**Kinetic Development Announces 2022 Annual Results**

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**Revenue increased by 10.3% YoY to RMB6.16 billion,**

**and dividends per share were HK7.0 cents.**

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| **2022 Annual Results Financial Highlights:*** Revenue increased by 10.3% to RMB6,155.8 million
* Gross profit increased by 11.6% to RMB4,023.5 million; gross margin was 65.4%
* Net profit increased by 7.9% to RMB2,664.5 million, net margin was 43.2%
* Basic earnings per share amounted to RMB31.61 cents
* Proposed Final Dividend per share amounted to HK7.0 cents
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(31 March 2023, Hong Kong) Kinetic Development Group Limited (“Kinetic Development”, together with its subsidiaries, the “Group”; stock code: 1277), a leading integrated coal enterprise in China, is pleased to announce its annual results for the year ended 31 December 2022.

In 2022, China effectively coordinated epidemic prevention and control and economic and social development, increased macro-control efforts, and effectively responded to the impact of unexpected factors. The macroeconomic market was generally stable, and high-quality development achieved new results. As the global energy crisis intensifies, coal prices rise. During the reporting period, domestic coal prices as a whole showed a trend of "shooting high and then fluctuating at high levels". Coastal coal prices generally ran at high levels, with the center of gravity shifting significantly higher than in previous years and hitting a record high. The high coal price has promoted the overall profit growth of the industry, the overall profit growth momentum of coal enterprises has continued, and the industry has maintained a high degree of prosperity.

As China's leading integrated coal enterprise, the Group's business runs through the entire coal industry chain, covering coal production, washing, loading, transportation and trade. By leveraging its own resource advantages to scientifically analyze market trends, open up new shipping channels, and implement refined management, the company has achieved steady growth in performance. During the reporting period, the group recorded total revenue of RMB6,155.8 million, an increase of 10.3% over the same period last year; the profit attributable to shareholders of the company increased by 7.9% over the same period to RMB 2,664.5 million; the group's gross profit margin was 65.4%, maintaining a high level in the industry; earnings per share recorded RMB31.61 cents. The board of directors recommended paying a final dividend of HK7.0 cents per share to the company's shareholders, a year-on-year increase of 7.7%.

In 2022, coal prices remained high. The Group studied and estimated the market trends in a scientific way, flexibly adjusted the delivery pace when appropriate to make delivery decisively at high prices and maximize sales profits. In 2022, the average selling price per tonne of the Group’s 5,000 kcal low-sulfur environmentally friendly thermal coal amounted to approximately RMB1,002.6, representing a year-on-year increase of approximately 23.3%. In 2022, the Group took full advantage of its own low-sulfur and high-quality thermal coal brand products “Kinetic 2” and captured the growth opportunity of the industry. At the same time, in addition to the Xiaojia Station, the Group has opened up a new shipping channel from Datong, the starting point of the Daqin Railway, further improving its shipping capacity. In 2022, the Group exceeded its annual sales volume and sales targets. In 2022, the Group continued to implement refined management, formulated and improved various systems in various operation links, and strived to control various production and management costs. The gross profit margin maintained an above-average standard in the industry.

In terms of strategic mergers and acquisitions, the Ningxia coal mine merger and acquisition project achieved a major breakthrough. The Group completed the acquisition of Ningxia Lili Mining Co., Ltd. (formerly known as "Ningxia Sunshine Mining Co., Ltd.") during the year, marking the Group becoming the sole developer and operator of the Yong'an and Weiyi coal mines located in the Ningxia Hui Autonomous Region. The two mines are currently in the construction stage and are expected to be put into production in the first half of 2025 and reach full production by 2027. Through this acquisition, the group is able to develop its coking coal business and break through the limitations of operating a single coal mine and a single type of coal. It will effectively increase its performance in the future, and its overall business development is expected to reach a new level.

The Group has always adhered to the concept of safe production. The Group’s Dafanpu Coal Mine in Inner Mongolia has maintained the honour of “Class A Coal Mine” in Zhunge’er Banner for eight consecutive years, and has been rated as “Coal Industry Premium Safe and Efficient Mine” by the China National Coal Association since 2014. It was awarded the title of “Outstanding Unit for Safe Production” by the Energy Bureau of Zhunge’er Banner in April 2022. The Group attaches great importance to green and sustainable development. The Dafanpu

Coal Mine has successfully passed the national green mine improvement acceptance, and

continued to maintain the national green mine honor. It was rated as a representative

demonstration point of green mine creation by the Zhunge’er Natural Resources Bureau. In

recent years, the Group has successfully established an ecological industrial chain integrating agricultural product planting, fruit wine production and livestock breeding in the mine reclamation area, making it the reclamation and management representative benchmark in the Ordos mining area. On the basis of the steady growth of the principal business of coal, the Group will carry out the ancillary business of agriculture and animal husbandry to seek more profit returns for shareholders.

Mr. Ju Wenzhong, Chairman and Executive Director of Kinetic Development, said, “Looking forward to 2023, the Group will continue to implement the development philosophy of paying equal attention to safety and efficiency, thoroughly implement refined operation strategies, strictly control coal quality from source to sales terminal, continue to optimize diversified sales models, flexibly adjust sales rhythm and strategies, and continue to Improve the group's operating efficiency. In 2023, the Group will accelerate strategic mergers and acquisitions, optimize its product portfolio with multiple coal types, expand diversified subsidiary businesses, further increase profit growth opportunities and reward shareholders with excellent results.”

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**About Kinetic Development Group Limited**

Kinetic Development Group Limited is a leading integrated coal enterprise in China covering

in coal production, washing, loading, transportation and coal trading. Well-established

business segments throughout the industry chain can optimize the Group’s profit. In

addition, thanks to the Group’s large capital investment in the previous years, its “Dafanpu”

is built as one of best coal mine in terms of safety and efficiency in China. This ensures the

Group’s production costs per tonne maintained at the lowest industry level. By leveraging

the competitive edge of low cost and industry chain owned by the Group, Kinetic Mines is

able to maintain a strong cash flow and profit in current coal market.