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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)

VOLUNTARY ANNOUNCEMENT

SUBSCRIPTION OF CONVERTIBLE NOTES TO BE ISSUED BY MC MINING

The board of directors (the "**Board**") of Kinetic Development Group Limited (the "**Company**", together with its subsidiaries (the "**Group**") is pleased to announce that on 11 June 2026, the Company entered into the Note Purchase Agreement with MC Mining, an indirect non-wholly owned subsidiary of the Company, which is duly incorporated and validly existing under the laws of Australia and its securities are listed on the JSE and ASX (ASX: MCM). Subject to the terms and conditions set out in the Note Purchase Agreement, the Company has agreed to subscribe and pay for the Convertible Notes to be issued by MC Mining in an aggregate principal amount of US$6,136,000.00 (the "**Funding Commitment**"). The Company may, at its option, elect to convert all (or any portion) of the outstanding principal amount of the Convertible Notes (together with any accrued interest thereon) into new fully paid ordinary shares in the capital of MC Mining on the maturity date, at a fixed conversion price of US$0.2089 per share (subject to customary adjustments for any subdivision, consolidation, bonus issue or rights issue of shares in MC Mining) (the "**Conversion Price**").

NOTE PURCHASE AGREEMENT

The principal terms of the Note Purchase Agreement are described below:

Date:	11 June 2026
Parties:	(i) MC Mining as the issuer; and (ii) the Company as the investor.
Subscription:	The Company has agreed to subscribe for one or more unsecured convertible promissory notes to be issued by MC Mining, each in substantially the form attached to the Note Purchase Agreement (each, a "**Convertible Note**" and collectively, the "**Convertible Notes**"), in an aggregate principal amount of US$6,136,000.00.
Capital call:	MC Mining shall be entitled to call, at any time during the period from and including 11 June 2026 through 30 September 2026 (excluding such date) (unless otherwise extended by the Company in writing), by delivering to the Company one or more utilization request(s), each in substantially the form attached to the Note Purchase Agreement (each, a "**Utilization Request**") at least five (5) Business Days prior to the applicable Closing Date, all or part of the principal amount of the Funding Commitment; provided, that (a) the aggregate amount called shall not exceed the aggregate Funding Commitment; and (b) MC Mining shall include, in each Utilization Request, reasonable information indicating the intended application of the funds requested to be utilized and reference the Cash Flow Forecast, provided that the Company shall exercise its discretion under this section reasonably and in good faith. Subject to satisfaction or waiver of the conditions set forth in the Note Purchase Agreement, upon receipt of a duly completed Utilization Request from MC Mining, the Company shall be obligated to pay such principal amount as requested in the Utilization Request on each applicable Closing Date by wire transfer of immediately available funds to the bank account designated in writing by MC Mining in the Utilization Request.

Use of Proceeds: MC Mining shall, and shall cause each other MC Group Company to, use the proceeds in compliance with all applicable laws and sanctions, and only for business operations and working capital requirements of the MC Group as set out in the Cash Flow Forecast. Notwithstanding anything in the Transaction Documents to the contrary, MC Mining shall, as soon as reasonably practicable upon the request of the Company, deliver to the Company a cash flow forecast and cash expenditure plan (collectively, the "**Cash Flow Forecast**") as reasonably requested by the Company, each in form and substance reasonably satisfactory to the Company.

Conversion: The Company may, at its option, elect to convert all (or any portion) of the outstanding principal amount of the Convertible Notes (together with any accrued interest thereon) into new fully paid ordinary shares in the capital of MC Mining on the maturity date, at a fixed conversion price of US$0.2089 per share (subject to customary adjustments for any subdivision, consolidation, bonus issue or rights issue of shares in MC Mining). Notwithstanding anything in the Note Purchase Agreement or the other Transaction Documents to the contrary, the Company shall only exercise such right of conversion once. Subject to MC Mining having obtained the required shareholders' approval pursuant to the Note Purchase Agreement, such conversion shall take place on the date that is twelve (12) months from the Initial Closing Date (unless otherwise extended in accordance with the terms of the Convertible Notes) provided that the Company shall give MC Mining not less than five (5) Business Days' prior written notice of its intention to exercise its conversion right in accordance with the Convertible Notes.

Closing:

The initial closing of the subscription and issuance of the Convertible Note(s) shall take place remotely via the exchange of documents and signatures as soon as possible, but in no event later than five (5) Business Days after satisfaction or waiver of the conditions set forth in the Note Purchase Agreement (the "**Initial Closing**", and such date, the "**Initial Closing Date**"). Each subsequent closing of the subscription and issuance of the Convertible Note(s) subscribed by the Company shall take place remotely via the exchange of documents and signatures as soon as possible, but in no event later than five (5) Business Days after satisfaction or waiver of the conditions set forth in the Note Purchase Agreement (the "**Subsequent Closing**", and such date, the "**Subsequent Closing Date**"). The Initial Closing and the Subsequent Closings are each referred to as a "**Closing**" or collectively as the "**Closings**", and the Initial Closing Date and the Subsequent Closing Dates are each referred to as a "**Closing Date**" or collectively as the "**Closing Dates**".

Conditions Precedent to the Subscription:

The obligation of the Company to consummate each applicable Closing pursuant to the Note Purchase Agreement is subject to the fulfillment, or waiver by the Company, of the following conditions:

(i) Representations and Warranties True and Correct: The representations and warranties of MC Mining contained in the Note Purchase Agreement shall be true, correct and complete on and as of the date of the Note Purchase Agreement, the date on which such Utilization Request is delivered to the Company, and as of such Closing, except in either case for those representations and warranties that address matters only as of a particular date, which representations shall have been true, correct and complete as of such particular date.

(ii) Performance of Obligations: MC Mining shall have performed and complied with all agreements and obligations contained in Note Purchase Agreement that are required to be performed or complied with by it on or before such Closing.

(iii) Authorizations and Proceedings: Except as otherwise expressly required under the Note Purchase Agreement, all corporate and other proceedings in connection with the transactions to be completed at such Closing and all documents incident thereto, including without limitation the approval of the shareholders and directors of MC Mining, with respect to the Note Purchase Agreement and the other transaction documents and the transactions contemplated thereby, shall have been completed in form and substance reasonably satisfactory to the Company, and the Company shall have received all such counterpart original or other copies of such documents.

(iv) Utilization Request: The Company shall have received a duly completed and executed Utilization Request in accordance with the terms and conditions of the Note Purchase Agreement.

(v) Cash Flow Forecast: The Company shall have received the Cash Flow Forecast and any other documents or materials reasonably requested by the Company, each in form and substance satisfactory to the Company, and MC Mining shall have demonstrated, to the Company's reasonable satisfaction, that the amount, purpose, and the proposed timing for the payment, of the funds being called under the Utilization Request are necessary by reference to the Cash Flow Forecast.

(vi) Voting Intention Statement: MC Mining shall have obtained a voting intention statement duly signed by shareholders representing at least 25% of the issued share capital of MC Mining, indicating their intention to cast the votes attaching to all shares of MC Mining they hold (or are able to vote) in favour of all resolutions put forward by MC Mining at the relevant shareholders' meeting to approve the conversion of the Convertible Notes.

(vii) ASX Announcement: MC Mining shall have lodged an ASX announcement with ASX and JSE on the date of the Note Purchase Agreement.

(viii) Transaction Documents: The Company shall have received all of the Transaction Documents to which it is a party executed by all of the other parties thereto, and MC Mining shall have executed and delivered the Transaction Documents in the same form as those executed and delivered by the Company.

(ix) No Material Adverse Effect: There shall have been no material adverse effect on MC Mining or on the ability of MC Mining to consummate the transactions contemplated under the Note Purchase Agreement as of such Closing.

(x) No Event of Default: With respect to each Subsequent Closing, no event of default under the Convertible Note(s) issued by MC Mining to the Company has occurred or is continuing.

The obligation of MC Mining to consummate each applicable Closing is subject to the fulfillment, or waiver by MC Mining, at or before such Closing of the following conditions:

(i) Representations and Warranties True and Correct: The representations and warranties made by the Company in the Note Purchase Agreement shall be true, correct and complete on and as of the date of the Note Purchase Agreement and as of such Closing.

(ii) Performance of Obligations: The Company shall have performed and complied with all agreements and obligations contained in the Note Purchase Agreement that are required to be performed or complied with by it on or before such Closing.

(iii) Authorizations and Proceedings: The Company shall have obtained, or will obtain prior to such Closing, all approvals, consents, waivers and qualifications on its part necessary to complete the transaction contemplated in the Note Purchase Agreement.

Termination: The Note Purchase Agreement may be terminated (i) prior to the Initial Closing by mutual written consent of MC Mining and the Company, (ii) by MC Mining or the Company if the Initial Closing has not been consummated on or before 30 June 2026; provided, that MC Mining shall not be entitled to terminate the Note Purchase Agreement if the Initial Closing fails to occur for reasons attributable to MC Mining (including any unsatisfied condition under the Note Purchase Agreement).

If the Note Purchase Agreement is terminated pursuant to the provisions above, the Note Purchase Agreement will be of no further force or effect; provided, that no party shall be relieved of any liability for a breach of the Note Purchase Agreement or for any misrepresentation hereunder, nor shall such termination be deemed to constitute a waiver of any available remedy (including specific performance if available) for any such breach or misrepresentation.

CONVERTIBLE NOTES

The principal terms of the Convertible Notes are described below:

Issuer:	MC Mining
Principal Amount:	US$6,136,000.00
Maturity Date:	Each note will mature, and be repayable in full (to the extent not converted in accordance with its terms), on the date that is twelve (12) months from the date funds were first received by MC Mining from the Company.
Interest:	Interest will accrue on the outstanding principal amount of each note at a rate equal to the aggregate of (i) the Reserve Bank of Australia's publicly quoted outstanding business loan rate for medium business, and (ii) a margin of 3.00% per annum, compounded monthly in arrears calculated on a 365-day year (irrespective of whether the year is a leap year).
Security:	The notes are unsecured and rank *pari passu* with all other unsecured indebtedness of MC Mining from time to time.
Conversion:	The Company may, at its option, elect to convert all (or any portion) of the outstanding principal amount of the Convertible Notes (together with any accrued interest thereon) into new fully paid ordinary shares in the capital of MC Mining on the maturity date, at a fixed conversion price of US$0.2089 per share (subject to customary adjustments for any subdivision, consolidation, bonus issue or rights issue of shares in MC Mining). The conversion shares, when issued, will rank *pari passu* with the existing ordinary shares of MC Mining.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF CONVERTIBLE NOTES AND USE OF PROCEEDS BY MC MINING

MC Mining is a company operating in South Africa primarily engaged in steelmaking hard coking coal and thermal coal exploration, development and mining. It has maintained a primary listing on ASX with a secondary listing on the JSE. MC Mining intends to apply the proceeds of the Convertible Notes for its business operations and working capital requirements, in particular the continued construction, commissioning and ramp-up of its Makhado Project. The subscription of the Convertible Notes by the Company represents an opportunity for the Company to strengthen its investment and show its continuous support for the development of the Makhado Project, being a steelmaking hard coking coal project with favourable prospects, operated by MC Mining.

The Directors are of the view that (i) the Note Purchase Agreement and the Convertible Notes are entered into upon normal commercial terms following arm's length negotiations between MC Mining and the Company; (ii) the Conversion Price represents a discount to the recent price of the shares of MC Mining; (iii) the interest payable by MC Mining under the Convertible Notes is not lower than the market interest rate offered by financial institutions; and (iv) the possibility to convert the Convertible Notes to further shares to be issued by MC Mining to the Company upon maturity represents an attractive opportunity for the Company to potentially increase its equity interests in MC Mining. Accordingly, the Directors consider that the subscription of the Convertible Notes (including terms of the Convertible Notes) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

MC Mining, a non-wholly owned subsidiary of the Company, is not a connected person of the Company and its core connected persons (as defined under the Listing Rules), and none of the circumstances set out in Rule 14A.28 of the Listing Rules is applicable to the subscription of the Convertible Notes. Accordingly, the subscription of the Convertible Notes and the transactions contemplated do not constitute a connected transaction to the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the subscription of the Convertible Notes and the transactions contemplated thereunder are less than 5%, the subscription of the Convertible Notes and the transactions contemplated thereunder do not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The subscription of the Convertible Notes by the Company is subject to the satisfaction of the conditions precedent set out in the Note Purchase Agreement and may or may not proceed to completion. Shareholders and potential investors are advised to exercise caution when dealing in the Company's securities.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"ASX"	Australian Securities Exchange
"Business Day"	any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorized by law to be closed in Australia, South Africa, the PRC, Hong Kong, and domicile of the Company's bank
"Director(s)"	the director(s) of the Company
"JSE"	Johannesburg Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"MC Group Company"	means each of MC Mining and its subsidiaries, and "MC Group Companies" or "MC Group" refers to all of the MC Group Companies collectively
"MC Mining"	MC Mining Limited ACN 008 905 388, a company incorporated under the laws of Australia and its securities are listed on the JSE and ASX (ASX: MCM)
"Note Purchase Agreement"	the note purchase agreement dated 11 June 2026 entered into between the Company and MC Mining in relation to the subscription of the Convertible Notes by the Company
"Shareholders"	the shareholders of the Company

"South Africa"	the Republic of South Africa
"Transaction Documents"	means the Note Purchase Agreement, the Convertible Notes and each of the other agreements and documents otherwise required in connection with implementing the transactions contemplated by any of the foregoing
"US$"	United States dollars, the lawful currency of United States

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

Hong Kong, 11 June 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.