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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)

PROFIT WARNING

This announcement is published by Kinetic Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2023, the net profit of the Group for the six months ended 30 June 2023 is expected to decrease by not less than 50% as compared to the six months ended 30 June 2022, which is mainly attributable to (i) a decrease in the coal production volume caused by slower mining progress, resulting from geological fault structure encountered in underground mining; and (ii) a decrease in the coal price resulting from the volatile coal market.

The information contained in this announcement is only based on a preliminary assessment by the Board based on the information currently available, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023. Such information has not been audited by the Company’s auditors, or confirmed or reviewed by the audit committee of the Company. Detailed financial results of the Group for the six months ended 30 June 2023 will be disclosed in the Group’s interim results announcement, which is expected to be published by the end of August 2023.

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

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

Hong Kong, 5 July 2023

As at the date of this announcement, 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 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.