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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)

PROFIT WARNING

This announcement is published by Kinetic Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025, the net profit after tax of the Group for the year ended 31 December 2025 is expected to decrease by 50% to 60% as compared to the year ended 31 December 2024, mainly due to the following factors:

- (i) In 2025, market volatility and an overall decline in coal prices resulted in a decrease in net profit from the Group’s principal coal business of approximately 40% to 45%. To address fluctuations in coal prices in the market, the Group has actively taken measures to continuously enhance cost control and operational efficiency while ensuring safe production, in order to mitigate the impact on profitability. It is anticipated that a future improvement in coal prices in the market will enhance the Group’s future performance.

- (ii) In light of market volatility, the Group has made non-cash impairment provisions of approximately RMB250 million to RMB290 million based on the principle of prudence. This non-cash adjustment will not have impact on the Group's core business operations or cash flow.
- (iii) The Group's non-core businesses, which are in the early stages of expansion, incurred operational losses of approximately RMB80 million to RMB90 million. Although this has had a short-term impact on the Group's performance for the current year, it is anticipated that these non-core businesses will gradually mature and support the Group's diversified long-term development.

The Board believes that, although the Group's net profit for the year ended 31 December 2025 has decreased due to the aforementioned factors, the Group currently has sufficient capital, operates soundly, and continues to expand its core coal business both domestically and internationally, laying a solid foundation for the Group's future development.

The information contained in this announcement is based solely on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 and the information currently available. Such information has not been audited or reviewed by the Company's auditors, or confirmed or reviewed by the audit committee of the Company. The Company will announce its annual results for the year ended 31 December 2025 on 24 March 2026.

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

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

Hong Kong, 19 March 2026

As at the date of this announcement, the Board of the Company 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.