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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)

SUPPLEMENTAL ANNOUNCEMENT

CONNECTED TRANSACTION

SUPPLEMENTAL AGREEMENT TO 2022 LOAN AGREEMENT

References are made to the announcement of the Company dated 2 July 2024 in relation to a Supplemental Agreement to the 2022 Loan Agreement, pursuant to which the parties agreed to extend the date of the Loan under the 2022 Loan Agreement, and to increase the interest rate payable to the Lender, an indirect wholly-owned subsidiary of the Company (the “**Announcement**”). Unless otherwise stated, terms defined in the Announcement shall have the same meanings when used in this supplemental announcement.

In relation to the Announcement, the Board would like to provide the further information as follows:

BASIS FOR DETERMINATION OF THE INTEREST RATE

As disclosed in the Announcement, the interest rate payable by the Borrower to the Lender under the Supplemental Agreement is 2.5% above the one year loan prime rate (LPR) in PRC in effect during the term of the Loan, which is higher than the interest rate of 1.5%

above the one year loan prime rate (LPR) in PRC under the 2022 Loan Agreement. This higher interest rate was determined as a result of the negotiation on an arm's length basis between the Lender and the Borrower, taking into account the prevailing commercial lending rate between companies and the Borrower's financial standing such as their assets and cash positions.

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

Hong Kong, 9 July 2024

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.