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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

UPDATE ON THE PROGRESS OF THE RUTILE PROJECT IN SIERRA LEONE

Reference is made to the announcement of Kinetic Development Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 28 December 2025 regarding the cooperation agreement in relation to the Rutile Project in Sierra Leone (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

On 23 December 2025, Kinetic Development Metal Mining (SL) Limited, an indirect wholly-owned subsidiary of the Company incorporated in Sierra Leone (“**Metal Mining**”), entered into a cooperation agreement with Minenet Company Limited (“**Minenet**”) to jointly develop the Rutile Project located in Rotifunk, Sierra Leone (the “**Rutile Project**”). The first phase construction investment of approximately US\$18 million is funded by the Group’s internal resources and part of the proceeds from the placing of new shares of the Company as disclosed in the announcement of the Company dated 3 June 2026.

UPDATE ON THE RUTILE PROJECT

The Board is pleased to announce that the Rutile Project has officially commenced production on 1 October 2026. The status and detailed progress of the Rutile Project are set out below:

Resource status

The Rutile Project is located in Rotifunk, Moyamba District, Sierra Leone. The mining licence held by Minenet covers an area of approximately 117 square kilometres. According to the information provided by Minenet, the Rutile Project area has approximately 4,532,000 tonnes of reserves. The Group has exclusive rights to explore, mine, process and sell within the 50-square-kilometre area designated under the mining licence.

Commencement of operations

The first production line of the first phase has completed construction and commissioning and officially commenced production on 1 October 2026. The second production line is expected to complete construction by mid-October 2026, while the third production line is expected to complete construction by early November 2026.

Production plan

The first phase contains three production lines, with a combined annual run-of-mine ore processing capacity of approximately 6,000,000 tonnes and an annual production capacity of approximately 220,000 tonnes of heavy mineral sands, based on the ore grades and recovery rates. The production volume for 2026 is expected to be approximately 26,000 tonnes. Subject to the stable operation of the first phase and confirmation that sufficient resources are available, two additional production lines will be added within 12 months under the second phase, bringing the total number of production lines to five. Upon full operation, the combined annual run-of-mine ore processing capacity will reach approximately 11,000,000 tonnes, with an annual production capacity of approximately 330,000 to 360,000 tonnes of heavy mineral sands.

Sales plan

All mineral products will be allocated between Metal Mining and Minenet in the proportions of 80% and 20%, respectively, with each party being responsible for its own sales. The heavy mineral sands produced by the Rutile Project are rich in valuable minerals, including, among others, rutile, titanium concentrates and zircon sand. Customer base covers downstream and midstream zirconium and titanium processing plants, processing enterprises for chloride-process titanium dioxide, sponge titanium, titanium alloys, high-end welding materials and zirconium products along the industry chain. The sales channels to the PRC market have been established, with customer resources covering Guangdong, Guangxi, Hainan, Shandong, Jiangsu and Liaoning, among other regions. The sales channels will initially focus on supplying zirconium and titanium processing.

Product pricing

Products from the Rutile Project will be priced with reference to price information for rutile, titanium concentrates and zircon sand provided by industry think tanks, adopting a market-based pricing mechanism linked to product grades and specifications. The final selling price will be determined with reference to factors including product grade, impurity indicators, order size and payment terms.

Products and quality

The heavy mineral sands produced by the Rutile Project are of high grade and contain 30%–45% rutile (with a titanium dioxide content of 95%). They are key raw materials for the production of titanium dioxide and aerospace-grade sponge titanium and are considered a scarce mineral resource in China.



Official Commencement of Operations of the First Production Line of the Rutile Project



Overall Layout of the Rutile Project

FUTURE OUTLOOK

In terms of production, following the commencement of production of the three production lines in the first phase, the Rutile Project is expected to reach its designed beneficiation capacity of 220,000 tonnes of heavy mineral sands by December 2026. Upon the stable operation of the first phase, the Group will commence the construction and commissioning of the two additional production lines in the second phase.

In terms of sales, the heavy mineral sands products of the Rutile Project will initially primarily target the Chinese market. Going forward, the Company will promote its products globally according to market conditions, continuously diversify its customer base, and further enhance the competitiveness of its products in international market and expand its sales scale.

The official commencement of production of the Rutile Project marks a further diversification of the Group's overseas mining portfolio, with its high-quality overseas production capacity entering a new cycle of accelerated value unlocking. Going forward, the Group will leverage its extensive experience in mining operations and, through optimising mining and beneficiation plans and strengthening cost control throughout the entire process, the Rutile Project is expected to become a new driver of revenue growth for the Group upon reaching full production.

The information contained in this announcement is for illustrative and general information purposes only and is based on information currently available to the management of the Company. It does not constitute, nor should it be regarded as, any forecast, projection or estimate of the Group's revenue, profit or future financial performance.

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

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

Hong Kong, 6 October 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.