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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 SHARES IN MC MINING AND BRIDGE LOAN GRANTED TO 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 13 August 2026, the Company entered into the Share Subscription 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 Share Subscription Agreement, the Company has agreed to subscribe for and purchase, and MC Mining has agreed to issue and sell to the Company (i) 38,295,836 shares (the “**First Closing Shares**”) at a price of US\$0.2089 per Share, subject to such price being adjusted in accordance with the listing rules of ASX to reflect any subdivision, consolidation, bonus issue or rights issue of shares occurring after the date of this Agreement (an “**Adjustment Event**”) for an aggregate subscription price of US\$8,000,000 (together, the “**First Closing Purchase Price**”) at the First Closing; and (ii) 38,295,836 shares (the “**Second Closing Shares**”) at a price of US\$0.2089 per Share, subject to such price being adjusted in accordance with an Adjustment Event, for an aggregate subscription price of US\$8,000,000 (together, the “**Second Closing Purchase Price**”) (together, the “**Investment**”).

In order to provide MC Mining with funds needed for its business operations and working capital requirements in advance of the First Closing, on the same day, the Company entered into the Bridge Loan Agreement with MC Mining, pursuant to which MC Mining has requested the Company, and the Company has agreed, to lend to MC Mining an aggregate sum of US\$8,000,000 (the “**Bridge Loan**”), with all the outstanding amounts of the Bridge

Loan (save for any interest accrued thereon, which is to be paid by MC Mining in cash) to be applied to offset the First Closing Purchase Price payable by MC Mining under the Share Subscription Agreement at the First Closing. At the Second Closing, the Company shall pay the Second Closing Purchase Price to MC Mining in cash, by wire transfer of immediately available funds to the bank account designated in writing by MC Mining.

SHARE SUBSCRIPTION AGREEMENT

The principal terms of the Share Subscription Agreement are described below:

Date: 13 August 2026

Parties:

- (i) MC Mining as the issuer; and
- (ii) the Company as the investor.

Subscription:

- (i) At the First Closing, the Company agrees to subscribe for and purchase, and MC Mining agrees to issue and sell to the Company, the First Closing Shares at a price of US\$0.2089 per Share, subject always to such price being adjusted in accordance with an Adjustment Event, for an aggregate subscription price of US\$8,000,000;
- (ii) At the Second Closing, the Company agrees to subscribe for and purchase, and MC Mining agrees to issue and sell to the Company, the Second Closing Shares at a price of US\$0.2089 per Share, subject to such price being adjusted in accordance with an Adjustment Event, for an aggregate subscription price of US\$8,000,000.

Satisfaction of the Subscription Amount:

- (i) At the First Closing, the obligation of the Company to pay the First Closing Purchase Price to MC Mining shall be satisfied and discharged in full by way of set-off against the outstanding principal amount of the Bridge Loan, in accordance with the terms of the Bridge Loan Agreement, and no cash payment shall be required from the Company in respect of the First Closing. Accrued interest on the Bridge Loan up to the First Closing shall be paid in cash by MC Mining to the Company at the First Closing in accordance with the Bridge Loan Agreement, and shall not form part of, or be applied against, the First Closing Purchase Price;

- (ii) At the Second Closing, the Company shall pay the Second Closing Purchase Price to MC Mining in cash, by wire transfer of immediately available funds to the bank account designated in writing by MC Mining.

Closing:

- (i) The Company may designate its wholly owned subsidiary (the “**KDG Designee**”, which may be Kinetic Crest Limited, a BVI business company incorporated in the British Virgin Islands, or otherwise) to hold the First Closing Shares and/or the Second Closing Shares, provided that the Company shall have notified MC Mining in writing of the name of such KDG Designee at least three (3) Business Days prior to the proposed date of the relevant Closing;
- (ii) Subject to all closing conditions specified in the Share Subscription Agreement having been waived or satisfied (other than those conditions to be satisfied at the First Closing, but subject to the satisfaction or waiver thereof at the First Closing), the consummation of the issuance of the First Closing Shares (the “**First Closing**”, and such date, the “**First Closing Date**”) shall take place remotely via the exchange of documents and signatures as soon as practicable, but in no event later than three (3) Business Days after satisfaction or waiver of the closing conditions referred to above, or at such other time and place as MC Mining and the Company shall mutually agree in writing. At the First Closing, MC Mining shall issue the First Closing Shares to the Company (or the KDG Designee, as applicable) and enter the name of the Company (or the KDG Designee) in the register of members of MC Mining as the registered holder of the First Closing Shares;

- (iii) The consummation of the issuance of the Second Closing Shares (the “**Second Closing**”, and such date, the “**Second Closing Date**”) shall take place remotely via the exchange of documents and signatures as soon as practicable, but in no event later than five (5) Business Days after all closing conditions specified in the Share Subscription Agreement have been waived or satisfied (other than those conditions to be satisfied at the Second Closing, but subject to the satisfaction or waiver thereof at the Second Closing), or at such other time and place as MC Mining and the Company shall mutually agree in writing. At the Second Closing, MC Mining shall issue the Second Closing Shares to the Company (or the KDG Designee, as applicable) and enter the name of the Company (or the KDG Designee) in the register of members of MC Mining as the registered holder of the Second Closing Shares. The First Closing and the Second Closing are each referred to as a “Closing” or collectively as the “Closings”, and the First Closing Date and the Second Closing Date 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 Share Subscription 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 Share Subscription Agreement shall be true, correct and complete on and as of the date hereof 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 agreements and obligations contained in the Share Subscription Agreement and the other Transaction Documents that are required to be performed or complied with by it on or before such Closing in all material aspects.

- (iii) Shareholders' Approval. The shareholders' approval of MC Mining under the Share Subscription Agreement shall have been duly obtained in accordance with item 7 of section 611 of the Corporations Act and be in full force and effect, and evidence thereof shall have been delivered to the Company.
- (iv) Authorizations and Proceedings. Except as otherwise expressly required under the Share Subscription Agreement which shall have been satisfied in accordance with the terms and conditions set out in the Share Subscription 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 Share Subscription 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.
- (v) Cash Flow Forecast (as defined below). The Company shall have received the applicable 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 used are necessary by reference to the applicable Cash Flow Forecast.
- (vi) 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.
- (vii) 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 Share Subscription Agreement as of such Closing.

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 Share Subscription Agreement shall be true, correct and complete on and as of the date hereof and as of such Closing.
- (ii) Performance of Obligations. The Company shall have performed and complied with all agreements and obligations contained in the Share Subscription 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 thereby.

Besides, the First Closing is subject to the fulfillment of the following additional conditions:

- (i) ASX Announcement. MC Mining shall have lodged an ASX announcement (in the form agreed between the parties prior to the signing of the Share Subscription Agreement) with ASX and JSE on the date of the Share Subscription Agreement.
- (ii) No Event of Default. No event of default as defined under the Bridge Loan Agreement has occurred or is continuing.

The Second Closing is subject to the fulfillment of the following additional conditions:

- (i) The Makhado Project shall have commenced production.

- (ii) The Company shall be satisfied, in its reasonable opinion, with (a) MC Mining's operating performance and overall operational status; (b) the progress and status of MC Mining's construction and engineering activities; (c) the application and use of the proceeds under the First Closing; and (d) MC Mining's updated business plan and the updated Cash Flow Forecast.
- (iii) Any other conditions that the Company may deem relevant and necessary.

Use of Proceeds:

The proceeds under the Bridge Loan and the Second Closing Purchase Price shall only be used for business operations and working capital requirements of MC Mining and its subsidiaries as set out in the Cash Flow Forecast. MC Mining shall, as soon as reasonably practicable (i) after the date hereof, for purpose of the Bridge Loan, and (ii) before using up all the proceeds under the Bridge Loan by MC Mining and its subsidiaries, for purpose of the Second Closing, deliver to the Company a cash flow forecast and cash expenditure plan (collectively, the "**Cash Flow Forecast**"), each in form and substance reasonably satisfactory to the Company.

Termination:

- (i) The Share Subscription Agreement may be terminated (a) prior to the First Closing by mutual written consent of MC Mining and the Company, (b) by MC Mining or the Company if the Bridge Loan has not been advanced to MC Mining on or before 16 August 2026 or the First Closing has not been consummated on or before the expiry date of the term as defined in the Bridge Loan Agreement; provided, that MC Mining shall not be entitled to terminate the Share Subscription Agreement if the drawdown of the Bridge Loan fails to occur for reasons attributable to MC Mining (including any unsatisfied condition under Bridge Loan Agreement) or the First Closing fails to occur for reasons attributable to MC Mining (including any unsatisfied condition under the Share Subscription Agreement);

- (ii) If the Share Subscription Agreement is terminated pursuant to the provision above, the Share Subscription Agreement will be of no further force or effect; provided, that no party shall be relieved of any liability for a breach of the Share Subscription Agreement or for any misrepresentation thereunder, 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.

BRIDGE LOAN AGREEMENT

The principal terms of the Bridge Loan Agreement are described below:

Date:	13 August 2026
Parties:	(i) MC Mining as the borrower; and (ii) the Company as the lender.
Bridge Loan:	A loan in the amount of US\$8,000,000.
Drawdown Date:	Within five (5) business days of the date on which the conditions precedent under the Bridge Loan Agreement (as set out below) are satisfied or waived. It is currently expected that the draw down will take place on or around 14 August 2026.
Interest:	The aggregate of (i) the Australian Reserve Bank Rate and (ii) the Margin, compounded monthly in arrears on a 365-day basis. The “Australian Reserve Bank Rate” means the publicly quoted outstanding business loan rate for medium business as published by the Reserve Bank of Australia from time to time, being a nominal annual rate compounded monthly in arrears calculated on a 365 day year (irrespective of whether the year is a leap year); and “Margin” means a rate of 3.00 per cent.
Maturity of the Loan:	Three (3) months from the Drawdown Date, as may be extended by the Company at its sole discretion.
Prepayment:	At the First Closing, all outstanding amount of the Bridge Loan shall be applied to offset the obligations of the Company to pay the First Closing Purchase Price to MC Mining pursuant to the Share Subscription Agreement. Interest accrued up to the date of the First Closing shall be paid in cash to the Company at the First Closing.

Conditions Precedent: The obligation of the Company to advance the Bridge Loan pursuant to the Bridge Loan Agreement is subject to the fulfillment, or waiver by the Company, of the following conditions precedent in form and substance reasonably satisfactory to the Company:

- (i) MC Mining having obtained and delivered to the Company a duly executed Voting Intention Statement on or before the Drawdown Date; and
- (ii) MC Mining having completed all corporate and other proceedings in connection with the Bridge Loan and all documents incident thereto, including without limitation the approval of the board of directors of MC Mining, with respect to Bridge Loan Agreement and the transactions contemplated thereby, and the Company having received all such counterpart original or other copies of such documents.

As at the date of this announcement, the above conditions precedent have already been satisfied.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF SHARES IN 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 under the Bridge Loan and the Second Closing Purchase Price for its business operations and working capital requirements, in particular the continued construction, production ramp-up and capacity expansion of its Makhado Project. The subscription of shares in MC Mining 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 leading steelmaking hard coking coal project with favourable prospects, operated by MC Mining.

The Directors are of the view that (i) the Share Subscription Agreement and the Bridge Loan Agreement are entered into upon normal commercial terms following arm's length negotiations between MC Mining and the Company; (ii) the interest payable by MC Mining under the Bridge Loan Agreement is not lower than the market interest rate offered by financial institutions; and (iii) the subscription of shares in MC Mining by the Company represents an attractive opportunity for the Company to strengthen its investment position. Accordingly, the Directors consider that the subscription of shares in MC Mining (including terms of the Bridge Loan Agreement) is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

MC Mining, an indirect 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 shares in MC Mining. Accordingly, the subscription of shares in MC Mining and the Bridge Loan do not constitute a connected transaction to the Company under Chapter 14A of the Listing Rules.

As the subscription of shares in MC Mining is proposed to be made by the Group within a 12-month period after the subscription of the Convertible Notes (together, the “**Relevant Transactions**”), and the Relevant Transactions are both considered investments in MC Mining, the Relevant Transactions shall be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the Relevant Transactions, on an aggregate basis, are less than 5%, the Share Subscription Agreement, the Bridge Loan Agreement and the transactions contemplated thereunder do not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The subscription of shares in MC Mining is subject to the satisfaction of the conditions precedent set out in the Share Subscription Agreement and the Bridge Loan 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
“Bridge Loan Agreement”	the loan agreement dated 13 August 2026 entered into between the Company and MC Mining in relation to a loan in the amount of US\$8,000,000 granted by the Company to MC Mining
“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
“Material Adverse Effect”	means any (i) event, occurrence, fact, condition, change or development that has had, has, or could reasonably be expected to have, individually or together with other events, occurrences, facts, conditions, changes or developments, a material adverse effect on the business, properties, assets, employees, operations, results of operations, condition (financial or otherwise), prospects, assets or liabilities of the MC Mining Group taken as a whole, (ii) material impairment of the ability of any party (other than the Company) to perform the material obligations of such party under any Transaction Documents, or (iii) material impairment of the validity or enforceability of the Share Subscription Agreement or any other Transaction Document against any party thereto (other than the Company)
“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)
“MC Mining Group”	means each of MC Mining and its Subsidiaries
“Share Subscription Agreement”	the share subscription agreement dated 13 August 2026 entered into between the Company and MC Mining in relation to the subscription of the First Closing Shares and the Second Closing Shares by the Company
“Shareholders”	the shareholders of the Company
“South Africa”	the Republic of South Africa
“Transaction Documents”	means the Share Subscription Agreement, the Bridge Loan Agreement and the Voting Intention Statement
“US\$”	United States dollars, the lawful currency of United States

“Voting Intention Statement” means a voting intention statement addressed to MC Mining and duly executed by the shareholders of MC Mining holding, in aggregate, not less than 25% of the issued share capital of MC Mining, pursuant to which such shareholders shall indicate their intention to cast the votes attaching to all shares of MC Mining held or able to be voted by them in favour of all resolutions to be proposed at the shareholders’ meeting of MC Mining to approve the Investment

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

Hong Kong, 13 August 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.