director:

Ms. Zhang Lin

Independent non-executive Directors:

Ms. Liu Peilian
Mr. Chen Liangnuan
Ms. Xue Hui

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in the PRC:*

Dafanpu Coal Mine
Majiata Village
Xuejiawan Town
Zhunge'er Banner
Ordos City, Inner Mongolia, China

Principal place of business in Hong Kong:

18/F
80 Gloucester Road
Wan Chai
Hong Kong

20 April 2026

Dear Shareholders,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS
ACQUISITION OF TAIYUAN SEEDLAND AND DONGZHIMEN PROPERTIES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

BACKGROUND OF THE TAIYUAN SEEDLAND ACQUISITION

References are made to the announcements of the Company dated 2 May 2022, 12 July 2022, 1 December 2023, 12 December 2023, 7 February 2024, 3 June 2024, 6 June 2024, 6 September 2024, 4 November 2024, 12 November 2024, 13 November 2025, 4 December 2025, 23 December 2025, 31 December 2025 and 20 April 2026 and to the circulars of the Company dated 30 September 2022, 21 February 2024, 25 November 2024 and 19 December 2024.

LETTER FROM THE BOARD

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

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

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

On 6 June 2024, Kinetic Qinhuangdao entered into the Third Supplemental Agreement with the 2024 Agreement Vendors and Guangzhou Hengyi, pursuant to which, among others, (i) Guangzhou Hengyi transferred the 2024 Target Properties to Kinetic Qinhuangdao for a total consideration of RMB45,000,000, which has been completed; (ii) the 2024 Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (iii) the rights and obligations between the 2024 Agreement Vendors and Kinetic Qinhuangdao in respect of the 2024 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement) are terminated with effect from the date of the Third Supplemental Agreement. The corporate income tax of RMB4,184,000 payable by Guangzhou Hengyi arising from the acquisition of the 2024 Target Properties has been paid by Kinetic Qinhuangdao, and has been deducted from the total consideration of RMB45,000,000 such that the net consideration payable by Kinetic Qinhuangdao for the acquisition of the 2024 Target Properties became RMB40,816,000.

LETTER FROM THE BOARD

On 6 September 2024, Kinetic Qinhuangdao entered into the Fourth Supplemental Agreement with the 2024 Adjusted Properties Vendors, the Company, Seedland Smart Service and Mr. Zhang Liang, Johnson, pursuant to which, among others, (i) the 2024 Further Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) the rights and obligations between the 2024 Adjusted Properties Vendors and Kinetic Qinhuangdao 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 the same date, the Company, Seedland Smart Service and Seedlife entered into the Seedlife Share Purchase Agreement, pursuant to which, among others, the Company (either directly or through its affiliate) agreed to acquire, and Seedland Smart Service agreed to sell 100% equity interests of Seedlife for a total consideration of RMB423,000,000 of which RMB230,700,000 had been set off against the equivalent amount in the Pre-existing Outstanding Paid Amount (the “**Seedlife Acquisition**”). The closing of the Seedlife Acquisition has taken place on 13 January 2025.

On 1 November 2024, Kinetic Qinhuangdao entered into the Fifth Supplemental Agreement with Vendor 2 and Vendor 4 as well as Zhuhai Seedland, pursuant to which, among others, (i) the 2024 Third Tranche Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) the rights and obligations between the Vendor 2, Vendor 4 and Kinetic Qinhuangdao in respect of the 2024 Third Tranche 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 the same date, Kinetic Qinhuangdao and Zhuhai Seedland entered into the Maoming Share Transfer Agreement, pursuant to which, among others, Kinetic Qinhuangdao agreed to acquire, and Zhuhai Seedland agreed to sell, 100% equity interests of each of Maoming Shengda and Maoming Shengcheng for a total consideration of RMB70,000,000. The corporate income tax of RMB12,250,000 payable by Zhuhai Seedland for the Maoming Acquisition will be paid by Kinetic Qinhuangdao, and has been deducted from the total consideration of RMB70,000,000 such that the payable consideration for the Maoming Acquisition becomes RMB57,750,000. The consideration payable by Kinetic Qinhuangdao shall be fully set off by the 2024 Third Tranche Terminated Properties Paid Amount.

As at the Latest Practicable Date, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the purchase of the 2024 Adjusted Target Properties, among which the ownership transfer registration of the properties with the total consideration of approximately RMB253,734,000 has not yet been completed (the “**2025 Terminated Properties Paid Amount**”).

LETTER FROM THE BOARD

BACKGROUND OF ACQUISITION OF THE DONGZHIMEN PROPERTIES

Reference is made to the announcement of the Company dated 13 January 2025 in relation to the Property Management Services Framework Agreement (the “**Property Management Services Announcement**”).

Prior to becoming an indirectly wholly-owned subsidiary of the Group on 13 January 2025, Kinetic Live had been providing property management services and other value-added services to Seedland. As disclosed in the Property Management Services Announcement, among other things, the historical transaction amounts payable by Seedland to Kinetic Live for property management services and other value-added services for the nine months ended 30 September 2024 amounted to RMB32,978,000 and RMB10,050,000. As at 31 December 2024, Seedland owed outstanding payables to Kinetic Live in respect of such services totaling RMB54,054,800 (the “**2024 Payables**”), which remain unsettled as at the Latest Practicable Date. According to the Group’s consolidated management accounts, as of 31 December 2025, the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 amounted to approximately RMB36.0 million, inclusive of value-added-tax (the “**2025 Balances**”).

BACKGROUND OF PAYMENT OF INTENTION FEE AND PROPOSED SECOND PAYMENT

Pursuant to the settlement agreement (the “**Settlement Agreement**”) dated 1 December 2025 and entered into between JIC Trust, Taiyuan Seedland, Zunyi Seedland and Seedland (together, the “**Obligors**”) in connection with the proposed settlement arrangement relating to the Taiyuan Seedland Acquisition, it was agreed, among others, that the Obligors shall settle an agreed aggregate amount of RMB814,408,000 (the “**Repayment Amount**”) by instalments.

ACQUISITION OF TAIYUAN SEEDLAND

On 4 December 2025 (after trading hours), Kinetic Qinhuangdao and Kinetic Shanxi entered into the Sixth Supplemental Agreement with Vendor 2 and Vendor 4 (the “**2025 Adjusted Properties Vendors**”) as well as Zunyi Seedland, pursuant to which, among others, (i) all properties for which the ownership transfer registration has not been completed (the “**2025 Terminated Properties**”) would no longer be sold to Kinetic Qinhuangdao, the rights and obligations between the 2025 Adjusted Properties Vendors and Kinetic Qinhuangdao in respect of the 2025 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) are terminated with effect from the date of the Sixth Supplemental Agreement; and (ii) Kinetic Shanxi agreed to acquire, and Zunyi Seedland agreed to sell, 100% equity interests of Taiyuan Seedland (the “**Taiyuan Seedland Acquisition**”) for a total consideration of RMB384,000,000 (the “**Equity Consideration**”), which shall be set off by the 2025 Terminated Properties Paid Amount upon the completion of the registration for the equity transfer. After such offset, the remaining Equity Consideration payable by Kinetic Shanxi to Zunyi Seedland shall be RMB130,266,000 (the “**Remaining Closing Payment**”).

LETTER FROM THE BOARD

On 20 April 2026, Kinetic Qinhuangdao and Kinetic Shanxi entered into the 2026 Debt Settlement Contract with Seedland, Guangdong Seedland, Zunyi Seedland and Beijing Seedland, pursuant to which the parties have agreed to an offset arrangement among (i) the Remaining Closing Payment, RMB130,266,000; (ii) the surplus amount payable by Kinetic Qinhuangdao to Beijing Seedland under the Debt Settlement Contract which amounted to RMB2,835,200 (the “**Surplus Amount**”, together with the Remaining Closing Payment, the “**Revised Remaining Closing Payment**”, amounted to RMB133,101,200); and (iii) the service fee payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025. Pursuant to the 2026 Debt Settlement Contract, an amount of RMB36,000,000, which equals to the 2025 Balances, shall be deducted from the Revised Remaining Closing Payment, and the balance (“**Final Payment**”) shall be paid to Zunyi Seedland.

As at the Latest Practicable Date, the details of properties under the 2022 Property Purchase Agreement and each supplemental agreement are as follows:

Date	Agreement	Scope of properties/assets	Value of properties/ assets terminated (Note 4) (RMB)	Properties terminated	Reasons for termination of relevant properties	Value of terminated properties (Note 5) (RMB)	Balance of value of properties (Note 6) (RMB)	Set off amount pursuant to relevant supplemental agreement (Note 7) (RMB)	Balance of Outstanding Paid Amount (Note 8) (RMB)
29 April 2022	2022 Property Purchase Agreement	A, B, C, D, E, F (Note 1)	769,014,000	-	-	-	769,014,000	-	-
12 July 2022	Supplemental Agreement	F, G, H, I, J, K (Note 2)	809,480,000	A, B, C, D, E	Properties under Supplemental Agreement more geographically diversified to facilitate expansion of the Group's sales network	-	809,480,000	-	803,000,000
1 December 2023	Second Supplemental Agreement	100% equity interests in Taiyuan Hetai (Note 3)	218,250,000	G (77 units out of 88 in total), H, J	Significant delay in overall property registration procedures	218,250,000	591,230,000	220,000,000	583,000,000
6 June 2024	Third Supplemental Agreement	L	40,816,000	G (11 units out of 88 in total), I (4 units out of 25 in total)	Significant delay in overall property registration procedures	40,890,000	550,340,000	40,816,000	542,184,000
6 September 2024	Fourth Supplemental Agreement	100% equity interests in Seedlife	230,700,000	K, I (9 units out of 25 in total)	Significant delay in overall property registration procedures	230,700,000	319,640,000	230,700,000	311,484,000
1 November 2024	Fifth Supplemental Agreement	100% equity interests of each of Maoming Shengda and Maoming Shengcheng	57,990,000	I (3 units out of 25 in total)	Significant delay in overall property registration procedures	57,990,000	261,650,000	57,750,000	253,734,000
4 December 2025	Sixth Supplemental Agreement	100% equity interests in Taiyuan Seedland	384,000,000	F, I (9 units out of 25 in total)	Significant delay in overall property registration procedure and mortgages have not been discharged	261,650,000	-	384,000,000	(130,266,000)

LETTER FROM THE BOARD

Notes:

1. Particulars of properties:

Property A: 89 units in Buildings No. 34, No. 35 and No. 36 located in land No. 104C of Wuhan Economic and Technological Development Zone (武漢經濟技術開發區), with an aggregate building area of approximately 12,180 square meters.

Property B: 1 unit located in Dong Bao District (東寶區), Jingmen, with a building area of approximately 2,957 square meters.

Property C: 1 unit located in Bao Di District (寶坻區), Tianjin, with a building area of approximately 3,025 square meters.

Property D: 1 unit located in Zhong Kai High-Tech Zone (仲愷高新區), Huizhou, with a building area of approximately 4,424 square meters.

Property E: 1 unit located in Xi Hai An New District (西海岸新區), Qingdao, with a building area of approximately 5,318 square meters.

Property F: 2 units located in Ji Mo District (即墨區), Qingdao, with an aggregate building area of approximately 20,312 square meters.

2. Particulars of properties:

Property F: 2 units located in Ji Mo District (即墨區), Qingdao, with an aggregate building area of approximately 20,312 square meters.

Property G: 88 units in Buildings No. 34, No. 35 and No. 36 located in land No. 104C of Wuhan Economic and Technological Development Zone (武漢經濟技術開發區), Wuhan, Hubei Province, with an aggregate building area of approximately 11,706 square meters.

Property H: 1 unit located in Dongbao District (東寶區), Jingmen, Hubei Province, with a building area of approximately 4,787 square meters.

Property I: 25 units located in Huoju Development Zone (火炬開發區), Zhongshan, Guangdong Province, with a building area of approximately 12,657 square meters.

Property J: 2 units located in Huishan District (惠山區), Wuxi, Jiangsu Province, with a building area of approximately 4,072 square meters.

Property K: 2 commercial units located in Honghuagang District (紅花崗區), Zunyi, Guizhou Province, with a building area of approximately 16,695 square meters.

3. Particulars of properties:

Property L: 6 units of properties for commercial use located in No. 16 Huaxia Road, Tianhe District (天河區), Guangzhou, Guangdong Province with an aggregate building area of approximately 1,182.0 square meters.

4. The total value attributable to the properties/assets comprised in the “Scope of properties/assets” under the relevant supplemental agreement, as agreed by the parties.

LETTER FROM THE BOARD

5. The total value of the properties terminated under the relevant supplemental agreement. The value of the terminated properties selected by the parties approximately equals, to the extent possible, the set-off amount under each supplemental agreement.

6. The total value of the properties/assets remaining within scope after giving effect to the relevant supplemental agreement, calculated as:

Balance of value of properties (current) = Balance of value of properties (previous) – Value of terminated properties (current);

and for the first row, Value of Properties = Balance of value of properties.

7. The amount agreed under the relevant supplemental agreement to be satisfied by way of set-off against the Outstanding Paid Amount.

8. The remaining amount of the Outstanding Paid Amount after set-off under the relevant supplemental agreement, calculated as:

Balance of Outstanding Paid Amount (current) = Balance of Outstanding Paid Amount (previous) – Set-off Amount (current).

The Set-off Amount under each supplemental agreement represents a negotiated commercial amount agreed between the parties. While the parties generally made reference to valuation(s) when selecting properties for set-off, the value of the terminated properties was not intended to be exactly identical with the Set-off Amount.

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

Date: 4 December 2025

Parties:

- (i) Vendor 2
- (ii) Vendor 4
- (iii) Kinetic Qinhuangdao
- (iv) Kinetic Shanxi (together with (iii), the “**Purchaser**”)
- (v) Zunyi Seedland (the “**Seller**”)

Assets to be Acquired: 100% equity interests in Taiyuan Seedland (the “**Target Company**”)

LETTER FROM THE BOARD

**Equity Consideration and
Payment Terms:**

The consideration for the acquisition of 100% equity interests in Taiyuan Seedland is RMB384,000,000, which shall be set off by the 2025 Terminated Properties Paid Amount. After such offset, the Remaining Closing Payment payable by the Purchaser to the Seller shall be RMB130,266,000.

Following a payment request from the Seller after completion of the registration for the equity transfer, the Purchaser shall, having regard to its funding arrangements and other relevant considerations, make payment of the Remaining Closing Payment to the Seller. The Purchaser shall make payments to the account designated by the Seller. Once the funds have been transferred to the account designated by the Seller, the Purchaser shall be deemed to have fulfilled the corresponding payment obligation. No interest shall accrue on the Remaining Closing Payment prior to full payment by the Purchaser.

If the actual liabilities of Taiyuan Seedland exceed the amount of liabilities stated in the balance sheet of Taiyuan Seedland provided to the Purchaser, the Purchaser shall be compensated for the excess portion by way of a corresponding reduction in the Equity Consideration, and the Remaining Closing Payment payable by the Purchaser shall be reduced accordingly.

The actual liabilities of Taiyuan Seedland shall be based on the data audited by the auditor engaged by the Purchaser, and the reference date for determining the actual liabilities shall be 31 December 2025, the reference date of the balance sheet of Taiyuan Seedland provided to the Purchaser.

The actual liabilities of Taiyuan Seedland are the same as the amount of liabilities stated in the balance sheet of Taiyuan Seedland provided to the Purchaser, therefore the compensation mechanism mentioned above was not triggered.

LETTER FROM THE BOARD

Termination of the Sixth Supplemental Agreement: In the event that any of the following circumstances occurs, the Purchaser shall be entitled to unilaterally terminate the Sixth Supplemental Agreement and the Share Transfer Agreement by giving written notice to the Seller:

- (i) the Group fails to obtain all necessary approvals and consents in respect of the Sixth Supplemental Agreement and the transactions contemplated thereunder (including but not limited to approvals from the Shareholders, if applicable); and
- (ii) the closing of Taiyuan Seedland Acquisition fails to occur by 31 December 2026.

Upon termination of the transaction, the Seller shall unconditionally refund to the Purchaser any Remaining Closing Payment (if any) already paid by the Purchaser within seven (7) business days, and the 2022 Property Purchase Agreement and all supplemental agreements shall remain in effect.

On the same date, Kinetic Shanxi and Zunyi Seedland have entered into the Share Transfer Agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Seedland.

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

Date:	4 December 2025
Parties:	(i) Zunyi Seedland; (ii) Kinetic Shanxi
Assets to be Acquired:	100% equity interests in Taiyuan Seedland
Equity Consideration:	RMB384,000,000

LETTER FROM THE BOARD

- Closing:** Within five (5) business days from the date on which all conditions precedents are fulfilled but no later than 31 December 2026, Zunyi Seedland shall assist Kinetic Shanxi in submitting a written application to the relevant market supervision authority for the equity transfer, completing the procedures for registering the change of ownership of the subject equity under the name of Kinetic Shanxi, and obtaining a new business license of Taiyuan Seedland.
- Conditions Precedent to Closing:** Completion of the Taiyuan Seedland Acquisition is conditional upon various conditions having been fulfilled, or waived by Kinetic Shanxi in writing:
- (i) all necessary approvals and consents in connection with the Taiyuan Seedland Acquisition (including but not limited to approvals from the Shareholders and consent from third-party creditors, if applicable);
 - (ii) the Equity Freeze has been lifted, and the Equity Pledge has been cancelled; and
 - (iii) the Purchaser has conducted and has been satisfied with the results of due diligence on Taiyuan Seedland (including but not limited to financial, legal, and business due diligence).

LETTER FROM THE BOARD

The 100% equity interests of Taiyuan Seedland are currently subject to a pledge provided as security in favour of JIC Trust (the “**Equity Pledge**”) and are frozen (the “**Equity Freeze**”) pursuant to the enforcement ruling No. 2024 Zhe 01 Zhi 368 (the “**Enforcement Ruling**”) of the Intermediate People’s Court of Hangzhou City, Zhejiang Province (the “**Hangzhou Court**”). On 1 December 2025, JIC Trust entered into the Settlement Agreement with Obligors, pursuant to which, among others, the Obligors shall settle an agreed aggregate amount of RMB814,408,000 (the “**Repayment Amount**”) by instalments. Upon receipt of up to RMB100,000,000 out of the Repayment Amount by JIC Trust, JIC Trust shall provide assistance to discharge the pledge over the equity interests of Taiyuan Seedland and arrange for the transfer of 100% equity interests of Taiyuan Seedland. Within six months of the signing of the Settlement Agreement, subject to the Share Transfer Agreement and the New Settlement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders, the Group will enter into a new settlement agreement (the “**New Settlement Agreement**”), with, among others, JIC Trust to become one of the obligors to settle the Repayment Amount by instalments. After obtaining title to the 100% equity interests of Taiyuan Seedland, the Group shall arrange to pledge the 100% equity interests of Taiyuan Seedland to JIC Trust. Against payment of the Repayment Amount to JIC Trust by installment, JIC Trust would provide assistance to grant pre-sale approval of the Haitang Huazhu Project. As of the Latest Practicable Date, the Obligors have not settled any Repayment Amount under the Settlement Agreement.

Payment terms:

The Equity Consideration shall be set off by the 2025 Terminated Properties Paid Amount. After such offset, the Remaining Closing Payment payable by the Purchaser to the Seller shall be paid following a payment request from the Seller after completion of the registration for the equity transfer in accordance with the Sixth Supplemental Agreement.

LETTER FROM THE BOARD

Transition Period:

From the date of the Share Transfer Agreement to the Closing date, except for actions taken for project development and construction, normal business operations, sales activities, or other actions carried out in accordance with the Share Transfer Agreement, Taiyuan Seedland shall not, without the prior written consent of Kinetic Shanxi:

- (i) incur any new liabilities;
- (ii) make any payments or transfer assets to any third party or to Zunyi Seedland and/or its affiliates;
- (iii) provide any form of guarantee or create any encumbrance in favor of any third party or for the benefit of the Zunyi Seedland and/or its affiliates; and
- (iv) cause any material change to its major assets.

Otherwise, Zunyi Seedland shall fully compensate for any losses suffered by Kinetic Shanxi and/or Taiyuan Seedland as a result thereof.

Key Representations and Warranties:

Zunyi Seedland represents and warrants to Kinetic Shanxi that:

- (i) as of the date of Share Transfer Agreement, apart from the Equity Pledge and Equity Freeze, the subject equity is not subject to any other seizure, freezing, pledge, or restrictions by third party rights or any other encumbrances, and there are no other undisclosed material liabilities, commitments, or contingent liabilities;
- (ii) the information disclosed by Zunyi Seedland to Kinetic Shanxi (including but not limited to financials, properties, assets, contracts, qualifications, litigation, arbitration, administrative penalties, labor and personnel matters, taxation, etc.) is true, accurate, complete, and valid; and
- (iii) prior to the Closing date, the Target Company had paid-in registered capital of RMB359,175,241.47 and unpaid registered capital of RMB10 million.

LETTER FROM THE BOARD

PROPOSED SECOND PAYMENT

Whilst the Group was not a party to the Settlement Agreement, in order to enable the Group to obtain title to the equity interest of Taiyuan Seedland, in addition to the Intention Fee, the Group intends to, after Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition has been obtained but prior to entering into the New Settlement Agreement, make a second payment of RMB50 million (the "**Second Payment**") to JIC Trust, in order to trigger the obligation of JIC Trust to discharge the pledge over the equity interests of Taiyuan Seedland, and then request JIC Trust to arrange for the transfer of 100% equity interests of Taiyuan Seedland to the Group.

On 20 April 2026, Taiyuan Seedland, Zunyi Seedland and Kinetic Qinhuangdao entered into an intention fee and payment agreement (the "**Payment Agreement**") to formalize the arrangement in relation to the Intention Fee and the Second Payment, pursuant to which, among other things, in the event that the Taiyuan Seedland Acquisition does not proceed, both the Intention Fee and the Second Payment shall be refunded to the Kinetic Qinhuangdao, together with an capital utilisation fee calculated at the 5-year LPR of 3.5%, with interest accruing up to the actual date of repayment from Taiyuan Seedland.

Details of the Equity Pledge are set out below.

Pledgee:	JIC Trust
Pledgor:	Zunyi Seedland
Pledged asset:	100% equity interests in Taiyuan Seedland, being the equity interests held by the Pledgor
Scope of secured obligations:	All obligations under the principal contract, including, without limitation, principal, interest, liquidated damages, compensation and indemnities, doubled interest for delayed performance under effective judgments/mediation statements or other effective legal instruments, any other amounts payable to the pledgee, and all costs and expenses incurred by the pledgee in enforcing its claims and security interests.

LETTER FROM THE BOARD

- Pledge registration:** Where registration is required by PRC law, the parties shall promptly complete the relevant pledge registration with the competent authority, and the pledgee shall keep the original pledge registration documents and other title documents. Where registration is not required, the pledgor shall deliver the relevant title documents (duly endorsed where applicable) to the pledgee within five business days after execution. Upon full repayment of the secured obligations and payment of fees borne by the pledgor, the pledgor may request return of the title certificates; where registration has been completed, the parties shall promptly complete deregistration/endorsement cancellation.
- Effectiveness/Severability:** If the principal contract is determined to be invalid, ineffective, partially invalid, rescinded or terminated, and the pledgor is not the same person as the debtor, the pledgor remains liable, within the secured scope, by way of security over the pledged assets for the debtor's restitution/compensation liabilities, and may also bear joint and several liability as agreed. If any provision of the pledge contract is or becomes invalid, the validity of the remaining provisions shall not be affected.
- Enforcement and Application of Proceeds:** During the term of the Equity Pledge, upon the occurrence of specified events (including failure to pay due or accelerated obligations, breach of the principal contract, insolvency/dissolution or similar events, material disputes or proceedings, material litigation/arbitration/administrative proceedings, impairment risk of the pledged value without acceptable additional security, or other breaches/events materially adverse to the pledgee), the pledgee may dispose of the pledged rights by discount, private sale, auction or other lawful means. The stated "provisional value" does not represent the final realization value. Net proceeds (after disposal taxes/fees and expenses) shall be applied in priority to (i) enforcement costs and expenses, (ii) interest (including compound and default interest), liquidated damages/indemnities/doubled interest for delayed performance and other payable amounts, and (iii) principal; any surplus may be applied to other liabilities owed to the pledgee. The pledgee is not required to first pursue other guarantors/security providers.

LETTER FROM THE BOARD

Default and Remedies: If the pledgor breaches any obligation, fails to cure within three business days after notice (where notice is given), or its representations are untrue/inaccurate/incomplete/misleading, the pledgee may require cure or continued performance, request additional security, claim damages, enforce the pledge, claim liquidated damages, and pursue other lawful remedies. Where the pledge is not validly perfected, or the pledged value is impaired, or enforcement is delayed due to the pledgor, the pledgor agrees to bear joint and several liability within the secured scope.

Reasons for providing the Equity Pledge: The pledge was intended to secure performance of the secured obligations and to provide JIC Trust with recourse to the equity interests of Taiyuan Seedland in the event of default by the pledgor, and the pledge arrangement was structured in accordance with market practice and legal requirements applicable to similar trust financing transactions.

Details of the Enforcement Rulings are set out below.

Background and circumstances leading to the Enforcement Rulings: The Enforcement Rulings were made primarily due to the non-payment upon maturity under the principal contract, which resulted in default of the secured obligations. JIC Trust commenced legal proceedings and subsequently obtained judgments against Zunyi Seedland. As the amounts payable thereunder remained unpaid, JIC Trust applied for compulsory enforcement and commenced enforcement proceedings, the court issued execution orders and imposed judicial measures over the equity interests in Taiyuan Seedland, including the Equity Freeze.

Details of the Enforcement Rulings According to the Enforcement Rulings, the applicant for enforcement is JIC Trust. The persons subject to enforcement include, among others, Chongqing Seedland Real Estate Development Co., Ltd.* (重慶實地房地產開發有限公司), Taiyuan Seedland, Zunyi Seedland, Shanxi Taijing Property Co., Ltd.* (山西台經置業有限公司), Seedland and Mr. Zhang Liang, Johnson.

LETTER FROM THE BOARD

The Enforcement Rulings was made on the basis of an effective PRC judgment No. (2022) Zhe 01 Minchu No.1847. The execution subject matter stated in the execution order comprises RMB1,162,624,657.33 and related debt interest, and an execution fee of RMB1,225,495.

Pursuant to the Enforcement Rulings, the PRC court ordered, among others, (i) Seizure/freezing/detention/withholding/transfer/appropriation/extraction of monies and/or other assets of equivalent value of certain persons subject to enforcement, including: in respect of Chongqing Seedland Real Estate Development Co., Ltd., Taiyuan Seedland, Seedland and Mr. Zhang Liang, Johnson, RMB1,163,850,152.33 and related debt interest (or other assets of equivalent value); and in respect of Zunyi Seedland and Shanxi Taijing Property Co., Ltd., RMB5,755,336 and related debt interest (or other assets of equivalent value).; and (ii) freezing, valuation and auction of equity interests in Taiyuan Seedland, namely 90.25% held by Zunyi Seedland (capital contribution RMB9.025 million) and 9.75% held by Shanxi Taijing Property Co., Ltd. (capital contribution RMB0.975 million). The execution order became legally effective upon service.

As at the Latest Practicable Date, Taiyuan Seedland has mortgaged the land use right of the Haitang Huazhu Project with a total area of approximately 174,828.17 sq.m in favour of JIC Trust as security for a loan facility (the defaulted loan under the Enforcement Rulings) provided by JIC Trust to Taiyuan Seedland (the “**Mortgage**”). The proceeds from the Mortgage had been used for the project development. Pursuant to the Settlement Agreement, considering the Group, being a listed company with established credit standing, will become one of the obligors, upon the execution of the New Settlement Agreement and as a result of commercial negotiations, JIC Trust has agreed to waive all interest and default interest accrued during the loan overdue period and the instalment repayment period such that the total indebtedness owed to JIC Trust has been reduced from RMB1,163,850,152.33 to RMB764,407,841, given that the Group repaid RMB50,000,000 as an intention fee (the “**Intention Fee**”). As of the Latest Practicable Date, the outstanding balance under the Mortgage was RMB764 million.

LETTER FROM THE BOARD

The Group (i) paid the Intention Fee to demonstrate its good faith in reaching a settlement with JIC Trust and to secure the settlement arrangement in relation to Taiyuan Seedland as soon as practicable and (ii) intends to make the Second Payment in order to obtain title to the 100% equity interests of Taiyuan Seedland. Besides, the partial debt waiver and the interest-free installment payment plan are beneficial to the Taiyuan Seedland Acquisition overall, as they reduce interest cost outflows and alleviate the time pressure on the project's sell-through. In order to safeguard the Group's interests, the Company will not make any further payment to JIC Trust (including in particular the Second Payment) until after Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition has been obtained. The Second Payment will be made prior to the Group entering into the New Settlement Agreement. In Chinese Mainland, commercial housing is sold under a pre-sale system, whereby property developers sell residential units that are still under construction to purchasers in advance and collect payment. Typically, real estate projects involve acquiring the entire land parcel at once, followed by phased development and sales. It is also common practice for property developers to obtain financing to acquire the land parcel and to fund the construction of the real estate projects, and financial institution providing financings will require the land parcel and the buildings, whether under construction or completed thereon be mortgaged to it. Subsequently, the financing party will coordinate the release of restrictions by phases, and after proceeds from the project are received, the loans are repaid. Therefore, the Mortgage is a common practice in real estate financing and development, and it does not affect the normal progress of the Haitang Huazhu Project or the recovery of funds. Taiyuan Seedland is also required to comply with the Enforcement Ruling, under which certain dispositions of the project may be restricted until the Mortgage and/or any seal (if applicable) is lifted (together, the "**Restrictions**").

The release of the Mortgage is not included as a condition precedent of the Taiyuan Seedland Acquisition. The Mortgage is expected to continue following the closing of the Taiyuan Seedland Acquisition as part of the existing project financing arrangements, and will (through Taiyuan Seedland) continue to observe the relevant covenants and requirements under the financing documents, and will procure (where required) the mortgagee's consent and/or release of the Mortgage in accordance with the progress of the overall project development, pre-sale approvals and/or disposal of the relevant assets in the ordinary course of project development. The Board considers that such arrangement is fair and reasonable, having regard to (i) it is common for PRC property development projects to be financed by secured borrowings with mortgages over project land and/or properties, (ii) the existence of the Mortgage and the underlying secured indebtedness have been reflected in Taiyuan Seedland's liabilities as at the Valuation Date and therefore have been taken into account in the valuation of Taiyuan Seedland, and (iii) the Group will obtain control over Taiyuan Seedland and the Haitang Huazhu Project upon Closing and will be able to manage the financing and orderly release of the Mortgage in an orderly manner by 2030.

LETTER FROM THE BOARD

The New Settlement Agreement

The principal terms of the New Settlement Agreement to be entered by the Group are set out below:

- Parties:**
- (i) JIC Trust (as the applicant for enforcement)
 - (ii) Taiyuan Seedland
 - (iii) Zunyi Seedland
 - (iv) Seedland
 - (v) Kinetic Shanxi

Maximum exposure of the Company:

Pursuant to the New Settlement Agreement, the Group will become one of the obligors for the settlement of an agreed aggregate amount of RMB814,407,841 (the “**Repayment Amount**”). The Group’s maximum exposure under the New Settlement Agreement is intended to be limited to the Repayment Amount, subject to any additional amount(s) that may become payable upon an event of default and/or resumption of enforcement in accordance with the New Settlement Agreement and the effective PRC court judgments (including, where applicable, interest, penalty interest, liquidated damages and enforcement-related costs). Notwithstanding the above, the Company is of the view that the risk of the Group being required to assume liabilities in excess of the Repayment Amount is remote.

Settlement timeline and repayment schedule:

The Group will pay the Repayment Amount by instalments, with the final instalment due in June 2030.

The Group repaid RMB50 million on behalf of Taiyuan Seedland as an Intention Fee, comprising RMB10 million paid on 18 December 2025 and RMB40 million paid on 30 December 2025. The Group will not make any further payment (including the Second Payment) to JIC Trust until after Independent Shareholders’ approval in relation to the Taiyuan Seedland Acquisition has been obtained. The Second Payment will be made prior to the Group entering into the New Settlement Agreement. The remaining Repayment Amount payable in each year is expected to be as follows:

- 2026: RMB150 million (including the Second Payment)

LETTER FROM THE BOARD

- 2027: RMB100 million
- 2028: RMB150 million
- 2029: RMB250 million
- 2030: RMB114.4 million (final instalment due in June 2030).

The Group (i) paid Intention Fee in December 2025 to demonstrate the Group's good faith in reaching a settlement and to secure the settlement arrangement in relation to Taiyuan Seedland as soon as practicable and (ii) intends to make the Second Payment in order to obtain title to the 100% equity interests of Taiyuan Seedland.

Considering the Repayment Amount will be repaid in six instalments without interest expenses, the Board is of the view that such payment arrangement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Concessions/waivers:

Subject to the Group's full and timely performance of the New Settlement Agreement, JIC Trust agreed to waive certain interest, penalty interest, liquidated damages and enforcement-related expenses during the loan overdue period and the instalment payment period.

Release of equity pledge:

Provided that Taiyuan Seedland, Zunyi Seedland and Seedland have not breached any commitments or obligations under the New Settlement Agreement, JIC Trust agrees to:

- (i) within 10 days after receiving the first repayment of RMB50 million, temporarily suspend enforcement actions and apply to the Hangzhou Court for the release of certain seizure measures based on the actual needs of the project. Such amount has been paid by the Group as the Intention Fee; and

LETTER FROM THE BOARD

- (ii) within 10 days after the completion of enforcement settlement procedures and the receipt of the second repayment of RMB50 million, cooperate in applying to the Hangzhou Court for the release of all enforcement measures, including the unfreezing of bank accounts, shares, and the lifting of land seal. In addition, within 30 days from the date of the release of the Equity Freeze, cooperate with the relevant procedures for the release of the Equity Pledge, and proceed with the transfer of 100% equity interests of Taiyuan Seedland to the Group. Subject to the Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition having been obtained, the Group intends to, prior to entering into the New Settlement Agreement, make the Second Payment to JIC Trust, in order to trigger the obligation of JIC Trust to discharge the pledge over the 100% equity interests of Taiyuan Seedland, and then request JIC Trust to arrange for the transfer of 100% equity interests of Taiyuan Seedland to the Group.

As of the Latest Practicable Date, enforcement actions have been suspended temporarily.

The Group intends to fulfil its payment obligations (if and to the extent applicable) under the New Settlement Agreement primarily by cash flows to be generated from the development and sale (including pre-sale, where applicable) of properties of the Haitang Huazhu Project after the closing of the Taiyuan Seedland Acquisition, and, where necessary, by the Group's internal resources and/or external financing, taking into account the Group's cash flow position, funding arrangements and other relevant considerations. In Chinese Mainland, commercial housing is sold under a pre-sale system, whereby real estate developers sell residential units that are still under construction to purchasers in advance and collect payment. After the completion of the acquisition of Taiyuan Seedland, the Group plans to carry out the development and pre-sale of the Haitang Huazhu Project in five batches between 2026 and 2031, subject to market conditions and funding availability. The final batch of construction is expected to be completed in 2031 and the funding for the development of the Haitang Huazhu Project will primarily rely on proceeds from pre-sales. In addition, the Group will leverage the successful experience of the acquisition of Taiyuan Hetai to achieve asset monetization and appreciation. The Group had achieved sale proceeds since late 2024 from the Kinetic Yingtong Project (formerly named Ziteng Project) operated by Taiyuan Hetai, and the sale proceeds were sufficient to cover project expenditures, which has established a healthy cash flow cycle.

LETTER FROM THE BOARD

The Board has considered the Group's proposed entry into the New Settlement Agreement when determining the terms of the Taiyuan Seedland Acquisition. The consideration of RMB384,000,000 was determined with reference to the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at the Valuation Date prepared by the Independent Valuer, which was derived from Taiyuan Seedland's net assets after taking into account, among others, its liabilities recorded in the audited balance sheet as at the Valuation Date, including the long-term loans of RMB764 million and the Intention Fee (recorded as other payables) of RMB50 million which was repaid by the Group on behalf of Taiyuan Seedland in December 2025 after signing of the Sixth Supplemental Agreement and the Share Transfer Agreement. In the event that the Taiyuan Seedland Acquisition does not proceed, the New Settlement Agreement will be terminated and the Company will no longer be obliged for any Repayment Amount. The Group will request a refund of the Intention Fee and the Second Payment (as applicable), together with an capital utilisation fee calculated at the 5-year LPR of 3.5%, with interest accruing up to the actual date of repayment from Taiyuan Seedland or, if necessary, consider an asset-for-debt swap as an alternative form of settlement. Pursuant to the *Notice of the Taiyuan Municipal Real Estate Administration Bureau and Other Departments on Issuing Several Measures of Taiyuan to Further Promote the Stabilization and Recovery of the Real Estate Market* (《太原市房產管理局等部門關於印發太原市關於進一步促進房地產市場止跌回穩若干措施的通知》) promulgated on 28 November 2024, Taiyuan Municipal People's Government has implemented various measures to support housing consumption through multiple channels. In December of the same year, Taiyuan Municipal People's Government fully implemented the relaxation of home purchase and resale restrictions and lowered down-payment ratios to stimulate a rebound in the property market. In addition, the mortgage and housing provident fund loan interest rates have been lowered. In light of the foregoing policy direction, the Company believes the real estate market is expected to recover in the coming years. Considering the Relevant Companies still have projects in operation, it is anticipated that the Relevant Companies are expected to be able to generate sale proceeds that will be sufficient to refund the Intention Fee and the Second Payment (as applicable) and the capital utilisation fee if necessary. In particular, the Board has assessed the future sales outlook of Haitang Huazhu Project. Haitang Huazhu Project is expected to take approximately two years to gradually sell through, and the sales proceeds can be used to repay the Intention Fee and the Second Payment (as applicable) and the capital utilisation fee. The New Settlement Agreement provides a settlement mechanism for such existing indebtedness and facilitates the discharge of the pledge and lifting of the Equity Freeze to enable Completion; it does not increase the acquisition consideration payable to the Seller under the Taiyuan Seedland Acquisition.

LETTER FROM THE BOARD

In agreeing to enter into the New Settlement Agreement, the Board has considered, among others: (i) the prolonged delay in completion of the ownership transfer registration of the 2025 Terminated Properties and the practical difficulty of obtaining an immediate cash refund from the Relevant Companies; (ii) the New Settlement Agreement being necessary to facilitate the discharge of the Equity Pledge and lifting of the Equity Freeze (which are conditions precedent to Closing) and therefore implementation of the replacement arrangement for the 2025 Terminated Properties Paid Amount; and (iii) the Haitang Huazhu Project being the core asset of Taiyuan Seedland with ability to generate sale proceeds and potential to generate profit for the Group upon development and sales of the Haitang Huazhu Project, subject to market conditions.

Taking into account the Restrictions (including the Equity Pledge, Equity Freeze, the Mortgage and the enforcement ruling execution orders), the Board considers that the terms of the Taiyuan Seedland Acquisition and the entering into of the New Settlement Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole, having regard to (i) the Taiyuan Seedland Acquisition provides a practicable replacement arrangement to address the outstanding 2025 Terminated Properties Paid Amount; (ii) the consideration is supported by an independent valuation which has taken into account the existing liabilities (including the long-term loans corresponding to the Repayment Amount); (iii) the transaction structure contains safeguards to mitigate the risks arising from the Restrictions, including conditions precedent (in particular the lifting of the Equity Pledge and Equity Freeze), due diligence, deferred payment arrangements and the liability adjustment mechanism; and (iv) the Group can independently manage the development and sales of the Haitang Huazhu Project, thereby controlling the pace of the cash return cycle.

Major Milestones of the Taiyuan Seedland Acquisition

Expected Timeline	Milestone
By 31 May 2026	approval of the Taiyuan Seedland Acquisition by the Independent Shareholders
By 31 May 2026	making of the Second Payment (prior to the Group entering into the New Settlement Agreement)
By 31 May 2026	entering into the New Settlement Agreement
By the end of June 2026	lifting of the Equity Freeze; and cancellation of the Equity Pledge

LETTER FROM THE BOARD

Expected Timeline	Milestone
By the end of June 2026	completion of registration for the equity transfer; and completion of the Taiyuan Seedland Acquisition (upon which Taiyuan Seedland will become a subsidiary of the Group)
By the end of December 2026	settlement of the Final Payment.

BASIS OF DETERMINATION OF CONSIDERATION FOR TAIYUAN SEEDLAND ACQUISITION

The consideration for the Taiyuan Seedland Acquisition was arrived at after arm's length negotiations between the Group and Zunyi Seedland with reference to, among other things, the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025 (the "**Valuation Date**") according to the valuation report prepared by the Independent Valuer. As of the Valuation Date, both the income and market approaches were unsuitable for valuing the Taiyuan Seedland. The income approach requires subjective assumptions and reliable earnings forecasts, yet no new projects are planned and historical performance cannot reasonably predict future profitability. The market approach was also inapplicable due to the absence of comparable public companies or transactions with similar risk and operating profiles. Since the core assets of Taiyuan Seedland are properties with no new projects or businesses anticipated, the asset based approach has been adopted as the most appropriate valuation method. The consideration of RMB384,000,000 reflects an approximate valuation of RMB384,501,000 of Taiyuan Seedland, as determined by the Independent Valuer.

As informed by the Seller, the original cost of the Target Company was approximately RMB460,000,000, which included the costs and expenses incurred for the incorporation of, and investment into, the Target Company.

INFORMATION ON TAIYUAN SEEDLAND

Taiyuan Seedland is a limited liability company incorporated in the PRC and is currently wholly owned by Zunyi Seedland. It principally engages in real estate development and operation in the PRC and is currently developing the Haitang Huazhu Project. Haitang Huazhu Project is situated to the south of Central Street East Extension in Xiaodian District, Taiyuan City. The surrounding is a newly developed area where public facilities such as municipal facilities and amenities are still under development. The Haitang Huazhu Project comprises a total of 34 residential buildings, of which 8 buildings are currently under construction. The entire

LETTER FROM THE BOARD

development is scheduled for completion by 2031. The Group is expected to generate income in the form of sale proceeds through selling the residential units, ground level shops and parking spaces under the Haitang Huazhu Project.

Set out below are the financial information of Taiyuan Seedland as extracted from its unaudited management accounts for the years ended 31 December 2024 and 2025:

For the year ended 31 December 2024			For the year ended 31 December 2025		
Revenue	Net loss before taxation	Net loss after taxation	Revenue	Net profit before taxation	Net profit after taxation
(RMB)	(RMB)	(RMB)	(RMB)	(RMB)	(RMB)
-	5,697,000	5,697,000	269,302,000	20,931,000	20,931,000

As of 31 December 2025, the unaudited book value of the total assets and the unaudited book value of net assets of Taiyuan Seedland were approximately RMB1,315,097,000 and approximately RMB325,837,000, respectively.

INFORMATION ON THE GROUP AND PARTIES INVOLVED

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

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

Kinetic Shanxi is a company incorporated in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company. It principally engages in property development in the PRC.

The 2025 Adjusted Properties Vendors are companies incorporated in the PRC with limited liability and principally engage in real estate development and property management. As of the date of this circular, the 2025 Adjusted Properties Vendors are ultimately beneficially owned by Mr. Zhang Liang, Johnson, the settlor and beneficiary of Zhang Family Overseas Limited, which holds 100% equity interests in King Lok Holdings Limited, the controlling shareholder of the Company, as to respectively 100% (with regards to Vendor 4) and 90% (with regards to Vendor 2).

Zunyi Seedland is a limited liability company incorporated in the PRC and is held indirectly by Mr. Zhang Liang, Johnson as to 95%. It principally engages in the real estate development and operation and property management services in the PRC.

Vendor 4, Zhongshan Shidi Real Estate Development Co., Ltd., is a company incorporated in the PRC with limited liability and a directly wholly-owned subsidiary of Seedland. It principally engages in property development in the PRC.

LETTER FROM THE BOARD

Vendor 2, Qingdao Shilu Ocean Big Data Investment Development Co., Ltd., is a company incorporated in the PRC with limited liability and an indirectly non-wholly-owned subsidiary of Seedland. It principally engages in property development in the PRC.

REASON FOR AND BENEFITS OF THE TAIYUAN SEEDLAND ACQUISITION

As at the Latest Practicable Date, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the acquisition of target properties pursuant to the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement). However, due to the reasons that (i) the 2025 Terminated Properties are subject to mortgages which have not been discharged; (ii) the construction of some of the 2025 Terminated Properties have not yet been completed, the overall progress of the property registration procedures in relation to the 2025 Terminated Properties have been significantly delayed and not yet been completed as at the Latest Practicable Date and (iii) the 2025 Adjusted Properties Vendors have not reached a settlement with the relevant creditors. To protect and safeguard the interests of the Company and the Shareholders, the Group has been proactively exploring other alternatives such as acquiring other assets from the companies ultimately beneficially owned by Mr. Zhang Liang, Johnson (the “**Relevant Companies**”) or repayment of cash. However, most properties owned by the Relevant Companies are subject to mortgages or other legal encumbrances and the title of which could not be transferred immediately. Additionally, after negotiating with the Relevant Companies, the Group understood that they were not in a financial position to repay the 2025 Terminated Properties Paid Amount in cash. In view of the above reasons, the Group has identified Taiyuan Seedland, as a suitable replacement for the 2025 Terminated Properties, and has agreed with Zunyi Seedland that the consideration for the acquisition of 100% equity interests in Taiyuan Seedland shall be set off by the 2025 Terminated Properties Paid Amount. To further protect the interests of Shareholders, it is agreed between the parties that the Final Payment will only be paid to Zunyi Seedland after completion of the registration of transfer of equity interests in Taiyuan Seedland with the market supervisory authority.

The Board has carefully considered the circumstances surrounding the 2025 Terminated Properties and the proposed Taiyuan Seedland Acquisition. In forming its view, the Board took into account (a) the historical difficulties encountered by the Relevant Companies to complete the property transfers under the supplemental agreements, (b) the proposed New Settlement Agreement despite the current pledged and frozen status of the equity interests in Taiyuan Seedland, and (c) the construction status, remaining development requirements and estimated construction costs of the Haitang Huazhu Project. Having reviewed these factors, the Board considers that proceeding with the Taiyuan Seedland Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Taiyuan Seedland Acquisition enables the Group to obtain full equity interests in Taiyuan Seedland and thereby exercise direct control over the Haitang Huazhu Project and corresponding sale proceeds, rather than continuing to rely on Seedland performance.

LETTER FROM THE BOARD

In addition, the Haitang Huazhu Project maintains a well-defined asset and liability structure. Although the Haitang Huazhu Project is currently under construction, it is located in a commercially active district with favourable demand fundamentals and offers meaningful upside potential upon completion and sale. The Group has practical and first hand experience in property development, construction and property management, beginning with the acquisition of Taiyuan Hetai, also located in Taiyuan City, which facilitated the establishment of a project management team in Taiyuan City with proven project delivery experience. The Taiyuan Seedland Acquisition is expected to be a valuable complement to the Group's property development business and will benefit from synergies with the Group's existing presence in Taiyuan City. The Group already operates a real estate and property management segment, which generated approximately RMB693,399,000 in revenue for the year ended 31 December 2025.

The Group has also considered other alternatives other than the acquisition of 100% equity interests in Taiyuan Seedland, including requesting the relevant Vendors to refund the 2025 Termination Properties Paid Amount in cash, but after negotiating with the Relevant Companies, the Group understood that they were not in a financial position to repay the 2025 Terminated Properties Paid Amount in cash, and concluded that the Taiyuan Seedland Acquisition represents the most practicable option under the circumstances. The Group has considered other target companies, however, other projects involved an overly large total investment scale, and market demand was below the overall sell-through expectations of the Group. Besides, the equity interest and assets of other target companies are also subject to encumbrance, lien, pledge, mortgage or other security interest, and the Board consider it is relatively more difficult to reach agreements that are commercially acceptable to the Group for lifting of such restrictions with the relevant creditors. In addition, Seedland has been unable to reach consensus with other creditors on settlement terms, including but not limited to the proposed arrangements for principal and interest concessions and instalment repayment. An installment payment arrangement is important to the Group's operations, primarily in two respects: (i) it will alleviate time pressure on post-acquisition sales and does not incur financial costs; and (ii) without an installment arrangement for payment of the Repayment Amount, the objective of operating the project independently after completion of the Taiyuan Seedland Acquisition cannot be achieved. As such, the Taiyuan Seedland represents the most feasible option, given that the settlement has already been reached between Seedland and JIC Trust.

The Group has conducted legal due diligence and is actively engaging with Zunyi Seedland to assess the feasibility of releasing the Equity Pledge and the Equity Freeze. Based on current legal advice, the Group currently expects that the release process can be completed within six months, provided the acquisition of 100% equity interests in Taiyuan Seedland is approved by the Independent Shareholders. For details of the expected major milestones of the Taiyuan Seedland Acquisition, please refer to p.30-31 above.

LETTER FROM THE BOARD

As at the Latest Practicable Date and to the best knowledge of the Group, the Group did not expect any difficulties in the release of the Equity Pledge.

To the best knowledge of the Group, save as disclosed in this circular, none of the equity interest and assets of Taiyuan Seedland is subject to any encumbrance, lien, pledge, mortgage or other security interest.

Given the required legal process and the Independent Shareholders' approval of the Taiyuan Seedland Acquisition, the Board considers it commercially prudent to allow a longer long stop date, with the parties having being able to terminate the transaction if closing fails to occur by December 2026. The long stop date was agreed upon when the Company entered into the Sixth Supplemental Agreement on 4 December 2025. The extended long stop date was intended to allow sufficient time to satisfy the closing conditions, provide flexibility for unforeseen events and reduce renegotiation risks. This timeline reflects the practical steps required to complete the Taiyuan Seedland Acquisition, including satisfaction of conditions precedent: (i) all necessary approvals and consents in connection with the Taiyuan Seedland Acquisition (including but not limited to approvals from the Independent Shareholders and consent from third-party creditors, if applicable); (ii) the Equity Freeze has been lifted, and the Equity Pledge has been cancelled; and (iii) the Purchaser has conducted and has been satisfied with the results of due diligence on Taiyuan Seedland (including but not limited to financial, legal, and business due diligence). As at the Latest Practicable Date, only conditions precedent (iii) has been fulfilled, neither conditions precedent (i) or (ii) is waivable by the parties. While the Board does not currently anticipate material difficulties in meeting these conditions, the timeline has also provided for a reasonable buffer and flexibility to accommodate any unforeseen regulatory or procedural delays and ensures orderly implementation of the Taiyuan Seedland Acquisition.

The due diligence work conducted by the Group in relation to the acquisition of Taiyuan Seedland includes the following:

- Financial due diligence: The Group has verified the accuracy and integrity of Taiyuan Seedland's financial information, which includes reviewing audited financial statements, revenue recognition policies, debt obligations, cash flow, tax compliance, and potential financial risks;
- Legal due diligence: The Group has examined the legal structure, compliance, and potential legal risks of Taiyuan Seedland, including corporate governance, equity ownership, material contracts, regulatory licenses, litigation history, labor issues, intellectual property rights, and any existing legal obligations or disputes; and
- Business due diligence: The Group has evaluated Taiyuan Seedland's business model, market position, competitive landscape, and overall growth potential. It involves assessing customer and supplier relationships, sales strategy, operational capabilities, market trends, management team strength, and potential synergies to support the investment thesis.

LETTER FROM THE BOARD

Despite the existence of the Equity Freeze, the Board believes that the Taiyuan Seedland Acquisition remains reasonable and aligned with the Group's strategic interests based on the following considerations:

- **Market practice:** Equity freezes are a common practice in the real estate sector under the current macroeconomic environment. Such situations have become part of the industry norm and do not, in themselves, indicate underlying operational or legal issues that would jeopardize the transaction. As reported by the Securities Times¹ (證券時報) on 10 June 2025, equity freezes and other litigation related asset preservation measures are relatively common among PRC property developers under the current macroeconomic environment. The sector has experienced heightened liquidity pressure in recent years, and PRC courts have increasingly granted preservation orders over equity interests in project companies as part of standard creditor protection procedures. These measures are widely regarded as routine interim steps in civil disputes and do not, in themselves, indicate operational irregularities or legal deficiencies specific to the subject company. The prevalence of such preservation actions across the industry suggests that the existence of the Equity Freeze is consistent with broader market conditions and does not adversely affect the commercial rationale of the Taiyuan Seedland Acquisition; and
- **Proven precedents:** The Group has a track record of successfully managing similar situations, including the Taiyuan Kinetic Yingtong Project and the Maoming Project. In both cases, the projects transitioned from equity freeze to release, followed by the successful sale and recovery of funds, demonstrating the Group's ability to navigate such processes effectively.

In light of past experience and the findings from the due diligence, the Board is confident that the acquisition of Taiyuan Seedland offers an opportunity for the Group to take early control of the assets. The situation is consistent with previous successful transactions, and the identified risks are deemed manageable within the current business strategy.

The terms and conditions of the Sixth Supplemental Agreement and the Share Transfer Agreement were negotiated on an arm's length basis between the relevant parties therein. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sixth Supplemental Agreement and the Share Transfer Agreement, including the Equity Consideration, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Taiyuan Seedland principally engages in real estate development and sales business and the Company could benefit from the future operation and management of Taiyuan Seedland through their ongoing Haitang Huazhu Project. The Haitang Huazhu Project is situated to the south of

¹ <https://www.stcn.com/article/detail/1944781.html>

LETTER FROM THE BOARD

Central Street East Extension in Xiaodian District, Taiyuan City. The surrounding is a newly developed area where public facilities such as municipal facilities and amenities are still under development.

The Haitang Huazhu Project consists of 34 residential buildings and 6 ancillary commercial buildings. The entire development is scheduled for completion by 2031 and will be developed in five batches:

The table below illustrates the detailed development and pre-sale plan of the Haitang Huazhu Project:

	Buildings	Pre-sale time	Commencement time	Completion time	Delivery time
Batch 1	1#2#4#5#	March 2021	February 2021	June 2024	June 2024
Batch 2	10#11#/16#/17#	November 2026	May 2026	December 2028	December 2028
Batch 3	3#/6-9#/12#/14#/15#	October 2027	April 2027	October 2029	October 2029
Batch 4	13#/18-24#	October 2028	April 2028	October 2030	October 2030
Batch 5	25-34#/S1-S6	October 2029	April 2029	October 2031	October 2031

The table below illustrates the expected amount of sale proceeds of Haitang Huazhu Project to be generated each year from 2026 to 2031:

	2026 (RMB)	2027 (RMB)	Sale proceeds 2028 (RMB)		2029 (RMB)	2030 (RMB)	2031 (RMB)
Batch 1	51,610,000	14,400,000	17,874,000	57,276,000	36,036,000	-	
Batch 2	102,799,000	217,166,500	19,520,000	-	27,882,000	19,458,000	
Batch 3	-	176,188,000	421,573,000	30,000,000	5,600,000	13,266,000	
Batch 4	-	-	68,904,000	555,560,000	191,010,000	2,800,000	
Batch 5	-	-	-	-	510,470,000	637,109,000	
Total	154,415,000	415,834,500	527,871,000	642,836,000	771,998,000	672,633,000	

The sale proceeds of Haitang Huazhu Project have been estimated on the assumption that the Group would sell properties on the open market without the benefit of any deferred-term contract, leaseback, joint venture, management agreement or other similar arrangement that could affect the value of the property interests. The sales amount of the Haitang Huazhu Project from 2026 to 2031 is primarily based on the following pricing assumptions and sales volume assumptions:

Pricing Assumptions

- (i) Estimated price of residential units:
 - (a) Near-term pricing: Based on market research, the average transaction prices of competing reference residential projects A and B in nearby area in 2025 were RMB9,028/m² and RMB9,791/m², respectively. In 2026, the Group plans to capture

LETTER FROM THE BOARD

market share through discounted pricing, with an estimated average price of RMB8,500/m² for residential units. In addition, a small number of units in the initial phase will be offered as special-price units at RMB7,500/m².

- (b) Future pricing: With reference to prices of competing/benchmark projects in nearby area and the long-term outlook, the expected launch price for residential units is RMB8,500/m², followed by a gradual premium increase, ending at RMB11,000/m² at sell-out. The implied compound annual growth rate is approximately 5%, according to a research report issued by an independent third party.

- (ii) Estimated price of commercial units:

Based on market research, the average prices of competing reference commercial projects A, B and C in nearby area in 2025 were RMB22,000/m², RMB20,000-33,000/m², and RMB20,000-28,000/m², respectively. Taking these comparable prices into account and considering the Group's plan to promote sales through discounted pricing, the estimated average selling price for the commercial units is RMB18,000/m².

- (iii) Estimated price of parking space:

Based on market research, the average prices of competing reference parking space in projects A and B were approximately RMB70,000-80,000 per space and RMB80,000-89,000 per space, respectively. With reference to these comparables, the Group estimates a parking space price of RMB80,000 per space.

Sales Volume Assumptions

- (i) Launch phase (2026-2027): Sell-through of 67,500 sq.m, accounting for approximately 21%. The Group plans to capture market share by introducing products compliant with the new regulations to fill a gap in the local market, and entering the market at low/affordable pricing to attract customers.
- (ii) Growth phase (2028-2029): Sell-through of 113,000 sq.m, accounting for approximately 39%. Supported by the further strengthening of the district's hub value, the gradual rollout of surrounding urban amenities, and progress in project construction, the project is expected to achieve sustained sell-through.
- (iii) Final phase (2030-2031): Sell-through of 119,000 sq.m, accounting for approximately 41%. As development of the site matures and the community and customer base stabilize, the Group, leveraging its early-stage reputation, accumulated market recognition, and strong product competitiveness, will have built a long-term, stable pipeline of high-quality customers. In addition, ongoing deliveries will unlock underlying demand and drive sell-through across all product types.

LETTER FROM THE BOARD

(iv) Parking space sales: As the above residential and commercial units are sold, demand for and sales of parking spaces will naturally be driven accordingly.

The tables below illustrate the expected sales amount of the Haitang Huazhu Project from 2026 to 2031 with reference to the projected units prices and sales volume:

For the year 2026

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	1,220	7,500	9,150,000
	Sold Residential Units (Note)	–	–	9,240,000
	Commercial	1,157	18,000	20,826,000
	Parking space	155	80,000	12,400,000
	Sub-total	–	–	51,616,000
Batch 2	Residential	12,094	8,500	102,799,000
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	102,799,000
Batch 3	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Batch 4	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Batch 5	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Total		<u>–</u>	<u>–</u>	<u>154,415,000</u>

Note: Taiyuan Seedland is expected to received residual payments of approximately RMB9,240,000 from home buyers.

LETTER FROM THE BOARD

For the year 2027

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	-	-	-
	Commercial	-	-	-
	Parking space	180	80,000	14,400,000
	Sub-total	-	-	14,400,000
Batch 2	Residential	25,549	8,500	217,166,500
	Commercial	-	-	-
	Parking space	101	80,000	8,080,000
	Sub-total	-	-	225,246,500
Batch 3	Residential	20,728	8,500	176,188,000
	Commercial	-	-	-
	Parking space	-	-	-
	Sub-total	-	-	176,188,000
Batch 4	Residential	-	-	-
	Commercial	-	-	-
	Parking space	-	-	-
	Sub-total	-	-	-
Batch 5	Residential	-	-	-
	Commercial	-	-	-
	Parking space	-	-	-
	Sub-total	-	-	-
Total		<u>-</u>	<u>-</u>	<u>415,834,500</u>

LETTER FROM THE BOARD

For the year 2028

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	–	–	–
	Commercial	993	18,000	17,874,000
	Parking space	–	–	–
	Sub-total	–	–	17,874,000
Batch 2	Residential	–	–	–
	Commercial	–	–	–
	Parking space	244	80,000	19,520,000
	Sub-total	–	–	19,520,000
Batch 3	Residential	45,677	9,000	411,093,000
	Commercial	–	–	–
	Parking space	131	80,000	10,480,000
	Sub-total	–	–	421,573,000
Batch 4	Residential	7,656	9,000	68,904,000
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	68,904,000
Batch 5	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Total		–	–	527,871,000

LETTER FROM THE BOARD

For the year 2029

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	–	–	–
	Commercial	3,182	18,000	57,276,000
	Parking space	–	–	–
	Sub-total	–	–	57,276,000
Batch 2	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Batch 3	Residential	–	–	–
	Commercial	–	–	–
	Parking space	375	80,000	30,000,000
	Sub-total	–	–	30,000,000
Batch 4	Residential	55,556	10,000	555,560,000
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	555,560,000
Batch 5	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Total		–	–	642,836,000

LETTER FROM THE BOARD

For the year 2030

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	–	–	–
	Commercial	2,002	18,000	36,036,000
	Parking space	–	–	–
	Sub-total	–	–	36,036,000
Batch 2	Residential	–	–	–
	Commercial	1,549	18,000	27,882,000
	Parking space	–	–	–
	Sub-total	–	–	27,882,000
Batch 3	Residential	–	–	–
	Commercial	–	–	–
	Parking space	70	80,000	5,600,000
	Sub-total	–	–	5,600,000
Batch 4	Residential	12,685	10,000	126,850,000
	Commercial	–	–	–
	Parking space	802	80,000	64,160,000
	Sub-total	–	–	191,010,000
Batch 5	Residential	51,047	10,000	510,470,000
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	510,470,000
Total		–	–	770,998,000

LETTER FROM THE BOARD

For the year 2031

	Type	Area (sq.m.)/ Number of Parking Space	Unit Price (RMB)	Expected Sales Amount (RMB)
Batch 1	Residential	–	–	–
	Commercial	–	–	–
	Parking space	–	–	–
	Sub-total	–	–	–
Batch 2	Residential	–	–	–
	Commercial	1,081	18,000	19,458,000
	Parking space	–	–	–
	Sub-total	–	–	19,458,000
Batch 3	Residential	–	–	–
	Commercial	737	18,000	13,266,000
	Parking space	–	–	–
	Sub-total	–	–	13,266,000
Batch 4	Residential	–	–	–
	Commercial	–	–	–
	Parking space	35	80,000	2,800,000
	Sub-total	–	–	2,800,000
Batch 5	Residential	47,965	11,000	527,615,000
	Commercial	2,363	18,000	42,534,000
	Parking space	837	80,000	66,960,000
	Sub-total	–	–	637,109,000
Total		<u>–</u>	<u>–</u>	<u>672,633,000</u>

The allocation of the remaining construction costs of the Haitang Huazhu Project across each year is primarily based on the following factors: (i) the construction area to be completed in the relevant year; (ii) the timing of completion and final account settlement for the portions undertaken by different contractors/suppliers; and (iii) the credit terms agreed with different contractors/suppliers.

Given that the total estimated construction expenditure of the Haitang Huazhu Project is approximately RMB1,068.81 million, and the Haitang Huazhu Project is expected to be completed in 2031, 9% of the estimated construction expenditure (approximately RMB95 million, reserved based on industry practice and convention) is assumed to be paid after completion in 2031. The remaining annual construction costs are calculated as follows:

LETTER FROM THE BOARD

*Annual construction costs = construction area in the year * construction cost per square meter * 91%*

The table below illustrates the detailed allocation of expected construction costs of Haitang Huazhu Project from 2026 to 2031:

	2026	2027	2028	2029	2030	2031	Years after 2031	Total
Construction area (Unit: sq.m)	21,378	44,765	62,784	87,872	63,003	42,740	-	322,542
Construction cost per square meter	3,314	3,314	3,314	3,314	3,314	3,314	-	3,314
Payment proportion	91%	91%	91%	91%	91%	91%	-	
Construction cost (RMB'000)	64,470	135,000	189,340	265,000	190,000	130,000	95,000	1,068,810

The expected sale proceeds from the Haitang Huazhu Project from 2027 to 2031 are sufficient to satisfy (i) the remaining construction cost for the Haitang Huazhu Project; and (ii) the Repayment Amount of RMB814 million under the Settlement Agreement. To the extent that the expected sales proceeds from the Haitang Huazhu Project in 2026 are insufficient to cover the remaining construction cost and the remaining Repayment Amount, such shortfall will be covered by internal resources of the Group. The table below illustrates the expected amount of sale proceeds of Haitang Huazhu Project, the expected construction cost and the repayment amount under the Settlement Agreement from 2026 to 2031:

	2026 RMB'million	2027 RMB'million	2028 RMB'million	2029 RMB'million	2030 RMB'million	2031 RMB'million	Total RMB'million
Expected sale proceeds	154	416	528	643	771	673	3,185
Remaining construction cost	(65)	(135)	(189)	(265)	(190)	(130)	(974)
Remaining Repayment Amount	(150)	(100)	(150)	(250)	(114)	-	(764)
Net cash inflow/(outflow)	(61)	181	189	128	467	543	1,447

The Group is expected to generate income through selling the residential units, commercial units and parking spaces under the Haitang Huazhu Project. Specifically, the Group currently operates a real estate and property management segment, which generated revenue of approximately RMB693,399,000 for the year ended 31 December 2025 through the well-established teams for real estate construction and development, as well as property management services, ensuring the full-cycle value chain is achieved, from project development and construction to post-delivery property management.

Ms. Zhang Lin, a non-executive Director, being an associate of Mr. Zhang Liang, Johnson, has abstained from voting on the Board resolution approving the Sixth Supplemental Agreement, the Share Transfer Agreement and the Taiyuan Seedland Acquisition.

LETTER FROM THE BOARD

PAYMENT OF INTENTION FEE

On 18 December 2025 and 30 December 2025, the Group paid an aggregate intention fee of RMB50 million (the “**Intention Fee**”) to JIC Trust.

Details of the payment of the Intention Fee are as follows:

Date: 18 December 2025 and 30 December 2025

Parties: (i) Kinetic Qinhuangdao

(ii) JIC Trust

Amount involved: RMB10 million and RMB40 million. The Intention Fee was funded by internal resources of the Group.

PROPOSED SECOND PAYMENT

Whilst the Group was not a party to the Settlement Agreement, in order to enable the Group to obtain title to the 100% equity interests of Taiyuan Seedland, in addition to the Intention Fee, the Group intends to, prior to entering into the New Settlement Agreement, make the Second Payment to JIC Trust, in order to trigger the obligation of JIC Trust to discharge the pledge over the equity interests of Taiyuan Seedland, and then request JIC Trust to arrange for the transfer of 100% equity interests of Taiyuan Seedland to the Group.

BASIS OF DETERMINATION OF INTENTION FEE AND PROPOSED SECOND PAYMENT

The amounts of the Intention Fee and the Second Payment were specified in the Settlement Agreement and were negotiated and agreed between the parties thereto.

INFORMATION OF THE GROUP AND PARTIES INVOLVED

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

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

JIC Trust is principally engaged in trust financing and wealth management services. The ultimate beneficial owner of JIC Trust is the State Council of the PRC (國務院). JIC Trust is a third party independent of the Company and its connected persons.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF PAYMENT OF INTENTION FEE AND PROPOSED SECOND PAYMENT

Whilst the Group was not a party to the Settlement Agreement and thus has no legal obligation to make any payment to JIC Trust thereunder, the Group (i) paid the Intention Fee to demonstrate the Group's good faith in reaching a settlement with JIC Trust and to secure the settlement arrangement in relation to Taiyuan Seedland as soon as practicable and (ii) intends to make the Second Payment in order to obtain title to the 100% equity interests of Taiyuan Seedland.

Within six months of the signing of the Settlement Agreement, subject to the Share Transfer Agreement and the New Settlement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders, the Group will enter into the New Settlement Agreement, with, among others, JIC Trust to become one of the obligors to settle the Repayment Amount by instalments.

The amounts of the Intention Fee and the Second Payment were both negotiated on an arm's length basis between the relevant parties to the Settlement Agreement, and was part of the settlement arrangement for the Taiyuan Seedland Acquisition. The Directors (including the independent non-executive Directors) consider that the payment of the Intention Fee are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Ms. Zhang Lin, a non-executive Director, being an associate of Mr. Zhang Liang, Johnson, has abstained from voting on the Board resolution approving the payment of the Intention Fee and the Second Payment.

LETTER FROM THE BOARD

ACQUISITION OF DONGZHIMEN PROPERTIES

On 4 December 2025 (after trading hours), Guangdong Seedland and Kinetic Qinhuangdao entered into the Debt Settlement Contract with Seedland and Beijing Seedland, pursuant to which, among others, Kinetic Qinhuangdao agreed to acquire, and Beijing Seedland agreed to sell, the Dongzhimen Properties, comprising (i) Dongzhimen 3110 Property for a consideration of RMB45,100,000; and (ii) Dongzhimen 3111 Property for a consideration of RMB41,230,000 respectively, totalling RMB86,330,000 (the “**Gross Dongzhimen Property Consideration**”). It was agreed between the parties that, (a) in order to complete the transfer of titles of Dongzhimen 3110 Property and Dongzhimen 3111 Property, the relevant tax payable by Beijing Seedland of RMB11,050,000 (for the transfer of Dongzhimen 3110 Property) and RMB4,890,000 (for the transfer of Dongzhimen 3111 Property); (b) a debt payable by Beijing Seedland in the amount of RMB13,500,000, shall be paid by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. After deducting all the above amounts from the Gross Dongzhimen Property Consideration, the net consideration payable for the by Kinetic Qinhuangdao and Guangdong Seedland for the Dongzhimen Properties amounting to RMB56,890,000 (the “**Net Dongzhimen Property Consideration**”), will be set off against the 2024 Payables. As the Net Dongzhimen Property Consideration is greater than the 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to further set off against. On 20 April 2026, Kinetic Qinhuangdao, Kinetic Shanxi entered into 2026 Debt Settlement Contract with Seedland, Guangdong Seedland, Zunyi Seedland and Beijing Seedland, pursuant to which the parties agreed that both the Remaining Closing Payment of RMB130,266,000 payable under the Sixth Supplemental Agreement and the surplus amount of RMB2,835,200 under the Debt Settlement Contract shall be set off against the 2025 Balances.

The principal terms of the Debt Settlement Contract are set out below:

- Date:** 4 December 2025
- Parties:**
- (i) Seedland;
 - (ii) Guangdong Seedland;
 - (iii) Beijing Seedland (the “**Property Seller**”)
 - (iv) Kinetic Qinhuangdao
- Assets to be Acquired:**
- (i) Dongzhimen 3110 Property; and
 - (ii) Dongzhimen 3111 Property;

LETTER FROM THE BOARD

Consideration and Payment Terms: (i) Dongzhimen 3110 Property

The consideration for the acquisition of Dongzhimen 3110 Property is RMB45,100,000. The relevant tax payable by Beijing Seedland in relation to the sale of Dongzhimen 3110 Property is RMB11,050,000, which shall be paid by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The remaining amount after deducting the 3110 Taxes shall be RMB34,050,000 (the “**Dongzhimen 3110 Property Settlement Price**”). If the actual amount of the 3110 Taxes exceeds RMB11,050,000, the excess shall be borne by Beijing Seedland.

On the date when (i) the registration procedures for the title transfer of the Dongzhimen 3110 Property are completed, (ii) the Dongzhimen 3110 Property is registered under the name of Kinetic Qinhuangdao, and (iii) Kinetic Qinhuangdao obtains the Real Property Ownership Certificate (不動產權證書) for the Dongzhimen 3110 Property under its name, the Dongzhimen 3110 Property Settlement Price shall be set off against the 2024 Payables. After such offset, the Remaining 2024 Payables is RMB20,004,800.

(ii) Dongzhimen 3111 Property

The consideration for the acquisition of Dongzhimen 3111 Property is RMB41,230,000. The taxes payable by Beijing Seedland is RMB4,890,000 (the “**3111 Taxes**”) and the debt is RMB13,500,000 (the “**3111 Debt**”), both of which shall be paid by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The remaining amount after deducting the 3111 Taxes and 3111 Debt payable by Kinetic Qinhuangdao and Guangdong Seedland to Beijing Seedland shall be RMB22,840,000 (the “**Dongzhimen 3111 Property Settlement Price**”).

LETTER FROM THE BOARD

On the date when (i) the registration procedures for the title transfer of the Dongzhimen 3111 Property are completed, (ii) the Dongzhimen 3111 Property is registered under the name of Kinetic Qinhuangdao, and (iii) Kinetic Qinhuangdao obtains the Real Property Ownership Certificate (不動產權證書) for the Dongzhimen 3111 Property under its name, the Dongzhimen 3111 Property Settlement Price shall be set off against the remaining 2024 Payables.

As the Net Dongzhimen Property Consideration is greater than 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to set off against the 2025 Balances.

Conditions Precedent: The acquisition of Dongzhimen Properties is conditional upon the completion of the property title transfer, which requires the Dongzhimen Properties to be free of any seizure.

The principal terms of the 2026 Debt Settlement Contract are set out below:

Date: 20 April 2026

Parties:

- (i) Seedland;
- (ii) Guangdong Seedland;
- (iii) Kinetic Qinhuangdao;
- (iv) Kinetic Shanxi;
- (v) Zunyi Seedland; and
- (vi) Beijing Seedland

Offset arrangement:

- (i) As of 31 December 2025, the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 amounted to approximately RMB36.0 million (the “**2025 Balances**”);

LETTER FROM THE BOARD

- (ii) the remaining Equity Consideration payable by Kinetic Shanxi to Zunyi Seedland under the Sixth Supplemental Agreement amounted to RMB130,266,000 (the “**Remaining Closing Payment**”);
- (iii) the surplus amount payable by Kinetic Qinhuangdao to Beijing Seedland under the Debt Settlement Contract amounted to RMB2,835,200 (the “**Surplus Amount**”, together with the Remaining Closing Payment, the “**Revised Remaining Closing Payment**”); and
- (iv) the 2025 Balance shall be deducted from the Revised Remaining Closing Payment, and the balance (“**Final Payment**”) shall be paid to Zunyi Seedland.

In summary, the table below sets out an illustrative calculation of the Final Payment pursuant to the 2026 Debt Settlement Contract.

Payments	Description	Reference paragraph above	RMB'000
Remaining Closing Payment	Payable by Kinetic Shanxi to Zunyi Seedland	(ii)	130,266
Surplus Amount	Payable by Kinetic Qinhuangdao to Beijing Seedland	(iii)	2,835
Amount of service fee	Payable by Seedland to the Group	(i)	36,000
Final Payment	Payable by Kinetic Shanxi to Zunyi Seedland	(iv) = (ii) + (iii) - (i)	97,101

The Sixth Supplemental Agreement (as revised by the 2026 Debt Settlement Contract) does not stipulate a fixed timeline for the Seller to request payment of the Final Payment. However, the Purchaser is contractually obligated to make the payment upon request from the Seller after completion of the registration for the equity transfer. The Group will monitor the progress of the Taiyuan Seedland Acquisition and coordinate with the Seller to ensure that payment obligations are met in a timely and orderly manner.

LETTER FROM THE BOARD

The Group will make the Final Payment according to the following payment plan:

	Amount <i>(RMB'000)</i>
On or before 31 July 2026	30,000
On or before 30 September 2026	30,000
On or before 31 December 2026	37,101

BASIS OF DETERMINATION OF CONSIDERATION FOR ACQUISITION OF DONGZHIMEN PROPERTIES

The consideration for the acquisition of Dongzhimen Properties was arrived at after arm's length negotiations between the Group and Beijing Seedland with reference to, among other things, the valuation of Dongzhimen Properties of RMB86,330,000 as at 31 January 2026 according to the valuation report prepared by the Independent Valuer, using the market comparison approach assuming sales of the property in existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

As informed by the Property Seller, the original acquisition costs of Dongzhimen 3110 Property and Dongzhimen 3111 Property were RMB32,430,568 and RMB27,811,326, respectively.

INFORMATION ON DONGZHIMEN PROPERTIES

The Dongzhimen Properties are located at 31st Floor, No. 18 Dongzhimenwai Xiaojie, Dongcheng District, Beijing building with a total building area of 719.43 square meters. The area is well-served by public transportation and is located in a mature neighborhood comprising residential developments, commercial and office buildings, schools, and parks.

INFORMATION ON THE GROUP AND PARTIES INVOLVED

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

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

Seedland is a company incorporated in the PRC with limited liability and is wholly-owned by Mr. Zhang Liang, Johnson. It principally engages in the real estate development business.

LETTER FROM THE BOARD

Guangdong Seedland is a company incorporated in the PRC with limited liability and is an indirectly wholly-owned subsidiary of the Company through Kinetic Live. It principally engages in the property management services in the PRC.

Beijing Seedland is a company incorporated in the PRC with limited liability and is held directly by Seedland and indirectly by Mr. Zhang Liang, Johnson as to 100%. It principally engages in the real estate development and operation and property management services in the PRC.

REASON FOR AND BENEFITS OF ACQUISITION OF DONGZHIMEN PROPERTIES

The 2024 Payables, which comprise of property management services and other value-added services payable by Seedland to Kinetic Live for the year ended 31 December 2024 and amounted to RMB54,054,800, have been outstanding. As of 31 December 2025, the 2025 Balances, which comprise of the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 and amounted to approximately RMB36 million, inclusive of value-added-tax.

The Group and Seedland have been exploring various options for settlement of the 2024 Payables. After arms' length negotiation between the parties, the Group has agreed to purchase Dongzhimen Properties from Seedland under the Debt Settlement Contract, and use the Net Dongzhimen Property Consideration to set off against the 2024 Payables. As the Net Dongzhimen Property Consideration is greater than the 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to set off against the 2025 Balances.

Although the Relevant Companies have long outstanding service fees owed to the Group and are only able to settle the fees by transferring property assets instead of paying in cash, the Board is of the view that it is currently fairly common for property management companies to have a relatively long cycle for payment of accounts receivable from property development companies in the PRC, particularly under prevailing market conditions. However, the Board expects such position to improve over time as the PRC property market gradually stabilises, liquidity conditions recover, and regulatory measures aimed at supporting the sector begin to take effect. In addition, whilst the Relevant Companies are currently still an important customer of the property management business of the Group, the Group is taking steps with a view to diversify and widen the customer base and revenue stream, including expanding property management service capabilities to capture customers outside the real property segment e.g. management of infrastructure projects such as mine sites. In addition, the Group has had similar successful experiences in the past. For example, by acquiring Taiyuan Hetai and managing the Kinetic Yingtong Project under its operation, the Group had realised property sale proceeds since the late of 2024, which were sufficient to cover project expenditures and establish a healthy cash flow cycle. Considering the current financial conditions of the Relevant Companies, the Board is of the view that the costs of the entering into a contractual arrangement for setting off the 2025 Balances will not outweigh the default risk of the 2025 Balances by the Relevant Companies.

LETTER FROM THE BOARD

The Board has assessed the continued business dealings with Seedland, including the renewal of the 2026 Property Management Services Framework Agreement, Seedland's historical settlement pattern and the nature of the offset assets offered. While Seedland has experienced delays in settling service fees in cash, the Group has accepted the Dongzhimen Properties as part of offset arrangements. The Dongzhimen Properties are considered commercially viable and aligned with the Group's strategy of acquiring recoverable assets with monetization potential.

The Board considers the continued business dealings with Seedland to be fair and reasonable and in the interests of the Company and the Shareholders as a whole, having regard to the strategic value of the Dongzhimen Properties and the importance of maintaining service continuity across the property development projects under Seedland. To safeguard the Group's interests, the Group has strengthened its internal monitoring measures to enhance oversight of the Relevant Companies and to safeguard the recovery of outstanding receivables. These measures include the establishment of a dedicated internal team to monitor settlement progress and compliance with contractual obligations, the adoption of a more frequent and structured reporting mechanism to track the financial status of the Relevant Companies and the progress of asset transfers, the tightening of internal approval procedures for any new transactions with the Relevant Companies.

Such measures are designed to enable early identification of potential risks, ensure timely escalation of irregularities or delays in payment, and enhance accountability across multiple departments involved in receivables collection and risk control. By improving information transparency and ensuring that follow-up actions are aligned with commercial and legal safeguards, these internal controls significantly strengthen the Group's ability to safeguard its interests and facilitate the recovery of outstanding receivables in a systematic and disciplined manner. Further, to monitor and mitigate the credit risk of the Relevant Companies, the Group (i) has been issuing written payment notices to Seedland on a regular basis; (ii) entered into an agreement with Seedland for the offsetting of car parking rental income received by the Group from third party occupants on behalf of Seedland, pursuant to which Seedland applies such income to offset fees owed to the Group that are due and unpaid; and (iii) will suspend property management services for the relevant projects in respect of any fees that remain unpaid whenever necessary. Upon receipt of the written payment notices, Seedland agreed to offset the outstanding receivables against car-parking rentals on a recurring basis. Through a combination of these measures, the receivables under Property Management Service Agreement for 2025 were successfully reduced from approximately RMB47.7 million to approximately RMB36 million (the "**2025 Balances**"), by offsetting approximately RMB11.6 million of car-parking rental income in 2025. The Board considers that these strengthened internal control measures can effectively enhance the recoverability of the outstanding receivables. Taking into account the effectiveness of the enhanced internal control measures and the importance of maintaining service continuity across the property development projects under Seedland, the Board considers the continued business dealings with Seedland to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The asset-for-debt swaps is currently a practical and feasible approach for resolving debt issues in the real estate industry, particularly during market downturns, and is common among property developers in China, some of which are listed on the Stock Exchange. Compared to cash repayment, this method offers advantages in terms of asset control and realisable monetization timeline. Besides, the Group possesses the capability to monetize and revitalize assets within its real estate business segment. By coordinating real estate development and property management services, the Group is able to manage the full-cycle cash flow of its real estate business and unlock the monetization potential of underlying projects more effectively.

In addition, the Board notes that the Group's business relationship with Seedland also includes the provision of property management services. Under the Group's operating model, the Group's operating subsidiary first enters into a preliminary property management services agreement with the property developers, including Seedland. When the relevant units are subsequently sold, the Group receives property management fees directly from the independent property owners instead of Seedland, and the Group only receives property management fee income from the unsold and vacant units under Seedland. As the Group's operating subsidiary has been appointed to manage the entire building or project area, it must maintain a continuous operational relationship with Seedland during the development and sales period. Accordingly, it is not practicable for the Group to terminate its business relationship with Seedland without disrupting the ongoing property management arrangements and the Group's contractual obligations to property owners.

The Board also considers that the acquisition of the Dongzhimen Properties offers strategic and financial benefits to the Group. The Dongzhimen Properties are located in a prime area of Beijing with strong demand for commercial and office space. The acquisition of the Dongzhimen Properties strengthens the Group's asset base by adding high-quality properties in a core urban location, thereby enhancing the overall profile and resilience of the Group's property portfolio. The Board believes that the Dongzhimen Properties possess long-term capital appreciation potential, given their location, building quality and market positioning. The acquisition of the Dongzhimen Properties enables the Group to convert outstanding receivables into tangible assets with income-generating capability and value growth prospects. Furthermore, the acquisition of the Dongzhimen Properties supports the Group's broader strategy to diversify and expand its business footprint in Beijing. Following the completion of the acquisition of the Dongzhimen Properties, the Group will evaluate various options on the properties, such as ownership, disposal or leasing, to determine the most advantageous course of action for the Group.

Dongzhimen 3111 Property is currently sealed up and subject to transfer restrictions under applicable PRC laws. The Board has taken this restriction into account when assessing the acquisition. Based on information provided to the Company, the seal arose from the unpaid renovation project payments owed by the Relevant Companies to its contractor. The Board does not expect material difficulties in lifting the seal, which is anticipated to be completed following the implementation of the settlement arrangements and satisfaction of relevant procedural requirements.

LETTER FROM THE BOARD

According to Article 28 of the *Provisions of the Supreme People's Court on Seizure, Detention, and Freezing of Property in Civil Enforcement by People's Courts*, if the debt has been fully paid, the court shall lift the seizure. Typically, the unsealing procedures shall be completed within 2 to 4 weeks after the payment is received by the court's designated account. As such, the creditors are legally obliged to lift the seal within 2 to 4 weeks after receipt of RMB13,500,000 by the court.

The Board confirms that the Debt Settlement Contract does not impose any conditions precedent relating to the lifting of the seal on Dongzhimen 3111 Property. The conditions relevant to the implementation of the transaction include, among others, obtaining Independent Shareholders' approval at the EGM and the completion of Dongzhimen 3111 Property registration procedures in the PRC. A debt of RMB13,500,000 payable by Beijing Seedland shall be settled by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The lifting of the seal is not a contractual condition precedent under the Debt Settlement Contract but is expected to be completed in parallel with the settlement process. The debt of RMB13,500,000 will be directly paid to the court and the court will transfer the funds to the creditors. After that, the creditors will apply for the lifting the seal and the court will proceed with the relevant lifting procedures. As such, the Board does not expect material difficulties in lifting the deal with respect to the aforementioned procedures.

To the best knowledge of the Group, save as disclosed in this circular, the Dongzhimen Properties are not subject to any encumbrance, lien, pledge, mortgage or other security interest.

The Board considers the acquisition of the Dongzhimen Properties, rather than other assets of the Relevant Companies, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. This assessment is based on (i) the location and quality of the Dongzhimen Properties; (ii) their potential for asset appreciation; (iii) the agreed settlement values under the Debt Settlement Contract; and (iv) the immediate availability these assets to offset the 2024 Payables.

The details of each factor considered by the Board include:

- (i) the location and quality of the Dongzhimen Properties. Dongzhimen Properties are located in a prime area of Beijing, with high-quality features and strong monetization potential. The Board noted that the Dongzhimen area forms part of an established district along the East Second Ring Road, supported by mature infrastructure including diplomatic premises, retail facilities and major transport connections. The properties are completed residential units with market-standard specifications, and comparable assets in core districts generally exhibit stable end-user demand and relatively consistent transaction activity. These factors were considered relevant to the Board's assessment of the properties' monetization potential, whether through disposal or leasing;

LETTER FROM THE BOARD

- (ii) their potential for capital asset appreciation. The domestic real estate market has been in a downturn in recent years but is expected to recover, the acquisition of Dongzhimen Properties during the current phase offers significant potential for future appreciation. The Board further observed that new land supply in the Dongzhimen area is highly limited, with minimal additional residential development expected. Historically, residential properties in Beijing's core districts have demonstrated comparatively resilient pricing performance during broader market adjustments. Having regard to the scarcity of similar assets in this location, the Board considered that the Dongzhimen Properties may provide relatively stronger long-term value preservation and potential for appreciation, subject to prevailing market conditions;
- (iii) the agreed settlement values under the Debt Settlement Contract. According to the valuation report prepared by the Independent Valuer, as at 31 January 2026, the Dongzhimen Properties were valued at RMB86,330,000, which the Board consider is the best option for offsetting the 2024 Payables and 2025 Balances in terms of value. The Board also noted that the agreed settlement values were consistent with the Independent Valuer's assessment and therefore represented an appropriate and supportable basis for settlement when compared with other assets held by the Relevant Companies; and
- (iv) the immediate availability these assets to offset the 2024 Payables. Upon the lifting of seal, the Group and the Property Seller will cooperate to complete the registration procedures for the title transfer of the Dongzhimen Properties under the name of Kinetic Qinhuangdao and the 2024 Payables could be set off accordingly. The Board considered that, among the property assets held by the Relevant Companies, the Dongzhimen Properties were comparatively more readily transferable as they do not require further development or additional regulatory procedures. Save for the Dongzhimen 3111 Property currently subject to seal but with a relatively straight forward procedure for lifting of the same, the Dongzhimen 3110 Property is free of encumbrances. In contrast, certain other assets held by the Relevant Companies are under development, encumbered or otherwise not immediately transferable. On this basis, the Board regarded the Dongzhimen Properties as the most immediately available assets for offsetting the 2024 Payables.

LETTER FROM THE BOARD

The Board has considered whether Seedland could dispose of the Dongzhimen Properties to other purchasers to generate cash proceeds for settling the 2024 Payables. Given the sealed status of Dongzhimen 3111 Property and the time required for marketing to solicit potential purchaser, due diligence by them and completion of the sale transaction, such disposal would likely involve extended timelines and additional uncertainty. The Board therefore considers that direct acquisition by the Group represents a more efficient and commercially viable approach under the current circumstances. The settlement of outstanding service fees through the Dongzhimen Properties is not expected to have a material adverse impact on the Group's cash flow or working capital position. The acquisition of the Dongzhimen Properties is expected to strengthen the Group's asset base. After acquiring Dongzhimen 3111 Property, the Group will assess its value and consider potential uses for the property, rather than selling it immediately.

The terms and conditions of the Debt Settlement Contract were negotiated on an arm's length basis between the relevant parties therein. In view of the aforesaid, the Directors (including the independent non-executive Directors) consider the terms and conditions of the Debt Settlement Contract are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Ms. Zhang Lin, a non-executive Director, being an associate of Mr. Zhang Liang, Johnson, has abstained from voting on the Board resolution approving the Debt Settlement Contract and the acquisition of Dongzhimen Properties thereunder.

AGGREGATION OF THE ACQUISITIONS

Given that the Taiyuan Seedland Acquisition and the Dongzhimen Property Acquisition are proposed to be made by the Group on the same date, and the Acquisitions are both for the same purpose of offsetting outstanding receivables due from the companies ultimately beneficially owned by Mr. Zhang Liang, Johnson (the "**Relevant Companies**") by way of transferring the Relevant Companies' interests in Taiyuan Seedland and Dongzhimen Properties to the Group, the Board has resolved that the Acquisitions shall be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, Vendor 2 and Vendor 4 (the "**2024 Further Adjusted Properties Vendors**") and Zunyi Seedland are ultimately beneficially owned by Mr. Zhang Liang, Johnson as to respectively 100% (with regards to Vendor 4); 90% (with regards to Vendor 2) and 95% (with regards to Zunyi Seedland). As at the date of the Latest Practicable Date, Mr. Zhang Liang, Johnson is interested in 5,307,450,000 Shares, representing 62.96% of the issued 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. Accordingly, King Lok Holdings Limited is required to abstain from voting on the resolutions to be proposed at the EGM. As such, the 2024 Further Adjusted Properties Vendors and Zunyi Seedland are associates of Mr. Zhang

LETTER FROM THE BOARD

Liang, Johnson, and thus connected persons of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios in respect of the Acquisitions, on an aggregate basis, are more than 5% but less than 25%, the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions contemplated thereunder are subject to the announcement, annual reporting, and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The 2026 Debt Settlement Contract and payment of the Intention Fee by the Group constitute material variations to the terms of the acquisition of Taiyuan Seedland.

Taiyuan Seedland is wholly-owned by Zunyi Seedland, and Zunyi Seedland is a non-wholly owned subsidiary of Seedland, which in turn is 100% owned by Mr. Zhang Liang, Johnson, the controlling shareholder of the Company. Each of the Obligors is a connected person of the Company under Chapter 14A of the Listing Rules. As the Group was not a party to the Settlement Agreement and has no legal obligation to make any payment to JIC Trust thereunder, the payment of the Intention Fee constituted financial assistance in favour of the Obligors and a connected transaction of the Company. As the applicable percentage ratios in respect of the Intention Fee, calculated pursuant to Rule 14A.76 of the Listing Rules, are all below 5%, the transaction is subject to announcement but is exempt from the requirements for a circular and Independent Shareholders' approval.

The Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder are subject to approval by the Independent Shareholders at the EGM and the resolutions will be proposed to the Independent Shareholders for their consideration and approval, if thought fit. King Lok Holdings Limited, of which Mr. Zhang Liang, Johnson is interested by way of being a settlor of the Zhang Family Overseas Limited. Mr. Zhang Li is the father of Mr. Zhang Liang, Johnson. As such, Mr. Zhang Li is regarded as an associate of Mr. Zhang Liang, Johnson under the Listing Rules. Given that Mr. Zhang Liang, Johnson is directly or indirectly interested in the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions contemplated thereunder, Mr. Zhang Li and his associates would also abstain from voting on the resolutions to be proposed at the EGM. As at the Latest Practicable Date, Mr. Zhang Li holds beneficial interests in 952,682,000 Shares, representing 11.30% of the issued Shares of the Company. In addition, Mr. Zhang Li is deemed to be interested in 2,800,000 Shares held by his spouse, Madam Liao Dong Fen, representing 0.03% of the issued Shares of the Company, under the SFO. The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

EXTRAORDINARY GENERAL MEETING

The EGM will be held by the Company at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 20 May 2026 at 3:30 p.m., to consider and if thought fit, to approve, among other things, the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract and the 2026 Debt Settlement Contract. A form of proxy for use at the EGM is enclosed with this circular.

Any Shareholder and his or her or its associates with a material interest in the resolutions will abstain from voting on the resolutions to be proposed at the EGM. To the best knowledge, information and belief of the Directors having made all reasonable enquires, save for Mr. Zhang Li, Mr. Zhang Liang, Johnson and their respective associates, no other Shareholders were required to abstain from voting on the resolutions at the EGM as at the Latest Practicable Date.

The notice convening the EGM is set out on pages EGM-1 to EGM-5 of this circular.

For those who intend to direct a proxy to attend the EGM, please complete the form of proxy and return the same in accordance with the instructions printed thereon. In order to be valid, the above documents must be delivered to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The register of members of the Company will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026 (both days inclusive), during which time no share transfers will be effected. In order to qualify for attending the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged 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 by no later than 4:30 p.m. on Thursday, 14 May 2026.

The holders of the Shares whose names appear on the register of members of the Company on Wednesday, 20 May 2026 are entitled to attend and vote in respect of the resolutions to be proposed at the EGM.

You are urged to complete and return the form of proxy whether or not you will attend the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM (or any subsequent meetings following the adjournments thereof) should you wish to do so.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders on the reasonableness and fairness in respect of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract and the 2026 Debt Settlement Contract. Rainbow Capital (HK) Limited, the Independent Financial Adviser, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract and the 2026 Debt Settlement Contract. The letter from the Independent Board Committee is set out on page 62 of this circular and the letter from the Independent Financial Adviser containing its advice is set out on pages 64 to 128 of this circular.

RECOMMENDATION

The Directors (including the independent non-executive Directors, after considering the advice from the Independent Financial Adviser) consider that while the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract and the 2026 Debt Settlement Contract are not in the ordinary and usual course of business of the Group, they are on normal commercial terms, and the terms and conditions are fair and reasonable and in the interests of the Company and the Shareholders as a whole. As such, the Directors recommend that the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



力量发展
KINETIC DEVELOPMENT GROUP

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)

20 April 2026

Dear Independent Shareholders,

CONNECTED TRANSACTIONS ACQUISITION OF TAIYUAN SEEDLAND AND DONGZHIMEN PROPERTIES

We refer to the circular of the Company dated 20 April 2026 (the “**Circular**”) of which this letter forms a part. Unless the context otherwise requires, terms defined in this letter shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the entering into of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract and 2026 Debt Settlement Contract is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered the terms and conditions of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the advice of the Independent Financial Adviser in relation thereto as set out on pages 64 to 128 of the letter of the Independent Financial Adviser in the Circular, we are of the opinion that while the entering into of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract and 2026 Debt Settlement Contract are not in the ordinary and usual course of business of the Group, they are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions to approve the entering into of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract and the 2026 Debt Settlement Contract at the EGM.

Yours faithfully,
Independent Board Committee

Ms. Liu Peilian
*Independent non-executive
Director*

Mr. Chen Liangnuan
*Independent non-executive
Director*

Ms. Xue Hui
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Rainbow Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation in this circular.



RAINBOW CAPITAL (HK) LIMITED
法博資本有限公司

20 April 2026

To the Independent Board Committee and the Independent Shareholders

Kinetic Development Group Limited
18th Floor
80 Gloucester Road
Wan Chai, Hong Kong

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTIONS ACQUISITION OF TAIYUAN SEEDLAND AND DONGZHIMEN PROPERTIES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 20 April 2026 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Taiyuan Seedland Acquisition

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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

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

On 6 June 2024, Kinetic Qinhuangdao entered into the Third Supplemental Agreement with the 2024 Agreement Vendors and Guangzhou Hengyi, pursuant to which, among others, (i) Guangzhou Hengyi transferred the 2024 Target Properties to Kinetic Qinhuangdao for a total consideration of RMB45,000,000, which has been completed; (ii) the 2024 Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (iii) the rights and obligations between the 2024 Agreement Vendors and Kinetic Qinhuangdao in respect of the 2024 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement and the Second Supplemental Agreement) are terminated with effect from the date of the Third Supplemental Agreement. The corporate income tax of RMB4,184,000 payable by Guangzhou Hengyi for the acquisition of the 2024 Target Properties has been paid by Kinetic Qinhuangdao, and has been deducted from the total consideration of RMB45,000,000 such that the net consideration payable by Kinetic Qinhuangdao for the acquisition of the 2024 Target Properties became RMB40,816,000.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 6 September 2024, Kinetic Qinhuangdao entered into the Fourth Supplemental Agreement with the 2024 Adjusted Properties Vendors, the Company, Seedland Smart Service and Mr. Zhang Liang, Johnson, pursuant to which, among others, (i) the 2024 Further Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) the rights and obligations between the 2024 Adjusted Properties Vendors and Kinetic Qinhuangdao 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 the same date, the Company, Seedland Smart Service and Seedlife entered into the Seedlife Share Purchase Agreement, pursuant to which, among others, the Company (either directly or through its affiliate) agreed to acquire, and Seedland Smart Service agreed to sell 100% equity interests of Seedlife for a total consideration of RMB423,000,000 of which RMB230,700,000 had been set off against the equivalent amount in the Pre-existing Outstanding Paid Amount (i.e. the Seedlife Acquisition). The closing of the Seedlife Acquisition has taken place on 13 January 2025.

On 1 November 2024, Kinetic Qinhuangdao entered into the Fifth Supplemental Agreement with Vendor 2 and Vendor 4 as well as Zhuhai Seedland, pursuant to which, among others, (i) the 2024 Third Tranche Terminated Properties would no longer be sold to Kinetic Qinhuangdao; and (ii) the rights and obligations between the Vendor 2, Vendor 4 and Kinetic Qinhuangdao in respect of the 2024 Third Tranche 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 the same date, Kinetic Qinhuangdao and Zhuhai Seedland entered into the Maoming Share Transfer Agreement, pursuant to which, among others, Kinetic Qinhuangdao agreed to acquire, and Zhuhai Seedland agreed to sell, 100% equity interests of each of Maoming Shengda and Maoming Shengcheng for a total consideration of RMB70,000,000. The corporate income tax of RMB12,250,000 payable by Zhuhai Seedland for the Maoming Acquisition will be paid by Kinetic Qinhuangdao, and has been deducted from the total consideration of RMB70,000,000 such that the payable consideration for the Maoming Acquisition becomes RMB57,750,000. The consideration payable by Kinetic Qinhuangdao shall be fully set off by the 2024 Third Tranche Terminated Properties Paid Amount.

As at the Latest Practicable Date, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the purchase of the 2024 Adjusted Target Properties, among which the ownership transfer registration of the properties with the total consideration of approximately RMB253,734,000 has not yet been completed (the “**2025 Terminated Properties Paid Amount**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 4 December 2025 (after trading hours), Kinetic Qinhuangdao and Kinetic Shanxi entered into the Sixth Supplemental Agreement with Vendor 2 and Vendor 4 (the “**2025 Adjusted Properties Vendors**”) as well as Zunyi Seedland, pursuant to which, among others, (i) all properties for which the ownership transfer registration has not been completed (the “**2025 Terminated Properties**”) would no longer be sold to Kinetic Qinhuangdao, the rights and obligations between the 2025 Adjusted Properties Vendors and Kinetic Qinhuangdao in respect of the 2025 Terminated Properties under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement) are terminated with effect from the date of the Sixth Supplemental Agreement; and (ii) Kinetic Shanxi agreed to acquire, and Zunyi Seedland agreed to sell, 100% equity interests of Taiyuan Seedland for a total consideration of RMB384,000,000 (the “**Equity Consideration**”), which shall be set off by the 2025 Terminated Properties Paid Amount upon the completion of the registration for the equity transfer. After such offset, the remaining Equity Consideration payable by Kinetic Shanxi to Zunyi Seedland shall be RMB130,266,000 (the “**Remaining Closing Payment**”).

On the same date, Kinetic Shanxi and Zunyi Seedland have entered into the Share Transfer Agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Seedland.

The Dongzhimen Property Acquisition

Prior to becoming an indirectly wholly-owned subsidiary of the Group on 13 January 2025, Kinetic Live had been providing property management services and other value-added services to Seedland. The historical transaction amounts payable by Seedland to Kinetic Live for property management services and other value-added services for the nine months ended 30 September 2024 amounted to RMB32,978,000 and RMB10,050,000, respectively. As at 31 December 2024, Seedland owed outstanding payables to Kinetic Live in respect of such services totaling RMB54,054,800 (the “**2024 Payables**”), which remain unsettled as at the Latest Practicable Date. According to the Group’s consolidated management accounts, as of 31 December 2025, the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 amounted to approximately RMB36.0 million, inclusive of value-added-tax (the “**2025 Balances**”).

On 4 December 2025 (after trading hours), Guangdong Seedland and Kinetic Qinhuangdao entered into the Debt Settlement Contract with Seedland and Beijing Seedland, pursuant to which, among others, Kinetic Qinhuangdao agreed to acquire, and Beijing Seedland agreed to sell, the Dongzhimen Properties, comprising (i) Dongzhimen 3110 Property for a consideration of RMB45,100,000; and (ii) Dongzhimen 3111 Property for a consideration of RMB41,230,000 respectively, totalling RMB86,330,000 (the “**Gross Dongzhimen Property Consideration**”). It was agreed between the parties that, (i) in order to complete the transfer of titles of Dongzhimen 3110 Property and Dongzhimen 3111 Property, the relevant tax payable by Beijing Seedland of RMB11,050,000 (for the transfer of Dongzhimen 3110 Property) and RMB4,890,000 (for the transfer of Dongzhimen 3111 Property); (ii) a debt payable by Beijing Seedland in the amount of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RMB13,500,000, shall be paid by Kinetic Qinhuangdao and Guangdong Seeland on behalf of Beijing Seedland. After deducting all the above amounts from the Gross Dongzhimen Property Consideration, the net consideration payable e by Kinetic Qinhuangdao and Guangdong Seedland for the Dongzhimen Properties amounting to RMB56,890,000 (the “**Net Dongzhimen Property Consideration**”), will be set off against the 2024 Payables. As the Net Dongzhimen Property Consideration is greater than the 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to further set off against the 2025 Balances.

On 20 April 2026, Kinetic Qinhuangdao and Kinetic Shanxi entered into the 2026 Debt Settlement Contract with Seedland, Guangdong Seedland, Zunyi Seedland and Beijing Seedland, pursuant to which the parties have agreed to an offset arrangement among (i) the Remaining Closing Payment of RMB130,266,000; (ii) the surplus amount payable by Kinetic Qinhuangdao to Beijing Seedland under the Debt Settlement Contract which amounted to RMB2,835,200 (the “**Surplus Amount**”, together with the Remaining Closing Payment, the “**Revised Remaining Closing Payment**”, amounted to RMB133,101,200); and (iii) the service fee payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025. Pursuant to the 2026 Debt Settlement Contract, an amount of RMB36,000,000 which equals to the 2025 Balances shall be deducted from the Revised Remaining Closing, and the balance (the “**Final Payment**”) shall be paid to Zunyi Seedland.

Listing Rules Implications

As at the Latest Practicable Date, the 2024 Further Adjusted Properties Vendors and Zunyi Seedland are ultimately beneficially owned by Mr. Zhang Liang, Johnson as to respectively 100% (with regards to Vendor 4); 90% (with regards to Vendor 2) and 95% (with regards to Zunyi Seedland). As at the Latest Practicable Date, Mr. Zhang Liang, Johnson is interested in 5,307,450,000 Shares, representing approximately 62.96% of the issued 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. Accordingly, King Lok Holdings Limited is required to abstain from voting on the resolutions to be proposed at the EGM. As such, the 2024 Further Adjusted Properties Vendors and Zunyi Seedland are associates of Mr. Zhang Liang, Johnson, and thus connected persons of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Acquisitions, on an aggregate basis, are more than 5% but less than 25%, the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions contemplated thereunder are subject to the announcement, annual reporting, and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee, comprising all the three independent non-executive Directors, namely Ms. Liu Peilian, Mr. Chen Liangnuan and Ms. Xue Hui, has been formed to advise the Independent Shareholders on whether (i) the entering into of the Sixth Supplemental

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder is conducted in the ordinary and usual course of business of the Group; and (ii) the terms of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and advise the Independent Shareholders as to voting. We, Rainbow Capital, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Kinetic Shanxi, Zunyi Seedland, Taiyuan Seedland, Seedland and Beijing Seedland that could reasonably be regarded as relevant to our independence. We have acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company in relation to a connected transaction in respect of the Seedlife Share Purchase Agreement and the Seedlife Acquisition, details of which are set out in the circular of the Company dated 25 November 2024 (the “**IFA Engagement**”). Save for the IFA Engagement, there was no engagement between the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Kinetic Shanxi, Zunyi Seedland, Taiyuan Seedland, Seedland or Beijing Seedland and us in the last two years. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser and the IFA Engagement, no other arrangements exist whereby we had received any fees or benefits from the Group or any other party to the Acquisitions. Having considered the above, in particular (i) none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the IFA Engagement was only an independent financial advisory engagement, we are of the view that we are independent from the Company pursuant to the requirement under Rule 13.84 of the Listing Rules and therefore we are qualified to give independent advice in respect of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group or its respective substantial shareholders, subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In considering the fairness and reasonableness of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder, we have taken into account the principal factors and reasons set out below:

1. Background information on the Group

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

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated financial information of the Group for the three years ended 31 December 2025 (“FY2023”, “FY2024” and “FY2025”, respectively) as extracted from the annual reports of the Company for FY2024 and FY2025 (the “2025 Annual Report”):

(i) Financial performance

	FY2023	FY2024	FY2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)
Revenue	4,745,069	5,655,829	5,293,266
Sales of coal products	4,733,879	5,368,508	4,514,074
Sales of properties	–	236,427	474,284
Property management services	–	–	219,115
Others	11,190	50,894	85,793
Gross profit	2,803,038	3,123,220	2,030,306
Other incomes and losses, net	(27,000)	(75,247)	(93,317)
Gains/(losses) on fair value changes of financial assets	29,278	144,493	(55,430)
Selling expenses	(16,938)	(39,730)	(31,039)
Administrative and other expenses	(257,146)	(344,114)	(486,348)
Share of profits less losses of associates	11,109	10,610	(53,738)
Finance costs	(101,440)	(82,477)	(75,757)
Profit before taxation	2,440,901	2,736,755	1,234,677
Income tax expense	(368,178)	(656,101)	(345,265)
Profit attributable to the Shareholders	2,072,723	2,080,654	889,412

FY2024 compared to FY2023

Revenue of the Group increased by approximately 19.2% from approximately RMB4,745.1 million for FY2023 to approximately RMB5,655.8 million for FY2024, which was primarily attributable to the resumption of normal production levels at the Group’s Dafanpu Coal Mine.

In line with the increase in revenue, gross profit of the Group increased by approximately 11.4% from approximately RMB2,803.0 million for FY2023 to approximately RMB3,123.2 million for FY2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a profit attributable to the Shareholders of approximately RMB2,109.8 million for FY2024, which represented a slight increase of approximately 1.5% from approximately RMB2,077.8 million for FY2023. Such increase was primarily attributable to (a) the increase in revenue and gross profit as stated above; and (b) the increase in gains on fair value changes of financial assets by approximately RMB115.2 million, which was partially offset by (a) the increase in net other losses by approximately RMB48.2 million mainly attributed to the impairment loss related to the underperformance of Star Idea Enterprises Limited and its subsidiaries for FY2024; (b) the increase in selling expenses by approximately RMB22.8 million mainly due to the increase in sales headcount and advertising expenses in the Group's cigar and tobacco business during FY2024, particularly given that this business was acquired in the last quarter of 2023; and (c) the increase in administrative and other expenses by approximately RMB87.0 million mainly due to the increase in lease expenses and professional fees for corporate exercises during FY2024.

FY2025 compared to FY2024

Revenue of the Group decreased by approximately 6.4% from approximately RMB5,655.8 million for FY2024 to approximately RMB5,293.3 million for FY2025, primarily attributable to the decrease in revenue from the sales of coal products by approximately RMB854.4 million as a result of the decline in the sales price of the Group's coal products resulting from the downturn in the coal market. On the other hand, revenue from sales of properties and property management services segments increased by approximately RMB237.9 million and RMB219.1 million for FY2025, respectively, primarily attributable to the delivery of completed properties and the fact that property management services business was a new business segment for the Group which was not under the Group's operation during FY2024.

Gross profit of the Group decreased by approximately 35.0% from approximately RMB3,123.2 million for FY2024 to approximately RMB2,030.3 million for FY2025. Such decrease was primarily attributable to the decrease in the Group's gross profit margin from approximately 55.2% for FY2024 to approximately 38.4% for FY2025 as a result of the falling coal prices, the increased operating costs at the Yong'an coal mine in the Ningxia Hui Autonomous Region and the impairment recognised on inventory under the real estate development segment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a profit attributable to the Shareholders of approximately RMB895.8 million for FY2025, which represented a decrease of approximately 57.5% from approximately RMB2,109.8 million for FY2024. Such decrease was mainly due to (a) the decrease in revenue and gross profit as stated above; (b) the change from gains on fair value changes of financial assets of approximately RMB144.5 million for FY2024 to losses on fair value changes of financial assets of approximately RMB55.4 million for FY2025; (c) the increase in administrative and other expenses by approximately RMB142.2 million as a result of the higher operating expenses arising from the newly developed businesses, including the Yong'an Coal Mine, the Group's oversea expansion and the real estate and property management service segment; and (d) the change from net gains of approximately RMB10.6 million for FY2024 to net losses of approximately RMB53.7 million for FY2025 in respect of the Group's share of profits less losses of associates.

(ii) Financial position

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Non-current assets, including:	8,780,727	9,722,032	10,091,822
Property, plant and equipment	2,483,678	3,431,271	3,655,126
Intangible assets	3,233,648	3,200,749	3,415,758
Prepayments for proposed acquisitions	2,449,881	2,236,770	1,335,990
Current assets, including:	2,157,187	3,268,694	3,516,517
Inventories	115,274	1,716,335	2,530,724
Trade and other receivables	194,053	200,439	674,042
Pledged and restricted deposits	727,784	127,584	18,177
Cash at bank and on hand	734,143	629,937	81,586
Total assets	10,937,914	12,990,726	13,608,339

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	As at 31 December		
	2023	2024	2025
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)
Current liabilities, including:	2,572,076	3,425,861	3,745,815
Trade and other payables	1,066,741	1,522,347	2,157,486
Contract liabilities	68,351	891,021	915,063
Bank loans	1,033,000	535,720	117,000
Non-current liabilities, including:	945,639	1,290,118	1,650,013
Bank loans	269,800	342,600	755,000
Long-term payables	583,936	779,414	719,918
Net current liabilities	(414,889)	(157,167)	(229,298)
Total liabilities	3,517,715	4,715,979	5,395,828
Equity attributable to the Shareholders	7,367,850	8,228,276	8,158,742

As at 31 December 2025, non-current assets of the Group amounted to approximately RMB10,091.8 million, which mainly included (a) property, plant and equipment of approximately RMB3,655.1 million, primarily consisting of the Group's buildings, machinery and equipment, mining structures and construction in progress; (b) intangible assets of approximately RMB3,415.8 million, primarily consisting of mining rights; and (c) prepayments for proposed acquisitions of approximately RMB1,336.0 million which was primarily attributable to the prepayments for the acquisition of Guizhou Lilang Energy Co., Ltd. and properties from Guangzhou Seedland Real Estate Development Co., Ltd. and its subsidiaries.

As at 31 December 2025, current assets of the Group amounted to approximately RMB3,516.5 million, which mainly included (a) inventories of approximately RMB2,530.7 million, primarily consisting of properties under development; (b) trade and other receivables of approximately RMB674.0 million; and (c) cash at bank and on hand of approximately RMB81.6 million.

As at 31 December 2025, current liabilities of the Group amounted to approximately RMB3,745.8 million, which mainly included (a) trade and other payables of approximately RMB2,157.5 million, primarily consisting of payables for construction, amounts due to related parties and dividend payable; (b) contract liabilities of approximately RMB915.1 million; and (c) bank loans of approximately RMB117.0 million which were secured with effective interest rates ranging from 5.0% to 5.5% per annum.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2025, non-current liabilities of the Group amounted to approximately RMB1,650.0 million, which mainly included (a) bank loans of approximately RMB755.0 million which were secured with effective interest rates ranging from 4.9% to 5.8% per annum; and (b) long-term payables of approximately RMB719.9 million, primarily consisting of present value of payables in relation to mining rights and present value of compensation payables in relation to the demolition and relocation.

As at 31 December 2025, the Group had equity attributable to the Shareholders of approximately RMB8,158.7 million with net current liabilities of approximately RMB229.3 million.

(iii) Overall comment

The financial performance of the Group fluctuated for the periods under review as impacted by the production level and sales price of the Group's coal products. Although the average coal market price experienced downward pressure in 2024, the Group has managed to record an increase in revenue for FY2024 mainly due to its increase in coal production as a result of the resumption of normal production levels at the Group's Dafanpu Coal Mine and the significant improvements in mining efficiency. For FY2025, the average coal market price continued to decline, leading to a decrease in the Group's revenue.

With reference to the 2025 Annual Report, in recent years, leveraging the mature operational experience of the Dafanpu Coal Mine in Inner Mongolia and the advantage of self-owned funds, the Group has steadily advanced the domestic and overseas expansion of its core coal business. Domestically, the Group successfully expanded into the Yong'an Coal Mine and the Weiyi Coal Mine in Ningxia, while overseas, the Makhado coal mine project in South Africa is progressing in an orderly manner, resulting in a simultaneous increase in the scale of the core business and resource reserves. This expansion from a single thermal coal business to the production of all coal types not only further improved the Group's product structure, but also significantly enhanced its overall competitiveness in the coal market, laying a solid foundation for future sustainable development. On the demand side, with the moderate growth of the domestic economy, electricity demand will remain relatively resilient, and overall demand for thermal coal will remain at a high level. As such, we consider the Group's prospects shall continue to be positive.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As advised by the management of the Group, on the basis of the steady development of the principal coal business, the Group will further diversify its ancillary businesses, improve its overall operation efficiency and reward its Shareholders with outstanding results. As such, the Acquisitions represent suitable investment opportunities for the Group to diversify its income stream to ride on the bottom of the Chinese property market and the future disposal of the Haitang Huazhu Project and the Dongzhimen Properties could potentially bring returns to the Shareholders through future capital appreciation of the Haitang Huazhu Project and the Dongzhimen Properties.

2. Information on Taiyuan Seedland and Dongzhimen Properties

Taiyuan Seedland is a limited liability company incorporated in the PRC and is currently wholly owned by Zunyi Seedland. It principally engages in real estate development and operation in the PRC and is currently developing the Haitang Huazhu Project. The Haitang Huazhu Project is situated to the south of Central Street East Extension in Xiaodian District, Taiyuan City. The surrounding is a newly developed area where public facilities such as municipal facilities and amenities are still under development. The Haitang Huazhu Project comprises a total of 34 residential buildings, of which 8 buildings are currently under construction. The entire development is scheduled for completion by 2031. The Group is expected to generate income in the form of sale proceeds through selling the residential units, ground level shops and parking spaces under the Haitang Huazhu Project.

Set out below are the financial information of Taiyuan Seedland as extracted from its unaudited management accounts for the years ended 31 December 2024 and 2025:

	For the year ended 31 December	
	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue	–	269,302
Net (loss)/profit before taxation	(5,697)	20,931
Net (loss)/profit after taxation	(5,697)	20,931

As at 31 December 2025, the unaudited book value of the total assets and net assets of Taiyuan Seedland was approximately RMB1,315,097,000 and RMB325,837,000, respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Dongzhimen Properties are located at 31st Floor, No. 18 Dongzhimenwai Xiaojie, Dongcheng District, Beijing building with a total building area of 719.43 square meters. The area is well-served by public transportation and is located in a mature neighborhood comprising residential developments, commercial and office buildings, schools, and parks.

3. Reasons for and benefits of the Acquisitions

Background and reasons for the Taiyuan Seedland Acquisition

With reference to the Letter from the Board, as at the Latest Practicable Date, Kinetic Qinhuangdao has already paid RMB803,000,000 (inclusive of value-added tax) to the Vendors for the acquisition of the target properties pursuant to the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement, the Fourth Supplemental Agreement and the Fifth Supplemental Agreement). However, due to the reasons that (i) the 2025 Terminated Properties are subject to mortgages which have not been discharged; and (ii) the construction of some of the 2025 Terminated Properties have not yet been completed, the overall progress of the property registration procedures in relation to the 2025 Terminated Properties have been significantly delayed and not yet been completed as at the Latest Practicable Date. To protect and safeguard the interests of the Company and the Shareholders, the Group has been proactively exploring other alternatives such as acquiring other assets from the companies ultimately beneficially owned by Mr. Zhang Liang, Johnson (i.e. the Relevant Companies) or repayment of cash. However, most properties owned by the Relevant Companies are subject to mortgages or other legal encumbrances and the title of which could not be transferred immediately. Additionally, after negotiating with the Relevant Companies, the Group understood that they were not in a financial position to repay the 2025 Terminated Properties Paid Amount in cash. In view of the above reasons, the Group has identified Taiyuan Seedland, as a suitable replacement for the 2025 Terminated Properties, and has agreed with Zunyi Seedland that the consideration for the acquisition of 100% equity interests in Taiyuan Seedland shall be set off by the 2025 Terminated Properties Paid Amount. To further protect the interests of Shareholders, it is agreed between the parties that the Final Payment will only be paid to Zunyi Seedland after completion of the registration of transfer of equity interest in Taiyuan Seedland with the market supervisory authority.

In assessing whether there is a breach of contractual obligations on the part of the Vendors regarding the 2025 Terminated Properties, we have (i) reviewed the Supplemental Agreement and noted that the Supplemental Agreement did not impose a long stop date to obligate the Vendors to complete the construction works and/or discharge of the mortgages in relation to the 2025 Terminated Properties within a specified time period; and (ii) discussed with the PRC legal advisers to the Group and understood that as there was no long stop date of the Supplemental Agreement, the Vendors were not contractually in violation of the terms of the Supplemental Agreement by failing to complete the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

construction works and/or discharge of the mortgages for the 2025 Terminated Properties as at the Latest Practicable Date. On the other hand, as advised by the management of the Group, the Group has been actively following up with the Vendors on the progress of the construction works and the release of the mortgages. Taking into account that (i) the Vendors are not in breach of their contractual obligations under the Supplemental Agreement; (ii) the Group has been actively negotiating with the Vendors in good faith for the completion of the construction works and the release of the mortgages for the 2025 Terminated Properties. The Group has taken the following actions to follow up on the construction status or mortgage status of the 2025 Terminated Properties, among others, (a) the finance team of the Group has regularly monitored the financial standing of the Vendors and kept abreast of the status of their repayment of debt owed to their creditors, and will regularly discuss with the Vendors their plans to discharge the relevant mortgage as soon as possible following the repayment; (b) the Group has closely monitored the sale proceeds to be received by the Vendors and with their cooperation, apply to the banks to allow the Group to monitor the bank account of the Vendors; (c) the Group has requested the relevant Vendor to expedite the construction process as much as possible; and (d) the Group has conducted regular on-site visits and requested the relevant Vendor to provide periodic updates and the project supervision report (工程監理報告) in order to keep abreast of the construction status; and (iii) the Vendors have been actively negotiating with their creditors for the discharge of the mortgages, we concur with the management of the Group that it is difficult for the Group to claim a breach of contractual obligations regarding the 2025 Terminated Properties whose property registration procedures have been significantly delayed on the part of the Vendors. Against this backdrop, the Taiyuan Seedland Acquisition represents an opportunity for the Group to set off against 2025 Terminated Properties Paid Amount to protect and safeguard the interests of the Group and the Shareholders and thus is fair and reasonable.

With reference to the Letter from the Board, Taiyuan Seedland is principally engaged in real estate development and operation in the PRC and the Group could benefit from the future operation and management of Taiyuan Seedland through its development of the Haitang Huazhu Project. The Haitang Huazhu Project is situated to the south of Central Street East Extension in Xiaodian district, Taiyuan, the PRC and comprises a total of 34 residential buildings and 6 ancillary commercial building. The entire development is scheduled for completion by 2031 and will be developed in five batches: (i) batch 1 comprises 4 residential buildings, which has been completed in June 2024; (ii) batch 2 comprises 4 residential buildings and its construction is expected to commence from May 2026 and end in December 2028; (iii) batch 3 comprises 8 residential buildings and its construction is expected to commence from April 2027 and end in October 2029; (iv) batch 4 comprises 8 residential buildings and its construction is expected to commence from April 2028 and end in October 2030; and (v) batch 5 comprises 10 residential buildings and 6 ancillary commercial buildings, and its construction is expected to commence from April 2029 and end in October 2031. The Group has practical and first-hand experience in managing property construction projects, beginning with the acquisition of Taiyuan Hetai,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

also located in Taiyuan, which facilitated the establishment of a project management team in Taiyuan with proven project delivery experience. Besides, the Group already operates a property business, which generated revenue of approximately RMB236.4 million and RMB474.3 million for FY2024 and FY2025, respectively. The Board is of the view that the Haitang Huazhu Project's expected sale proceeds are expected to be sufficient to cover its remaining development expenditure (including any financing costs), and to generate profit upon completion and sale, subject to market conditions. Accordingly, the Group possesses the operational experience, management capability, established infrastructure and sufficient resources (including manpower and financing) to undertake and complete the Haitang Huazhu Project. The Group is expected to generate income through selling the residential units, commercial units and parking spaces under the Haitang Huazhu Project.

Considering that (i) the Haitang Huazhu Project is located in a commercially active district with favourable demand fundamentals and offers meaningful upside potential upon completion and sale; and (ii) as discussed in the section headed "4. Industry overview" below, although the growth in the Chinese property market may be sluggish in the current period, along with (a) the recovery of the economy of the PRC and Taiyuan (i.e. the city where the Haitang Huazhu Project is located); and (b) the Chinese and Taiyuan government's dedication to facilitating the healthy development of the property market, the outlook for the property market in the PRC and Taiyuan will be cautiously optimistic in the long run, the Taiyuan Seedland Acquisition represents an opportunity for the Group to acquire properties with commercial potential under the current sluggish market and then sell these properties at potentially higher prices when the Chinese property market regains its vitality. For uncompleted properties, housing prices are primarily driven by, among others, location, economic conditions and government policies. As such, the Haitang Huazhu Project represents a quality project with remarkable returns.

As advised by the management of the Group, the Group is diversifying its business and actively promoting the acquisition of quality projects by utilising surplus funds to strive for remarkable returns for the Shareholders. The Group has tapped into property market in the PRC since 2022 through the acquisition of certain properties. Since the entering into of the 2022 Property Purchase Agreement, the Group has built its own property management team by recruiting personnel with relevant experience in the real estate sector, so as to further enhance its capability to oversee the construction of property projects and to track the property market for best terms in relation to property transactions. The Group's property management team has monitored the construction of the Taiyuan Kinetic Yingtong Project, a commercial property development project located in Taiyuan Hi-Tech Industrial Development Zone* (太原高新技術產業開發區) developed by Taiyuan Hetai and acquired by the Group in early 2024. The Group's property management team employs best practices in construction oversight to ensure adherence to timelines, budgets, and quality standards. As such, the Group has gradually cumulated its practical and first-hand experience in property development, construction and management, established a project management team in Taiyuan with proven delivery experience and possessed the operational experience,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

management capability and established infrastructure necessary to undertake and complete the Haitang Huazhu Project. To effectively manage the remaining construction work for the Haitang Huazhu Project, the Group's property management team will closely monitor and supervise the project's construction progress. Having considered that (i) as discussed above, in view of the favourable policies in the real estate market recently announced by the PRC government, the Group's development plan on the Haitang Huazhu Project, the Group's total assets and cash balance as at 31 December 2025 and the Group's ability to generate net cash flows from operating activities, the Group is able to finance the remaining construction costs of the Haitang Huazhu Project through its internal resources and pre-sales revenue of the Haitang Huazhu Project; (ii) the Group is able to leverage its practical and first-hand experience in property development, construction and management based on its past acquisition experience in Taiyuan Kinetic Yingtong Project as mentioned below to closely monitor the construction of the Haitang Huazhu Project in terms of timelines, budgets and quality standards; (iii) the Taiyuan Seedland Acquisition is expected to be a valuable complement to the Group's property development business which will benefit from synergies with the Group's existing presence in Taiyuan; (v) Taiyuan Seedland has recorded revenue and net profit for FY2025; and (vi) as discussed in the section headed "5. Principal terms of the Sixth Supplemental Agreement and the Share Transfer Agreement" below, despite the restrictions imposed on Taiyuan Seedland, the transfer of the equity interests of Taiyuan Seedland is expected to be completed by the long stop date, we consider the acquisition of the Haitang Huazhu Project to be fair and reasonable.

The Group's payment obligations under the Taiyuan Seedland Acquisition and its funding plan

As advised by the management of the Group, the total estimated construction expenditure of the Haitang Huazhu Project is approximately RMB1,068.8 million and the remaining construction cost amounted to approximately RMB974 million. To complete the construction of the Haitang Huazhu Project, the Group is obligated to settle (i) the remaining construction cost of the Haitang Huazhu Project of approximately RMB974 million; (ii) the Repayment Amount of approximately RMB814.4 million (of which RMB50 million has been repaid as at the Latest Practicable Date); and (iii) the indebtedness of the Mortgage (collectively, the "**Payments**"). As advised by the management of the Group, the Mortgage was included in the Repayment Amount and the Group intends to settle the Payments of approximately RMB1,738.4 million (being RMB974 million plus RMB814.4 million minus RMB50 million) through its internal resources and sale proceeds of the Haitang Huazhu Project. In this regard, we have obtained and reviewed the Group's development and pre-sale plan and the sale proceeds forecast of the Haitang Huazhu Project from 2026 to 2031. For details of the development and pre-sale plan and sale proceeds forecast, please refer to the section headed "Reason for and Benefits of the Taiyuan Seedland Acquisition" in the Letter from the Board. Based on our review, we noted that the entire development of the Haitang Huazhu Project is scheduled for completion by 2031 and will be developed in five phases and the sale proceeds of the Haitang Huazhu Project are

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

expected to be approximately RMB154.4 million, RMB415.8 million, RMB527.9 million, RMB642.8 million, RMB771.0 million and RMB672.6 million for each year from 2026 to 2031, respectively. Based on our review on the underlying workings of the sale proceeds forecast, we noted that the unit sales prices of the Haitang Huazhu Project are estimated with reference to the unit sales prices of properties located within close proximity to the Haitang Huazhu Project in 2025. We have obtained and reviewed (i) the 2025 property market annual report of Taiyuan city issued by Beike, a leading integrated online and offline platform for housing transactions and services in the PRC; and (ii) the asking sales prices of properties located within close proximity to the Haitang Huazhu Project on independent property agency websites and provided by independent property agents, and noted that the estimated unit sales prices of the properties of the Haitang Huazhu Project are in line with the unit sales prices of the nearby properties. On the other hand, the estimated sales area of the Haitang Huazhu Project is determined with reference to the Group's latest development and pre-sale plan, marketing strategies and government policies to facilitate the healthy development of the property market. We have discussed with the management of the Group and understood that with the aim to increase the sales of the Haitang Huazhu Project, the Group has established a professional sales agency team, all members of which have properties agency experiences of at least five years. The Group has also formulated feasible sales strategies and sales plan, which include (i) conducting promotion by means of appropriate price reduction and gifts. Measures such as full payment discounts will be offered in cooperation with banks; (ii) cooperating with external regional property agencies as a supplementary means to facilitate the housing sales; (iii) integrating online marketing to expand the customer base and enhance customer awareness; and (iv) leveraging content marketing to improve visibility and engage buyers. In addition, the Taiyuan government has introduced a series of policies to promote the stable and healthy development of the property market in Taiyuan, such as lifting the restrictive housing purchase policies, reducing the minimum down payments and interest rates for housing loans and providing targeted incentives for families purchasing new homes through "trade-in" programs. Such supportive government policies are expected to enhance the housing sales in Taiyuan. For details of our analysis of the Chinese and Taiyuan property market outlook, please refer to the section headed "4. Industry overview" below. Based on our review of the Group's development and pre-sale plan which includes, among others, the Taiyuan property market outlook, government policies on property market, sales strategies formulated by the Group and the estimated construction and sales volume of the Haitang Huazhu Project, we consider the Company's estimation on sales area of the Haitang Huazhu Project is fair and reasonable. In respect of the remaining construction cost of the Haitang Huazhu Project, we noted that its allocation between 2026 to 2031 is determined primarily based on the unit construction cost, the estimated construction area in each year from 2026 to 2031 and the credit terms agreed with different contractors/suppliers. We have obtained and reviewed the latest cost budget and development plan of the Haitang Huazhu Project and noted that the unit construction cost is derived based on the remaining total construction cost and remaining total construction area while the estimated construction area in each year from

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2026 to 2031 is determined based on the latest development plan of the Haitang Huazhu Project, which we consider to be fair and reasonable. Regarding to the payment proportion of 91%, we understood from the management of the Group that it is an industry practice and industrial convention to reserve certain proportion of the construction fees as warranty deposits. We have obtained and reviewed the existing civil engineering general contracting contract of the Haitang Huazhu Project and noted that such payment proportion is in line with the existing contract. Taking into account (i) our review on the Group's development and pre-sale plan and the sale proceeds forecast of the Haitang Huazhu Project from 2026 to 2031; and (ii) our review on the summary of the Group's latest loans status. As at 31 January 2026, the Group has total credit facilities of approximately RMB1.9 billion, among which the unutilised facilities amounted to approximately RMB1.1 billion. As advised by the management of the Group, the Group is committed to incur capital expenditure of approximately RMB850 million to develop the Group's existing business and utilise the aforesaid facilities of approximately RMB500 million for the development of the Group's mining business in 2026, we consider that the Group would be able to generate sufficient pre-sale proceeds to satisfy the Payments and match the timeline of those Payments. As discussed in the section headed "Reason for and benefits of the Taiyuan Seedland Acquisition" in the Letter from the Board, the expected sale proceeds in 2026 are insufficient to cover the required construction costs and the relevant Repayment Amount in 2026 with the gap amounting to approximately RMB61 million. Except for 2026, the expected sale proceeds of the Haitang Huazhu Project are sufficient to cover both of the required construction costs and the relevant Repayment Amount for each year from 2027 to 2031. Given that as at 31 January 2026, the Group has unutilised facilities of approximately RMB1.1 billion and available unutilised facilities of approximately RMB600 million after considering the required facilities for developing the mining business in 2026, we consider that the amount of the unutilised facilities and the pre-sale proceeds from the Haitang Huazhu Project are sufficient to cover the Payments and match with the timeline of the Payments.

The financial impacts of the Acquisitions on the Group

With reference to the 2025 Annual Report, the Company's auditors expressed materiality uncertainty on the Company's financial statements for FY2025 as the Group was determined to incur significant capital expenditures for its completed and proposed acquisitions including property development projects and mining projects and 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. Although the acquisition of Taiyuan Seedland and the Dongzhimen Properties will increase current liabilities of the Company, taking into account that (i) as discussed under the section headed "1. Background information on the Group", the Group has recorded consecutive net profit for the periods under review. Although the average coal market price experienced downward pressure in 2024, the Group has managed to record an increase in revenue for FY2024

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

mainly due to its increase in coal production as a result of the resumption of normal production levels at the Group's Dafanpu Coal Mine and the significant improvements in mining efficiency. In view of the Group's construction and operation of new mines, transformation from single thermal coal to comprehensive coal variety production to broaden the Group's product line and strengthen the Group's comprehensive competitiveness in the coal market, and the national policies to stabilise economic growth and recover the consumer market of coal, we consider the Group's prospects shall continue to be positive; (ii) as at 31 December 2025, the Group's net assets and cash at bank and on hand amounted to approximately RMB8,212.5 million and RMB81.6 million, respectively, indicating the Group's solid financial position; (iii) the Group has been able to generate net cash flows from operating activities of approximately RMB1,711.8 million, RMB2,349.7 million and RMB1,103.6 million for FY2023, FY2024 and FY2025, respectively, indicating the Group's strong capability of generating working capital; (iv) after the completion of the acquisition of Taiyuan Seeland, the Group plans to carry out the development and pre-sale of the Haitang Huazhu Project in five batches between 2026 and 2031 and fulfill its payment obligations primarily by cash flows to be generated from the pre-sale. Based on our independent public search, we noted that commercial housing pre-sale is a common practice in the PRC whereby property developers sell residential units that are still under construction to purchasers in advance and collect payment; and (v) the Group had achieved sale proceeds since late 2024 from the Taiyuan Kinetic Yingtong project operated by Taiyuan Hetai, and the sale proceeds were sufficient to cover project expenditures. As such, the Taiyuan Kinetic Yingtong Project has established a healthy cash flow cycle, we consider the arrangement of the Taiyuan Seedland Acquisition and the acquisition of the Dongzhimen Properties (i.e. exposing the Group to additional debt obligation for executing the asset transfer to settle the receivables owed by the Relevant Companies to it) is fair and reasonable and in the interest of the Company and its Shareholders.

Taking into account that (i) the Taiyuan Kinetic Yingtong Project is located in Taiyuan city, the same city as the Haitang Huazhu Project; (ii) the construction of the Taiyuan Kinetic Yingtong Project was uncompleted and its remaining construction cost amounted to approximately RMB470.2 million at the time of transfer; (iii) certain portion of the Taiyuan Kinetic Yingtong Project was mortgaged and certain portion of the Taiyuan Kinetic Yingtong Project was seized by court due to intermediary contract disputes, bill disputes and commercial housing sale contract disputes with aggregate settlement amount of approximately RMB4.3 million at the time of transfer; (iv) Taiyuan Hetai, the development company of the Taiyuan Kinetic Yingtong Project, had long-term loans of approximately RMB293.2 million as at the relevant valuation date for the acquisition; and (v) at the time of transfer, the shares of Taiyuan Hetai was subject to a pledge provided as security for the debt up to RMB380.0 million. It was also agreed that to ensure there was no material delay in the registration so as to safeguard the timely completion of the registration, after completion of all relevant regulatory approvals applicable to the acquisition, the purchaser intended to enter into an agreement with the creditor to become one of the obligators to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

settle the debt up to RMB380.0 million to facilitate the discharge on pledge over the shares and the mortgage in respect of the Taiyuan Kinetic Yingtong Project, we consider the Taiyuan Kinetic Yingtong Project is broadly comparable to the Haitang Huazhu Project.

Background and reasons for the Dongzhimen Property Acquisition

On the other hand, in respect of the Dongzhimen Property Acquisition, the 2024 Payables, which comprise of property management services and other value-added services payable by Seedland to Kinetic Live for FY2024 and amounted to RMB54,054,800, have been outstanding. As of 31 December 2025, the 2025 Balances, which comprise of the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 and amounted to approximately RMB36.0 million, inclusive of value-added-tax, have been outstanding. The Group and Seedland have been exploring various options for settlement of the 2024 Payables. After arms' length negotiation between the parties, the Group has agreed to purchase the Dongzhimen Properties from Seedland under the Debt Settlement Contract, and use the Net Dongzhimen Property Consideration to set off against the 2024 Payables. As the Net Dongzhimen Property Consideration is greater than the 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to set off against the 2025 Balances. The Dongzhimen Properties include two completed units located in a well-established prime district of Beijing with relatively resilient demand, and the Group expects that the value realisation of such properties (through leasing and/or disposal, subject to the Group's strategies and market conditions) will provide a more stable and recoverable form of settlement compared with prolonged cash collection efforts. Taking into account that (i) the Dongzhimen Properties are located in prime district of Beijing, supported by infrastructure including diplomatic premises, retail facilities and major transport connections; (ii) the Dongzhimen Properties are completed residential units with market-standard specifications. Based on our public search, we noted that the community where the Dongzhimen Properties are located (i.e. Beijing FanYue WanGuoFu) is a premium residential community with comparatively resilient pricing performance during the recent years; (iii) as the core area of Dongcheng district in Beijing, Dongzhimen region generally exhibits stable end-user demand and relatively consistent transaction activity and Beijing FanYue WanGuoFu records a relatively high selling price in this region; and (iv) as discussed in the section headed "4. Industry overview" below, although the growth in the Chinese property market may be sluggish in the current period, along with (a) the recovery of the economy of the PRC and Beijing (i.e. the city where the Dongzhimen Properties located); and (b) the Chinese and Beijing government's dedication to facilitating the healthy development of the property market, the outlook for the property market in the PRC and Beijing will be cautiously optimistic in the long run, we concur with the Directors that the Dongzhimen Property Acquisition allows the Group to secure high-quality assets located in a prime area of Beijing with strong potential for capital appreciation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Reasons for acquiring the Haitang Huazhu Project and the Dongzhimen Properties rather than others assets of the Relevant Companies and the 2025 Terminated Properties

Despite (i) the historical difficulties encountered by the Relevant Companies to complete the property transfers under the supplemental agreements; (ii) the proposed New Settlement Agreement despite the current pledged and frozen status of the equity interests in Taiyuan Seedland; and (iii) the construction status, remaining development requirements and estimated construction costs of the Haitang Huazhu Project, the Group chose to acquire the Haitang Huazhu Project and the Dongzhimen Properties rather than others assets of the Relevant Companies and the 2025 Terminated Properties because (i) all of the others assets of the Relevant Companies and the 2025 Terminated Properties are subject to mortgage and equity pledge and have not yet reached a settlement plan with the relevant creditors so that an asset transfer is not feasible at the current stage; (ii) the Haitang Huazhu Project and the Dongzhimen Properties have reached the settlement with the relevant counterparties, in particular, JIC Trust has agreed to assist to discharge the Equity Pledge and arrange for transfer of the equity interests of Taiyuan Seedland; and (iii) the Equity Consideration and the Gross Dongzhimen Property Consideration are close to the 2025 Terminated Properties Paid Amount and the 2024 Payables, as compared to the value of other assets. In this regard, we have obtained and reviewed the details of the 2025 Terminated Properties and other assets of the Relevant Companies considered by the Group for recovering the 2025 Terminated Properties Paid Amount and the 2024 Payables, including but not limited to their location, nature, construction status, restrictions, required additional construction costs, outstanding financing and guaranteed amount and the latest settlement progress. Based on our review, we noted that all of the other assets offered by the Relevant Companies were uncompleted and subject to mortgage and equity freeze and required substantial additional construction costs ranging from approximately RMB76.5 million to RMB1,299.4 million. Although one of the 2025 Terminated Properties is completed, all of the other assets of the Relevant Companies and the 2025 Terminated Properties have not yet reached a settlement plan with the relevant creditors with outstanding financing and guaranteed amount ranging from approximately RMB252.0 million to RMB1,301.8 million. Taking into account that (i) the Haitang Huazhu Project maintains a well-defined asset and liability structure and the Dongzhimen Properties are completed properties; (ii) as discussed above, the Haitang Huazhu Project represents a quality project with remarkable returns and the Dongzhimen Properties are high-quality assets located in a prime area of Beijing with strong potential for capital appreciation; (iii) the Taiyuan Seedland Acquisition enables the Group to obtain full equity interests in Taiyuan Seedland and thereby exercise direct control over the Haitang Huazhu Project and the corresponding sale proceeds, rather than continuing to rely on Seedland performance; (iv) as discussed in the section headed “5. Principal terms of the Sixth Supplemental Agreement and the Share Transfer Agreement” below, despite the restrictions imposed on Taiyuan Seedland, the transfer of the equity interests of Taiyuan Seedland is expected to be completed by the long stop date; (v) as discussed above, in view of the favourable policies in the real estate market recently announced by the PRC

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

government, the Group's development plan on the Haitang Huazhu Project and corresponding sales proceeds and the Group's unutilised facilities, we consider that the Group will be able to finance the remaining construction costs; (vi) the Haitang Huazhu Project is located in Taiyuan, the same city as the location of the Taiyuan Kinetic Yingtong Project, while all of the others assets of the Relevant Companies and the 2025 Terminated Properties are located in other cities of the PRC. The Group's property management team has monitored the construction of the Taiyuan Kinetic Yingtong Project acquired by the Group in early 2024. As such, the Group has gradually cumulated its practical and first-hand experience in property development, construction and management and established a project management team in Taiyuan which would help the Group in developing the Haitang Huazhu Project; and (vii) based on our discussion with the PRC legal advisers to the Group, we understood that there are no material impediments to the transfer of the equity interests of Taiyuan Seedland and the Dongzhimen Properties provided that all parties perform in accordance with the agreements and the New Settlement Agreement with JIC Trust and complete all the required procedures as required by the PRC laws and regulations, we concur with the Directors that the acquisition of the Haitang Huazhu Project and the Dongzhimen Properties are the best options available to the Group, but not other assets owned by the Relevant Companies, to offset the 2025 Terminated Properties Paid Amount and the 2024 Payables are fair and reasonable.

Other alternatives considered by the Group regarding the 2025 Terminated Properties Paid Amount

We have also discussed with the management of the Group regarding any alternatives to the acquisition of Taiyuan Seedland and noted that the Board has considered other options in dealing with the 2025 Terminated Properties Paid Amount including but not limited to (i) continuously working with the relevant Vendors to see how and when the 2025 Terminated Properties can be completed; (ii) requesting the relevant Vendors to refund the 2025 Terminated Properties Paid Amount in cash; and (iii) taking legal actions against the relevant Vendors. However, based on our aforementioned analysis on whether there is a breach of contractual obligations on the part of the Vendors regarding the 2025 Terminated Properties, we concur with the management of the Group that it is difficult for the Group to claim a breach of contractual obligations regarding the 2025 Terminated Properties and accordingly request the relevant Vendors to refund the 2025 Terminated Properties Paid Amount in cash. In addition, as advised by the management of the Group, the relevant Vendors have a substantial level of debts that need to be repaid and it is still undergoing debt restructuring and negotiation with its creditors, the process of which may last for a long period before any agreement could be reached with the relevant creditors. The Group understood that they were not in a financial position to repay the 2025 Terminated Properties Paid Amount in cash. Further, taking legal actions and litigation against the relevant Vendors would require a considerable amount of time and cost. In this regard, we have discussed with the PRC legal advisers of the Group and understood that according to the Civil Procedure Code (民事訴訟法) of the PRC, it would generally take six months to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

twelve months to complete the first instance proceeding and another three months to complete the second instance proceeding. According to the Measures for the Payment of Court Fees (訴訟費用交納辦法), based on the litigation amount of RMB253,734,000 (i.e. the 2025 Terminated Properties Paid Amount), the Group would be required to pay approximately RMB1.3 million to the court in each of the first instance proceeding and the second instance proceeding as well as additional attorney fees which depend on, among others, the complexity and duration of the case, reputation and experience of the attorneys and the litigation amount. Even if any judgment is made in favour of the Group, the principal assets of the relevant Vendors available for enforcement are still properties and the Group still needs to negotiate with the relevant Vendors in subsequent enforcement which may take an incalculable time before the Group is able to receive the settlement proceeds as the relevant Vendors may not have sufficient cash on hand. In some situations, given the relevant Vendors may have other creditors who are also suing them, there may not be sufficient assets left for the Group to enforce such judgement. As such, such alternatives were not viable to be proceeded with by the Group and the Taiyuan Seedland Acquisition represents the most practicable option under the circumstances. In view of the considerable amount of time and cost involved as aforesaid, we consider that taking legal actions and litigation against the relevant Vendors should be the Group's last option in recovering the 2025 Terminated Properties Paid Amount when the Group failed to reach settlement with the relevant Vendors. As such, we consider that the Acquisitions represented the best option available to the Company under the current circumstances.

Reasons for the continued business dealings with Seedland through the entering into of the 2026 Property Management Services Framework Agreement

With reference to the Company's announcement dated 31 December 2025, the Company has renewed the 2026 Property Management Services Framework Agreement with Seedland for a term of one year until 31 December 2026. Although Seedland has been unable to settle the service fees owed to the Company and the Company accepted the acquisition of the Dongzhimen Properties to offset the 2024 Payables, taking into account that (i) it is currently fairly common for property management companies to have a relatively long cycle for payment of accounts receivable from property development companies in the PRC, particularly under prevailing market conditions; (ii) the 2026 Property Management Services Framework Agreement could provide an additional opportunity for the Group to increase its future revenue with terms no less favourable than those available from independent third parties, which are beneficial to the Shareholders as a whole; (iii) the entering into of the 2026 Property Management Services Framework Agreement is consistent with the Group's development strategy to diversify and widen its customer base and revenue stream, including expanding property management service capabilities to capture customers outside the real property segment; (iv) the importance of maintaining service continuity across the property development projects under Seedland; (v) as discussed in the section headed "4. Industry overview" below, the outlook for the property markets in the PRC will be cautiously optimistic in the long run. With the gradual

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

recovery of the Chinese economy and property market, the business performance and liquidity conditions of Seedland shall improve over time, enabling Seedland to settle the service fees in cash; (vi) to safeguard the Group's interests, the Group has strengthened its internal monitoring measures to enhance oversight of the Relevant Companies, including the establishment of a dedicated internal team to monitor settlement progress and compliance with contractual obligations, the adoption of a more frequent and structured reporting mechanism to track the financial status of the Relevant Companies and the progress of asset transfers, and the tightening of internal approval procedures for any new transactions with the Relevant Companies. In this regard, we have obtained and reviewed the Group's internal documents in 2025, including board minutes, continuing connected transactions monitor reports, invoices and collection letters, we noted that appropriate internal control measures have been taken by the Group in monitoring its property management services with the Relevant Companies and recovering outstanding receivables. For example, the Group has actively communicated with the Relevant Companies and recovered certain outstanding receivables using the rental income of the Relevant Companies' car parking spaces which were managed by the Group. For FY2025, the Group has used the rental income from the Relevant Companies' car parking spaces of approximately RMB11.6 million to recover the outstanding receivables, which represented approximately 24.3% of the total property management fees receivables in 2025. Further, to monitor and mitigate the credit risk of the Relevant Companies, the Group will (a) issue written payment notices to Seedland on a regular basis; (b) enter into an agreement with Seedland for the offsetting of car parking rental income received by the Group from third party occupants on behalf of Seedland, pursuant to which Seedland will apply such income to offset fees owed to the Group that are due and unpaid; and (c) suspend property management services for the relevant projects in respect of any fees that remain unpaid whenever necessary. The agreement to be entered with Seedland for offsetting of car-parking rentals will be recurring basis to offset the outstanding receivables arise from the 2026 Property Management Services Framework Agreement, which we consider is effective to safeguard the Company's assets through a combination of these measures as the balance of the outstanding receivables under the Property Management Services Framework Agreement has decreased from approximately RMB47.7 million as at 31 December 2025 to approximately RMB36.0 million as at 31 December 2025. Although the regular issue of written payment notice to Seedland alone is not effective to recover the outstanding receivables due from the Relevant Companies, such measure is effective to keep track on the payment status, identify potential risks at an early stage and enhance accountability across multiple departments involved in receivables collection and risk control. Under the pressure created by written payment notices, Seedland agreed to offset the outstanding receivables against car parking rental income. Together with the Group's other measures, including using car parking rental income to offset fees owed to the Group that are due and unpaid and suspending further provision of services, the Group's strengthened internal control measures can effectively enhance the recoverability of the outstanding receivables due from the Relevant Companies. As such, we consider the enhanced oversight mechanism can assist in monitoring the Group's continued business

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

dealings with Seedland; (vii) the entering into of the 2026 Property Management Services Framework Agreement is a part of the Group's provision of property management services to the entire development project as the Group would provide property management services to the independent property owners for those sold units and to Seedland for those unsold units. Since both sold and unsold units are in the same community, it is not practicable for the Group to terminate its property management services to Seedland while at the same time to continue to provide property management services to the independent property owners. Based on our review of the property management companies listed on the Stock Exchange, we noted that it is a common practice for the property management companies to provide property management services to the independent property owners for the sold units and to property developers for the unsold units of a same property project; and (viii) annual caps are in place for the potential business dealings. Based on our discussion with the Directors, we understood that the Group would closely monitor the condition of the Relevant Companies and could obtain the financial, operation and litigation information of the Relevant Companies at its request at any time for assessing the recoverability of receivables. With the gradual sale of the properties to independent third parties, the property management services fees payable by the Relevant Companies will decrease over time. As the Group provides property management services to the whole property community, even if the Group terminates its services with the Relevant Companies, it would incur the same amount of operating costs, we concur with the Directors that the continued business dealings with Seedland is fair and reasonable.

In addition, although the Dongzhimen Properties are non-cash assets, which is not as liquid as cash, taking into account that (i) taking legal actions and litigation against Seedland would require a considerable amount of time and cost. Even if any judgment is made in favour of the Group, the principal assets of Seedland available for enforcement are still property units. In some situations, given Seedland may have other creditors who are also suing it, there may not be sufficient assets left for the Group to enforce such judgement; and (ii) based on our independent public research, we noted that the Dongzhimen Properties are located in a mature neighborhood comprising residential developments, commercial and office buildings, schools, and parks in Beijing, the PRC and well-served by public transportation, which offer better prospects for property appreciation and high occupancy rates, we concur with the Directors that the settlement of the outstanding service fees via the Dongzhimen Properties will reduce the Group's exposure to credit risks associated with the outstanding service fees and is in the interests of the Company and its Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Industry overview

According to the National Bureau of Statistics of China, the Chinese GDP has increased from approximately RMB103,487 billion in 2020 to approximately RMB134,908 billion in 2024 with a compound annual growth rate (“CAGR”) of approximately 6.9% while the GDP of Taiyuan and Beijing have increased from approximately RMB415.3 billion and RMB3,850.4 billion in 2020, respectively, to approximately RMB541.9 billion and RMB4,984.3 billion in 2024, respectively, with a CAGR of approximately 6.9% and 6.7%, respectively, indicating a solid economic foundation for the PRC in the national level and Taiyuan and Beijing in the regional level during the past five years. According to the International Monetary Fund, the Chinese economy is expected to continue to grow with a projected GDP growth rate of approximately 4.8% and 4.2% in 2025 and 2026, respectively (source: <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>).

With regard to the prospect of the real estate sector in the PRC, the Chinese government has introduced various policies to facilitate the positive cycle and healthy development of the property industry and reinforce the status of real estate being a major industry in the PRC such as (i) relaxing the restrictions on property purchases, loans and sales; (ii) reducing proportion of down payment and reducing home loan interest; and (iii) increasing the subsidies for property purchase. In November 2022, the People’s Bank of China and China Banking and Insurance Regulatory Commission jointly issued the “Notice on Properly Performing Work for Current Financial Support for the Stable and Healthy Development of the Real Estate Market”(關於做好當前金融支持房地產市場平穩健康發展工作的通知), which listed out 16 measures for stabilising the Chinese property sector, including but not limited to, supporting the reasonable deferral of property development loans and credit loans, encouraging financial institutions to provide policy support for special loans that ensure the delivery of housing projects and supporting rational demand for personal housing loans. The press release of the meeting of the Political Bureau of the Communist Party of China Central Committee (中共中央政治局) held on 24 July 2023 stressed that (i) the real-estate policies should be adjusted and optimised in a timely manner; and (ii) the policy toolkit should be well utilised with city-specific measures to better meet residents’ essential housing demand and their needs for better housing, and to foster the steady and healthy development of the real estate market. Furthermore, on 17 October 2024, the Minister of Housing and Urban-Rural Development announced new measures to cement signs of stabilisation in the property sector and stressed that all eligible real estate projects will be included in the “white list” mechanism and that their reasonable financing needs will be met through loans. In May 2025, the People’s Bank of China lowered the five-year and long-term loan prime rates and the housing provident fund loan interest rate, further reducing the mortgage borrowing costs for the Chinese households.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In addition, with regard to the prospect of the real estate sector in Taiyuan, the local government has issued the “Measures to Further Promote the Stabilisation and Recovery of the Property Market”(關於進一步促進房地產市場止跌回穩若干措施) in December 2024, which introduced 19 specific measures to promote the stable and healthy development of the property market in Taiyuan, such as lifting the restrictive housing purchase policies, reducing the minimum down payments and interest rates for housing loans and providing targeted incentives for families purchasing new homes through “trade-in” programs.

In respect of the prospect of the real estate sector in Beijing, the Beijing Municipal Commission of Housing and Urban-Rural Development, together with the People’s Bank of China, the National Financial Regulatory Administration and the Beijing Housing Provident Fund Management Centre, has issued the “Notice Regarding Policy Measures to Optimise the Steady and Healthy Development of the Local Property Market in Beijing“(關於優化本市房地產市場平穩健康發展政策措施的通知) in June 2024, which introduced a series of measures aimed at stabilising and supporting the property market in Beijing. Key initiatives include the lowered minimum down payment ratios and mortgage interest rates for personal housing loans, more favourable terms for housing provident fund loans and enhanced credit support for multi-child families. In August, 2025, the Beijing Municipal Commission of Housing and Urban-Rural Development and Beijing Housing Provident Fund Management Centre have issued the “Notice Regarding Further Optimisation and Adjustment of the Real Estate-Related Policies in Beijing”(關於進一步優化調整本市房地產相關政策的通知), which further eased the restrictive housing purchase policies and strengthened the credit support through housing provident fund.

Although the growth in the Chinese property market may be sluggish in the current period, taking into account (i) the recovery of the economy of the PRC, Taiyuan and Beijing; and (ii) the Chinese, Taiyuan and Beijing government’s dedication to facilitate the healthy development of the property market, we concur with the Directors that the outlook for the property markets in the PRC, Taiyuan and Beijing will be cautiously optimistic in the long run.

5. Principal terms of the Sixth Supplemental Agreement and the Share Transfer Agreement

Set out below is a summary of the principal terms of the Sixth Supplemental Agreement as extracted from the Letter from the Board. Independent Shareholders are advised to read further details of the Sixth Supplemental Agreement as set out in the Letter from the Board.

Date : 4 December 2025

Parties : (i) Vendor 2;

(ii) Vendor 4;

(iii) Kinetic Qinhuangdao;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iv) Kinetic Shanxi (together with Kinetic Qinhuangdao, the “**Purchaser**”); and

(v) Zunyi Seedland (the “**Seller**”)

Assets to be acquired : 100% equity interests of Taiyuan Seedland (the “**Target Company**”)

Equity Consideration and payment terms : The consideration for the acquisition of 100% equity interests in Taiyuan Seedland is RMB384,000,000 (i.e. the Equity Consideration), which shall be set off by the 2025 Terminated Properties Paid Amount. After such offset, the Remaining Closing Payment payable by the Purchaser to the Seller shall be RMB130,266,000.

Following a payment request from the Seller after completion of the registration for the equity transfer, the Purchaser shall, having regard to its funding arrangements and other relevant considerations, make payment of the Remaining Closing Payment to the Seller. The Purchaser shall make payments to the account designated by the Seller. Once the funds have been transferred to the account designated by the Seller, the Purchaser shall be deemed to have fulfilled the corresponding payment obligation. No interest shall accrue on the Remaining Closing Payment prior to full payment by the Purchaser.

If the actual liabilities of Taiyuan Seedland exceed the amount of liabilities stated in the balance sheet of Taiyuan Seedland provided to the Purchaser, the Purchaser shall be compensated for the excess portion by way of a corresponding reduction in the Equity Consideration, and the Remaining Closing Payment payable by the Purchaser shall be reduced accordingly.

The actual liabilities of Taiyuan Seedland shall be based on the data audited by the auditor engaged by the Purchaser, and the reference date for determining the actual liabilities shall be 31 December 2025, the reference date of the balance sheet of Taiyuan Seedland provided to the Purchaser.

The actual liabilities of Taiyuan Seedland are the same as the amount of liabilities stated in the balance sheet of Taiyuan Seedland provided to the Purchaser, therefore the compensation mechanism mentioned above was not triggered.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Equity Consideration was arrived at after arm's length negotiations between the Group and Zunyi Seedland with reference to, among other things, the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025 (the "**Valuation Date**") according to the valuation report prepared by the Independent Valuer, using the asset-based approach.

As informed by the Seller, the original cost of the Target Company was approximately RMB460,000,000, which included the costs and expenses incurred for the incorporation of, and investment into, the Target Company.

Termination of the Sixth Supplemental Agreement : In the event that any of the following circumstances occurs, the Purchaser shall be entitled to unilaterally terminate the Sixth Supplemental Agreement and the Share Transfer Agreement by giving written notice to the Seller:

- (i) the Group fails to obtain all necessary approvals and consents in respect of the Sixth Supplemental Agreement and the transactions contemplated thereunder (including but not limited to approvals from the Shareholders, if applicable); and
- (ii) the closing of Taiyuan Seedland Acquisition fails to occur by 31 December 2026.

Upon termination of the transaction, the Seller shall unconditionally refund to the Purchaser any Remaining Closing Payment (if any) already paid by the Purchaser within seven (7) business days, and the 2022 Property Purchase Agreement and all supplemental agreements shall remain in effect.

In addition, on the same date, Kinetic Shanxi and Zunyi Seedland have entered into the Share Transfer Agreement detailing the terms of acquisition of 100% equity interests in Taiyuan Seedland. Set out below is a summary of the principal terms of the Share Transfer Agreement as extracted from the Letter from the Board. Independent Shareholders are advised to read further details of the Share Transfer Agreement as set out in the Letter from the Board.

Date : 4 December 2025

Parties : (i) Zunyi Seedland; and
(ii) Kinetic Shanxi

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- Assets to be acquired** : 100% equity interests of Taiyuan Seedland
- Equity Consideration** : RMB384,000,000
- Closing** : Within five (5) business days from the date on which all conditions precedents are fulfilled but no later than 31 December 2026, Zunyi Seedland shall assist Kinetic Shanxi in submitting a written application to the relevant market supervision authority for the equity transfer, completing the procedures for registering the change of ownership of the subject equity under the name of Kinetic Shanxi, and obtaining a new business license of Taiyuan Seedland.
- Conditions precedent to Closing** : Completion of the Taiyuan Seedland Acquisition is conditional upon various conditions having been fulfilled, or waived by Kinetic Shanxi in writing:
- (i) all necessary approvals and consents in connection with the Taiyuan Seedland Acquisition (including but not limited to approvals from the Shareholders and consent from third-party creditors, if applicable);
 - (ii) the Equity Freeze has been lifted, and the Equity Pledge has been cancelled; and
 - (iii) the Purchaser has conducted and has been satisfied with the results of due diligence on Taiyuan Seedland (including but not limited to financial, legal, and business due diligence).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The 100% equity interests of Taiyuan Seedland are currently subject to a pledge provided as security in favour of JIC Trust (i.e. the Equity Pledge) and are frozen (i.e. the Equity Freeze) pursuant to the enforcement ruling No. 2024 Zhe 01 Zhi 368 (i.e. the Enforcement Ruling) of the Intermediate People's Court of Hangzhou City, Zhejiang Province (the "**Hangzhou Court**"). On 1 December 2025, JIC Trust entered into the Settlement Agreement with Obligors, pursuant to which, among others, the Obligors shall settle an agreed aggregate amount of RMB814,408,000 (the "**Repayment Amount**") by instalments. Upon receipt of up to RMB100,000,000 out of the Repayment Amount by JIC Trust, JIC Trust shall provide assistance to discharge the pledge over the equity interests of Taiyuan Seedland and arrange for the transfer of 100% equity interests of Taiyuan Seedland. Within six months of the signing of the Settlement Agreement, subject to the Share Transfer Agreement and the New Settlement Agreement and the transactions contemplated thereunder being approved by the Independent Shareholders, the Group will enter into a new settlement agreement (the "**New Settlement Agreement**"), with, among others, JIC Trust, to become one of the obligors to settle the Repayment Amount by instalments. After obtaining title to the 100% equity interests of Taiyuan Seedland, the Group shall arrange to pledge the 100% equity interests of Taiyuan Seedland to JIC Trust. Against payment of the Repayment Amount to JIC Trust by installments, JIC Trust would provide assistance to grant pre-sale approval of the Haitang Huazhu Project. As of the Latest Practicable Date, the Obligors have not settled any Repayment Amount under the Settlement Agreement.

For details of the Equity Pledge and the Enforcement Ruling, please refer to the Letter from the Board.

Payment terms : The Equity Consideration shall be set off by the 2025 Terminated Properties Paid Amount. After such offset, the Remaining Closing Payment payable by the Purchaser to the Seller shall be paid following a payment request from the Seller after completion of the registration for the equity transfer in accordance with the Sixth Supplemental Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Sixth Supplemental Agreement, the long stop date of the Taiyuan Seedland Acquisition is 31 December 2026. We noted that the entire equity interests of Taiyuan Seedland is subject to the Equity Pledge and the Equity Freeze. With reference to the Letter from the Board, as at the Latest Practicable Date, Taiyuan Seedland has mortgaged the land use right of the Haitang Huazhu Project with a total area of approximately 174,828.17 sq.m in favour of JIC Trust as security for a loan facility (the defaulted loan under the Enforcement Rulings) provided by JIC Trust to Taiyuan Seedland (the “**Mortgage**”). The proceeds from the Mortgage had been used for the project development. Pursuant to the Settlement Agreement, considering the Group will become one of the obligors upon the execution of the New Settlement Agreement and as a result of commercial negotiations, JIC Trust has agreed to waive all interests and default interests accrued during the loan overdue period and the instalment repayment period such that the total indebtedness owed to JIC Trust has been reduced from RMB1,163,850,152.33 to RMB764,407,841, given that the Group repaid RMB50,000,000 as an intention fee (the “**Intention Fee**”). As of the Latest Practicable Date, the outstanding balance under the Mortgage was RMB764 million. Taking into account that (i) the existence of the Mortgage and the underlying secured indebtedness have been reflected in Taiyuan Seedland’s liabilities as at the Valuation Date and therefore have been taken into account in the valuation of Taiyuan Seedland; (ii) the Mortgage is included in the Repayment Amount, and thus is considered in determining the Equity Consideration; and (iii) all of the interest and default interests accrued during the loan overdue period and the instalment repayment period have been waived by JIC Trust, we consider the Company’s bear of the indebtedness of the Mortgage and the amount of the indebtedness borne by the Company under the Mortgage and the Enforcement Rulings is fair and reasonable. In Chinese Mainland, commercial housing is sold under a pre-sale system, whereby property developers sell residential units that are still under construction to purchasers in advance and collect payment. Typically, real estate projects involve acquiring the entire land parcel at once, followed by phased development and sales. It is also common practice for property developers to obtain financing to acquire the land parcel and to fund the construction of the real estate projects, and financial institution providing financings will require the land parcel and the buildings, whether under construction or completed thereon be mortgaged to it. Subsequently, the financing party will coordinate the release of restrictions by phases, and after proceeds from the project are received, the loans are repaid. Therefore, the Mortgage is a common practice in real estate financing and development, and it does not affect the normal progress of the Haitang Huazhu Project or the recovery of funds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taiyuan Seedland is also required to comply with the Enforcement Ruling, under which certain dispositions of the project may be restricted until the Mortgage and/or any seal (if applicable) is lifted. In this regard, we have discussed with the management of the Group and understood that the Group has conducted legal due diligence and is actively engaging with Zunyi Seedland to assess the feasibility of releasing the Equity Pledge and the Equity Freeze. The Group will enter into the New Settlement Agreement with JIC Trust to become one of the obligors to settle the Repayment Amount. JIC Trust will assist to discharge the Equity Pledge and arrange for transfer of the equity interests of Taiyuan Seedland upon receipt of up to RMB100 million. Based on the current legal advice, the Group expects to (i) obtain approvals from the Independent Shareholders on the Taiyuan Seedland Acquisition by 31 May 2026; (ii) enter into the New Settlement Agreement by 31 May 2026; (iii) lift the Equity Freeze and cancel the Equity Pledge by the end of June 2026; and (iv) complete registration for the equity transfer and the Taiyuan Seedland Acquisition by the end of June 2026. While the Board does not currently anticipate material difficulties in meeting these conditions as at the Latest Practicable Date, the timeline has provided for a reasonable buffer and flexibility to accommodate any unforeseen regulatory or procedural delays and ensures orderly implementation of the Taiyuan Seedland Acquisition. Taking into account that (i) the Group has conducted legal due diligence and obtained legal advice on the Equity Pledge and the Equity Freeze; (ii) JIC Trust has agreed to assist to discharge the Equity Pledge and arrange for transfer of the equity interests of Taiyuan Seedland upon receipt of up to RMB100 million and such payment is under control of the Group; (iii) the aforementioned timeline reflects the practical steps required to complete the Taiyuan Seedland Acquisition, including satisfaction of conditions precedent such as obtaining the Independent Shareholders' approval, completion of due diligence and asset delivery arrangements, and fulfilment of relevant legal and administrative procedures in the PRC; and (iv) the Board has been commercially prudent to allow a longer long stop date to allow sufficient time to satisfy the closing conditions, provide flexibility for unforeseen events and reduce renegotiation risks given the required legal process and the Independent Shareholders' approval of the Taiyuan Seedland Acquisition, we concur with the Directors that the transfer of the equity interests of Taiyuan Seedland is expected to be completed by the long stop date. In respect of the Mortgage, the release of the Mortgage is not included as a condition precedent of the Taiyuan Seedland Acquisition. The Mortgage is expected to continue following the closing of the Taiyuan Seedland Acquisition as part of the existing project financing arrangements, and will (through Taiyuan Seedland) continue to observe the relevant covenants and requirements under the financing documents, and will procure (where required) the mortgagee's consent and/or release of the Mortgage in accordance with the progress of the overall project development, pre-sale approvals and/or disposal of the relevant assets in the ordinary course of project development. We concur with the Directors that such arrangement is fair and reasonable, having considered that (i) it is common for the Chinese property development projects to be financed by secured borrowings with mortgages over project land and/or properties; (ii) the existence of the Mortgage and the underlying secured indebtedness have been reflected in Taiyuan Seedland's liabilities as at the Valuation Date and therefore have been taken into account in the valuation of Taiyuan Seedland; and (iii) the Group will obtain control over Taiyuan Seedland and the Haitang Huazhu Project upon the Closing and will be able to manage the financing and orderly release of the Mortgage in an orderly manner by 2030.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As confirmed by the management of the Group, it will constitute a breach of contractual terms by the Seller if the transfer fails. If the Seller breaches the contractual terms, the Group may consider to (i) make a claim against the Seller for the breach of its contractual obligations; (ii) pursue legal actions against the Seller; and (iii) continue to request the relevant Vendors to perform their contractual obligations regarding the 2025 Terminated Properties and negotiate with them on the feasibility of different proposals to accelerate the registration procedures for the 2025 Terminated Properties. As we consider that taking legal actions and litigation against the relevant Vendors should be the Group's last option in recovering the 2025 Terminated Properties Paid Amount when the Group failed to reach settlement with the relevant Vendors and the Acquisitions represent the Group's efforts in negotiating with the relevant Vendors to cover the 2025 Terminated Properties Paid Amount, we consider the aforesaid measures are fair and reasonable and sufficient to safeguard the Company's interest in its assets. Taking into account that (i) it is stipulated under the Sixth Supplemental Agreement that the Purchaser shall be entitled to unilaterally terminate the Sixth Supplemental Agreement and the Share Transfer Agreement by giving written notice to the Seller if the closing of Taiyuan Seedland Acquisition fails to occur by 31 December 2026 and the Seller shall unconditionally refund to the Purchaser any Remaining Closing Payment (if any) already paid by the Purchaser within seven (7) business days; (ii) the transfer of the equity interests of Taiyuan Seedland is expected to be completed by the long stop date based on the reasons as discussed above; and (iii) the Repayment Amount has been considered in determining the Equity Consideration, which has been shown as liabilities of Taiyuan Seedland as at 31 December 2025 and deducted in determining the net asset value of Taiyuan Seedland, we concur with the Directors that the existing terms of the Sixth Supplemental Agreement and the Share Transfer Agreement and the above measures are appropriate and sufficient in safeguarding the Group's assets.

The principal terms of the New Settlement Agreement to be entered by the Group are set out below:

- Parties** : (i) JIC Trust (as the applicant for enforcement);
- (ii) Taiyuan Seedland;
- (iii) Zunyi Seedland;
- (iv) Seedland; and
- (v) Kinetic Shanxi

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Maximum exposure of the Company : Pursuant to the New Settlement Agreement, the Group will become one of the obligors for the settlement of an agreed aggregate amount of RMB814,407,841 (i.e. the Repayment Amount). The Group's maximum exposure under the New Settlement Agreement is intended to be limited to the Repayment Amount, subject to any additional amount(s) that may become payable upon an event of default and/or resumption of enforcement in accordance with the New Settlement Agreement and the effective PRC court judgments (including, where applicable, interest, penalty interest, liquidated damages and enforcement-related costs). Notwithstanding the above, the Company is of the view that the risk of the Group being required to assume liabilities in excess of the Repayment Amount is remote.

Settlement timeline and repayment schedule : The Group will pay the Repayment Amount by instalments, with the final instalment due in June 2030.

The Group repaid RMB50 million on behalf of Taiyuan Seedland in December 2025 as an Intention Fee, comprising RMB10 million paid on 18 December 2025 and RMB40 million paid on 30 December 2025. The Group will not make any further payment to JIC Trust (including the Second Payment) until the Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition has been obtained. The Second Payment will be made prior to the Group entering into the New Settlement Agreement. The remaining Repayment Amount payable in each year is expected to be as follows:

- 2026: RMB150 million (including the Second Payment)
- 2027: RMB100 million
- 2028: RMB150 million
- 2029: RMB250 million
- 2030: RMB114.4 million (final instalment due in June 2030).

The Group (i) paid Intention Fee in December 2025 to demonstrate the Group's good faith in reaching a settlement and to secure the settlement arrangement in relation to Taiyuan Seedland as soon as practicable and (ii) intends to make the Second Payment in order to obtain title to the 100% equity interests of Taiyuan Seedland.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- Concessions/
waivers** : Subject to the Group’s full and timely performance of the New Settlement Agreement, JIC Trust agreed to waive certain interest, penalty interest, liquidated damages and enforcement-related expenses during the loan overdue period and the instalment payment period.
- Release of equity
pledge** : Provided that Taiyuan Seedland, Zunyi Seedland and Seedland have not breached any commitments or obligations under the New Settlement Agreement, JIC Trust agrees to:
- (i) within 10 days after receiving the first repayment of RMB50 million, temporarily suspend enforcement actions and apply to the Hangzhou Court for the release of certain seizure measures based on the actual needs of the project. Such amount has been paid by the Group as the Intention Fee; and
 - (ii) within 10 days after the completion of enforcement settlement procedures and the receipt of the second repayment of RMB50 million, cooperate in applying to the Hangzhou Court for the release of all enforcement measures, including the unfreezing of bank accounts, shares, and the lifting of land seal. In addition, within 30 days from the date of the release of the Equity Freeze, cooperate with the relevant procedures for the release of the Equity Pledge, and proceed with the transfer of 100% equity interests of Taiyuan Seedland to the Group. Subject to the Independent Shareholders’ approval in relation to the Taiyuan Seedland Acquisition having been obtained, the Group intends to, prior to entering into the New Settlement Agreement, make the Second Payment to JIC Trust, in order to trigger the obligation of JIC Trust to discharge the pledge over the 100% equity interests of Taiyuan Seedland, and then request JIC Trust to arrange for the transfer of 100% equity interests of Taiyuan Seedland to the Group.

With reference to the Letter from the Board, as of the Latest Practicable Date, enforcement actions have been suspended temporarily. On 20 April 2026, Taiyuan Seedland, Zunyi Seedland and Kinetic Qinhuangdao entered into an intention fee and payment agreement (the “**Payment Agreement**”) to formalize the arrangement in relation to the Intention Fee and the Second Payment, pursuant to which, among other things, in the event that the Taiyuan Seedland Acquisition does not proceed, both the Intention Fee and the Second Payment shall be refunded to the Kinetic Qinhuangdao, together with an capital utilisation fee calculated at the 5-year LPR of 3.5%, with interest accruing up to the actual date of repayment from Taiyuan Seedland.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group intends to fulfil its payment obligations (if and to the extent applicable) under the New Settlement Agreement primarily by cash flows to be generated from the development and sale (including pre-sale, where applicable) of properties of the Haitang Huazhu Project after the closing of the Taiyuan Seedland Acquisition, and, where necessary, by the Group's internal resources and/or external financing, taking into account the Group's cash flow position, funding arrangements and other relevant considerations. In Chinese Mainland, commercial housing is sold under a pre-sale system, whereby real estate developers sell residential units that are still under construction to purchasers in advance and collect payment. After the completion of the acquisition of Taiyuan Seeland, the Group plans to carry out the development and pre-sale of the Haitang Huazhu Project in five batches between 2026 and 2031, subject to market conditions and funding availability. The final phase of construction is expected to be completed in 2031 and the funding for the development of the Haitang Huazhu Project will primarily rely on proceeds from pre-sales. In addition, the Group will leverage the successful experience of the acquisition of Taiyuan Hetai to achieve asset monetization and appreciation. The Group had achieved sale proceeds since 2024 from the Taiyuan Kinetic Yingtong project operated by Taiyuan Hetai, and the sale proceeds were sufficient to cover project expenditures, which has established a healthy cash flow cycle.

Taking into account that (i) based on our review on the Business Valuation Report (as defined below), we noted that the Equity Consideration of RMB384,000,000 was determined with reference to, among other things, the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025 prepared by the Independent Valuer, which was derived from Taiyuan Seedland's net assets after taking into account, among others, its liabilities recorded in the audited balance sheet as at 31 December 2025, including the long-term loans of RMB764 million and an Intention Fee (recorded as other payables) of RMB50 million which was repaid by the Group on behalf of Taiyuan Seedland in December 2025 after signing of the Sixth Supplemental Agreement and the Share Transfer Agreement to negotiate the transaction. In other words, the Equity Consideration has taken into account the maximum exposure of the Group of RMB814,407,841 under the New Settlement Agreement. Before the payment of the Intention Fee of RMB50 million, Taiyuan Seedland has long-term loans of RMB814 million. As such, the payment of the Intention Fee of RMB50 million did not reduce Taiyuan Seedland's net asset value but only reclassified the amount of RMB50 million from long-term loans to other payables; (ii) as discussed in the sections headed "7. Valuation of Taiyuan Seedland" and "8. Evaluation of the Equity Consideration" below, the Equity Consideration is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole; and (iii) the New Settlement Agreement provides a settlement mechanism for such existing indebtedness and facilitates the discharge of the Equity Pledge and lifting of the Equity Freeze to enable Completion and does not increase the acquisition consideration payable to the Seller under the Taiyuan Seedland Acquisition, we consider that the terms of the proposed New Settlement Agreement and the entering into of the proposed New Settlement Agreement will not expose the Group to additional settlement obligation and are thus fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed above, the Group has repaid RMB50 million on behalf of Taiyuan Seedland as an Intention Fee in late 2025. Taking into account that (i) the Group's involvement in the New Settlement Agreement, including the Group's advance payment of the Intention Fee, has made JIC Trust agree to waive all interests and default interests accrued during the loan overdue period and the instalment repayment period, which largely reduces the total indebtedness owed to JIC Trust from RMB1.2 billion to RMB764 million and alleviate the time pressure on the project's sell-through; (ii) we understood from the management of the Group that in the event that the Taiyuan Seedland Acquisition does not proceed, the New Settlement Agreement will be terminated and the Company will no longer be obliged for any Repayment Amount. The Group will request a refund of the Intention Fee, together with a capital utilisation fee calculated at the 5- year LPR of 3.5%, with interest accruing up to the actual date of repayment from Taiyuan Seedland or, if necessary, consider an asset-for-debt swap as an alternative form of settlement; (iii) in the event that the Taiyuan Seedland Acquisition does not proceed, the Company will no longer be obliged for any Repayment Amount and the Group's recovering plan on the Intention Fee is considered to be feasible as discussed below; (iv) save for the Second Payment to be made after the Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition has been obtained, in order to safeguard the Group's interests, the Company will not make any further payment to JIC Trust until the New Settlement Agreement has been entered into; and (v) based on our discussion with the management of the Group, we understood that the timing of the Group's payment of the Intention Fee in December 2025 was the result of commercial negotiations to demonstrate the Group's good faith to reach and secure a settlement with JIC Trust and its willingness to assume the role of new obligor while the timing of the payment of the Final Payment, which is scheduled to be completed by the end of December 2026, is a relatively conservative estimate and subject to the satisfaction of the major milestones of the Taiyuan Seedland Acquisition, we consider that the Group's advance payment of the Intention Fee is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

With reference to the Letter from the Board, whilst the Group was not a party to the Settlement Agreement, in order to enable the Group to obtain title to the equity interest of Taiyuan Seedland, in addition to the Intention Fee, the Group intends to, after Independent Shareholders' approval in relation to the Taiyuan Seedland Acquisition has been obtained but prior to entering into the New Settlement Agreement, make the Second Payment of RMB50 million to JIC Trust, in order to trigger the obligation of JIC Trust to discharge the pledge over the equity interests of Taiyuan Seedland, and then request JIC Trust to arrange for the transfer of 100% equity interests of Taiyuan Seedland to the Group. Taking into account that (i) the Second Payment will only be made following Independent Shareholders' approval of the acquisition of Taiyuan Seedland; (ii) upon receipt of up to RMB100 million (including the Intention Fee and the Second Payment) out of the Repayment Amount by JIC Trust, JIC Trust shall provide assistance to discharge the pledge over the equity interests of Taiyuan Seedland and arrange for the transfer of 100% equity interests of Taiyuan Seedland, thereby removing any legal impediments to completion; (iii) pursuant to the Payment Agreement, in the event that the Taiyuan Seedland Acquisition does not proceed, the Group will request a refund of the Second Payment, together with an capital utilisation fee calculated at the 5-year LPR of 3.5%, with interest accruing up to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the actual date of repayment from Taiyuan Seedland; and (iv) the Second Payment should be considered in conjunction with other terms of the Taiyuan Seedland Acquisition as a whole, particularly the reasons for and the benefits of the Taiyuan Seedland Acquisition, we consider that the Second Payment is fair and reasonable.

As disclosed in the Letter from the Board, in the event that the Taiyuan Seedland Acquisition does not proceed, the New Settlement Agreement will be terminated and the Company will no longer be obliged for any Repayment Amount. Under such circumstance, the Group will request a refund of the Intention Fee and the Second Payment (as applicable), together with a capital utilisation fee calculated at the 5-year LPR of 3.5%, with interest accruing up to the actual date of repayment from Taiyuan Seedland or, if necessary, consider an asset-for-debt swap as an alternative form of settlement. Currently, the Group intends to use the sale proceeds of the Haitang Huazhu Project to recover the Intention Fee, the Second Payment (as applicable) and the relevant capital utilisation fee. In other words, if the Taiyuan Seedland Acquisition is not materialised, the Haitang Huazhu Project will be belonged to Taiyuan Seedland and the Seller while the pre-sale proceeds of certain portion of the Haitang Huazhu Project sold by Taiyuan Seedland and the Seller will be used to repay to the Group to recover the Intention Fee and the Second Payment (as applicable). As advised by the management of the Group, batch 2 of the Haitang Huazhu Project (i.e. buildings 10, 11, 16 and 17) is expected to commence pre-sale in late 2026 and its corresponding sale proceeds will be applied as the special repayment funds to the Group and transferred to the Group's designated bank account directly until the Intention Fee and the Second Payment (as applicable) are fully recovered. As discussed in the section headed "3. Reasons for and benefits of the Acquisitions" above, we concur with the Directors that the Haitang Huazhu Project represents a quality project with remarkable returns and we have reviewed the 2025 property market annual report of Taiyuan city issued by Beike to understand the estimated unit sales prices of the properties of the Haitang Huazhu Project. Based on the above, we consider the Group's recovering plan on the Intention Fee and the Second Payment (as applicable) is feasible and such arrangement is fair and reasonable.

Taking into account (i) the reasons for and the benefits of the Taiyuan Seedland Acquisition as detailed above; (ii) as discussed in the section headed "3. Reasons for and benefits of the Acquisitions" above, the prolonged delay in completion of the ownership transfer registration of the 2025 Terminated Properties and the practical difficulty of obtaining an immediate cash refund from the Relevant Companies; (iii) the New Settlement Agreement being necessary to facilitate the discharge of the Equity Pledge and lifting of the Equity Freeze (which are conditions precedent to Closing) and therefore implementation of the replacement arrangement for the 2025 Terminated Properties Paid Amount. We have obtained and reviewed the New Settlement Agreement and noted that JIC Trust agreed to assist to discharge the Equity Pledge and arrange for transfer of the equity interests of Taiyuan Seedland. In particular, JIC Trust would (a) temporarily suspend enforcement actions and apply to the Hangzhou Court for the release of certain seizure measures based on the actual needs of the project within 10 days after receiving the first repayment of RMB50 million; and (b) cooperate in applying to the Hangzhou Court for the release of all enforcement measures, including the unfreezing of bank accounts, shares, and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the lifting of land seal within 10 days after the completion of enforcement settlement procedures and the receipt of the second repayment of RMB50 million; (iv) as discussed in the sections headed “7. Valuation of Taiyuan Seedland” and “8. Evaluation of the Equity Consideration” below, the Equity Consideration is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. The Equity Consideration is determined with reference to the valuation of 100% equity interests of Taiyuan Seedland conducted by the Independent Valuer which has taken into account the liabilities recorded in the audited balance sheet of Taiyuan Seedland as at 31 December 2025, including the Repayment Amount. In other words, the Equity Consideration has taken into account the maximum exposure of the Group under the New Settlement Agreement and the entering into of the New Settlement Agreement will not expose the Group to additional settlement obligation; (v) the Taiyuan Seedland Acquisition provides a practicable replacement arrangement to address the outstanding 2025 Terminated Properties Paid Amount to protect and safeguard the interests of the Group and the Shareholders; (vi) as discussed in the section headed “3. Reasons for and benefits of the Acquisitions” above, the Haitang Huazhu Project represents a quality project with remarkable returns and thus the Taiyuan Seedland Acquisition is expected to be a valuable complement to the Group’s property development business which will benefit from synergies with the Group’s existing presence in Taiyuan; (vii) it will constitute a breach of contractual terms by the Seller if the transfer fails and the transfer of the equity interests of Taiyuan Seedland is expected to be completed by the long stop date; (viii) the transaction structure contains safeguards to mitigate the risks arising from the Restrictions, including conditions precedent (in particular the lifting of the Equity Pledge and the Equity Freeze), due diligence, deferred payment arrangements and the liability adjustment mechanism; and (ix) based on our discussion with the PRC legal advisers to the Company, we understood that there are no material impediments to the transfer of equity interests of Taiyuan Seedland and the release of the Equity Pledge and Equity Freeze would be completed before the completion of transfer of the equity interests of Taiyuan Seedland provided that all parties perform in accordance with the agreements and the New Settlement Agreement with JIC Trust and complete all the required procedures as required by the PRC laws and regulations, we consider that the terms of the Taiyuan Seedland Acquisition are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Principal terms of the Debt Settlement Contract and the 2026 Debt Settlement Contract

Set out below is a summary of the principal terms of the Debt Settlement Contract. Independent Shareholders are advised to read further details of the Debt Settlement Contract as set out in the Letter from the Board.

Date : 4 December 2025

Parties : (i) Seedland;

(ii) Guangdong Seedland;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) Beijing Seedland (the “**Property Seller**”); and

(iv) Kinetic Qinhuangdao

Assets to be acquired : Dongzhimen 3110 Property and Dongzhimen 3111 Property

Consideration and payment terms : The consideration for the acquisition of Dongzhimen 3110 Property is RMB45,100,000. The relevant tax payable by Beijing Seedland in relation to the sale of Dongzhimen 3110 Property is RMB11,050,000, which shall be paid by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The remaining amount after deducting the 3110 Taxes shall be RMB34,050,000 (the “**Dongzhimen 3110 Property Settlement Price**”). If the actual amount of the 3110 Taxes exceeds RMB11,050,000, the excess shall be borne by Beijing Seedland.

On the date when (i) the registration procedures for the title transfer of the Dongzhimen 3110 Property are completed, (ii) the Dongzhimen 3110 Property is registered under the name of Kinetic Qinhuangdao, and (iii) Kinetic Qinhuangdao obtains the Real Property Ownership Certificate (不動產權證書) for the Dongzhimen 3110 Property under its name, the Dongzhimen 3110 Property Settlement Price shall be set off against the 2024 Payables. After such offset, the Remaining 2024 Payables is RMB20,004,800.

The consideration for the acquisition of Dongzhimen 3111 Property is RMB41,230,000. The taxes payable by Beijing Seedland is RMB4,890,000 (i.e. the 3111 Taxes) and the debt is RMB13,500,000 (i.e. the 3111 Debt), both of which shall be paid by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The remaining amount after deducting the 3111 Taxes and 3111 Debt payable by Kinetic Qinhuangdao and Guangdong Seedland to Beijing Seedland shall be RMB22,840,000 (the “**Dongzhimen 3111 Property Settlement Price**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On the date when (i) the registration procedures for the title transfer of the Dongzhimen 3111 Property are completed, (ii) the Dongzhimen 3111 Property is registered under the name of Kinetic Qinhuangdao, and (iii) Kinetic Qinhuangdao obtains the Real Property Ownership Certificate (不動產權證書) for the Dongzhimen 3111 Property under its name, the Dongzhimen 3111 Property Settlement Price shall be set off against the remaining 2024 Payables.

As the Net Dongzhimen Property Consideration is greater than 2024 Payables, the parties agreed that the surplus amount of RMB2,835,200 will be used to set off against the 2025 Balances.

The Gross Dongzhimen Property Consideration (i.e. RMB86,330,000) was arrived at after arm's length negotiations between the Group and Beijing Seedland with reference to, among other things, the valuation of the Dongzhimen Properties of RMB86,330,000 as at 31 January 2026 according to the valuation report prepared by the Independent Valuer, using the market comparison approach assuming sales of the property in existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

As informed by the Property Seller, the original acquisition costs of Dongzhimen 3110 Property and Dongzhimen 3111 Property were RMB32,430,568 and RMB27,811,326, respectively.

Conditions precedent : The acquisition of Dongzhimen Properties is conditional upon the completion of the property title transfer, which requires the Dongzhimen Properties to be free of any seizure.

Set out below is a summary of the principal terms of the 2026 Debt Settlement Contract. Independent Shareholders are advised to read further details of the 2026 Debt Settlement Contract as set out in the Letter from the Board.

Date : 20 April 2026

Parties : (i) Seedland;
(ii) Guangdong Seedland;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(iii) Kinetic Qinhuangdao;

(iv) Kinetic Shanxi;

(v) Zunyi Seedland; and

(vi) Beijing Seedland

- Offset arrangement** :
- (i) As of 31 December 2025, the amount payable by Seedland to the Group under the Property Management Services Framework Agreement for 2025 amounted to approximately RMB36.0 million (being the 2025 Balances);
 - (ii) the remaining Equity Consideration payable by Kinetic Shanxi to Zunyi Seedland under the Sixth Supplemental Agreement amounted to RMB130,266,000 (being the Remaining Closing Payment);
 - (iii) the surplus amount payable by Kinetic Qinhuangdao to Beijing Seedland under the Debt Settlement Contract amounted to RMB2,835,200 (the “**Surplus Amount**”, together with the Remaining Closing Payment, the “**Revised Remaining Closing Payment**”); and
 - (iv) the 2025 Balance shall be deducted from the Revised Remaining Closing Payment, and the balance (the “**Final Payment**”) shall be paid to Zunyi Seedland.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Dongzhimen 3111 Property is currently sealed up and subject to transfer restrictions under applicable PRC laws. The Board has taken this restriction into account when assessing the acquisition. Based on the information available to the Company, the seal arose from the unpaid renovation project payments owed by the Relevant Companies to its contractor. The Board does not expect material difficulties in lifting the seal, which is anticipated to be completed following the implementation of the settlement arrangements and satisfaction of relevant procedural requirements. According to Article 28 of the Provisions of the Supreme People's Court on Seizure, Detention, and Freezing of Property in Civil Enforcement by People's Courts, if the debt has been fully paid, the court shall lift the seizure. Typically, the unsealing procedures shall be completed within 2 to 4 weeks after the payment is received by the court's designated account. As such, the creditors are legally obliged to lift the seal within 2 to 4 weeks after receipt of RMB13.5 million by the court.

Although the Debt Settlement Contract does not include a long stop date, the acquisition of Dongzhimen Properties is conditional upon the completion of the property title transfer, which requires the property to be free of any seizure. As such, it will constitute a breach of contractual terms by the Property Seller if the property title transfer fails. We have also discussed with the management of the Group and understood that a debt of RMB13,500,000 payable by Beijing Seedland shall be settled by Kinetic Qinhuangdao and Guangdong Seedland on behalf of Beijing Seedland. The lifting of the seal is not a contractual condition precedent under the Debt Settlement Contract but is expected to be completed in parallel with the settlement process. The debt of RMB13,500,000 will be directly paid to the court and the court will transfer the funds to the creditors. After that, the creditors will apply for the lifting the seal and the court will proceed with the relevant lifting procedures. No separate financing arrangement will be entered into by the Company. As the Property Seller has reached settlement with the relevant creditors on lifting the seal and the relevant creditors have agreed to provide assistance, we agree with the Company's expectation that there are no material difficulties in lifting the seal. In addition, we have discussed with the PRC legal advisers to the Group and understood that the transfer of property ownership can only be processed after the seal is lifted. According to Article 38(2) of the Law of the PRC on the Administration of the Urban Real Estate (中華人民共和國城市房地產管理法), the following real estate shall be not transferred, among others, where the rights of real estate have been sealed up by order of the judicial organ or decision of the administrative organ pursuant to law or limited by other ways. In other words, the lifting of the seal on Dongzhimen 3111 Property would be completed before the completion of transfer of the Dongzhimen Properties. We have reviewed the aforesaid rule (source: https://english.court.gov.cn/2015-08/17/c_761520_5.htm) and concur with the view of the PRC legal advisers to the Group. We also understood from the PRC legal advisers to the Group that there are no material impediments to the transfer of the Dongzhimen Properties provided that the debt has been fully paid and the seal has been lifted. As such, we concur with the Directors that the transfers of the Dongzhimen Properties are expected to be completed by 30 June 2026 based on the Group's internal assessment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that (i) it is stipulated under the Debt Settlement Contract that the conditions relevant to the implementation of the transaction include, among others, the completion of the Dongzhimen 3111 Property registration procedures in the PRC; (ii) the transfers of the Dongzhimen Properties are expected to be completed by 30 June 2026 based on the reasons as discussed above; and (iii) the 3111 Debt has been considered in determining the Dongzhimen 3111 Property Settlement Price, we concur with the Directors that the existing terms of the Debt Settlement Contract and the above measures are appropriate and sufficient in safeguarding the Group's assets.

Taking into account that (i) the reasons for and the benefits of the Dongzhimen Property Acquisition as detailed above; (ii) the Gross Dongzhimen Property Consideration is determined with reference to the valuation of the Dongzhimen Properties conducted by the Independent Valuer; (iii) the 3110 Taxes, 3111 Taxes and 3111 Debt in the total amount of approximately RMB29.4 million have been deducted from the Gross Dongzhimen Property Consideration in determining the Net Dongzhimen Property Consideration. In other words, the Group is not exposed to the additional payment obligation of the 3110 Taxes, 3111 Taxes and 3111 Debt in the total amount of approximately RMB29.4 million, but rather such payments have been considered in determining the Gross Dongzhimen Property Consideration; (iv) the Gross Dongzhimen Property Consideration shall be set off by the 2024 Payables so that the Group is not required to pay all of the Gross Dongzhimen Property Consideration of RMB86,330,000 at the closing; (v) it is stipulated under the Debt Settlement Contract that the conditions relevant to the implementation of the transaction include, among others, the completion of the Dongzhimen 3111 Property registration procedures in the PRC; (vi) the Property Seller has reached settlement with the relevant creditors on lifting the seal and the relevant creditors have agreed to provide assistance; and (vii) based on our discussion with the PRC legal advisers to the Group, we understood that the lifting of the seal on Dongzhimen 3111 Property would be completed before the completion of transfer of the Dongzhimen Properties and there are no material impediments to the transfer of the Dongzhimen Properties provided that the debt has been fully paid and the seal has been lifted, we consider that the terms of the Dongzhimen Property Acquisition are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. Valuation of Taiyuan Seedland

As disclosed in the Letter from the Board, the Equity Consideration was arrived at after arm's length negotiations between the Group and Zunyi Seedland with reference to, among other things, the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025 (the "**Business Valuation**") according to the valuation report prepared by the Independent Valuer using the asset-based approach (the "**Business Valuation Report**"). The full text of the Business Valuation Report is set out in Appendix IA to the Circular, and the Independent Shareholders are recommended to read in full.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

When assessing the fairness and reasonableness of the Business Valuation, we have reviewed the Business Valuation Report and noted that the only difference between the book value and the market value of the Target Company's assets and liabilities as at 31 December 2025 is the revaluation surplus of the Haitang Huazhu Project. The carrying amount of the Haitang Huazhu Project was approximately RMB1,255,036,000 as at 31 December 2025, while it was valued at RMB1,313,700,000 as at 31 December 2025 (the "**Property Valuation**"), according to the valuation report prepared by the Independent Valuer (the "**Property Valuation Report**").

We have conducted an interview with the Independent Valuer to inquire about their qualifications and experience in valuing similar property interests in the PRC, as well as their independence. In our review of the engagement letter between the Company and the Independent Valuer and other relevant information provided by the Independent Valuer, we noted that the Independent Valuer is a qualified asset appraisal firm to perform valuation works in the PRC, and the responsible persons of the Independent Valuer are chartered surveyors who have years of experience in conducting valuation and possess sufficient qualifications and experience in similar assets in the PRC. We have also enquired with the Independent Valuer as to their independence, and were given to understand that the Independent Valuer is independent of the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Kinetic Shanxi, Zunyi Seedland and Taiyuan Seedland. The Independent Valuer confirmed that apart from normal professional fees paid or payable to them in connection with their appointment as the Independent Valuer, no other arrangements exist whereby they will receive any fees or benefits from the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Kinetic Shanxi, Zunyi Seedland or Taiyuan Seedland. We have also reviewed the terms of engagement of the Independent Valuer, in particular in relation to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Business Valuation and the Property Valuation. We have also performed work as required under note (1)(d) to Rule 13.80 of the Listing Rule in relation to the Independent Valuer and its work as regards the Business Valuation and the Property Valuation. Based on the above, we are satisfied with the terms of engagement of the Independent Valuer as well as their qualification and experience for performing the Business Valuation and the Property Valuation, and we are of the view that the scope of work of the Independent Valuer is appropriate. We therefore consider it appropriate to rely on their work and opinion.

(i) The Business Valuation

In respect of the Business Valuation, we have reviewed the Business Valuation Report and discussed with the Independent Valuer the methodology, basis and assumptions adopted in arriving at the Business Valuation. We understood that the Independent Valuer has considered the three generally accepted approaches, namely, market approach, income approach and asset-based approach and adopted the asset-based approach in the Business Valuation due to the following considerations:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (a) the selection of the valuation approach in valuing Taiyuan Seedland is based on, among other criteria, the merits and limitations of each of the aforesaid valuation methodologies, the quantity and quality of the information provided, accessibility to available data, availability of relevant market information, the business nature, financial performance and financial position of Taiyuan Seedland, professional judgment and technical expertise;
- (b) income approach is not considered because it requires significant level of unobservable and subjective assumptions to be made to arrive at, among others, detailed operational information and long-term financial projections, to which the valuation is highly dependent on the financial projection of Taiyuan Seedland prepared by the management of the Group. The historical operating situation of the Haitang Huazhu Project is difficult to be used as the reference data to predict its future annual earnings, and the expected earnings brought by its overall profitability are difficult to be objectively and reasonably predicted, which cannot provide a basis for the use of income method for valuation. In addition, there is no new project development plan of Taiyuan Seedland as at the valuation date;
- (c) market approach is not considered because there were insufficient public companies or market transactions which are comparable to the Haitang Huazhu Project in terms of the operating stage, operating risk, financial risk and other factors of the Haitang Huazhu Project; and
- (d) asset-based approach uses the balance sheet as at the valuation date of the appraised entity as the basis for determining the value of the appraisal subject by reasonably appraising the fair value of each of the identifiable assets and liabilities of the subject. It estimates each asset and liability of an enterprise from the perspective of the current reconstruction of its assets and liabilities, and summarises them to obtain the value of the shareholders' equity. As the core assets of Taiyuan Seedland are properties (i.e. the Haitang Huazhu Project) as at the valuation date and there is no new project or new business in the future, the asset-based approach could relatively fairly reflect the value of all shareholders' equity value of Taiyuan Seedland on the valuation date.

We have also performed market research on recent circulars published by companies listed on the Stock Exchange from 1 January 2025 to the date of the Share Transfer Agreement (being approximately eleven months before the date of the Share Transfer Agreement) in relation to acquisition or disposal of equity interests in companies principally engaged in property investment or property development with over 50% of assets being property interests, for which the consideration was determined with reference to independent valuations of the equity interests in property related companies. As the relevant circulars did not disclose the revenue breakdown of the target companies, we did not include a quantitative criteria in revenue of the target companies but relied on the description of their

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

principal business as disclosed in the relevant circulars. We have, on a best effort basis, identified an exhaustive list of three comparable acquisition or disposal transactions (the “Comparable Transactions”). Taking into account the (a) all of the valuation subjects in the Comparable Transactions are principally engaged in property investment or property development with over 50% of assets being property interests; and (b) the Comparable Transactions provide us the relevant information to demonstrate the valuation methods adopted in recent acquisition or disposal of real estate related companies in the Hong Kong capital market, we consider the Comparable Transactions identified are fair and comparable.

The details of the Comparable Transactions are set out below:

Date of circular	Company name (stock code)	Subject of valuation	Principal business of the target company or group	Proportion of property interests in terms of total assets	Valuation approach
23 April 2025	Hanvey Group Holdings Limited (8219.HK)	100% equity value of Shenzhen Fujing Precision Technology Company Limited	Principally engaged in the business of property investment and is the sole legal and beneficial owner of certain properties	98.4%	Asset-based approach
19 March 2025	Guangdong – Hong Kong Greater Bay Area Holdings Limited (1396.HK)	100% equity interest in Zhuo Ying Limited	Principally engaged in the business of real estate development and operation in the PRC with a focus on both residential and commercial projects	54.2%	Asset-based approach
24 January 2025	Solartech International Holdings Limited (1166.HK)	100% equity interest of Dongguan Hua Yi Brass Products Co., Ltd.	Principally engaged in the trading of copper products and property holding	96.4%	Asset-based approach

As disclosed in the table above, we noted that all of the Comparable Transactions involved the adoption of the asset-based approach and the corresponding valuation assumptions disclosed in the respective circulars are similar to those adopted by the Independent Valuer. We considered that the Business Valuation conducted by the Independent Valuer is comparable to the valuations conducted in the aforementioned transactions as the targets involved are primarily property interests.

Taking into account that (a) the majority of the assets of Taiyuan Seedland is property interests and the revaluation of Taiyuan Seedland’s property interests under the asset-based approach can better reflect the net asset backing of Taiyuan Seedland; (b) there were insufficient public companies or market transactions which are comparable to the Haitang Huazhu Project in terms of the operating stage, operating risk, financial risk and other

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

factors of the Haitang Huazhu Project; (c) income approach requires significant level of unobservable and subjective assumptions to be made to arrive at; and (d) all of the Comparable Transactions involved the adoption of the asset-based approach in valuing equity interests of a property related company, we concur with the Independent Valuer that it is fair and reasonable to adopt the asset-based approach in arriving at the market value of Taiyuan Seedland.

As the book values of property interests may or may not reflect the market value, the Independent Valuer performed the Property Valuation. After taking into consideration of the surplus from the revaluation of the Haitang Huazhu Project, the Independent Valuer came up with the reassessed net asset value (the “**Reassessed NAV**”) of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025.

(ii) The Property Valuation

In respect of the Property Valuation, the Independent Valuer confirmed that they have carried out site inspections and made relevant enquiries for the purpose of valuing the Haitang Huazhu Project. We have discussed with the management of the Group to understand the latest status as well as the latest development proposal of the Haitang Huazhu Project.

As stated in the Property Valuation Report, the Property Valuation is conducted in compliance with all the requirements contained in Chapter 5 and Practice Note 12 of the Listing Rules, the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council. We have discussed with the Independent Valuer regarding the methodology, basis and assumptions adopted in arriving at the market value of the Haitang Huazhu Project. The Haitang Huazhu Project consists of a property under construction (the “**CIP**”) and a vacant land (the “**Vacant Land**”) as at 31 December 2025. The CIP is being developed into a residential community. The construction cost of the CIP is estimated to be approximately RMB217,800,000, of which approximately RMB97,500,000 had been paid up to 31 December 2025.

Although the Haitang Huazhu Project is still under construction as at 31 December 2025 and the Haitang Huazhu Project is subject to the Mortgage and the Enforcement Ruling, the Independent Valuer has valued the Haitang Huazhu Project on the basis that the Haitang Huazhu Project will be developed and completed in accordance with the latest development proposal as at the valuation date and the property can be freely transferred or disposed without payment of any further land premium, construction cost, penalty or transfer fees. In assessing the fairness and reasonableness of such assumption, we have performed market research on recent circulars published by companies listed on the Stock Exchange from 1 March 2025 to the date of the Share Transfer Agreement (being approximately nine

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

months before the date of the Share Transfer Agreement) in relation to the acquisition of properties or land using market approach in independent valuations. Based on the aforesaid selection criteria, we have, on a best effort basis, identified 11 comparable acquisitions (the “**Comparable Acquisitions**”). Taking into account that (a) a sufficient and reasonable sample (i.e. a total of 11 Comparable Acquisitions) was identified; and (b) the Comparable Acquisitions capture the recent market practice and provide us the relevant information on general assumptions adopted by the independent valuers under market approach in recent acquisitions of properties or land in the Hong Kong capital market, we consider the best effort sampling basis of the Comparable Acquisitions is fair and reasonable. The details of the Comparable Acquisitions are set out below:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of circular	Company name (stock code)	Subject of valuation	Major encumbrances
1 December 2025	Hang Pin Living Technology Company Limited (1682.HK)	Office units	<p>Mortgage in favour of Nanyang Commercial Bank, Limited for all moneys (PT.) vide Memorial No. 16100502330034 dated 23 September 2016; and</p> <p>Assignment of Rentals in favour of Nanyang Commercial Bank vide Memorial No. 16101702130035 dated 23 September 2016.</p>
25 November 2025	Wai Chi Holdings Company Limited (1305.HK)	Land	N/A
25 November 2025	Eminence Enterprise Limited (616.HK)	Commercial properties	<p>Occupation Permit No. KN6/2003 (OP) dated 14 February 2003, registered vide Memorial No. UB8886904;</p> <p>Certificate of Compliance dated 3 March 2003, registered vide Memorial No. UB8924155;</p> <p>Deed of Mutual Covenant and Management Agreement with Plans in favour of Easyknit Properties Management Limited “Manager” dated 19 June 2003, registered vide Memorial No. UB8962820;</p> <p>Mortgage in favour of Hang Seng Bank Limited for all moneys in respect of general banking facilities (pt.) dated 24 September 2015, registered vide Memorial No. 15101402420103; and</p> <p>Second Mortgage in favour of Hang Seng Bank Limited for all moneys in respect of general banking facilities (pt.) dated 11 June 2020, registered vide Memorial No. 20061902460069.</p>
25 July 2025	Wenling Zhejiang Measuring and Cutting Tools Trading Centre Company Limited (1379.HK)	Land	N/A
25 July 2025	Rykadan Capital Limited (2288.HK)	Offices and car parking spaces	<p>Modification Letter with Plan dated 25 February 2011, registered vide Memorial No. 11030702450017 (Remarks: Re AIL 282);</p> <p>Modification Letter with Plan dated 28 October 2015, registered vide Memorial No. 15103002470010 (Remarks: From The Government of The Hong Kong Special Administrative Region by The District Lands Officer/Hong Kong West and South Re AIL 282);</p>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of circular	Company name (stock code)	Subject of valuation	Major encumbrances
			<p>Finance Undertaking in favour of The Government of The Hong Kong Special Administrative Region and The Director of Lands dated 7 June 2021, registered vide Memorial No. 21061001570015 (Remarks: By United Overseas Bank Limited);</p> <p>Certificate of Compliance dated 17 October 2022, registered vide Memorial No. 22102400560019 (Remarks: From District Lands Office/Hong Kong West & South Lands Department); and</p> <p>Deed of Mutual Covenant and Management Agreement with Plans in favour of Savills Property Management Limited (Manager) dated 13 June 2023, registered vide Memorial No. 23070300960035,</p>
21 July 2025	Roiserv Lifestyle Services Co., Ltd. (2146.HK)	Commercial and residential properties and car parking spaces	N/A
26 May 2025	Litu Holdings Limited (1008.HK)	Commercial properties	<p>Including, among others:</p> <p>Sealed Copy of Judgement with Plan in favour of Chan Wing Tong (Plaintiff), The Incorporated Owners of Kam Chung Building (Jaffe Road) (1st Defendant), Winland Property Holding Limited (2nd Defendant), Winland Centre Limited (3th Defendant) and Winland Culture Limited (4th Defendant) (remarks: re the relevant part as coloured brown in plan attached as Annexure I under H.C. Action No. 1581 of 2017 the action for recovery of land by the owner was extinguished) dated 15 February 2024, registered vide Memorial No. 24030601470029;</p> <p>Sealed Copy Judgement in favour of Winland Property Holding Limited (1st Applicant), Winland Centre Limited (2nd Applicant), Winland Culture Limited (3rd Applicant), Chang Sai Ho formerly known as Law Wai Kun (1st Respondent), Volant Rich Limited (2nd Respondent) and Kanco Development Limited (3rd Respondent) (remarks: in the Lands Tribunal Land Compulsory Sale Main Application No. LDCS 7000 of 2022) dated 28 March 2024, registered vide Memorial No. 24050200870019;</p> <p>Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530109;</p>

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of circular	Company name (stock code)	Subject of valuation	Major encumbrances
			Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530045;
			Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530075; and
			Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys (pt.) dated 30 June 2005, registered vide Memorial No. 05072202420018.
30 April 2025	Redsun Services Group Limited (1971.HK)	Car parking spaces	N/A
25 April 2025	Yan Tat Group Holdings Limited (1480.HK)	An industrial plant	N/A
31 March 2025	Snack Empire Holdings Limited (1843.HK)	Residential properties	Deed of Mutual Covenant and Management Agreement with Plans in favour of Emperor Property Management (HK) Limited (Manager) dated 9 August 2018, registered vide Memorial No. 18090301820038; and Notice No. WCBZ/S202273/01/K-W01W by the Building Authority under S.24C(1) of the Building Ordinance dated 22 November 2007, registered vide Memorial No. 08071101290072 (Remarks: Re Tenement C on 2/F of 1/15 Share).
28 March 2025	Snack Empire Holdings Limited (1843.HK)	Office units	The property is mortgaged to DBS Bank Ltd. according to the title record from the Singapore Land Authority.

Based on our review on the Comparable Acquisitions, we noted that all of them have assumed that “no allowance has been made in valuation for any charges, mortgages or amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value”. We also noted that 6 out of the 11 Comparable Acquisitions are subject to mortgages, encumbrances, legal documents or charges, which are comparable to the Haitang Huazhu Project and the Dongzhimen Properties which are subject to the Equity Pledge, Equity Freeze, Mortgage and the seal. Although the aforesaid Comparable Acquisitions do not disclose whether their underlying mortgages were defaulted, they are subject to mortgages, encumbrances, legal documents or charges while their relevant valuations assume that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value. In other words, it is a market practice in property valuation to

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

assume that the properties are free from encumbrances, restrictions and outgoings of an onerous nature such that the underlying mortgages shall not affect the valuation of the subject properties. In addition, as discussed below, all restrictions of the Haitang Huazhu Project and the Dongzhimen Properties should be released immediately before completion so that the assumption reflects the actual condition of the Haitang Huazhu Project and the Dongzhimen Properties upon completion. As such, we concur with the Independent Valuer that the assumption that the property can be freely transferred or disposed is a common practice in property valuation, including properties with transfer restrictions.

We consider such assumption is fair, reasonable and appropriate having considered that (a) the assumption that the property can be freely transferred or disposed is a common practice in property valuation, including properties with transfer restrictions as discussed above; (b) as discussed in the section headed “5. Principal terms of the Sixth Supplemental Agreement and the Share Transfer Agreement” above, the existence of the Mortgage and the underlying secured indebtedness have been reflected in Taiyuan Seedland’s liabilities as at the Valuation Date and therefore have been taken into account in the valuation of Taiyuan Seedland; (c) the Haitang Huazhu Project has reached the settlement with the relevant counterparty, in particular, JIC Trust has agreed to assist to discharge the Equity Pledge and arrange for transfer of the equity interests of Taiyuan Seedland. As such, the Group will obtain control over Taiyuan Seedland and the Haitang Huazhu Project upon the closing of the Taiyuan Seedland Acquisition and will be able to manage the financing and orderly release of the Mortgage in an orderly manner by 2030; (d) it will constitute a breach of contractual terms of the Sixth Supplemental Agreement by the Seller if the transfer fails and the lifting and release of the Equity Freeze and the Equity Pledge is a condition precedent to the completion of the Taiyuan Seedland Acquisition; (e) based on our discussion with the PRC legal advisers to the Group, we understood that there are no material impediments to the transfer of equity interests of Taiyuan Seedland provided that all parties perform in accordance with the agreements and the New Settlement Agreement with JIC Trust and complete all the required procedures as required by the PRC laws and regulations and the release of the Equity Pledge and Equity Freeze would be completed before the completion of transfer of the equity interests of Taiyuan Seedland; and (f) all restrictions should be released immediately before completion so that the assumption reflects the actual condition of the Haitang Huazhu Project upon completion. In addition, as advised by the Independent Valuer, all necessary construction work planning and commencement permits in respect of the CIP have been obtained. Only portion of the pre-sale permit was obtained as the construction of the CIP has not been completed. As for the Vacant Land, as its construction has not been commenced as at the Valuation Date, it is normal that relevant construction work planning and commencement permits have not been obtained. As the Property Valuation has considered the construction status of the Haitang Huazhu Project and the Vacant Land was valued as a land rather than a developed property, we consider the assumptions adopted by the Independent Valuer are fair and reasonable. When arriving at the Property Valuation, the Independent Valuer has considered (a) the market value of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

CIP which includes the construction cost, the market development profit and the market value of the land of the CIP (the “CIP Land”); and (b) the market value of the Vacant Land.

In arriving at the market values of the CIP Land and the Vacant Land, the Independent Valuer has adopted the market comparison approach by making reference to comparable sales evidence as available in the relevant market. As advised by the Independent Valuer, comparable sales evidences of land are selected based on, among others, (a) time of the relevant transactions, being within approximately two years before the valuation date; (b) location, i.e. the Taiyuan city, where the CIP Land and the Vacant Land are located; (c) designated usage (i.e. both residential and commercial use); and (d) permitted land use rights term, being 70 years. The Independent Valuer considered the aforesaid criteria were commonly used in valuation practice and were considered as fair and reasonable, as they were the most relevant factors for the purpose of identifying market comparables of a parcel of land. Based on the aforesaid criteria, on an exhaustive basis, three most comparable parcels of land have been selected for comparison with the CIP Land and the Vacant Land. Since the CIP Land and the Vacant Land are located in the same address and share the same characteristics, the same comparable parcels of land have been selected in arriving at the market values of the CIP Land and the Vacant Land. For our due diligence purpose, we have obtained information of the comparable parcels of land, such as location, usage, transaction date, site area, plot ratio, transaction price, permitted gross floor area, land use term, etc., as well as the detailed comparison and adjustment analysis prepared by the Independent Valuer. Based on our review, we noted that (a) the comparable parcels of land are all located within close proximity to the CIP Land and the Vacant Land with the same usage; (b) the comparable parcels of land share similar characteristics, especially locality and age with the CIP Land and the Vacant Land; (c) the transaction dates of the comparable parcels of land are close to the valuation date; and (d) the Independent Valuer has made necessary adjustments based on factors, which include, among others, differences in location, size and plot ratio between the comparable parcels of land and the CIP Land and the Vacant Land. Considering the above factors, we concur with the Independent Valuer that the selection criteria of the comparable parcels of land are fair and reasonable and the comparable parcels of land are appropriate for determining the valuation of the CIP Land and the Vacant Land. The comparable parcels of land identified by the Independent Valuer are not subject to the restrictions as the Haitang Huazhu Project. Taking into account that (a) as discussed above, we consider the assumption adopted by the Independent Valuer is fair and reasonable; (b) the comparable parcels of land are selected without restrictions following the assumption; (c) all restrictions should be released immediately before completion so that the assumption reflects the actual condition of the Haitang Huazhu Project upon completion; and (d) based on our review of the Comparable Acquisitions, we noted that no adjustments have been made to the results of the comparables for reflecting the relevant restrictions on target properties which were subject to mortgages,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

encumbrances, legal documents or charges, we consider the comparable parcels of land are comparable to the Haitang Huazhu Project and the use of results of the comparable parcels of land in valuing the Haitang Huazhu Project is appropriate and fair and reasonable.

We were further advised by the Independent Valuer that in deriving the valuation of the CIP Land and the Vacant Land, adjustments have been made in consideration of the differences in, among others, location, size and plot ratio between the comparable parcels of land and the CIP Land and the Vacant Land. For details of the adjustment factors and level of adjustments, please refer to the Property Valuation Report as set out in Appendix IB to the Circular. We have discussed with the Independent Valuer on the adjustments applied and understood that such adjustment factors were commonly adopted for valuation of land and the Independent Valuer has used their professional judgement and experience in valuing similar parcels of land to assign different weightings to the factors when applying adjustments, which is also conducted in the same manner as required by the HKIS Valuation Standards. In this regard, we have also performed independent research and noted that, according to the section headed “IVS105 Valuation Approached and Methods” of the International Valuation Standards published by the International Valuation Standards Council, a professional should make adjustments for any material differences between the comparable transactions and the subject asset. Examples of common differences that could warrant adjustments may include, among others, material physical characteristics (age, size, specifications, etc.) and geographical location. As such, we considered that the factors considered by the Independent Valuer are in compliance with the International Valuation Standards and are commonly adopted in valuation. In general, if the CIP Land and the Vacant Land are better than comparables in terms of the aforementioned factor(s), an upward adjustment is being applied, and vice versa. In this regard, we have discussed with the Independent Valuer on the difference in each of the aforementioned factor(s) between the comparable parcels of land and the CIP Land and the Vacant Land and the corresponding upward or downward adjustments being made. We noted that (a) the location adjustment factored in the convenience and prominence of transportation links, thereby reflecting the land’s accessibility; (b) the size adjustment accounted for potential variations in value due to differences in the total site area of a parcel of land; and (c) the plot ratio adjustment accounted for the differences in the ratio of a building’s total gross floor area to the site area on which it is built and the total adjustments made by the Independent Valuer for each comparable parcel of land were in the range of 11% to 27%. Based on our discussion and our review of the information of the comparable parcels of land, we consider that the adjustments made by the Independent Valuer were appropriate and in accordance with the International Valuation Standards. After adjustments were applied on the unit prices of the comparable parcels of land, the Independent Valuer had applied the average adjusted unit price of the comparable parcel of land as the unit price of the CIP Land and the Vacant Land with permitted land use rights term of 70 years. Since the CIP Land and the Vacant Land have shorter land use rights term than 70 years, a downward adjustment was applied to determine the final unit price of the CIP Land and the Vacant Land. We further understood from the Independent Valuer that it is a common valuation practice to apply such adjustment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

to the unit price for a parcel of land to reflect its remaining service life. Taking into account that (a) the comparable parcels of land are appropriately selected for valuation of the CIP Land and the Vacant Land; (b) the adjustment factors applied on arriving the valuations are commonly adopted in valuation of parcels of land; and (c) the adjustments were applied based on the Independent Valuer's professional judgment and experience and in accordance with the HKIS Valuation Standards, we consider the valuations of the CIP Land and the Vacant Land are fair and reasonable.

Having arrived at the valuation of the CIP Land, the Independent Valuer took into consideration several other factors to come up with the market value of the CIP, including the paid-up construction costs such as preliminary engineering costs, infrastructure costs and construction and installation costs, professional fees such as management fees and marketing costs, contingency fees, finance costs and development profit. Based on the above, the Independent Valuer has taken into account the construction status of the Haitang Huazhu Project and incorporated the paid-up construction costs into the valuation. According to the section headed "IVS410 Development Property" of the International Valuation Standards published by the International Valuation Standards Council, construction costs, consultant fees, marketing costs, finance costs and development profit are listed as the basic elements to estimate the market value of development property. As such, we are of the view that the Independent Valuer's approach in taking into account the aforementioned factors in determining the market value of the CIP is in line with the market practice and fair and reasonable. We have also reviewed the percentages and bases adopted by the Independent Valuer in estimating the aforementioned professional fees, contingency fees, finance costs and development profit and consider that they are fair and reasonable. In respect of the professional fees rate of 5% and contingency fees rate of 3%, we understood that professional fees mainly consist of management fees for administrative personnel and marketing expenses for sales staff which were made with reference to "Real Estate Appraisal Theory and Methodology" (房地產估價理論與方法) published by the China Institute of Real Estate Appraisers and Agents. Based on our review of "Real Estate Appraisal Theory and Methodology", we noted that the management fees rate is generally in the range of 3% to 4% and marketing expenses rate is generally in the range of 3% to 5%. We further understood from the Independent Valuer that as the professional fees rate adopted by the Independent Valuer is relatively conservative compared to the aforesaid reference values, the Independent Valuer has included a contingency fees rate to cater for unexpected circumstances. As the professional fees rate and contingency fees rate of 8% in total is within the range of the management fees rate and marketing expenses rate in total, we consider professional fees rate and contingency fee rate in the Property Valuation to be fair and reasonable. In respect of the development profit, it is calculated as a development profit rate of approximately 10.87% applied on the sum of the paid-up construction costs, professional fees and contingency fees. The development profit rate was determined with reference to a research report (<https://mp.weixin.qq.com/s/6y5bccVThEcpis4LTs7R5A>) on the profitability of the Chinese property companies issued by CRIC Research (克而瑞). We have obtained and reviewed the aforementioned research report and noted that it concluded

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

that the median gross profit margin of the typical PRC listed property companies amounted to approximately 10.87% for the first half of 2025. As disclosed in its official website, established in 2006, CRIC Research is a leading provider of real estate information, consulting, advertising and online services with a presence in over 20 cities across China. It is also a subsidiary of E-House (China) Enterprise Holdings Limited which is listed on the Stock Exchange with stock code 2048.HK. Based on the factors above, we consider the derived development profit in the Property Valuation to be fair reasonable.

Taking into consideration of the nature of Taiyuan Seedland and the Haitang Huazhu Project and that both of the Business Valuation and the Property Valuation are conducted in accordance with the aforesaid requirements, we consider that the methodology, basis and assumptions adopted by the Independent Valuer for determining the value of Taiyuan Seedland and the Haitang Huazhu Project are appropriate and both of the Business Valuation and the Property Valuation are fair and reasonable so far as the Independent Shareholders are concerned.

As disclosed in the Property Valuation Report, various residential units of property No.1 were pre-sold at a total consideration of RMB39.6 million and these units have been included in the Property Valuation as the property titles have not been transferred. As confirmed by the management of the Group, such pre-sale proceeds of RMB39.6 million will be received by Taiyuan Seedland which means that the pre-sale proceeds will be ultimately received by the Group after the completion of equity transfer.

8. Evaluation of the Equity Consideration

The Equity Consideration is RMB384,000,000, which was determined with reference to the valuation of 100% equity interests of Taiyuan Seedland of RMB384,501,000 as at 31 December 2025 according to the Business Valuation Report prepared by the Independent Valuer using the asset-based approach.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the computation of the Reassessed NAV of 100% equity interests in Taiyuan Seedland as at 31 December 2025:

	<i>RMB'000</i>
Net asset value of Taiyuan Seedland as at 31 December 2025 (<i>Note 1</i>)	325,837
Add: Net revaluation surplus arising from the valuation of the Haitang Huazhu Project under the Property Valuation as at 31 December 2025 (<i>Note 2</i>)	58,664
The Reassessed NAV of Taiyuan Seedland under the Business Valuation	384,501
Equity interest of Taiyuan Seedland to be acquired under the Taiyuan Seedland Acquisition	100%
The Group's share of the Reassessed NAV of Taiyuan Seedland under the Taiyuan Seedland Acquisition	384,501
The Equity Consideration	384,000
Discount of the Equity Consideration to the Group's share of the Reassessed NAV of Taiyuan Seedland under the Taiyuan Seedland Acquisition	0.1%

Notes:

1. Based on the audited consolidated financial statement of Taiyuan Seedland as at 31 December 2025.
2. Represents the revaluation surplus arising from the difference between the valuation of the Haitang Huazhu Project of approximately RMB1,313,700,000 as at 31 December 2025 based on the Property Valuation Report and the audited carrying amount of the Haitang Huazhu Project of approximately RMB1,255,036,000 as at 31 December 2025.

As shown above, the Equity Consideration is roughly equivalent to the Group's share of the Reassessed NAV of Taiyuan Seedland under the Taiyuan Seedland Acquisition based on the Business Valuation and the Property Valuation.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of (i) the methodology, bases and assumptions adopted by the Independent Valuer in determining the Business Valuation and the Property Valuation are appropriate; (ii) the Equity Consideration is made with reference to the aforementioned independent valuations which were fairly and reasonably determined by the Independent Valuer; (iii) the Equity Consideration is roughly equivalent to the Business Valuation; (iv) the reasons for and benefits of the Taiyuan Seedland Acquisition as discussed in the section headed “3. Reasons for and benefits of the Acquisitions” above; and (v) the Repayment Amount has been considered in determining the Equity Consideration, which has been shown as liabilities of Taiyuan Seedland as at 31 December 2025 and been taken into account in determining the net asset value of Taiyuan Seedland, we consider the Equity Consideration to be fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

9. Valuation of the Dongzhimen Properties and evaluation of the Gross Dongzhimen Property Consideration

As disclosed in the Letter from the Board, the Gross Dongzhimen Property Consideration was arrived at after arm’s length negotiations between the Group and Beijing Seedland with reference to, among other things, the valuation of the Dongzhimen Properties of RMB86,330,000 as at 31 January 2026 (the “**Dongzhimen Properties Valuation**”) according to the valuation report prepared by the Independent Valuer, using the market comparison approach (the “**Dongzhimen Properties Valuation Report**”).

We have conducted an interview with the Independent Valuer to inquire about their qualifications and experience in valuing similar properties in the PRC, as well as their independence. In our review of the engagement letter between the Company and the Independent Valuer and other relevant information provided by the Independent Valuer, we noted that the Independent Valuer is a qualified asset appraisal firm to perform valuation works in the PRC, and the responsible persons of the Independent Valuer are chartered surveyors who have years of experience in conducting valuation and possess sufficient qualifications and experience in valuing similar assets in the PRC. We have also enquired with the Independent Valuer as to their independence, and were given to understand that the Independent Valuer is independent of the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Seedland and Beijing Seedland. The Independent Valuer confirmed that apart from normal professional fees paid or payable to them in connection with their appointment as the Independent Valuer, no other arrangements exist whereby they will receive any fees or benefits from the Group, Mr. Zhang Liang, Johnson, Kinetic Qinhuangdao, Seedland or Beijing Seedland. We have also reviewed the terms of engagement of the Independent Valuer, in particular in relation to their scope of work. We noted that their scope of work is appropriate to form the opinion required to be given and there are no limitations on the scope of work which might adversely impact on the degree of assurance given by the Independent Valuer in the Dongzhimen Properties Valuation. We have also performed work as required under note (1)(d) to Rule 13.80 of the Listing Rule in relation to the Independent Valuer and its work as regards the Dongzhimen Properties Valuation. Based on the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

above, we are satisfied with the terms of engagement of the Independent Valuer as well as their qualification and experience for performing the Dongzhimen Properties Valuation, and we are of the view that the scope of work of the Independent Valuer is appropriate. We therefore consider it appropriate to rely on their work and opinion.

As stated in the Dongzhimen Properties Valuation Report, the Dongzhimen Properties Valuation is conducted in compliance with all the requirements contained in Chapter 5 and Practice Note 12 of the Listing Rules, the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors and the International Valuation Standards published by the International Valuation Standards Council. We have discussed with the Independent Valuer regarding the methodology, basis and assumptions adopted in arriving at the market value of the Dongzhimen Properties. Although Dongzhimen 3111 Property is currently sealed up and subject to transfer restrictions under applicable PRC laws, the Independent Valuer has valued the Dongzhimen Properties on the basis that the the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value. We consider such assumption is fair, reasonable and appropriate having considered that (i) as discussed in the section headed “7. Valuation of Taiyuan Seedland”, based on our review on the Comparable Acquisitions, we noted that the assumption that the property can be freely transferred or disposed is a common practice in property valuation, including properties with transfer restrictions; (ii) as discussed in the section headed “6. Principal terms of the Debt Settlement Contract and the 2026 Debt Settlement Contract” above, the Board does not expect material difficulties in lifting the seal, which is anticipated to be completed following the implementation of the settlement arrangements and satisfaction of relevant procedural requirements and transfers of the Dongzhimen Properties are expected to be completed by 30 June 2026; (iii) it will constitute a breach of contractual terms of the Debt Settlement Contract by the Property Seller if the transfer fails; (iv) it is stipulated under the Debt Settlement Contract that the conditions relevant to the implementation of the transaction include, among others, the completion of the Dongzhimen 3111 Property registration procedures in the PRC; (v) based on our discussion with the PRC legal advisers to the Group, we understood that the lifting of the seal on Dongzhimen 3111 Property would be completed before the completion of transfer of the Dongzhimen Properties and there are no material impediments to the transfer of the Dongzhimen Properties provided that the debt has been fully paid and the seal has been lifted; and (vi) all restrictions should be released immediately before completion so that the assumption reflects the actual condition of the Dongzhimen Properties upon completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

When arriving at the Dongzhimen Properties Valuation, as the Dongzhimen Properties are completed and occupied by the owner as at 31 December 2025, the Independent Valuer has adopted the market approach assuming sale of the property in existing state by marking reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors. As advised by the Independent Valuer, comparable sales transactions are selected based on, among others, (i) time of the relevant transactions, being within approximately one year before the valuation date; (ii) location, i.e. the same community in Beijing where the Dongzhimen Properties are located; and (iii) designated usage (i.e. residential apartment). Based on the aforesaid criteria, on an exhaustive basis, three most comparable properties have been selected for comparison purpose for the Dongzhimen Properties. For our due diligence purpose, we have obtained information of the comparable properties, such as location, usage, transaction date, transaction situation, site area, transaction price, land use term, etc., as well as the detailed comparison and adjustment analysis prepared by the Independent Valuer. Based on our review, we noted that (i) the comparable properties are all located within close proximity to the Dongzhimen Properties with the same usage; (ii) the comparable properties share similar characteristics, especially locality and land use term with the Dongzhimen Properties; (iii) the transaction dates of the comparable properties are close to the valuation date; and (iv) the Independent Valuer has made necessary adjustments based on factors, which include, among others, differences in transaction situation, location and accessibility, decoration, orientation and size between the comparable properties and the Dongzhimen Properties. Considering the above factors, we concur with the Independent Valuer that the selection criteria of the comparable properties are fair and reasonable and the comparable properties are appropriate for determining the valuation of the Dongzhimen Properties. The comparable properties identified by the Independent Valuer are not subject to the restrictions as the Dongzhimen Properties. Taking into account that (i) as discussed above, we consider the assumption adopted by the Independent Valuer is fair and reasonable; (ii) the comparable properties are selected without restrictions following the assumption; (iii) all restrictions should be released immediately before completion so that the assumption reflects the actual condition of the Dongzhimen Properties upon completion; and (iv) based on our review of the Comparable Acquisitions, we noted that no adjustments have been made to the results of the comparables for reflecting the relevant restrictions on target properties which were subject to mortgages, encumbrances, legal documents or charges, we consider the comparable properties are comparable to the Dongzhimen Properties and the use of results of the comparable properties in valuing the Dongzhimen Properties is appropriate and fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We were further advised by the Independent Valuer that in deriving the valuation of the Dongzhimen Properties, adjustments have been made in consideration of the differences in, among others, transaction situation, location and accessibility, decoration, orientation and size between the comparable properties and the Dongzhimen Properties. For details of the adjustment factors and level of adjustments, please refer to the Dongzhimen Properties Valuation Report as set out in Appendix IB to the Circular. We have discussed with the Independent Valuer on the adjustments applied and understood that such adjustment factors were commonly adopted for valuation of properties and the Independent Valuer has used their professional judgement and experience in valuing similar properties to assign different weightings to the factors when applying adjustments, which is also conducted in the same manner as required by the HKIS Valuation Standards. In this regard, we have also performed independent research and noted that, according to the section headed “IVS105 Valuation Approached and Methods” of the International Valuation Standards published by the International Valuation Standards Council, a professional should make adjustments for any material differences between the comparable transactions and the subject asset. Examples of common differences that could warrant adjustments may include, among others, material physical characteristics (age, size, specifications, etc.) and geographical location. As such, we considered that the factors considered by the Independent Valuer are in compliance with the International Valuation Standards and are commonly adopted in valuation. In general, if the Dongzhimen Properties are better than comparables in terms of the aforementioned factor(s), an upward adjustment is being applied, and vice versa. In this regard, we have discussed with the Independent Valuer on the difference in each of the aforementioned factor(s) between the comparable properties and the Dongzhimen Properties and the corresponding upward or downward adjustments being made. We noted that (i) the transaction situation adjustment accounted for the differences between the asking prices and final transaction prices to reflect the potential discounts secured through negotiations. In order to address the variances between the asking prices and final transaction prices, the Independent Valuer has made inquiries with the local real estate agents and conducted site visits to verify the potential discounts and applied relevant adjustment in terms of transaction situation to the asking prices; (ii) the adjustments for location and accessibility, decoration and orientation; and (iii) the size adjustment accounted for potential variations in value due to differences in the total square footage or usable space of the comparable properties compared to the Dongzhimen Properties and the total adjustments made by the Independent Valuer for each comparable property were in the range of -6% to -1%. Based on our discussion and our review of the information of the comparable properties, we consider that the adjustments made by the Independent Valuer were appropriate and in accordance with the International Valuation Standards. After adjustments were applied on the unit prices of the comparable properties, the Independent Valuer had applied the average adjusted unit price of the comparable properties as the unit price of the Dongzhimen Properties.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that (i) the comparable properties are appropriately selected for valuation of the Dongzhimen Properties; (ii) the adjustment factors applied on arriving the Dongzhimen Properties Valuation are commonly adopted in valuation of properties; and (iii) the adjustments were applied based on the Independent Valuer's professional judgment and experience and in accordance with the HKIS Valuation Standards, we consider the valuation of the Dongzhimen Properties is fair and reasonable.

In view of (i) the methodology, bases and assumptions adopted by the Independent Valuer in determining the market value of the Dongzhimen Properties are appropriate; (ii) the Gross Dongzhimen Property Consideration is made with reference to the aforementioned independent Valuation which was fairly and reasonably determined by the Independent Valuer; (iii) the Gross Dongzhimen Property Consideration is equal to the Dongzhimen Properties Valuation; and (iv) the reasons for and benefits of the Dongzhimen Property Acquisition as discussed in the section headed "3. Reasons for and benefits of the Acquisitions" above, we consider the Gross Dongzhimen Property Consideration to be fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the terms of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder, while not in the ordinary and usual course of business of the Group, is nevertheless in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Sixth Supplemental Agreement, the Share Transfer Agreement, the Payment Agreement, the proposed New Settlement Agreement, the Debt Settlement Contract, the 2026 Debt Settlement Contract and the transactions thereunder.

Yours faithfully,
For and on behalf of
Rainbow Capital (HK) Limited
Larry Choi
Managing Director

Mr. Larry Choi is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. He has over ten years of experience in the corporate finance industry.



Asia-Pacific Consulting and Appraisal Limited
Flat/RM A 12/F Kiu Fu Commercial Bldg,
300 Lockhart Road,
Wan Chai, Hong Kong

20 April 2026

The Board of Directors
Kinetic Development Group Limited
18th Floor
80 Gloucester Road
Wan Chai
Hong Kong

Dear Sirs,

In accordance with the instructions received from Kinetic Development Group Limited (the “**Company**”), we have undertaken a valuation exercise which requires Asia-Pacific Consulting and Appraisal Limited (“**APA**”) to express an independent opinion on the market value of 100% equity interests of Taiyuan Seedland Taijing Real Estate Development Co., Ltd. (“**Taiyuan Seedland**”, or the “**Target Company**”), as at 31 December 2025 (the “**Valuation Date**”).

The purpose of this valuation is for circular reference of the Company.

Our valuation was carried out on a market value basis which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulsion”.

INTRODUCTION

Taiyuan Seedland is a limited liability company incorporated in the People’s Republic of China in 2020, and engages in the property development and sales in the People’s Republic of China. As at the Valuation Date, Taiyuan Seedland had one property development project – Taiyuan Seedland Haitang Huazhu, which is currently under construction. (“**Seedland Haitang Huazhu**”).

According to the audited financial statement of Taiyuan Seedland, the book value of the total assets was approximately RMB1,315 million and the book value of net assets was approximately RMB326 million as at 31 December 2025.

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

As at the Valuation Date, the detailed assets and liabilities of Taiyuan Seedland were as follows:

	Book value
	<i>RMB'000</i>
	<i>Audited</i>
Cash at bank and on hand	43,029
Account receivables	2,449
Prepayments	4,318
Other receivables	4,085
Tax prepayments	6,079
Inventories	1,255,036
Total Current Assets	1,314,996
Fixed assets	0
Deferred tax assets	101
Total Non-Current Assets	101
Total Assets	1,315,097
Note payables	682
Account payables	65,001
Advance from customers	39,688
Payroll payables	6,466
Other payables	75,734
Total Current Liabilities	187,571
Long-term loans	764,408
Provisions	37,281
Total Non-current Liabilities	801,689
Total Liabilities	989,260
Total Net Assets	325,837

VALUATION METHODOLOGY

There are three generally accepted approaches, namely market approach, asset-based approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect the condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Asset-based approach refers to the valuation methodology to determine the value of the subject of valuation on a reasonable basis by valuating an enterprise's value contribution to the overall on-balance-sheet and off-balance-sheet assets and liabilities, based on the balance sheet of the subject of valuation as at the Valuation Date.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Given the characteristics of Target Company, there are substantial limitations for the income approach and the market approach for valuing the underlying asset. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive. According to the information provided by the management, there is no new project development plan as at the Valuation Date. The historical operating situation of Taiyuan Seedland is difficult to be used as the reference data to predict its future annual earnings, and the expected earnings brought by its overall profitability are difficult to be objectively and reasonably predicted, which cannot provide a basis for the use of income method for valuation. Therefore, income approach is inappropriate in this case. Secondly, there is no sufficient public companies with single project or market transactions which are comparable in terms of business nature identified as at the Valuation Date. And, in terms of the operating stage, operating risk, financial risk and other factors of Taiyuan Seedland, there are few similar or similar cases of comparable companies in the same industry, so it is difficult to obtain relevant reliable operating and financial data of comparable transaction cases, and it is impossible to calculate the appropriate value ratio. The market approach is not

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

applicable as at the Valuation Date. The core assets of Target Company are properties as at the Valuation Date, and there is no new project or new business in the future. In view of the above, we have adopted the asset-based approach for the valuation.

In this valuation exercise, we conducted the valuation on Target Company on-balance-sheet assets and liabilities to calculate the market value of net asset of Target Company.

In this report, we had considered the type of assets and liabilities and their conditions when determining their market values and adopted appropriate valuation methodology depending on the type of assets and liabilities. The details are summarized as follows:

Cash at bank and on hand

Based on book values checking with bank statements.

Inventories

Inventories in this report include the property under development and bare land – Taiyuan Seedland Haitang Huazhu. We have valued the property under development in the PRC on the basis that they will be developed and completed in accordance with the latest development proposal provided to us. We have also taken into account the estimated total and accrued construction cost relevant to the stage of construction as at the Valuation Date. In arriving at our opinion of value of the land, we have adopted the market comparison approach by making reference to comparable sales evidence as available in the relevant market. For the purpose of our valuation, property under development are those for which the construction works commencement Permit has been issued while the construction works certified report or certificate of completion of the building have not been issued.

Taiyuan Seedland Haitang Huazhu is situated to the south of Central Street East Extension in Xiaodian District. The locality is a residential area. The surrounding is a newly developed area where public facilities such as municipal facilities and amenities are still under development. According to the latest development proposal provided by Taiyuan Seedland, portions of the property were under construction (the “**CIP**”) as at the Valuation Date. As advised by the Target Company, upon completion, the CIP will have a total gross floor area of approximately 114,146.22 sq.m. The entire development (including the CIP and Land Portion) is scheduled to be completed in 2031. The remaining portion of the property (the “**Land Portion**”) with a planned gross floor area of approximately 336,934.37 sq.m. was not commenced as at the Valuation Date. The details are set out as follows:

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

Portion	Usage	Gross Floor Area (sq.m.)	Sold GFA and Handed Over		Un-sold GFA (sq.m.)	(Scope of Valuation)
			Pre-sold GFA (sq.m.)	Over (sq.m.)		Remaining GFA (sq.m.)
Held under development (CIP)	Residential	78,880.69	35,030.58	5,238.51	38,611.60	43,850.11
	Retail	9,924.21			9,924.21	9,924.21
	Facilities	383.79			383.79	383.79
	Others					
	Underground	<u>24,957.53</u>			<u>24,957.53</u>	<u>24,957.53</u>
	Sub-total:	<u>114,146.22</u>	<u>35,030.58</u>	<u>5,238.51</u>	<u>73,877.13</u>	<u>79,115.64</u>
Held for future development (Land)	Residential	235,525.99			235,525.99	235,525.99
	Retail	3,099.51			3,099.51	3,099.51
	Facilities	5,548.94			5,548.94	5,548.94
	Others	9,194.69			9,194.69	9,194.69
	Underground	<u>83,565.24</u>			<u>83,565.24</u>	<u>83,565.24</u>
	Sub-total:	<u>336,934.37</u>			<u>336,934.37</u>	<u>336,934.37</u>
	Total	<u>451,080.59</u>	<u>35,030.58</u>	<u>5,238.51</u>	<u>410,811.50</u>	<u>416,050.01</u>

Fixed assets

The fixed assets consist of a projector, with a relatively small amount. In accordance with the principle of continuous use and based on the market price as at the Valuation Date, the replacement cost method was adopted to determine the market value of the projector in this valuation, where an estimate is made on the cost of reproduction new or replacement cost, less allowance for depreciation or loss of value arising from condition, utility, age, wear and tear, and obsolescence, taking into consideration past and present maintenance policy, and rebuilding history, if any, and current utilization

Other assets and liabilities

Other assets of Taiyuan Seedland consist account receivables, prepayments, other receivables, tax prepayments and deferred tax assets. The liabilities of Taiyuan Seedland mainly consist note payables, account payables, advance from customers, payroll payables, other payables, long-term loans and provisions.

We valued other assets and liabilities based on book values, together with checking, by inquiry and confirmation, calculation and recheck the relevant account books, original documents and other information. The appraised value was confirmed as the audited book value.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council and the RICS Valuation-Global Standards issued by the Royal Institution of Chartered Surveyors. The valuation procedures employed include a review of economic condition of Target Company and an assessment of key assumptions, estimates, and representations made by Target Company. All matters essential to the proper understanding of the valuation are disclosed in this report.

SOURCE OF INFORMATION

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and historical financial performance of Target Company;
- Financial and business risk of the business including continuity of income and the projected future results;
- Consideration and analysis on the micro and macro economy affecting the subject business; and
- Other operational and market information in relation to Target Company's business.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the market value of the net assets of Target Company.

VALUATION ASSUMPTIONS

In determining the market value of net asset of Target Company, we made the following assumptions:

- All relevant legal approvals and business certificates or licenses to operate the business in which Target Company operates or intends to operate have been or would be officially obtained and renewable upon expiry;
- There will be no major change in the political, legal, economic and social environment in which Target Company operates or intends to operate;
- Interest rates and exchange rates in the localities for the operation of Target Company will not differ materially from those presently prevailing;
- It is assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

- The financial and operational information provided by Target Company accurate and reliable;
- There are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value;
- The current level of management expertise and effectiveness would continue to be maintained, and that the character and integrity of Target Company through any sale, reorganization, exchange, or diminution of the owners' participation would not be materially or significantly changed;
- It is assumed the continuation of prudent management of Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued;
- Target Company will successfully carry out all necessary activities for the development of its business as a going concern;
- Key management, competent personnel and technical staff to support the ongoing operations of Target Company; and
- The competitive advantages and disadvantages of Target Company do not change significantly during the period under consideration;
- We have valued the buildings under development on the assumption that the buildings will be developed and completed in accordance with the latest development proposal as at the Valuation Date and can be freely transferred or disposed without payment of any further land premium, construction cost, penalty or transfer fees.

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Target Company and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our limiting conditions.

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

CALCULATION OF VALUATION RESULT

The calculation of the market value of net assets of Taiyuan Seedland as at the Valuation Date was as follows:

	Book Value (Based on financial statements of Taiyuan Seedland as at 31 December 2025) RMB'000 Audited	Market Value as at 31 December 2025 RMB'000	
Cash at bank and on hand	43,029	43,029	
Account receivables	2,449	2,449	
Prepayments	4,318	4,318	
Other receivables	4,085	4,085	
Tax prepayments	6,079	6,079	
Inventories	1,255,036	1,313,700	<i>Note 1</i>
Total Current Assets	1,314,996	1,373,660	(a)
Fixed assets	0	0	
Deferred tax assets	101	101	
Total Non-Current Assets	101	101	(b)
Total Assets	1,315,097	1,373,761	(c)= (a)+(b)
Note payable	682	682	
Account payable	65,001	65,001	
Advance from customers	39,688	39,688	
Payroll payable	6,466	6,466	
Other payable	75,734	75,734	
Total Current Liabilities	187,571	187,571	(d)
Long-term loans	764,408	764,408	
Provisions	37,281	37,281	
Total Non-current Liabilities	801,689	801,689	(e)
Total Liabilities	989,260	989,260	(f)=(d)+(e)
Total Net Assets	325,837	384,501	(g)=(c)-(f) <i>Note 2</i>

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

Note 1: Refer to Property Valuation Report in Appendix 1B for market value of the inventories.

Note 2: The difference between Taiyuan Seedland's book value and market value comes from the inventory account. The book value of inventory consists of the land cost and construction cost, in evaluating the inventory, we take into account construction costs and market development profits plus the land portion value. In arriving at our opinion of value of the land, we have adopted market approach with reference to comparable sales evidence as available in the relevant market where appropriate, and we have also taken into account the estimated total and expanded construction costs. The market value of the land is approximately RMB978,000,000 as at the Valuation Date.

OPINION OF VALUE

Based on the results of our investigations and analyses, we are of the opinion that the market value of 100% equity interests of Taiyuan Seedland as at the Valuation Date is reasonably stated approximately at the amount of **RMB384,501,000 (RENMINBI THREE HUNDRED AND EIGHTY-FOUR MILLION FIVE HUNDRED AND ONE THOUSAND YUAN)**.

Yours faithfully,

for and on behalf of

Asia-Pacific Consulting and Appraisal Limited

Jack W. J. Li
CFA, MRICS, MBA
Partner

David G.D. Cheng
MRICS
Partner

Note: Jack W. J. Li is a Chartered Surveyor who has over 15 years' experience in the valuation in the PRC, Hong Kong and the Asia-Pacific region.

David G.D. Cheng is a Chartered Surveyor who has over 20 years' experience in the valuation in the PRC, Hong Kong and the Asia-Pacific region.

LIMITING CONDITIONS

1. To the best of our knowledge, all data, including historical financial data, if any, relied upon in reaching opinions and conclusions or set forth in this report are true and accurate. Although gathered from sources that we believe are reliable, no guarantee is made nor liability assumed for the truth or accuracy of any data, opinions, or estimates furnished by others that have been used in this analysis.
2. The calculation of value arrived at herein is valid only for the stated purpose as of the effective date of the calculations and it is neither intended nor valid for any other use.
3. Asia-Pacific Consulting and Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein.
4. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
5. Financial statements and other related information provided by the Company or its representatives, in the course of this engagement, have been accepted without any verification as fully and correctly reflecting the enterprise's business conditions and operating results for the respective periods, except as specifically noted herein. Asia-Pacific Consulting and Appraisal Limited has not audited, reviewed, or compiled the financial information provided to us and, accordingly, we express no audit opinion or any other form of assurance on this information.
6. We do not provide assurance on the achievability of the results forecasted for the subject company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecasted result is dependent on actions, plans and assumptions of management.

APPENDIX IA VALUATION REPORT OF THE TARGET COMPANY

7. This report and the calculation of value arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. They may not be used for any other purpose or by any other party for any purpose. Furthermore the report and calculation of value are not intended by the author and should not be construed by the reader to be investment advice in any manner whatsoever. The calculation of value represents the considered opinion of Asia-Pacific Consulting and Appraisal Limited based on limited information furnished to them by the subject company and other sources.
8. No responsibility is assumed for matters legal in nature. No investigation has been made of the title to or any liabilities against the property appraised. We have assumed that the owner's claim is valid, the property rights are good and marketable, and there are no encumbrances that cannot be cleared through normal processes, unless otherwise stated in the report.
9. Areas, dimensions, and descriptions of property, if any, used in this analysis have not been verified, unless stated to the contrary in the report. Any areas, dimensions, and descriptions of property included in the report are provided for identification purposes only, and no one should use this information in a conveyance or other legal document. Plats, if any, presented in the report are intended only as aids in visualizing the property and its environment. Although the material was prepared using the best available data, it should not be considered as a survey or scaled for size.
10. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
11. The management and the Board of the Company has reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

The following is the text of a letter, Summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Asia-Pacific Consulting and Appraisal Limited, an independent valuer, in connection with its valuation as at 31 January 2026 of the property interests of the Group.



Asia-Pacific Consulting and Appraisal Limited

Flat/Rm A 12/F ZJ 300,
300 Lockhart Road, Wan Chai,
Hong Kong

20 April 2026

The Board of Directors

Kinetic Development Group Limited

18th Floor
80 Gloucester Road
Wan Chai
Hong Kong

Dear Sirs,

Instructions, Purpose and Valuation date

Asia-Pacific Consulting and Appraisal Limited (“**APA**” or “**we**”) is instructed by Kinetic Development Group Limited (the “**Company**”) to provide valuation service on the property which is intended to be acquired for disclosure purpose. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing our opinion of the market value of the property interests as at 31 January 2026 (the “**Valuation Date**”).

Basis of Valuation

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

Methods of Valuation

We have valued the property No.1 under development in the PRC on the basis that they will be developed and completed in accordance with the latest development proposal provided to us. In arriving at our opinion of value of the land of property No.1, we have adopted the Market Comparison Approach by making reference to comparable sales evidence as available in the relevant market. We have also taken into account the estimated total and accrued construction cost relevant to the stage of construction as at the valuation date.

For the purpose of our valuation, a property under development is defined as one for which the Construction Works Commencement Permit has been issued while the Construction Works Certified Report or Certificate of Completion of the building has not been issued.

In valuing the property No.2, which is completed and occupied by the owner, we have adopted the Market Comparison Approach assuming sale of the property in existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

Valuation Assumptions

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

We have valued the property no. 1 on the assumption that they will be developed and completed in accordance with the latest development proposal as at the valuation date and the property can be freely transferred or disposed without payment of any further land premium, construction cost, penalty or transfer fees.

As advised by the Company, all encumbrances affecting the subject property – including, but not limited to, registered mortgages and judicial restrictions – will be fully discharged prior to the final transfer of title. Upon completion of the transfer, the asset will be conveyed in a “clean” state – with clear legal ownership and free from any transfer restrictions. The current appraised value of the Target Properties reflected the “clean state” at the time of completing of the Acquisitions.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

Valuation Standards

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the RICS Valuation – Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

Source of Information

We have relied to a very considerable extent on the information provided by, and have accepted advice on matters such as tenure and all other relevant issues from, Taiyuan Seedland TaiJing Real Estate Development Co., Ltd. (“**Taiyuan Seedland**”) and Beijing Seedland Qushi Real Estate Development Co., Ltd (“**Beijing Seedland**”). Both entities are wholly-owned subsidiaries of Guangzhou Seedland Real Estate Development Co., Ltd. (實地地產集團有限公司).

In conducting this valuation, the data relied upon has been principally sourced from official government-issued documentation, including but not limited to the Real Estate Title Certificate (for land), the Construction Work Planning Permit, and the Construction Work Commencement Permit. Copies of the aforementioned documents have been examined, and no material discrepancies or irregularities have been identified.

Furthermore, with respect to Taiyuan Seedland, an audited financial statement prepared by a professional accounting firm has been obtained and considered in the valuation process.

We have had no reason to doubt the truth and accuracy of the information provided to us by the target Company. We have also sought confirmation from the target Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Document and Title Investigation

We have been shown copies of various title documents including Real Estate Title Certificates and other title documents relating to the property interests and have made relevant enquiries. However, we have not searched the original documents to verify the ownership or to ascertain any amendment. We have relied to a very considerable extent on the information given by the target Company, and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

We have no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld. We have relied considerably on the advice given by the Company's PRC legal adviser – Commerce & Finance Law Offices, concerning the validity of the property interests in the PRC.

Area Measurement and Inspection

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents and official site plans handed to us are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties unless we have been otherwise instructed. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

The site inspection for Property No.1 was carried out by Ms. Jasper Jia and Ms. Tracy Zhang on October 15th, 2025, while Property 2 was inspected by Ms. Lissy Li on December 2nd, 2025. Ms. Jasper Jia is a member of Royal Institution of Chartered Surveyor and has more than 15 years' experience in property valuation in the PRC, Ms. Lissy Li is Certified Public Valuer and has more than 10 years' experience in property valuation in the PRC, and Ms. Tracy Zhang who has more than 5 years' experience in the valuation of property in the PRC.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

Currency

All monetary figures stated in this report are in Renminbi (RMB).

Our summary of values and valuation certificates are enclosed hereby for your attention.

Yours faithfully,

for and on behalf of

Asia-Pacific Consulting and Appraisal Limited

David G.D. Cheng

MRICS

Partner

Note: David G.D. Cheng is a Chartered Surveyor who has more than 20 years' experience in the valuation of assets in the Greater China Region, the Asia-Pacific region, the United States and Canada.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

SUMMARY OF VALUES**Property interests intend to be acquired in the PRC**

No.	Property	Property held under development in the PRC RMB	Property held for future development in the PRC RMB	Property held for owner-occupation in the PRC RMB	Total Market value in existing state as at the Valuation Date RMB
1.	Taiyuan Seedland Haitang Huazhu, located at south of Central Street East Extension, Xiaodian District, Taiyuan City, Shanxi Province, The PRC	337,500,000	978,000,000		1,315,500,000
2.	Dongzhimen Properties-Units 3110 and 3111, 31st Floor, No.18Dongzhimenwai Xiao Street (FanYue-WanGuoFu), Dongcheng District, Beijing, The PRC			86,330,000	86,330,000
	Total:	337,500,000	978,000,000	86,330,000	1,401,830,000

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

VALUATION CERTIFICATE**Property interests intend to be acquired in the PRC**

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
1.	Taiyuan Seedland Haitang Huazhu, located at south of Central Street East Extension, Xiaodian District, Taiyuan City, Shanxi Province, The PRC (太原實地海棠華著)	<p>Taiyuan Seedland Haitang Huazhu is situated to the south of Central Street East Extension in Xiaodian District.</p> <p>The locality is a residential area. The surrounding is a newly developed area where public facilities such as municipal facilities and amenities are still under development.</p> <p>The development occupies a parcel of land with a site area of 174,828.17 sq.m., which is being developed into a residential community. Portion of the property was under construction (the “CIP”) as at the valuation date. As advised by the Company, upon completion, the CIP will have a total gross floor area of approximately 114,146.22 sq.m. The entire development (including the CIP and Land Portion) is scheduled to be completed in 2031.</p> <p>The remaining portion of the property (the “Land Portion”) with a planned gross floor area of approximately 336,934.37 sq.m. was not commenced as at the valuation date. The classification, usage and planned gross floor area details of the property are set out in note 6.</p>	<p>As at the valuation date, the CIP of the property was under construction and the Land Portion was bare land for future development.</p>	1,315,500,000

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date RMB
		<p>The construction cost of the CIP of the property is estimated to be approximately RMB217,800,000, of which approximately RMB98,700,000 had been paid up to the Valuation Date.</p> <p>The land use rights of the property have been granted to Taiyuan Seedland for terms expiring on July 9 2090 for residential use, July 9 2060 for commercial use, and July 9 2070 for science and education use.</p>		

Notes:

1. Pursuant to a Real Estate Title Certificate – Jin (2021) Tai Yuan Shi Bu Dong Chan Quan Di No. 0004871, the land use rights of a parcel of land with a site area of approximately 174,828.17 sq.m. have been granted to Taiyuan Seedland TaiJing Real Estate Development Co., Ltd 太原實地台經房地產開發有限公司 for terms expiring on July 9 2090 for residential use, July 9 2060 for commercial use, and July 9 2070 for science and education use.
2. Pursuant to a Construction Land Planning Permits – Di Zi No.140100202020057, permission towards the planning of the aforesaid land parcel with a total site area of approximately 174,828.17 sq.m. has been granted to Taiyuan Seedland.
3. Pursuant to 19 Construction Work Planning Permits – Jian Zi Di Nos. 140100202030957, 140100202030958, 140100202030959, 140100202030960, 140100202030956, 140100202030961, 140100202030962, 140100202031057, 140100202031056, 140100202031055, 140100202031054, 140100202031053, 140100202031052, 140100202031051, 140100202031050, 140100202031049, 140100202031046, 140100202031047, 140100202031048 and approval of the construction project design scheme results -Bing Shen Jian Fang (2024) Di No.0055 in favour of Taiyuan Seedland, Taiyuan Seedland Haitang Huazhu Project which have a total gross floor area of approximately 451,080.59 sq.m. has been approved for construction.
4. Pursuant to 9 Construction Work Commencement Permits – Nos.140103202009300101, 140103202009300201, 140103202009300301, 140103202009300401, 140103202104070101, 140103202104070201, 140103202101210101, 140103202104070301, and 140103202104070401 in favour of Taiyuan Seedland, permissions by the relevant local authority have been given to commence the construction of Taiyuan Seedland Haitang Huazhu Project with a total gross floor area of approximately 114,146.22 sq.m.
5. Pursuant to 8 Pre-sales Permits –(2021)Bing Shang Fang Yu Shou Zi Di Nos. 0014, 0015, 0016, 0017, 0150,0151,0152 and 0153 in favour of Taiyuan Seedland, Taiyuan Seedland is entitled to sell 8 buildings with a total gross floor area of approximately 90,685.32 sq.m.
6. According to the information provided by the Company, the planned gross floor area of the property is set out as below. The scope of valuation equals to the sum of pre-sold GFA and unsold GFA:

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

Portion	Usage	Sold GFA and Handed Over			(Scope of Valuation)	
		Gross Floor Area (sq.m.)	Sold Over (sq.m.)	Pre-sold GFA(sq.m.)	Un-sold GFA(sq.m.)	Remaining GFA (sq.m.)
Held under development (CIP)	Residential	78,880.69	35,030.58	5,238.51	38,611.60	43,850.11
	Retail	9,924.21			9,924.21	9,924.21
	Facilities	383.79			383.79	383.79
	Others					
	Underground	24,957.53			24,957.53	24,957.53
	Sub-total:	114,146.22	35,030.58	5,238.51	73,877.13	79,115.64
Held for future development (Land)	Residential	235,525.99			235,525.99	235,525.99
	Retail	3,099.51			3,099.51	3,099.51
	Facilities	5,548.94			5,548.94	5,548.94
	Others	9,194.69			9,194.69	9,194.69
	Underground	83,565.24			83,565.24	83,565.24
	Sub-total:	336,934.37			336,934.37	336,934.37
	Total	451,080.59	35,030.58	5,238.51	410,811.50	416,050.01

7. As advised by the company, various residential units with a total gross floor area of approximately 5,238.51 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB39,557,255. Such portions of the property have not been legally and virtually transferred and therefore we have included them in our valuation.
8. For reference purpose, we are of the opinion that the market value of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB2,067,900,000.
9. As advised by the Company, Taiyuan Seedland has mortgaged the land with a total area of approximately 174,828.17 sq.m.
10. As advised by the Company, Taiyuan Seedland shall comply with the Enforcement Ruling -No.2024 Zhe 01 Zhi 368. Before the mortgage, guarantee, and seizure are lifted, the transfer of the property is legally restricted.
11. The valuation results reflect the market value of the properties in their existing state. For the purposes of this valuation, the term “existing state” refers to the physical condition and planning status of the properties, rather than matters that do not materially affect their legal title or ownership.
12. In undertaking the market values of the CIP Land and the Vacant Land of the property, we have identified and analysed various relevant sales evidences of land within the locality which have the similar characteristics as the property, and selected three comparable properties based on the following selection criteria:
 - a. the transaction date of the comparable property should be within two years;
 - b. the location should be where the CIP Land and Vacant Land are located;
 - c. the usage of the comparable property should be residential and commercial; and
 - d. the land use right terms of the comparable properties should be 70 years for residential use and 40 years for commercial use.

All of the three selected comparable properties are residential & commercial land which have the similar locations and land use terms as the subject property. The accommodation value of these comparable land sites ranges from RMB3,043 to RMB3,644 per sq.m. Appropriate adjustments and analysis are considered to the differences in several aspects including transaction date, site area, accessibility and other characters between the comparable

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

properties and the subject property to arrive at our assumed accommodation value. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. The list of comparables is exhaustive. Details of the three comparable properties and adjustments are set out below:

Comparable:	A	B	C
Property Name	Plot in Xiaodian District, south of Longcheng Avenue	Plot in Xiaodian District, south of Rongjun South Street	Plot in Xiaodian District, west of Tiyu West Road
Usage	Residential & Commercial	Residential & Commercial	Residential & Commercial
Transaction Date	2025-03-25	2024-08-15	2024-07-23
Site Area (sq.m.)	16,695	38,778	29,115
Plot Ratio	2.5	2.8	4.5
Land Use Terms	70/40	70/40	70/40
Accommodation Value (RMB/sq.m.)	3,644	3,264	3,043
Adjustment Factors:			
Usage	Inferior to the Property	Inferior to the Property	Inferior to the Property
Transaction Date	Similar with the Property	Similar with the Property	Similar with the Property
Location and Accessibility	Superior to the Property	Superior to the Property	Superior to the Property
Site Area (sq.m.)	Superior to the Property	Superior to the Property	Superior to the Property
Plot Ratio	Inferior to the Property	Inferior to the Property	Inferior to the Property
Remaining Land Use Right Term	Superior to the Property	Superior to the Property	Superior to the Property
Total Adjustment	11%	14%	27%
Adjusted Accommodation Value (RMB/sq.m.)	4,027	3,704	3,847

Based on the analysis of the three comparable properties, the adjusted average accommodation value for the market value of the land of the property is approximately RMB3,860 per sq.m.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

The CIP Land and Vacant Land belong to the same parcel. They are classified as CIP Land and Vacant Land solely due to phased development: the portion where construction has commenced is categorized as CIP Land, while the portion where construction has not yet begun is classified as Vacant Land. The nature of the land itself is identical. Therefore, the same set of comparables are applied to both the CIP Land and Vacant Land, and the accommodation value remains the same.

For the CIP, the remaining saleable aboveground gross floor area is 54,158.11 sq. m., while the Land Portion has a planned saleable aboveground gross floor area of 253,369.13 sq.m. Based on this, we have derived the land value for the CIP as RMB209,050,305, and the value for the Land Portion as RMB978,000,000.

13. The cost approach is based on the economic principle that a purchaser will pay no more for an asset than the cost to obtain one of equal utility, whether by purchase or construction. For CIP, the composition of property costs includes land cost, paid-up construction cost, professional fee, contingency, financial fee, and profit. The calculation of the market value of CIP as at the Valuation Date is as follows:

	As at	
	31 January	
	2026	
	<i>(RMB)</i>	
Market Value of The Land	209,050,305	(a)
Paid-up Construction Cost	98,740,501	(b)
Professional Fee	4,937,025	(c)=(b)*5%*
Contingency	2,962,215	(d)=(b)*3%*
Financial Fee	10,245,591	(e)
Profit	11,591,740	(f)=((b)+(c)+(d))*10.87%*
Market Value of the Property (rounded to hundred thousands)	337,500,000	(g)=(a)+(b)+(c)+(d)+(e)+(f)

* We have referenced external sources including “Real Estate Appraisal Theory and Methodology” and “CRIC Real Estate Research” platform. In combination with the appraisers’ experience and taking into account the project’s specific circumstances, we have determined the following rates: professional fee at 5%, contingency at 3%, and a profit margin of 10.87%.

The project’s specific circumstances refer to the project’s own conditions, as follows: a civil project located in Taiyuan City, Shanxi Province, primarily consists of residential properties. As the project is situated in Taiyuan, local labor and professional service costs are moderate and relatively low compared with the national average. Therefore, the professional fee rate adopted herein is conservative and relatively low.

14. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
- a. Taiyuan Seedland has obtained the land use rights under the Real Estate Title Certificate (land) mentioned in note 1.
 - b. For the property that have been mortgaged and sealed up, the transference shall be restricted in accordance with the law until such mortgage or seal is lifted.
 - c. For the property under construction, Taiyuan Seedland has obtained the relevant construction land planning permit, construction project planning permit and construction permit.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

- d. Taiyuan Seedland shall comply with the Enforcement Ruling -No.2024 Zhe 01 Zhi 368 and, subject to the consent of the mortgagee and the guarantor, shall have the right to pre-sell the buildings in accordance with the Pre-sales Permits mentioned in note 5.

15. A summary of major certificates/approvals is shown as follows:

a. Real Estate Title Certificate (for land)	Yes
b. Construction Land Planning Permits	Yes
c. Construction Work Planning Permit	Portion
d. Construction Work Commencement Permit	Portion
e. Pre-sale Permit	Portion
f. Construction Work Completion and Inspection Certificate/Table	No

16. For the propose of this report, the properties are classified into two parts, we are of opinion that the market value of each part as at the valuation date in its existing state is set out as below:

Classification	Market value in existing state as at the valuation date RMB
Property held under development in the PRC	337,500,000
Property held for future development in the PRC	<u>978,000,000</u>
Total:	<u><u>1,315,500,000</u></u>

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the Valuation Date <i>RMB</i>
2.	Dongzhimen Properties- Units 3110 and 3111, 31 st Floor, No.18 Dongzhimenwai Xiao Street (FanYue·WanGuoFu), Dongcheng District, Beijing, The PRC (梵悅·萬國府)	<p>FanYue·WanGuoFu is an apartment development situated at No.18 Dongzhimenwai Xiao Street, Dongcheng District.</p> <p>It is well-served by public transportation. The locality is a mature area with residential developments, commercial and office buildings, schools, and parks.</p> <p>The project (FanYue·WanGuoFu) was completed in 2002 and occupies a parcel of land with a total site area of approximately 4,768.14 sq.m for apartment use.</p> <p>The property comprises two apartments, 3110 and 3111, with a total gross floor area of approximately 719.43 sq.m.</p> <p>The land use rights of the property have been granted for a term expiring on 30 May 2070 for apartment use.</p>	As at the valuation date, the property was occupied by the owner.	86,330,000

Notes:

1. Pursuant to 2 Real Estate Title Certificates – Jing (2022) Dong Bu Dong Chan Quan Di Nos. 0002501 and 0002500, the property with a total gross floor area of approximately 719.43 sq.m. is owned by Beijing Seedland Qushi Real Estate Development Co., Ltd.北京實地趨勢房地產開發有限公司. The relevant land use rights have been granted to Beijing Seedland for a term expiring on 30 May 2070 for apartment use.
2. As advised by the Company:(i) Unit 3110 is free and clear of any mortgage and is not under seal; and (ii) Unit 3111 is currently under seal and is free of any mortgage.
3. The valuation results reflect the market value of the properties in their existing state. For the purposes of this valuation, the term "existing state" refers to the physical condition and planning status of the properties, rather than matters that do not materially affect their legal title or ownership.

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

4. In undertaking the market value of the property, we have identified and analysed various relevant sales evidences of apartments which have the similar characteristics as the property, and selected three comparable properties based on the following selection criteria:

- a. the transaction date of the comparable property should be within one year;
- b. the location should be the same community in Beijing;
- c. the usage of the comparable property should be apartment.

All of the three selected comparable properties are apartments located in the same community with identical usage. These comparable properties share similar characteristics, particularly in locality and land use term with Dongzhimen Properties, and the transaction dates are close to the valuation date. Appropriate adjustments and analysis are considered to the differences in several aspects including transaction Situation, location and other specific characters between the comparable properties and the subject property to arrive at our assumed market value. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Details of the three comparable properties and adjustments are set out below:

Comparable:	A	B	C
Property Name	FanYue-WanGuoFu	FanYue-WanGuoFu	FanYue-WanGuoFu
Usage	Apartment	Apartment	Apartment
Transaction Date	2026-01	2026-01	2026-01
Transaction Situation	Asking Price	Asking Price	Asking Price
Gross Floor Area (sq.m.)	238	244	287
Land Use Terms	70	70	70
Transaction Unit Price (RMB/sq.m.)	134,516	120,082	120,244

Adjustment Factors:

Usage	Similar with the Property	Similar with the Property	Similar with the Property
Transaction Date	Similar with the Property	Similar with the Property	Similar with the Property
Transaction Situation	Superior to the Property	Superior to the Property	Superior to the Property
Location and Accessibility	Similar with the Property	Similar with the Property	Similar with the Property
Gross Floor Area (sq.m.)	Similar with the Property	Similar with the Property	Similar with the Property
Decoration	Superior to the Property	Superior to the Property	Superior to the Property

APPENDIX IB VALUATION REPORT OF THE TARGET PROPERTIES

Floor No.	Inferior to the Property	Similar with the Property	Similar with the Property
Orientation	Inferior to the Property	Similar with the Property	Similar with the Property
Total Adjustment	-1%	-6%	-6%
Adjusted Unit Price (RMB/sq.m.)	133,170	113,285	113,438

Based on the analysis of the three comparable properties, the adjusted market value of the property is approximately RMB120,000 per sq.m.

5. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, *inter alia*, the following:
 - a. Beijing Seedland has obtained the land use rights and building ownership under the Real Estate Title Certificate mentioned in note 1.
 - b. According to Beijing Seedland, the property located at Unit 3111, 31st Floor, No.18 Dongzhimenwai Xiao Street is currently sealed up. Its transfer shall be restricted in accordance with the law until such seal is lifted.

6. A summary of major certificates/approvals is shown as follows:
 - a. Real Estate Title Certificate Yes

7. For the purpose of this report, the property is classified as "Properties held for owner-occupation in the PRC" according to the purpose for which it is held.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTEREST BY DIRECTORS AND CHIEF EXECUTIVE

Long positions in shares and underlying shares of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have under such provisions of the SFO); (ii) pursuant to Section 352 of the SFO, to be entered in the register of members of the Company; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares of the Company

Name of Directors	Capacity/ Type of interest	Number of ordinary Shares	Approximate percentage of shareholding ^(Note)
Mr. Ju Wenzhong	Beneficial Interests	16,021,659	0.19%
Mr. Li Bo	Beneficial Interests	8,001,886	0.09%
Mr. Ji Kunpeng	Beneficial Interests	5,000,000	0.06%
Ms. Xue Hui	Beneficial Interests	3,860,055	0.05%

Note: The calculation is based on the total number of issued ordinary shares of 8,430,000,000 shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there were no other Directors or the chief executive of the Company or any of their associates who had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, none of the Directors was a director or an employee of any shareholders of the Company or a company which has an interest or short position in Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Enlarged Group for a term of three years, which may be terminated by not less than three months' notice in writing served by either party on the other.

The non-executive and independent non-executive Directors have been appointed for a term of three years in accordance with their respective letters of appointment with the Enlarged Group.

As at the Latest Practicable Date, none of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Enlarged Group which is not determinable by the Enlarged Group within one year without payment of compensation, other than statutory compensation.

4. EXPERTS' QUALIFICATIONS AND CONSENTS

The followings are the qualifications of the experts who have given their opinions or advice, which are contained or referred to in this circular:

Name	Qualification
Rainbow Capital (HK) Limited	A licensed corporation permitted to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Asia-Pacific Consulting and Appraisal Limited	Independent valuer

Each of the above experts has given and has not withdrawn its written consent to the publication of this circular with the inclusion of its respective letter and report and all references to its name in the form and context in which they respectively appear. The respective letter and report from each of the above experts were given as of the date of this circular for incorporation in this circular.

As at the Latest Practicable Date, the above experts (i) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) had no direct or indirect interests in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2025 (the date to which the latest published audited combined financial statements of the Company were made up) or proposed to be acquired, disposed of or leased to any member of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited financial statements of the Company were made up.

6. DIRECTORS' INTERESTS IN THE ASSETS OR CONTRACTS

As at the Latest Practicable Date, (i) none of the Directors, proposed director or expert had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up; and (ii) none of the Directors, proposed director or expert was materially interested in any contract or arrangement entered into by any member of the Enlarged Group which was subsisting as at the Latest Practicable Date and was significant in relation to the business of the Enlarged Group.

7. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates (as defined under the Listing Rules) had any interest in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group, or had or might have any other conflicts of interest with the Group pursuant to Rule 8.10 of the Listing Rules.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (<http://www.kineticme.com/>) for a period of 14 days from the date of this circular:

- (i) the Sixth Supplemental Agreement;
- (ii) the Share Transfer Agreement;
- (iii) the Payment Agreement;
- (iv) the proposed New Settlement Agreement;
- (v) the Debt Settlement Contract; and
- (vi) the 2026 Debt Settlement Contract.

9. MISCELLANEOUS

In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF EXTRAORDINARY GENERAL MEETING



力量发展
KINETIC DEVELOPMENT GROUP

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Kinetic Development Group Limited (the “Company”) will be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Wednesday, 20 May 2026 at 3:30 p.m., to consider, if thought fit, and transact the following resolutions of the Company by way of ordinary resolutions:

ORDINARY RESOLUTIONS

1. “THAT:

- (a) the sixth supplemental agreement (the “Sixth Supplemental Agreement”) entered into among Qingdao Shilu Ocean Big Data Investment Development Co., Ltd.* (青島實錄海洋大數據投資開發有限公司), a limited liability company and an indirectly non-wholly-owned subsidiary of Guangzhou Seedland Real Estate Development Co., Ltd.* (實地地產集團有限公司)(the “Seedland”), Zhongshan Shidi Real Estate Development Co., Ltd.* (中山實地房地產開發有限公司), a limited liability company and a directly wholly-owned subsidiary of Seedland, Kinetic (Qinhuangdao) Energy Group Ltd.* (力量(秦皇島)能源集團有限公司)(the “Kinetic Qinhuangdao”), a limited liability company and an indirectly wholly-owned subsidiary of the Company, Shanxi Kinetic Yingtong Real Estate Development Co., Ltd.* (山西力量盈通房地產開發有限公司)(the “Kinetic Shanxi”), a limited liability company and an indirectly wholly-owned subsidiary of the Company and Zunyi Shidi Real Estate Development Co., Ltd.* (遵義實地房地產開發有限公司)(the “Zunyi Seedland”), a limited liability company and a directly non-wholly-owned subsidiary of Seedland, dated 4 December 2025 (a copy of which has been produced to this EGM and initialed by the chairman of the meeting for identification purpose) and the transactions in connection therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment as any director(s) of the Company (the “Director(s)”) may consider necessary, desirable or appropriate;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the share transfer agreement (the “**Share Transfer Agreement**”) entered into between Zunyi Seedland and Kinetic Shanxi, dated 4 December 2025 (a copy of which has been produced to this EGM and initialed by the chairman of the meeting for identification purpose) and the transactions in connection therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment as the Director(s) may consider necessary, desirable or appropriate;
- (c) the intention fee and payment agreement (the “**Payment Agreement**”) entered into between Taiyuan Seedland, Zunyi Seedland and Kinetic Qinhuangdao, dated 20 April 2026 (a copy of which has been produced to this EGM and initiated by the chairman of the meeting for identification purpose) and the transactions in connected therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment as Director(s) may consider necessary, desirable or appropriate;
- (d) the proposed new settlement agreement (the “**New Settlement Agreement**”) to be entered into among JIC Trust Co., Ltd. (中建投信託股份有限公司)(“**JIC Trust**”), Taiyuan Seedland, Zunyi Seedland, Seedland and Kinetic Shanxi (a copy of which has been produced to this EGM and initiated by the chairman of the meeting for identification purpose) and the transactions in connected therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment as the Director(s) may consider necessary, desirable or appropriate;
- (e) any authority of the Director(s) to sign, execute, deliver or to authorize the signing, execution and delivery of the Sixth Supplemental Agreement, the Share Transfer Agreement and the New Settlement Agreement, and to do or authorize doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Sixth Supplemental Agreement, the Share Transfer Agreement and the New Settlement Agreement and any ancillary documents and transactions thereof be and is hereby confirmed, approved and ratified.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. “**THAT:**

- (a) the debt settlement contract (the “**Debt Settlement Contract**”) entered into among Seedland, Guangdong Seedland Property Management Co., Ltd. * (廣東實地物業管理有限公司) (“**Guangdong Seedland**”), a limited liability company and an indirectly wholly-owned subsidiary of the Company, Beijing Seedland Qushi Real Estate Development Co., Ltd.* (北京實地趨勢房地產開發有限公司) (“**Beijing Seedland**”), a limited liability company and a wholly-owned subsidiary of Seedland and Kinetic Qinhuangdao, dated 4 December 2025 (a copy of which has been produced to this EGM and initialed by the chairman of the meeting for identification purpose) and the transactions in connection therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment as the Director(s) may consider necessary, desirable or appropriate;
- (b) the debt settlement contract (the “**2026 Debt Settlement Contract**”) entered into among Seedland, Guangdong Seedland, Kinetic Qinhuangdao, Kinetic Shanxi and Beijing Seedland, dated 20 April 2026 (a copy of which has been produced to this EGM and initialed by the chairman of the meeting for identification purpose) and the transactions in connection therewith and any other ancillary documents be and are hereby confirmed, approved and ratified, subject to such addition or amendment the Director(s) may consider necessary, desirable or appropriate;
- (c) any authority of the Director(s) to sign, execute, deliver or to authorize the signing, execution and delivery of Debt Settlement Contract and the 2026 Debt Settlement Contract, and to do or authorize doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Debt Settlement Contract and the 2026 Debt Settlement Contract, and any ancillary documents and transactions thereof be and is hereby confirmed, approved and ratified.”

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

Hong Kong, 20 April 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Headquarters and principal place of business in the PRC:

Dafanpu Coal Mine
Majiata Village
Xuejiawan Town
Zhunge'er Banner
Ordos City, Inner Mongolia, China

Principal place of business in Hong Kong:

18/F
80 Gloucester Road
Wan Chai
Hong Kong

Notes:

1. A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote in his/her stead. A Shareholder who is the holder of two or more shares in the Company (the “**Shares**”) may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM. A proxy need not be a Shareholder.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, personally or by proxy, that one of the said persons so present whose name stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof. The resolutions set out in this notice will be decided by poll at the EGM.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized, and must be deposited with the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM (or any adjournment thereof).

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. The register of members of the Company will be closed from Friday 15 May 2026 to Wednesday, 20 May 2026 (both days inclusive), during which time no share transfers will be effected. In order to qualify for attending the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged 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 by no later than 4:30 p.m. on Thursday, 14 May 2026.
5. Delivery of an instrument appointing a proxy should not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolutions at the EGM instead of attending the EGM in person, by completing and return the form of proxy.
7. If any Shareholder has any question about any resolutions or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company or by fax at (852) 2525 7890. If any Shareholder has any question relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

As at the date of this notice, 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.