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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
YONG'AN COAL MINE AND WEIYI COAL MINE

Reference is made to the announcements of Kinetic Development Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**") dated 11 November 2024 and 18 March 2026 in relation to the operation of the Yong'an Coal Mine and the Weiyi Coal Mine (the "**Announcements**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

THE YONG'AN COAL MINE

The Yong'an Coal Mine is located in the Ningxia Hui Autonomous Region, with total coal resources of approximately 224 million tonnes. The main coal types include fat coal, 1/3 coking coal and hard coking coal. The clean coal produced through the washing process is high-quality coking coal characterized by low ash content and high caking properties, and can be used as coal for coking, coking coal blending, power generation coal and coal liquefaction.

The Yong'an Coal Mine is an underground coal mine adopting a combined inclined shaft and vertical shaft development method, with a designed production capacity of 1.20 million tonnes per annum. The Yong'an Coal Mine is designed to adopt simultaneous production under the "two areas and two faces" model, namely that one fully mechanized mining face in each of the upper and lower coal seams will operate simultaneously to achieve the designed production capacity. The Yong'an Coal Mine is equipped with a large coking coal processing plant with an annual processing capacity of 2.40 million tonnes to support the production and operation of the Yong'an Coal Mine and the Weiyi Coal Mine.

The latest updates of the Yong'an Coal Mine are as follows:

Operational Start-Up: Currently, the Yong'an Coal Mine has obtained an extension of the joint trial operations period and resumed production. It is expected that the mine will complete the mine completion acceptance inspection and obtain the safety production permit in the first half of 2027, upon which it will transform from the construction stage to the formal production stage.

Production Plan: Upon commencement of formal production, it is planned that one fully mechanized mining face in each of the upper and lower coal seams will operate simultaneously, reaching the designed production capacity of 1.20 million tonnes per annum.



Panorama of the Yong'an Coal Mine

THE WEIYI COAL MINE

The Weiyi Coal Mine is located in the Ningxia Hui Autonomous Region, with coal resources of approximately 119 million tonnes. The main coal types include fat coal, 1/3 coking coal and hard coking coal. With superior coal quality characterized by exceptionally low ash and sulphur content in the washed clean coal, it serves as high-quality coking coal and can also be used as raw material coal for the chemical industry and thermal coal. The Weiyi Coal Mine initially produced hard coking coal, and with the change in mining depth and coal seams, the coal types shifted to 1/3 coking coal and fat coal.

The Weiyi Coal Mine is an underground coal mine developed by way of inclined shafts, with a designed production capacity of 900,000 tonnes per annum. The design contemplates the commencement of production with one fully mechanized mining face on one wing of the initial mining district, followed by simultaneous production from one fully mechanized mining face on each of the two wings of the mining district in the later stage to reach the designed production capacity.

The latest updates of the Weiyi Coal Mine are as follows:

Construction and Operation Plan: Various mine construction works of the Weiyi Coal Mine are progressing smoothly. It is expected that the construction for the first fully mechanized mining face will be completed and the mine construction will be completed in the first half of 2027, upon which the mine will enter the joint trial operations stage. In the first half of 2028, the mine will complete the mine completion acceptance inspection and obtain the safety production permit, transitioning the Weiyi Coal Mine from the construction stage to the formal production stage. It is expected that the second fully mechanized mining face will be completed and put into operation in the first half of 2028, enabling the mine to operate simultaneously with two fully mechanized mining faces and reach the designed production capacity of 900,000 tonnes per annum in the future.

FUTURE OUTLOOK

Regarding production, the Yong'an Coal Mine is expected to officially commence production in the first half of 2027 and reach full production capacity in 2028. The mine construction works of the Weiyi Coal Mine are expected to be completed in the first half of 2027, upon which the mine will enter the joint trial operations stage and is subsequently expected to officially commence production in the first half of 2028 and reach full production capacity in 2029.

In terms of sales, the customers of the Yong'an Coal Mine and the Weiyi Coal Mine mainly include domestic enterprises engaged in coking, steel, coal chemical industry and power generation.

With the future commencement of formal production at the Yong'an Coal Mine and the Weiyi Coal Mine, the Group's overall production capacity will be further enhanced, which will continue to drive performance growth. The Group will continue to adhere to the principles of safe production and sustainable development, promote the steady development of its business and bring benefits to the shareholders of the Company.

The above information is provided for illustrative purposes only and does not constitute any forecast or estimate of the Group's revenue or profit.

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, 4 November 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.