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If you are in any doubt as to any aspect of this circular or as to any action to be taken, you should consult a 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 with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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)

PROPOSAL FOR

- (1) DECLARATION AND PAYMENT OF FINAL DIVIDEND**
- (2) RE-ELECTION OF DIRECTORS**
- (3) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES**
- (4) ADOPTION OF THE NEW MEMORANDUM AND ARTICLES
AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Kinetic Development Group Limited to be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Tuesday, 7 May 2024 at 2:00 p.m. is set out on pages 21 to 28 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend such meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 2:00 p.m. 5 May 2024) before the time appointed for the holding of such meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at such meeting or any adjourned meeting thereof should you so wish.

This circular together with the form of proxy are also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kineticme.com).

References to time and dates in this circular are to Hong Kong time and dates.

10 April 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Tuesday, 7 May 2024 at 2:00 p.m.
“Articles”	the articles of association of the Company as amended from time to time
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“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
“BVI”	the British Virgin Islands
“Close Associates”	has the meaning ascribed thereto in the Listing Rules
“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
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and for the purposes of this circular, means each of King Lok, The Zhang Family Overseas Limited, TMF (Cayman) Ltd. and Mr. Zhang Liang, Johnson
“Director(s)”	the director(s) of the Company
“Existing Memorandum and Articles”	the amended and restated memorandum and articles of association of the Company in full force and effect as of the date hereof

DEFINITIONS

“Final dividend”	the proposed final dividend of HK\$0.05 per Share as proposed by the Board on 25 March 2024
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in the manner as set out in resolution no. 8 in the notice of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“King Lok”	King Lok Holdings Limited, a BVI business company incorporated under the laws of BVI on 9 December 2009 and a Controlling Shareholder
“Latest Practicable Date”	28 March 2024, being the latest practicable date before the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Memorandum and Articles”	the proposed third amended and restated memorandum and articles of association of the Company with the Proposed Amendments to be adopted by the Shareholders at the AGM
“PRC” or “China”	The People’s Republic of China, which for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
“Proposed Amendments”	proposed amendments to the Existing Memorandum and Articles as set out in Appendix III to this circular
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 9 in the notice of the AGM

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America
“%”	percent

LETTER FROM THE BOARD



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

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

Dear Sir/Madam,

PROPOSAL FOR
(1) DECLARATION AND PAYMENT OF FINAL DIVIDEND
(2) RE-ELECTION OF DIRECTORS
(3) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
(4) ADOPTION OF THE NEW MEMORANDUM AND ARTICLES
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to proposal for (i) the declaration and payment of a final dividend, (ii) the re-election of Directors, (iii) the granting of the General Mandate and the Repurchase Mandate and (iv) the adoption of the New Memorandum and Articles. A notice of the AGM is set out on pages 21 to 28 of this circular.

DECLARATION AND PAYMENT OF FINAL DIVIDEND

In the annual results announcement of the Company on 25 March 2024, the Board proposed and recommended to pay a final dividend of HK\$0.05 per Share, payable to Shareholders of the Company whose names appear on the register of members of the Company on Friday, 17 May 2024, subject to the Shareholder's approval at the AGM. The final dividend, if approved, is expected to be paid in cash on or before Friday, 28 June 2024.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR ATTENDING THE AGM

The register of members of the Company will be closed from Thursday, 2 May 2024 to Tuesday, 7 May 2024 (both days inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged by holders of the Shares with the Company's branch share registrar in Hong Kong, namely, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 30 April 2024.

RE-ELECTION OF DIRECTORS

Directors to be re-elected

In accordance with Article 108(a) of the Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every 3 years. A retiring Director shall be eligible for re-election. Accordingly, Mr. Li Bo ("**Mr. Li**"), Mr. Chen Liangnuan ("**Mr. Chen**") and Ms. Xue Hui ("**Ms. Xue**") shall retire by rotation at the AGM and, being eligible, have offered themselves for re-election as Directors thereat.

LETTER FROM THE BOARD

Information required to be disclosed under the Listing Rules in relation to the Directors for re-election is set out in Appendix I to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

By resolutions of the Shareholders passed on 22 May 2023, the Directors were granted general mandates to issue Shares and to repurchase Shares. Each such mandate will expire at the conclusion of the forthcoming AGM.

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any Shares, approval is sought from the Shareholders, pursuant to the Listing Rules, for granting of the General Mandate. In this regard, an ordinary resolution set out as resolution no. 8 in the notice of the AGM will be proposed at the AGM to grant the General Mandate to the Directors to allot and issue new Shares up to an amount not exceeding 20% of the number of issued shares of the Company as at the date of the passing of the resolution. In addition, subject to a separate approval under ordinary resolution no. 10, the number of issued shares purchased by the Company under ordinary resolution no. 9 will also be added to the 20% general mandate as mentioned in the ordinary resolution no. 8.

As at the Latest Practicable Date, there were a total of 8,430,000,000 issued Shares. Assuming that the proposed resolution granting the General Mandate to the Directors is approved, on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the General Mandate to issue a maximum of 1,686,000,000 Shares, without taking into account any additional Shares which may be issued pursuant to the extension mandate as mentioned in the ordinary resolution no.10.

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that purchase of its own securities, without the prior approval of the Stock Exchange.

At the AGM, another ordinary resolution set out as resolution no. 9 in the notice of the AGM will be proposed to the Shareholders that the Directors be granted a Repurchase Mandate to repurchase Shares up to 10% of the number of issued shares of the Company as at the date of the passing of the resolution. As at the Latest Practicable Date, there were a total of 8,430,000,000 issued Shares. Assuming that the proposed resolution granting the Repurchase Mandate to the Directors is approved, on the basis that no further Shares are issued or repurchased by the

LETTER FROM THE BOARD

Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Repurchase Mandate to issue a maximum of 843,000,000 Shares. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES

As disclosed in the announcement of the Company dated 25 March 2024, the Board proposed to make certain amendments to the Existing Memorandum and Articles and to adopt the New Memorandum and Articles in order to (i) update and better align the existing Articles of Association with the new regulatory requirements in relation to the expanded paperless regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules effective from 31 December 2023 and (ii) make some other housekeeping improvements.

The Company has been advised by its legal advisers that the Proposed Amendments are not inconsistent with the requirements of the Listing Rules and do not violate the laws of the Cayman Islands respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

Details of the Proposed Amendments are set out in Appendix III to this circular. The Proposed Amendments and the adoption of the New Memorandum and Articles are subject to the approval of the Shareholders by way of a special resolution at the AGM.

NOTICE OF AGM

The AGM will be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Tuesday, 7 May 2024 at 2:00 p.m., at which, inter alia, the resolutions will be proposed to the Shareholders to consider the proposed declaration and payment of the final dividend, the proposed re-election of the Directors, the proposed grant to the Directors of the General Mandate and the Repurchase Mandate, and the proposed adoption of the New Memorandum and Articles. The notice of AGM is set out on pages 21 to 28 of this circular.

VOTING PROCEDURES

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show

LETTER FROM THE BOARD

of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

PROXY

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.kineticme.com). Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours (i.e. 2:00 p.m. 5 May 2024) before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjourned meeting should you so desire.

RECOMMENDATION

The Board believes that the resolutions set out in the notice of AGM including the proposed declaration and payment of the final dividend, the proposed re-election of Directors, the proposed granting of the General Mandate and the Repurchase Mandate, and the proposed adoption of New Memorandum and Articles are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of all the resolutions as set out in the notice of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company 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.

Your attention is drawn to additional information as set out in the Appendices.

LETTER FROM THE BOARD

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

10 April 2024

APPENDIX I INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION

The particulars of Mr. Li Bo, Mr. Chen Liangnuan and Ms. Xue Hui who will offer themselves for re-election at the AGM are disclosed pursuant to Rule 13.74 of the Listing Rules as follows:

I. PROPOSED FOR RE-ELECTION

1. Mr. Li Bo

Mr. Li Bo (李波), aged 42, is currently an executive director and the Chief Executive Officer of the Group and the chairman of Inner Mongolia Zhunge'er Kinetic Coal Limited (內蒙古准格爾旗力量煤業有限公司), and is mainly responsible for the comprehensive planning and the management of the overall operations of the Group's Dafanpu Coal Mine. After joining our Group in October 2006, he held a number of roles as manager and various management positions in the Group.

He graduated from the University of Science and Technology Beijing (北京科技大學) in 2004 with a bachelor's degree in management, and obtained a professional certificate of mining engineering from China University of Mining and Technology (中國礦業大學) in 2016. Mr. Li obtained the qualification of intermediate registered safety engineer in November 2020, and obtained the qualification of senior economist in December 2021.

Mr. Li entered into a service contract with the Company for an initial fixed term of three years with effect from 30 May 2022, provided that either party may terminate the service contract by three months' notice. The term of service of Mr. Li is subject to retirement by rotation at the annual general meetings of the Company at least once every 3 years in accordance with the Articles and the Listing Rules.

Mr. Li is entitled to receive a fixed director's remuneration of RMB1,500,000 per annum and a discretionary bonus, which was recommended by the remuneration committee and determined by the Board as authorized by the Shareholders at the AGM, with reference to his responsibilities, experience and market rate of director's remuneration of listed companies of comparable size of operation.

As at the Latest Practicable Date, Mr. Li is interested in 2,601,886 Shares for the purpose of Part XV of the SFO.

2. Mr. Chen Liangnuan

Mr. Chen Liangnuan (陳量暖), aged 73, has been an independent non-executive director of the Company since 30 May 2022. Mr. Chen was a director of Hainan Fuli Tropical Agriculture Development Limited (海南富力熱帶農業發展有限公司). He has extensive experience in the construction and engineering sector. Mr. Chen graduated from the University of Donghua with a diploma of Textile Engineering in 1977. Mr. Chen is also a holder of a safety production assessment certificate (level-A certificate). Mr. Chen is the deputy general manager of Guangzhou Tianli Construction Co., Ltd., a subsidiary of Guangzhou R&F Properties Co., Ltd. (stock code: 2777) which is listed on the Stock Exchange).

Mr. Chen is an independent non-executive director, a member of the audit committee and a member of the nomination committee of the Group. Save as disclosed above, Mr. Chen does not hold any other position in the Company or its subsidiaries nor any directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

Mr. Chen has been appointed as an independent non-executive Director of the Company for an initial term of 3 years commencing with effect from 30 May 2022. The term of service of Mr. Chen is subject to retirement by rotation at the annual general meetings of the Company at least once every 3 years in accordance with the Articles and the Listing Rules. Mr. Chen is entitled to receive a director's fee of RMB500,000 per annum since 1 June 2022. His remuneration is determined by the Board having regard to his duties and responsibilities.

Save as disclosed above, Mr. Chen does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

3. Ms. Xue Hui

Ms. Xue Hui (薛慧), aged 68, has been an independent non-executive Director of the Company since 22 April 2016. She has extensive experience in the construction and real estate industries. She acquired a certificate of Intermediate Economist in 2003, and served as the department head of the personnel office of Guangzhou Municipal Farm Administration (廣州市農場管理局) from 1974 to 1993, the deputy general manager of Guangzhou Sino Properties Development Company Ltd (廣州信和房地產開發有限公司) from 1994 to 2003 and the general manager of Chongqing R&F Properties Development Company Ltd (重慶富力城地產開發有限公司) from 2003 to 2015.

APPENDIX I INFORMATION ON THE DIRECTORS PROPOSED FOR RE-ELECTION

Ms. Xue is an independent non-executive director, the chairman of the remuneration committee, a member of the nomination committee of the Group. Save as disclosed above, Ms. Xue does not hold any other position in the Company or its subsidiaries nor any directorship in other listed public company in Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

Ms. Xue has renewed her contract with the Company for an initial fixed term of three years with effect from 22 April 2022 and she is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles and the Listing Rules. Under the letter of appointment, Ms. Xue is entitled to a fixed director's fee of RMB500,000 per annum since 1 June 2022. Her remuneration is determined by the Board having regard to her duties and responsibilities.

As at the Latest Practicable Date, Ms. Xue is interested in 3,860,655 Shares for the purpose of Part XV of the SFO, representing approximately 0.05% of the number of issued Shares of the Company.

Save as disclosed above, Ms. Xue does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures (within the meaning of Part XV of the SFO) of the Company as at the Latest Practicable Date.

Save as disclosed above, there are no other matters that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders or the Stock Exchange.

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate to be granted to the Directors.

SHAREHOLDERS' APPROVAL

The Listing Rules provide that all proposed share repurchase by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval of a particular transaction.

Such authority may only continue in force during the period from the passing of the resolution until the earlier of: (i) the conclusion of the next annual general meeting of the company; (ii) the expiry of the period within which the next annual general meeting of the company is required by law to be held; and (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,430,000,000 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 843,000,000 Shares (representing not more than 10% of the number of issued shares of the Company as at the date of passing the resolution to approve the Repurchase Mandate).

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders that they should have a general authority from the Shareholders to enable the Company to repurchase the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the applicable laws and regulations of the Cayman Islands, any repurchase by the Company may be made out of the profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the applicable laws and regulations of the Cayman Islands, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles and subject to the provisions of the applicable laws and regulations of the Cayman Islands, out of capital.

On the basis of the current financial position of the Company as disclosed in its annual results announcement on 25 March 2024 and taking into account the Company's current working capital position, the Directors consider that, if the Repurchase Mandate is exercised in full, it may have a material adverse effect on the Company's working capital and/or gearing position as compared with the position disclosed in this annual results announcement. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their Close Associates, currently intends to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) have notified the Company that he or she has a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, King Lok directly held 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company. King Lok is 100% owned by The Zhang Family Overseas Limited, a discretionary family trust with Mr. Zhang Liang, Johnson as settlor for the benefit of Mr. Zhang Liang, Johnson and his family members, which is 100% owned by TMF (Cayman) Ltd., the trustee of the The Zhang Family Overseas Limited. Accordingly, each of King Lok, The Zhang Family Overseas Limited, TMF (Cayman) Ltd. and Mr. Zhang Liang, Johnson is interested in 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company.

In the event that the Directors should exercise in full the Repurchase Mandate, the effective interests of King Lok in the issued share capital of the Company would be increased to approximately 69.95%, and the effective interests of The Zhang Family Overseas Limited, TMF (Cayman) Ltd. and Mr. Zhang Liang, Johnson in the issued share capital of the Company would be increased to approximately 69.95%. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for King Lok, The Zhang Family Overseas Limited, TMF (Cayman) Ltd. or Mr. Zhang Liang, Johnson to make a mandatory offer. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

The Listing Rules prohibit a company from repurchase of shares on the Stock Exchange if the result of the repurchase would be that the company's public float will fall below 25%. The Directors do not intend to repurchase Shares to such an extent that the public float of the Company will fall below 25%.

SHARE PRICES

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the last twelve months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
March	0.660	0.610
April	0.660	0.620
May	0.670	0.600
June	0.620	0.495
July	0.500	0.435
August	0.500	0.470
September	0.550	0.485
October	0.550	0.470
November	0.580	0.470
December	0.610	0.550
2024		
January	0.650	0.600
February	0.670	0.600
March (up to the Latest Practicable Date)	0.670	0.790

No repurchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Details of the Proposed Amendments are set out below.

Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Memorandum and Articles. If the serial numbering of the clauses of the Existing Memorandum and Articles is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Existing Memorandum and Articles as so amended shall be changed accordingly, including cross-references.

Note: The third amended and restated articles of association of the Company is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

Provisions in the New Memorandum

Clause No. (showing changes to the existing Memorandum)

2. ~~The registered office will be situate at the offices of Appleby Trust (Cayman) Ltd., Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands or at such other place in the Cayman Islands as the Directors may from time to time decide.~~

The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Provisions in the New Articles

Clause No. (showing changes to the existing Articles)

175. (d) The requirement to send to a person referred to in Article 175 (b) the documents referred to in that article or a summary financial report in accordance with Article 175 (c) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 175 (b) and, if applicable, a summary financial report complying with Article 175 (c), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication),

Clause No.	Provisions in the New Articles (showing changes to the existing Articles)
180.	<p data-bbox="445 351 1418 680">(A)(i) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a shareholder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:</p> <p data-bbox="445 734 1418 1106"><u>Any Notice or document (including but not limited to any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Shareholder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:</u></p> <p data-bbox="445 1159 1418 1447">(e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 180(A)(v), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person; or</p> <p data-bbox="445 1500 1418 1876">(f) by publishing it on the Company’s website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice, document or publication is available on the Company’s computer network website (a “notice of availability”); or</p>

Clause No.	Provisions in the New Articles (showing changes to the existing Articles)
	<u>by publishing it on the Company's website to which the relevant person may have access, or the website of the stock exchange in the Relevant Territory subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or implied or deemed consent) from such person; or</u>
180.	(A) (ii) The notice of availability may be given to the shareholder by any of the means set out above other than by posting it on a website.
180.	(A)(iii) <u>(ii)</u> In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
180.	(A)(iv) <u>(iii)</u> Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
180.	(A)(v) <u>(iv)</u> Every shareholder or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.
180.	(A)(vi) <u>(v)</u> Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles 175(b), 172(c) and 180 may be given in the English language only or in both the English language and the Chinese language.

Clause No.	Provisions in the New Articles (showing changes to the existing Articles)
(B)	Any Notice or other document:
(iii)	<p data-bbox="639 436 1418 719">if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;</p> <p data-bbox="639 776 1418 1066"><u>if placed or published on either the Company's website or the website of the stock exchange in the Relevant Territory, shall be deemed to have been given or served on the day on which the notice, document or publication first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or otherwise required by the Listing Rules;</u></p>

NOTICE OF ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Kinetic Development Group Limited (the “**Company**”) will be held at 18/F, 80 Gloucester Road, Wan Chai, Hong Kong on Tuesday, 7 May 2024 at 2:00 p.m. (the “**Annual General Meeting**”) to consider and, if thought fit, to pass the following resolutions as ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2023.
2. To declare a final dividend of HK\$0.05 per share for the year ended 31 December 2023 (the “**Final Dividend**”).
3. To re-elect Mr. Li Bo as an executive director of the Company.
4. To re-elect Mr. Chen Liangnan as an independent non-executive director of the Company.
5. To re-elect Ms. Xue Hui as an independent non-executive director of the Company.
6. To authorise the board of directors to fix the remuneration of the directors of the Company (the “**Directors**”).
7. To re-appoint KPMG as the auditors of the Company and to authorise the board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

and, as additional ordinary business, to consider and, if thought fit, to pass the following resolutions as ordinary resolutions (with or without modification):

8. **“THAT:**

- (a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares or such securities in the capital of the Company, and to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, warrant or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or (iii) the exercise of any options under any share option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or right to acquire shares of the Company; or (iv) the exercise of any rights under the bonds, warrants and debentures convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law or the articles of association of the Company to be held; or
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

9. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Listing Rules or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares to be repurchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law or the articles of association of the Company to be held; or
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

10. **“THAT:**

conditional upon the passing of Resolutions No. 8 and 9 as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors pursuant to Resolution No. 8 as set out in the notice convening this meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Resolution No. 9 asset out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification):

SPECIAL RESOLUTIONS

“11. **THAT** the existing memorandum (the “**Memorandum**”) and articles (the “**Articles**”) of association of the Company be and are hereby amended as follows:

(a) Clause 2 of the Memorandum be deleted in its entirety and replaced with the following:

“2. The Registered Office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.”

(b) Article 175 be amended by adding the following paragraph (d).

“(d) The requirement to send to a person referred to in Article 175 (b) the documents referred to in that article or a summary financial report in accordance with Article 175 (c) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 175 (b) and, if applicable, a summary financial report complying with Article 175 (c), on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication),”

(c) Article 180 (A)(i) be amended by deleting it in its entirety and replacing it with the following:

“Any Notice or document (including but not limited to any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a Shareholder shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:”

NOTICE OF ANNUAL GENERAL MEETING

(d) Article 180(A)(i)(e) be amended by deleting the words “, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person”.

(e) Article 180(A)(i)(f) be amended by deleting it in its entirety and replacing it with the following:

“(f) by publishing it on the Company’s website to which the relevant person may have access, or the website of the stock exchange in the Relevant Territory subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or implied or deemed consent) from such person; or”.

(f) Article 180(A)(ii) be deleted in its entirety and Article 180(A)(iii) to Article 180(A)(vi) be re-numbered accordingly as Article 180(A)(ii) to Article 180(A)(v).

(g) Article 180(B)(iii) be deleted in its entirety and replaced with the following:

“(iii) if placed or published on either the Company’s website or the website of the stock exchange in the Relevant Territory, shall be deemed to have been given or served on the day on which the notice, document or publication first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or otherwise required by the Listing Rules;”.

NOTICE OF ANNUAL GENERAL MEETING

“12. **THAT** the third amended and restated memorandum and articles of association of the Company in the form produced to the meeting, a copy of which has been produced to the meeting marked “A” and signed by the chairman of the annual general meeting for the purpose of identification, which consolidates all the proposed amendments set out in Resolution 11, be approved and adopted in substitution for and to the exclusion of the existing memorandum and articles of association of the Company with immediate effect after the close of the meeting and that any one of the directors or the company secretary of the Company be and is hereby authorised to do all things necessary to implement the adoption of the third amended and restated memorandum and articles of association of the Company.”

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

Hong Kong, 10 April 2024

As at the date of this notice, the Board of the Company comprises seven directors, of whom three are executive Directors, namely Mr. Ju Wenzhong (Chairman), Mr. Li Bo (Chief Executive Officer) and Mr. Ji Kungeng; 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.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Resolution numbered 10 will be proposed to the shareholders for approval provided that ordinary resolutions numbered 8 and 9 are passed by the shareholders.
2. The register of members of the Company will be closed from Tuesday, 14 May 2024 to Friday, 17 May 2024 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to the proposed final dividend. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 13 May 2024.
3. The register of members of the Company will be closed from Thursday, 2 May 2024 to Tuesday, 7 May 2024 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attending and voting at the forthcoming AGM. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 30 April 2024.
4. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
5. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
6. In accordance with Article 108(a) of the Articles, Mr. Li Bo, Mr. Chen Liangnan and Ms. Xue Hui will retire at the AGM, and being eligible, will offer themselves for re-election at the AGM. Particulars of the said Directors for re-election are set out in the Appendix I to this circular.
7. In relation to proposed Resolutions No. 11 and 12 above, details of the proposed amendments to the existing amended and restated memorandum and articles of association of the Company are set out in the Appendix III to the circular of which this notice of the annual general meeting forms part.