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Kinetic Development Group Limited

力量發展集團有限公司

(A limited company incorporated in the Cayman Islands)

（Stock Code: 1277.HK）

Kinetic Development Announces 2026 Interim Results

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Net Profit Up 35.6% Year-on-Year to RMB757 Million;
Interim Dividend of HK6.0 Cents Per Share

Summary of 2026 Interim Results:

- Total revenue amounted to approximately RMB2,521 million, representing a slight increase of 0.4% year-on-year;
- Gross profit was approximately RMB1,325 million, up 12.6% year-on-year, with a gross profit margin of 52.6%;
- Net profit was approximately RMB757 million, up 35.6% year-on-year, with a net profit margin of 30.0%;
- **Coal mining segment:** Revenue was approximately RMB2,227 million, accounting for 88.4% of total revenue; profit before tax was approximately RMB1,202 million, up 29.4% year-on-year;
- Basic earnings per share was RMB9.11 cents; diluted earnings per share was RMB8.99 cents;
- Interim dividend per share was HK 6.0 cents.

(Hong Kong, 24 August 2026) Kinetic Development Group Limited ("Kinetic Development" or the "Company", together with its subsidiaries, the "Group"; Stock Code: 1277.HK), a leading and efficient integrated coal enterprise in China, announced its unaudited interim results for the six-month ended 30 June 2026 (the "Reporting Period").

During the Reporting Period, the Group's total revenue edged up 0.4% year-on-year to RMB2,520.6 million. Net profit surged 35.6% year-on-year to RMB756.7 million. Gross profit margin was 52.6%, expanding by 5.7 percentage points year-on-year. Net profit margin reached 30.0%, rising by 7.8 percentage points year-on-year and maintaining an industry-leading level.

Basic earnings per share were recorded at RMB9.11 cents and diluted earnings per share at RMB8.99 cents. The Board of Directors has declared an interim dividend of HK6.0 cents per share for shareholders of the Company.

In the first half of 2026, China's raw coal output contracted amid tightening work-safety regulations and the slow resumption of coal mine production following the mining accident in Shanxi Province. Overall demand grew moderately, lifting the benchmark level of coal prices. The Group accurately assessed market conditions and flexibly adjusted sales volume in response to market fluctuations to maximise comprehensive sales proceeds. The average selling price of "Kinetic2", the Group's 5,000-kcal low-sulphur environmental-friendly thermal coal product, stood at approximately RMB694.0 per tonne, representing a year-on-year increase of around 17.6%, with its brand influence continuing to expand. Affected by market conditions and sales strategies in the period, sales volume of this product declined by approximately 10.3% year-on-year, yet maintained robust profitability. Revenue generated from coal-mining operations totalled approximately RMB2,227.1 million, accounting for 88.4% of the Group's total revenue; profit before tax came to approximately RMB1,201.7 million, growing 29.4% year-on-year.

On cost control, the Group continued to implement refined management strategies across all business segments to rein in administrative expenses and operating costs, driving sustained improvement in profitability. For the Reporting Period, the Group posted a gross profit margin of 52.6% and a net profit margin of 30.0%, with key profitability indicators ranking high among industry peers.

The Group puts work safety as top priority. It has continuously consolidated its safety management foundation through regular meetings of the Work Safety Committee, systematic training programmes and regular hazard inspection and rectification. The Group also embraces green and sustainable development philosophy. The Dafanpu Coal Mine in Inner Mongolia has retained its title of national-level Green Mine for years on end. Kinetic Coal has successively been awarded "Advanced Enterprise for Green Mine Development of Jungar Banner (2023)" and "Advanced Enterprise for Green Mine Development of Ordos City", which fully demonstrates the Group's comprehensive competence and industry recognition in sustainable mining development.

Notably, the Group has secured key progress in domestic and overseas resource deployment, further consolidating its development foundation. Domestically, the Yong'an Coal Mine in Ningxia is scheduled to commence production in the first half of 2027 with a designed annual production capacity of 1.2 million tonnes. The Weiyi Coal Mine, also located in Ningxia, is still under construction. It is planned to commence production in the second half of 2027 and reach full capacity in 2028, with a designed annual capacity of 0.9

million tonnes. The Yong'an Coal Mine is equipped with a large coking-coal preparation plant with an annual processing capacity of 2.4 million tonnes. Upon commissioning of the Yong'an Coal Mine and the Weiyi Coal Mine, the Group will achieve higher overall production capacity, optimise product mix and fuel earnings growth.

Overseas, the Group completed its subscription for a 51% equity interests in MC Mining Limited ("MC Mining") in April 2026, making MC Mining an indirect non-wholly-owned subsidiary of the Group. In June and August 2026 respectively, the Group subscribed for convertible notes issued by MC Mining and announced further capital increase and share expansion to create upside for equity holdings. MC Mining's flagship open-pit Makhado Project in South Africa holds coal resources of approximately 706 million tonnes, featuring favourable mining conditions and premium coal quality. Its principal product is low-sulphur, high-strength hard coking coal, with by-product being 5,500-kcal low-sulphur high-grade thermal coal. The project commenced production in August 2026. Under current plans, on a clean coal basis, it is expected to produce 280,000 tonnes of coking coal and 230,000 tonnes of thermal coal in 2026. Annual capacity will hit 880,000 tonnes of coking coal and 720,000 tonnes of thermal coal in 2027. The Group is devising capacity expansion proposals, targeting to lift capacity further to 2.2 million tonnes of coking coal and 1.8 million tonnes of thermal coal within the next two years. Products from this project will be sold globally to major steel producers, coking-coal enterprises, cement manufacturers and international coal traders, and are poised to become one of the core drivers of the Group's future profit growth.

As for rutile mining business in Sierra Leone, the rutile mining project jointly developed by the Group and Minenet Company Limited is under construction and is expected to start production by October 2026. Once its three production lines of Phase-One reach full capacity, the project will deliver an annual output of 220,000 tonnes, and the production in 2026 is expected to reach 26,000 tonnes.

In recent years, while consolidating core strengths in coal business, the Group has developed promising ancillary businesses covering real estate, property management services, agriculture & animal husbandry, cigar and tobacco, aiming to unlock additional profit opportunities for shareholders.

Looking ahead to the second half of 2026, China's coal market is expected to stay in overall tight supply-demand balance, and coal price benchmarks are likely to trend higher. Upholding its mine-development philosophy that prioritises safety, efficiency and environmental-friendliness, the Group will give full play to stable output of the Dafanpu Coal Mine in Inner Mongolia, accelerate construction and commissioning of the Yong'an Coal Mine and the Weiyi Coal Mine in Ningxia, further unlock resource value of overseas projects in South Africa and Sierra Leone, and deepen full industrial-chain development and global operation layout. Committed to high quality

development, the Group will reward its shareholders with solid operating performance.

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About Kinetic Development Group Limited

Incorporated in the Cayman Islands in July 2010 and listed on the Main Board of The Stock Exchange of Hong Kong Limited in March 2012 (Stock Code: 1277.HK), Kinetic Development Group Limited is an integrated energy enterprise with full chain coal operations including coal production, washing, loading, transportation and trading. Its core operating assets comprise the Dafanpu Coal Mine in Inner Mongolia, the Yong'an Coal Mine and the Weiyi Coal Mine in Ningxia. Through its controlling interests in MC Mining, it operates premium coal assets in South Africa. It also partners with Minenet for the rutile mining project in Sierra Leone. The Group's vision is to grow into China's leading private comprehensive energy enterprise.