力量发展
KINETIC DEVELOPMENT GROUP

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)

COMPLETION OF SUBSCRIPTION OF SHARES IN MC MINING

Reference is made to the announcements of Kinetic Development Group Limited (the "**Company**") dated 26 August 2024, 13 September 2024, 28 February 2025, 30 October 2025 and 24 February 2026 (the "**Announcements**") in relation to the subscription of shares in MC Mining pursuant to the Share Subscription Agreement (as amended by the Amendment Agreement dated 28 February 2025). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to announce that all conditions precedent to the Second Closing have been fulfilled and that the Subscription has been completed on 22 April 2026 (the "**Completion**"). Upon the Completion, the Group has subscribed for and been allotted an aggregate of 430,911,853 new ordinary shares of MC Mining, representing 51% of its enlarged issued share capital, and MC Mining has accordingly become an indirect non-wholly owned subsidiary of the Company. The total subscription consideration of US$90,000,000 has been fully settled by the Group using its internal resources.

Following the Completion, the board of MC Mining has been reconstituted. As of the date of this announcement, the Company holds 5 out of 9 board seats of MC Mining, thereby assuming the management rights and possessing effective control over the strategic direction and operational management of MC Mining. As an indirect non-wholly owned subsidiary of the Company, the financial results of MC Mining will be consolidated into the Group's consolidated financial statements from the date of the Completion.

INDICATIVE MERGED RESOURCE VOLUME

The total JORC resources (Total Tonnes in Situ) of the mineral rights under MC Mining amount to approximately 8.3 billion tonnes, including the flagship Makhado Project, the Vele Aluwani Colliery, the Uitkomst Colliery, and the Greater Soutpansberg Projects ("**GSP**"). Upon the Completion, the consolidated coal resources of the Group have reached approximately 8.99 billion tonnes.

	The Company's Resources Before Completion *(Note 1)*			MC Mining's Resources *(Note 2)*				
Coal Resources (Million tonnes)	**Dafanpu Coal Mine**	**Yong'an Coal Mine**	**Weiyi Coal Mine**	**Makhado Project**	**GSP** *(Note 3)*	**Uitkomst Colliery**	**Vele Aluwani Colliery**	**Pro Forma Total Resources Post Completion**
Measured	147			368	98	14	132	**759**
Indicated	186	63	38	234	106	3	363	**993**
Inferred	18	161	81	105	6,693	5	175	**7,238**
Total	**351**	**224**	**119**	**707**	**6,897**	**22**	**670**	**8,990**

Notes:

1. *Extracted from the Company's Annual Report for the year ended 31 December 2025.*
2. *Extracted from MC Mining's Consolidated Annual Financial Statements for the year ended 30 June 2025.*
3. *Three exploration and development stage coking and thermal coal projects, namely Chapudi, Generaal and Mopane in the Soutpansberg Coalfield (collectively the GSP).*

MC MINING'S OPERATIONAL OVERVIEW AND FUTURE OUTLOOK

Moving forward, the Group will focus on advancing the operational integration and enhancing overall synergy between MC Mining and the Group. By leveraging the Group's experience and supply chain cost advantages in coal mining sector, the Group will continuously optimize MC Mining's cost structure and enhance its operating performance, and aim to gradually unlock the value of its various coal mine assets and generate sustainable and stable returns for shareholders. The following is an operational overview of MC Mining's four major coal mine projects.

Makhado Project

Makhado Project is the flagship coking coal project of MC Mining. Currently, the coal handling and preparation plant has entered the final stage of engineering, with individual machine testing underway and joint trial runs about to commence. The open-pit mine has fully exposed the coal seams, and all production preparations are in place, with large-scale mining set to begin shortly. In the future, the Group will create a core coking coal production base with high capacity, high efficiency, and high quality by optimizing mining plans, enhancing washing and processing performance, and strengthening cost control throughout the entire process.

Raw Coal of Makhado Project

Coal Handling and Preparation Plant of Makhado Project

GSP

GSP is located in the Limpopo Province in South Africa and possesses high-quality coking coal resources. It covers a total area of approximately 88,000 hectares with a JORC resource of approximately 6.9 billion tonnes and secured mining rights. The project has entered the stage of advanced exploration and pre-feasibility study. In the future, the Group will prioritize the development of core areas, primarily through open-pit mining, and is committed to building a large-scale modern coking coal production base.

Uitkomst Colliery

Uitkomst Colliery has completed its dormancy procedures. The Group is currently conducting process optimization design and various preliminary preparations to increase the mine's production capacity. It is continuously refining technical plans to ensure full readiness for the future restart of the project, rapid resumption of production, and the release of capacity.

Vele Aluwani Colliery

Vele Aluwani Colliery is currently on production halt. Following the full commencement of production at the Makhado project, the Group plans to conduct a feasibility study based on Vele Aluwani Colliery's semi-soft coking coal resource endowment. If found feasible, production can be resumed simply by implementing technical upgrades to the coal handling and preparation plant, which will further diversify the product mix and enhance the Group's overall coking coal output and profitability.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 5 May 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.