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Kinetic Development Group Limited

力量發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1277)

SHARE SCHEMES

ADOPTION OF THE 2023 SHARE OPTION SCHEME AND ADOPTION OF THE 2023 SHARE AWARD SCHEME

The 2012 Share Option Scheme was adopted by the Company on 6 March 2012 and expired on 5 March 2022. No options had ever been granted by the Company under the 2012 Share Option Scheme. Following the expiry of 2012 Share Option Scheme, the Company has no other share option schemes as at the date of this announcement.

As at the date of this announcement, the Company operates the 2022 Share Award Scheme, which allows the Company to grant awards involving existing Shares to eligible participants. No awards had ever been granted by the Company under the 2022 Share Award Scheme. Save for the aforesaid, as at the date of this announcement, the Company does not maintain any other share schemes.

Chapter 17 of the Listing Rules has been amended to govern both share option schemes and share award schemes with effect from 1 January 2023. To enable the Company to grant options or awards to selected participants as incentives or rewards for their contributions to the Group and to comply with the new requirements of Chapter 17 of the Listing Rules, the Company proposed to:

- (i) adopt the 2023 Share Option Scheme; and
- (ii) adopt the 2023 Share Award Scheme pursuant to which only grant of awards involving new Shares may be made.

The adoption of the 2023 Share Option Scheme and the adoption of the 2023 Share Award Scheme are subject to, among others, Shareholders' approval at the AGM.

INTRODUCTION

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The adoption of the 2023 Share Option Scheme and the adoption of the 2023 Share Award Scheme are subject to, among others, Shareholders' approval at the AGM.

ADOPTION OF THE 2023 SHARE OPTION SCHEME

For the purpose of Chapter 17 of the Listing Rules, the 2023 Share Option Scheme will constitute a share scheme involving the grant by the Company of options over new Shares. Accordingly, the adoption of the 2023 Share Option Scheme will be subject to, among others, the Shareholders' approval at the AGM.

Principal terms of the 2023 Share Option Scheme are set out at the end of this announcement. Further details of the principal terms of the 2023 Share Option Scheme will be set out in the Circular to be despatched to the Shareholders in due course.

The 2023 Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) the Shareholders' approval at the AGM; and (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued in accordance with the terms and conditions of the 2023 Share Option Scheme and any other schemes of the Company (including the 2023 Share Award Scheme).

ADOPTION OF THE 2023 SHARE AWARD SCHEME

For the purpose of Chapter 17 of the Listing Rules, the 2023 Share Award Scheme will constitute a share scheme involving the grant by the Company of new Shares. Accordingly, the adoption of the 2023 Share Award Scheme will be subject to, among others, the Shareholders' approval at the AGM.

Principal terms of the 2023 Share Award Scheme are set out at the end of this announcement. Further details of the principal terms of the 2023 Share Award Scheme will be set out in the Circular to be despatched to the Shareholders in due course.

The 2023 Share Award Scheme shall come into effect on the date on which the following conditions are fulfilled: (i) the Shareholders' approval at the AGM; and (ii) the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares (representing the initial Scheme Mandate Limit) to be allotted and issued in accordance with the terms and conditions of the 2023 Share Award Scheme and any other schemes of the Company (including the 2023 Share Option Scheme).

PRINCIPAL TERMS OF THE 2023 SHARE OPTION SCHEME AND THE 2023 SHARE AWARD SCHEME

Purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme

The purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme are to recognise the contributions by certain eligible participant(s) and to give incentives thereto in order to retain and motivate them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group, by providing them with the opportunity to acquire equity interests in the Company.

The Directors are of the view that the 2023 Share Option Scheme and the 2023 Share Award Scheme are different in nature, and they complement each other in terms of equity incentive, added motivation and increased flexibility. In particular, a grantee under the 2023 Share Option Scheme is required to pay an exercise price to subscribe for the Shares which exercise price must not be less than the closing price of the Shares at the date of grant of Options in accordance with the Listing Rules. On the other hand, a grantee under the 2023 Share Award Scheme may or may not be required to pay a purchase price for the Awarded Shares, and where a purchase price is required, such purchase price is not subject to the same restriction as exercise price of Options under the Listing Rules. Hence, award holders under the 2023 Share Award Scheme may incur less costs and require less funds than option holders under the 2023 Share Option Scheme. As such, the adoption of the 2023 Share Option Scheme and the 2023 Share Award Scheme in parallel will provide the Company with different tools which are more flexible and effective in rewarding the eligible participants and driving their contributions to the Group.

Eligible participants and eligibility

Eligible participants of the 2023 Share Option Scheme and the 2023 Share Award Scheme include employee participants, related entity participants and service providers.

Service provider(s) means any person(s) who provide(s) services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including any of the following persons:

- (i) supplier(s) of goods or services to any member of the Group and its associated companies;
- (ii) consultant(s) providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry;
- (iii) business or joint venture partner(s), franchisee(s), contractor(s), agent(s) or representative(s) in the mining industry of any member of the Group and its associated companies;
- (iv) person(s) or entity(ies) that provide(s) design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies; and
- (v) associate(s) of any of the foregoing person(s).

For the avoidance of doubt, service provider(s) may not include placing agent(s) or financial adviser(s) providing advisory services for fundraising, mergers or acquisitions, as well as professional service provider(s) (such as auditor(s) or valuer(s)) who provide(s) assurance or are required to perform their services with impartiality and objectivity.

The basis of determining the eligibility of each eligible participant, including the criteria for determining a person's eligibility under each category of eligible participant, shall be determined by the Board absolutely. The assessing factors shall include, but not limited to, the following:

- (a) for employee participants: the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of employment with the Group and the individual contribution or potential contribution to the development and growth of the Group;
- (b) for related entity participants: the degree of involvement in and/or cooperation with the Group, the length of collaborative relationship the related entity participant has established with the Group, the amount of support, assistance, guidance, advice, efforts and contributions the related entity participant has exerted and given towards the success of the Group, and the amount of potential support, assistance, guidance, advice, efforts and contributions the related entity participant is likely to be able to give or make towards the success of the Group in the future; and

- (c) for service providers: the individual performance of the service provider, the length of business relationship with the Group, the materiality and nature of the services provided to the Group (such as whether they relate to the core business of the Group and whether such services could be readily replaced by third parties), track record in quality of services provided to the Group, the scale of business dealings with the Group, and actual or potential contribution to the Group's revenue or profit which is or may be attributable to the service provider.

The Directors (including the independent non-executive Directors) are of the view that the eligibility of employee participants, related entity participants and service providers to participate in the 2023 Share Option Scheme and the 2023 Share Award Scheme is consistent with the purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme, which enable the Group to preserve its cash resources and use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, as the Company on one hand and the employee participants, related entity participants and service providers on the other hand, by holding on to equity incentives, will mutually benefit from the long-term growth of the Group.

Although the Company has not granted, and does not have any immediate plan to grant, any options nor awards to the related entity participants nor service providers as at the date of this announcement, related entity participants and service providers have been included in the definition of eligible participants in the Company's past and expired share option schemes, as is in line with the industry norm.

The Directors (including the independent non-executive Directors) are of the view that apart from the contributions from employees, the success of the Group might also come from the efforts and contributions from non-employees (including related entity participants and service providers) who have contributed to the Group or may contribute to the Group in the future. Grant of options and awards to related entity participants and service providers would not only align the interest of the Group with such grantees, but also strengthen their loyalty to the Group and provide incentives for (i) a higher degree of their participation and involvement in promoting the business of the Group; and (ii) maintaining a stable and long-term relationship with the Group. Through the grant of options and/or awards, the interest of such related entity participants and service providers will be aligned with that of the Group in promoting the growth and development of the Group's business.

In respect of the related entity participants, the Company and the related entity participants have always had a close working relationship. Despite that related entity participants may not be directly appointed and employed by the members of the Group, such related entity participants are nonetheless valuable human resources to the Group given their close corporate and collaborative relationships. They may be involved in business engagements relating to or having connections with the Group's businesses. As such, certain related entity participants have joint involvement in coal extraction projects from time to time. Given the mix of workload, the Company feels that it is important to recognize the contribution or future contribution of such related entity participants by giving them incentive through their participation in the 2023 Share Option Scheme and 2023 Share Award Scheme. In particular, for those related entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby

allowing the Group to share and benefit from the positive results of these related entities. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the 2023 Share Option Scheme and 2023 Share Award Scheme to include the related entity participants, who the Company can incentivize with the grant of share options and/or award shares in order to strengthen their loyalty with the Group even though they may not be directly employed by the Group, and to in turn facilitate a higher degree of collaboration and closer business relationships and ties between the related entities and the group; while the related entities may consider granting share options or award shares to those employees, given that the same employees may be utilized by the Company to assist with its projects, they would also provide service to the Company despite not being directly employed by the Group, and hence the Board is of the view that it would be in the Company's interest to also grant share options and/or award shares to those related entity participants in recognition of their contribution to the Company.

In respect of the service providers, the Group has, in its ordinary and usual course of business, always relied on (i) suppliers of goods or services to any member of the Group and its associated companies; (ii) consultants providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry; (iii) business or joint venture partners, franchisees, contractors, agents or representatives in the mining industry of any member of the Group and its associated companies; (iv) persons or entities that provide design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies; and (v) associates of any of the foregoing persons. It is believed that the Group's success is attributable to the high quality of goods and services provided by such persons, entities and suppliers. Moreover, service providers may not always be able to serve as full-time or part-time employees of the Group due to a variety of reasons. For example, these persons may have stepped down from employment position with the Group, or they may be experienced in their own fields and professionals with lots of business connections but cannot serve the Group as employees, or they may prefer to remain self-employed.

Amongst service providers, suppliers, business or joint venture partners, franchisees, contractors or agents directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These service providers are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, manufacturing, marketing and research and development, and their contribution directly impacts the results of operations of the Group. Service Providers also include advisors and consultants with relevant expertise in fields related to the mining industry such as coal mining technical consultant. Such service providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these service providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products, production management, as well as marketing. The strategic advice and guidance provided by engaging these service providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the inclusion of the related entity participants and service providers in the 2023 Share Option Scheme and the 2023 Share Award Scheme is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme, is fair and reasonable and in the interests of the Company and the Shareholders as a whole because this gives the Company the flexibility to grant options and awards (instead of cash reward or other settlement) to the related entity participants and service providers when necessary.

Scheme Mandate Limit and Service Provider Sublimit

The Scheme Mandate Limit is the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company, and shall not in aggregate exceed 843,000,000 Shares, representing 10% of the total number of issued Shares as at the Adoption Date, assuming that no further Shares are issued or repurchased by the Company between the date of this announcement and the date of the AGM.

The Service Provider Sublimit, being a sublimit under the Scheme Mandate Limit, is the total number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company, and shall not in aggregate exceed 84,300,000, representing 1% of the total number of issued Shares as at the Adoption Date, assuming that no further Shares are issued or repurchased by the Company between the date of this announcement and the date of the AGM.

The Service Provider Sublimit was determined after considering the service provider sublimit set by other listed companies, the potential dilution effect that may arise from grants to service providers, and the fact that the Company expects that options and awards will mostly be granted to employee participants but would like to retain the flexibility to grant options and awards to service providers for the reasons mentioned and hence limit such grants to a relatively small portion of the Scheme Mandate Limit, which is 1% of the issued Shares as at the Adoption Date.

The Directors (including the independent non-executive Directors) are of the view that the Service Provider Sublimit under is appropriate and reasonable, and such a limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purposes of the 2023 Share Option Scheme and the 2023 Share Award Scheme.

Exercise price of options

Subject to the provisions of the Listing Rules, the exercise price in respect of any particular Option under the 2023 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the grant letter) but in any event the exercise price shall not be less than whichever is the highest of:

- (i) the nominal value (if any) of a Share;
- (ii) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the grant date, which must be a business day; and
- (iii) the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the grant date.

The Directors are of the view that the exercise price of Options is appropriate given that it is in line with the requirement of the Listing Rules while providing the Company with sufficient flexibility to determine the exercise price of Options that can provide sufficient incentive to the selected participants to achieve the purpose of the 2023 Share Option Scheme.

Purchase price of Awarded Shares

In determining the purchase price (if any) of Awarded Shares, the Board may take into consideration matters including (without limitation) the present contribution and expected contribution of the selected participant to the profits of the Group, the general financial condition of the Group, the Group's overall business objectives and future development plan, and any other matter which the Board considers relevant.

The Directors are of the view that such room for discretion on purchase price provides the Board with flexibility to stipulate, if necessary, a purchase price for Awarded Shares, while balancing the purpose of the 2023 Share Award Scheme and the interests of Shareholders.

Vesting period

The vesting of any Options under the 2023 Share Option Scheme or any Awards under the 2023 Share Award Scheme shall be subject to a vesting period to be determined by the Board in its absolute discretion, which shall be specified in the grant letter or grant notice (as the case may be). Only insofar as and for so long as the Listing Rules require, the vesting period for an Option under the 2023 Share Option Scheme or an Award under the 2023 Share Award Scheme shall not be less than 12 months, unless the Board determines in its sole discretion that the Options or Awards granted to employee participants may be less than 12 months under the following specific circumstances:

- (a) grants of "make-whole" Options or Awards to new joiners to replace the share options they forfeited when leaving the previous employers;

- (b) grants of Options or Awards to an employee participant whose employment is terminated due to death or disability or uncontrollable event. In those circumstances, the vesting of an Option or Award may accelerate;
- (c) grants of Options or Awards with performance-based vesting conditions provided in these rules of the 2023 Share Option Scheme or 2023 Share Award Scheme in lieu of time-based vesting criteria;
- (d) grants of Options or Awards made in batches during a year for administrative and compliance reasons (may include Options or Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an Option or Award would have been granted);
- (e) grants of Options or Awards with a mixed or accelerated vesting schedule such as where the Options or Awards may vest evenly over a period of 12 months;
- (f) grants of Options or Awards with a total vesting and holding period of more than 12 months; and
- (g) such other circumstances as specified in clause 13 of Appendix III and clause 12 of Appendix IV of the Circular.

The Directors (and the Remuneration Committee in respect of grants of Options or Awards to the Directors and/or senior management) are of the view that the vesting period for Options or Awards granted to employee participants may be less than 12 months under specific circumstances as set out above is appropriate because such arrangement is in line with the requirements under the Listing Rules and market practice, and gives the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified, which is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme.

Performance targets

The Board is entitled to impose any condition (including, without limitation, any performance target) as it deems appropriate with respect to the entitlement of the selected participant to the Option Shares or the Awarded Shares, provided that such condition is communicated to such selected participant at the same time as he is notified of his Option or Award. Performance target shall normally be tested over a performance period of at least three financial years of the Company (or such other period as the Board may from time to time determine); may relate to the performance of the selected participant (who is a director or senior management of the Company), the Company, one or more of its subsidiaries, the business or functional unit or department for which such selected participant works or the strategic or business initiatives or projects for which such selected participant is responsible or in relation to which he is actively involved in developing, implementing or completing, or any combination of the above; may be relative to the performance of one or more comparators, benchmarks, indices or other measures.

The Directors (and the Remuneration Committee in respect of grants of Options or Awards to the Directors and/or senior management) are of the view that it is not practicable to expressly set out a generic set of performance targets in the rules of the 2023 Share Option Scheme and the 2023 Share Award Scheme, as each selected participant will play different roles and contribute in different ways to the Group. The Board or the Remuneration Committee shall have regard to the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme in making such determinations, and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant selected participant(s).

Clawback

Where there has been a material misstatement or omission in the financial report of the Group or if the relevant selected participant has engaged in serious negligence, fraud or misconduct, any Options or Awarded Shares may be subject to clawback pursuant to the Company's policy on clawback, as amended from time to time.

The Directors (and the Remuneration Committee in respect of grants of Options or Awards to the Directors and/or senior management) are of the view that the clawback mechanism in each of the 2023 Share Option Scheme and the 2023 Share Award Scheme provides a choice for the Company to clawback the equity incentives granted to selected participants culpable of misconduct and is in line with the purpose of the 2023 Share Option Scheme and the 2023 Share Award Scheme and the interests of Shareholders.

TERMS OF THE 2023 SHARE OPTION SCHEME AND THE 2023 SHARE AWARD SCHEME

A summary of the principal terms of each of the 2023 Share Option Scheme and the 2023 Share Award Scheme are set out in Appendix III and Appendix IV to the Circular respectively. These summaries do not constitute the full terms of the same. A copy of the rules of each of the 2023 Share Option Scheme and the 2023 Share Award Scheme has been published and will remain on the Company's website at www.kineticme.com and Hong Kong Exchanges and Clearing Limited's HKEXnews website at www.hkexnews.hk for display for a period of not less than 14 days before the date of the AGM and such rules will be made available for inspection at the AGM.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the approval of the listing of, and permission to deal in, the new Shares (representing a maximum of 10% of the total number of issued Shares as at the Adoption Date) which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company.

Assuming that the 2023 Share Option Scheme and the 2023 Share Award Scheme are adopted, on the basis that no further Shares are issued or repurchased between the date of this announcement and the date of the AGM, the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other share scheme(s) of the Company is 843,000,000, representing 10% of the total number of issued Shares as at the Adoption Date.

CIRCULAR

A circular of the Company containing, among others, details of the principal terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme, together with a notice convening the AGM will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITIONS

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

“2012 Share Option Scheme”	the share option scheme previously adopted by the Company on 6 March 2012
“2022 Share Award Scheme”	the share award scheme previously adopted by the Company on 29 November 2022
“2023 Share Award Scheme”	the share award scheme proposed to be adopted by the Company at the AGM
“2023 Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM
“Adoption Date”	the date (which is expected to be the date of the AGM) on which the 2023 Share Option Scheme or the 2023 Share Award Scheme will be adopted by the Shareholders
“AGM”	the annual general meeting of the Company to be held at Small Connaught Room, 1/F, Mandarin Oriental Hong Kong, 5 Connaught Road Central, Central, Hong Kong on Monday, 22 May 2023 at 3:00 p.m.
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Award(s)”	award(s) of the Awarded Shares granted by the Company pursuant to the 2023 Share Award Scheme
“Awarded Shares”	in respect of grantee, such number of Shares subject to an Award as determined by the Board
“Board”	the board of Directors

“business day(s)”	any day(s) (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for the business of dealing in securities
“Circular”	the circular of the Company dated 28 April 2023, containing, among others, details of the principal terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme
“clawback”	in respect of any Options or Awarded Shares granted to an eligible participant, the repayment of money in relation to all or a specified part of such Options, Option Shares allotted and issued upon exercises of such Options and/or Awarded Shares (as the case may be) by such selected participant and/or the ceasing or variation of the selected participant’s entitlement to receive or be vested with all or a specified part of any such options or awarded Shares which have not yet been vested in the eligible participant
“Company”	Kinetic Development Group Limited (力量發展集團有限公司), a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“eligible participant(s)”	any employee participant(s), related entity participant(s) or service provider(s), provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories
“employee(s)”	in relation to a company, its full-time or part-time employee(s), or person(s) for the time being seconded to work full-time or part-time for such company
“employee participant(s)”	director(s) or employee(s) of the Company or any of its subsidiaries (including a person who is granted Options under the Scheme as an inducement to enter into employment contracts with the Company or any of its subsidiaries)
“exercise price”	the price per Share at which a grantee may subscribe for a Share on the exercise of an Option pursuant to the 2023 Share Option Scheme

“grantee”	any eligible participant who accepts the offer of the grant of an Option or an Award in accordance with the terms of the 2023 Share Option Scheme or 2023 Share Award Scheme or (in the case of an eligible participant being an individual and where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the relevant eligible participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	option(s) to subscribe for Share(s) granted pursuant to the 2023 Share Option Scheme and for the time being subsisting
“Option Shares”	Shares to which any particular Option relates
“PRC” or “China”	The People’s Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
“purchase price”	the price (if any) per Share at which a grantee may pay for an Awarded Share pursuant to the 2023 Share Award Scheme
“related entity(ies)”	any holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
“related entity participant(s)”	any director(s) or employee(s) of related entity(ies)
“Scheme Mandate Limit”	the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company

“service provider(s)”	<p>any person(s) who provide(s) services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including the following person:</p> <ul style="list-style-type: none"> (a) a supplier of goods or services to any member of the Group and its associated companies; (b) a consultant providing business consulting services to the Group and its associated companies, including but not limited to consulting services on coal products, product quality control, regulations and policies, mining operation, research and development on mining industry; (c) a business or joint venture partner, franchisee, contractor, agent or representative in the mining industry of any member of the Group and its associated companies; (d) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional services to any member of the Group and its associated companies; and (e) an associate of any of the foregoing persons. <p>For the avoidance of doubt, service provider(s) may not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, as well as professional service providers (such as auditors or valuers) who provide assurance or are required to perform their services with impartiality and objectivity</p>
“Service Provider Sublimit”	a sublimit under the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to service providers under the 2023 Share Option Scheme, the 2023 Share Award Scheme and any other schemes of the Company
“Share(s)”	ordinary share(s) of nominal value of US\$0.001 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US\$”	US dollars, the lawful currency of the United States of America
“vesting period”	in respect of an Option or an Award, the minimum period for which an Option or an Award must be held before it can be vested as the Board may in its absolute discretion determine
“%”	percent

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

Hong Kong, 28 April 2023

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