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n this circular, unless the context otherwise requires, the following terms shall 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;
“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

“EGM”

the extraordinary general meeting to be convened to approve the Share Purchase Agreement, the Share Purchase Supplemental Agreement and the Seedlife Acquisition and the transactions contemplated thereunder;

“Share Purchase Supplemental
Agreement”

a supplemental agreement dated 12 November 2024 to the
Share Purchase Agreement entered into between the
Buyer, Seedland Smart Service and Seedlife in relation to

“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”	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, subsidiary of subsidiarySeedland;



(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1277)

The details of the Original Properties, the 2022 Adjusted Properties and the 2023 Adjusted Properties (excluding the 2024 Terminated Properties) are as follows:

Properties of Vendor 1

Original Properties as agreed on	2022 Adjusted Properties	2023 Adjusted Properties (excluding the 2024 Terminated Properties) as agreed onexcluding
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Properties of Vendor 3

Original Properties

as agreed on

29 April 2022

2022 Adjusted Properties

as agreed on 12 July 2022

2023 Adjusted Properties

(excluding the 2024

Terminated Properties)

as agreed on

6 June 2024

1 unit located in Dong
Bao District* (東寶區),
Jingmen, Hubei Province,
with a building area of
approximately 2,957
square meters held by

Properties of Vendor 4

Original Properties as agreed on 29 April 2022	2022 Adjusted Properties as agreed on 12 July 2022	2023 Adjusted Properties (excluding the 2024 Terminated Properties) as agreed on 6 June 2024	Consideration Paid for 2023 Adjusted Properties (excluding the 2024 Terminated Properties)	Construction Status	Mortgage Status
Not applicable	25 units located in Huoju Development Zone* (火炬開發區), Zhongshan, Guangdong Province, with a building area of approximately				

Properties of Vendor 5

Original Properties as agreed on 29 April 2022	2022 Adjusted Properties as agreed on 12 July 2022	2023 Adjusted Properties (excluding the 2024 Terminated Properties) as agreed on 6 June 2024
Not applicable	2 units located in Huishan District* (惠山區), Wuxi, Jiangsu Province, with a building area of approximately 4,072 square meters currently held by Vendor 5	Not applicable as such properties were terminated for sale pursuant to the Second Supplemental Agreement

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 2023 Adjusted Properties, among which the registrations of the properties with the total consideration of approximately RMB542,184,000 have not yet been completed (the “**Pre-existing Outstanding Paid Amount**”). The details of each Set-off Amount against the Pre-existing Outstanding Paid Amount and each value of the terminated properties against that of the remaining target properties are as follows:

Each of the relevant agreements	Set-off Amount	Balance of the Pre-existing Outstanding Paid Amount (after deducting the Set-off Amount)	Value of the terminated properties ^(Note)	Balance of the value of the remaining target properties (after deducting the value of the terminated properties)
2022 Property Purchase Agreement dated 29 April 2022				

The purpose of this circular is to provide further information in relation to the Share

- (iii) the Closing Cash Payment with an amount which equals the difference between RMB77,230,000 and the Further Cash Payment shall be paid by the Buyer to the Seller on the date of the Closing;

Closing:

- (v) the Buyer has obtained all necessary approvals required for the consummation of the transactions contemplated under the Transaction Documents and have completed all procedures required therefor under the Listing Rules;
- (vi) all corporate and other proceedings in connection with the transactions to be completed at the Closing shall

Pursuant to the Fourth Supplemental Agreement, the scope of the 2024 Further Terminated Properties is set out below:

Properties of Vendor 6

No.	Location	Area	Use	Property Title	
				Certificate No.	Mortgage

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No.	Location	Area		Use	Property Certificate	e76eJ65.le 772.9(No.)-1898eJ6Mortgage
		(Square				
		Meter)Meter)Meter)				

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In selecting the 2024 Further Terminated Properties, the Company has taken into account various factors such as whether the properties are subject to mortgages provided as security in favour of creditors, whether these creditors have initiated legal proceedings against the relevant Vendors, whether these legal proceedings are likely to be resolved within a short period of time, whether the relevant properties are affected by foreclosure or reorganization procedures, and the value of properties.

After taking into consideration of the facts that (i) all of the 2024 Further Terminated Properties are subject to mortgages which have not been discharged given the financial constraints encountered by Vendor 4 and Vendor 6; (ii) the allocated consideration of the 2024 Further Terminated Properties equals the Set-off Amount of Seedlife Acquisition; (iii) Vendor 2 is actively raising funds to complete the construction of the relevant 2023 Adjusted Propertiesercexcludsing t

the Equity Consideration; and (iv) that taking into consideration of the Target Group's unaudited after-tax net profit of RMB39,500,000 for the nine months ended 30 September 2024, which reflects the business performance of the Target Group for the first three quarters of 2024, and

(iv) discussed with the Independent Valuer and obtained their confirmation that they

The Company's Assessment on the Payment Terms

INFORMATION ON SEEDLIFE

Seedlife is a limited liability company incorporated under the Laws of the British Virgin Islands and is held directly by Seedland Smart Service as to 100% since its incorporation. It principally engages in property management services through its subsidiaries in the PRC.

According to the unaudited consolidated management accounts in relation to the Target Group, (i) the unaudited pre-tax net profits and the unaudited post-tax net profits of the Target Group for the year ended 31 December 2022 were RMB43,786,000 and RMB33,074,000 respectively; and (ii) the unaudited pre-tax net profits and the unaudited post-tax net profits of

To follow up on the mortgage status, the finance team of the Company has regularly monitored the financial standing of Vendor 4 and kept abreast of the status of its repayment of debt owed to its creditors, and will regularly discuss with Vendor 4 its plan to discharge the relevant mortgage as soon as possible following the repayment and in any event by 2026. In particular, the Company will closely monitor the sale proceeds to be received by

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 Share Purchase Agreement, the Share Purchase Supplemental Agreement and the Seedlife Acquisition. Rainbow Capital (HK) Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on these matters. The letter from the Independent Board Committee is set out on pages 36 to 37 of this circular and the letter from the Independent Financial Adviser containing

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the entering into of the Share Purchase Agreement, the Share Purchase Supplemental Agreement and the Seedlife Acquisition at the EGM.

Yours faithfully,
Independent Board Committee

Ms. Liu Peilian
Independent
Non-executive Director

MrDirPeilian

Property Purchase Agreement are terminated with effect from the date of the Supplemental Agreement, which effectively replaced the 2022 Property Purchase Agreement.

Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement) were terminated with effect from the date of the Fifth Supplemental Agreement.

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 2023 Adjusted Properties, among which the registrations of the properties with the total consideration of approximately RMB542,184,000 have not yet been completed (i.e. the Pre-existing Outstanding Paid Amount).

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

	FY2022	FY2023	6M2023	6M2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Share of profits of associates	14,538	11,109	1,769	12,015
Finance costs	(49,893)	(101,440)	(37,515)	(43,877)
Profit before taxation	3,634,027	2,440,901	633,361	1,402,076
Income tax expense	(977,712)	(368,178)	(64,286)	(316,909)
Profit attributable to the				
Shareholders	2,664,533	2,077,831	570,236	1,095,281

FY2023 compared to FY2022

Revenue of the Group decreased by approximately 22.9% from approximately RMB6,155.8 million 2023f approximately1,09/F2 .8 .476ion(4.476i3he-54.476

(ii) *Financial position*

	As at 31 December		As at
	2022	2023	30 June
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(unaudited)
Non-current assets, including:	7,880,432	8,780,727	9,219,664
Property, plant and equipment	1,716,365	2,483,678	2,928,013
Intangible assets	3,210,599	3,233,648	3,216,848
Prepayments for proposed acquisitions	2,546,892	2,449,881	2,211,882
Current assets, including:	1,612,209	2,157,187	2,569,233
Financial assets at fair value through profit or loss	190,899	220,592	269,035
Inventories	110,213	115,274	1,565,858
Trade and other receivables	220,136,853	220,136,645	36,216,848

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As at 30 June 2024, non-current assets of the Group amounted to approximately

2. Information on Seedlife

Seedlife is a limited liability company incorporated under the Laws of the British Virgin Islands and is held directly by Seedland Smart Service as to 100% since its incorporation. It principally engages in property management services through its subsidiaries in the PRC.

Set out below is the summary of the unaudited consolidated management accounts of the group companies of Seedlife for the two years ended 31 December 2023:

	FY2022 <i>RMB'000</i> (unaudited)	FY2023 <i>RMB'000</i> (unaudited)
Revenue	239,297	246,614
Profit before taxation	43,786	64,587
Profit after taxation	33,074	48,500
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Taking into account that (i) as advised by the management of the Group, it is difficult to claim a breach of contractual obligations regarding the 2024 Further Terminated

Parties	:	(i) the Company (the Buyer);
		(ii) Seedland Smart Service (the Seller); and
		(iii) Seedlife (the target company)
Assets to be acquired	:	100% equity interests of Seedlife
Consideration	:	The total consideration for the Seedlife Acquisition

Payment terms

: The Equity Consideration shall be paid by the Buyer to the Seller in the following manner:

- (i) the LOI Deposit with an amount of HKD25,000,000 (equivalent to

(vi) the Final Set-Off subject by an amount calculated u

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narrowed by excluding certain properties with a value roughly equalling the amount by which the Set-off Amount shall be adjusted downwards. Kinetic Qinhuangdao will further enter into a supplemental agreement with the 2024 Adjusted Properties Vendors to determine the adjusted scope. The 2024 Adjusted Properties Vendors shall continue to perform its obligations attributable to the properties corresponding to such downward adjustment under the 2022 Property Purchase Agreement (as amended by the Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement).

As the Company will continue to follow up with the 2024 Adjusted Properties Vendors to urge them to perform their contractual obligations under the Fourth Supplemental Agreement and within the adjusted scope resulting from the Profit Shortfall (if applicable), and will consider to negotiate with them on the feasibility to accelerate the registration procedures for the remaining target properties, the Board

the Final Set-Off Amount shall be set off against the equivalent amount in the Pre-existing Outstanding Paid Amount so that the Buyer is not required to pay the majority of the Equity Consideration of RMB230.7 million to Seedland Smart Service at the Closing, we consider that the terms of the Share Purchase Agreement (as amended by the Share Purchase Supplemental Agreement) are on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. Valuation of Seedlife

As disclosed in the Letter from the Board, the Equity Consideration is determined with reference to the valuation of 100% equity interests in the Target Group of RMB423.0 million as at 31 May 2024 as appraised by the Independent Valuer by way of market approach. The full text of the Valuation Report is set out in Appendix I to the Circular, and the Independent Shareholders are recommended to read in full.

In assessing the fairness and reasonableness of the Valuation, we have taken into the following factors:

(i) The qualification and scope of work of the Independent Valuer

We have conducted an interview with the Independent Valuer to enquire to their qualification and experience in valuing similar companies in the PRC and their

the 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 Valuation, and we are of the view that the scope of work of the Independent Valuer is

information of publicly traded comparable companies in the similar industry of

(iii) Analysis of the comparable companies

Seedlife is principally engaged in the provision of property management services

forward P/Es of approximately 10 times. However, they have different levels of total

Company name (stock code)	Principal activities	Principal place of operation
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(iv) Analysis of the valuation adjustments

Marketability is defined as the ability to convert the business interest into cash

Below is the summary of the calculation of the Valuation extracted from the Valuation Report:

		<i>RMB'000</i>
Guaranteed Profit of the Target Group for FY2024	A	52,000
Average forward P/E (times)	B	8.46
100% equity value of Seedlife as at 31 May 2024	C = A x B	439,920
DLOM	D	21.0%
Control premium	E	21.7%
Adjusted 100% equity value of Seedlife as at 31 May 2024	F = C x (1 – D) x (1 + E)	422,952
Valuation		423,000

VALUATION ASSUMPTIONS

In determining the market value of the equity interest in the Target Group, we make the following key assumptions:

- It is assumed that the projected revenue and income will be according to the proposed

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is extracted from the Share Purchase Agreement as follows:

The detailed information of the comparable companies as at the Valuation Date is listed in the following table:

	Twelve months ended 31 December
Stock Code	

Based on the above-mentioned selection criteria, a list of eight comparable companies as shown above was identified and we are of the opinion that each of them is considered as a fair

CONTROL PREMIUM

Control premium is an amount by which the pro rata value of a controlling interest exceeds

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 the Company, the Target Group and Asia-Pacific Consulting and Appraisal Limited.

We do not intend to express any opinion on matters which require legal or other specialized

Each of the above experts has given and has not withdrawn its written consent to the

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1277)

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