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 TO THE THIRD SUPPLEMENTAL AGREEMENT TO THE 2020 LOAN AGREEMENT

Reference is made to the announcement of Kinetic Development Group Limited (the "**Company**") dated 22 December 2025 (the "**Announcement**") in relation to the Third Supplemental Agreement to the 2020 Loan Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement. The Company wishes to provide further information to update the Shareholders and potential investors regarding the historical interest position and certain terms of the Third Supplemental Agreement.

Since the Loan was first granted on 22 June 2020, the total interest accrued under the 2020 Loan Agreement, the Supplemental Agreement and the Second Supplemental Agreement amounted to RMB11,505,000 (the "**Outstanding Interest Accrued**"). As at the date of entering into the Third Supplemental Agreement, the Borrower had not settled the Outstanding Interest Accrued. For clarity, the Outstanding Interest Accrued referred to in the Third Supplemental Agreement covers all unpaid interest arising under the 2020 Loan Agreement, the Supplemental Agreement and the Second Supplemental Agreement up to the date of the Third Supplemental Agreement, and such outstanding interest will be repayable together with the principal amount upon maturity on 31 December 2027.

In considering the extension of the Loan under the Third Supplemental Agreement, the Board has taken into account the Borrower's historical repayment pattern, the financial position of the Group and the commercial rationale of the arrangement. As the Borrower requires additional time for mine construction, the extension of the Loan was negotiated and agreed between the Borrower and the Group on an arm's length basis. Although no interest has been settled to date, the Borrower has maintained communication with the Group and has indicated its intention and ability to settle the Loan and accrued interest by the extended maturity date.

The Loan was funded by the Group's temporarily idle funds and does not affect the Group's working capital or daily operations. Extending the Loan allows the Group to continue earning interest income and provides a good foundation for the Group and the Borrower to seek further business cooperation opportunities. In addition, Mr. Zhang Li, the ultimate beneficial owner of the Borrower, has provided a personal guarantee in favour of the Lender in respect of the repayment obligation of the Loan, the Outstanding Interest Accrued and the interest to be accrued under the Third Supplemental Agreement.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of the Third Supplemental Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Save as disclosed above, all other information in the Announcement remains unchanged.

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

Hong Kong, 12 March 2026

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.