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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)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Overall Coordinator, Sole Placing Agent and Capital Market Intermediary**



**The Placing Agreement**

The Board is pleased to announce, on 3 June 2026 (after trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Sole Placing Agent on a best effort basis, 169,508,000 Placing Shares at the Placing Price of HK\$1.85 per Placing Share to not less than six (6) Placees who and whose beneficial owner(s) shall be Independent Third Party(ies).

The Placing Price is HK\$1.85 and represents (i) a discount of approximately 12.74% to the closing price of HK\$2.12 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; (ii) a discount of approximately 7.78% to the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement; and (iii) a discount of approximately 3.95% to the average closing price of HK\$1.93 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Placing Agreement.

The number of the Placing Shares represents: (i) approximately 2.01% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 1.97% of the enlarged total number of issued Shares upon the completion of the Placing (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Placing other than the Company's issue of the Placing Shares). The aggregate nominal value of the Placing Shares to be allotted and issued will be US\$169,508.

Completion of the Placing is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing Agreement. Please refer to the section headed "Conditions of the Placing" in this announcement for further information.

### **Gross Proceeds and Net Proceeds from the Placing**

Assuming the Placing Shares are fully placed, the gross proceeds from the Placing are expected to be HK\$313.6 million. The estimated net proceeds from the Placing after deducting all fees, costs and expenses properly incurred by the Company including without limitation, the Sole Placing Agent's commission, the Stock Exchange trading fee, the SFC transaction levy and the AFRC transaction levy and other expenses incurred by the Company in connection with the Placing, are expected to be approximately HK\$309.3 million. The net Placing Price per Placing Share, after deducting such fees, costs and expenses, is expected to be approximately HK\$1.82.

### **Use of Proceeds**

The Company intends to use the estimated net proceeds of the Placing of approximately HK\$309.3 million primarily for (i) the procurement for the mining and transportation operations of its subsidiary in South Africa; (ii) the supplement of working capital of MC Mining Limited, a 51% non-wholly owned subsidiary of the Group; (iii) the equipment procurement and operating expenses in relation to the Group's rutile mine project in Sierra Leone; and (iv) general working capital required for other project developments and other general corporate purposes. The specific use of the proceeds is subject to the adjustments by the Board or its authorised person(s) according to the operating conditions and actual needs of the Company or the Group, and the relevant opinions of the applicable regulatory authorities received.

## **General Mandate and Listing Application**

The Placing Shares will be allotted and issued under the General Mandate and therefore no separate Shareholders' approval is required for the allotment and issue of the Placing Shares. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

**The completion of the Placing is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing Agreement. As the completion of the Placing may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made as and when appropriate in accordance with the relevant rules of the Stock Exchange.**

The Board is pleased to announce that, on 3 June 2026 (after trading hours), the Company entered into the Placing Agreement with the Sole Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Sole Placing Agent on a best effort basis, 169,508,000 Placing Shares at the Placing Price of HK\$1.85 per Placing Share to not less than six (6) Placees who and whose beneficial owner(s) shall be Independent Third Party(ies).

## **THE PLACING AGREEMENT**

Date:

3 June 2026

Parties:

- (1) the Company; and
- (2) the Sole Placing Agent.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Sole Placing Agent and its ultimate beneficial owners are Independent Third Parties as at the date of this announcement.

## **Number of Placing Shares**

Pursuant to the terms of the Placing Agreement, the Sole Placing Agent, as agent of the Company, has agreed to procure, on a best effort basis, the Placees to subscribe for an aggregate of 169,508,000 Placing Shares at the Placing Price.

The number of the Placing Shares represents: (i) approximately 2.01% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 1.97% of the enlarged total number of issued Shares upon the completion of the Placing (assuming there will be no change to the total number of issued Shares from the date of this announcement to the completion of the Placing other than the Company's issue of the Placing Shares). The aggregate nominal value of the Placing Shares to be allotted and issued will be US\$169,508.

## **Ranking of Placing Shares**

The Placing Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Placing, including the rights to all dividends and other distributions declared, made or paid on or after the date of allotment.

## **Placees**

The Sole Placing Agent has agreed, on a best effort basis, as agent of the Company, to procure not less than an aggregate of six Placees to purchase the Placing Shares, upon the terms and subject to the conditions set out in the Placing Agreement.

It is expected that the Placees to be procured by the Sole Placing Agent and their respective ultimate beneficial owners will be Independent Third Parties.

Immediately after the completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder of the Company.

## **Placing Price**

The Placing Price is HK\$1.85 per Placing Share and represents:

- (i) a discount of approximately 12.74% to the closing price of HK\$2.12 per Share as quoted on the Stock Exchange on the date of the Placing Agreement;

- (ii) a discount of approximately 7.78% to the average closing price of HK\$2.01 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to the date of the Placing Agreement; and
- (iii) a discount of approximately 3.95% to the average closing price of HK\$1.93 per Share as quoted on the Stock Exchange for the last ten consecutive trading days prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company and the Sole Placing Agent. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Placing**

The Placing is conditional upon the satisfaction of the following conditions:

- (i) the Listing Committee granting approval for the listing of and permission to deal in the Placing Shares and such listing and permission not subsequently being revoked prior to the closing of the Placing;
- (ii) before the closing of the Placing, there shall not have occurred:
  - (a) any material adverse change, or any development reasonably likely to involve a material adverse change, in the condition, financial or otherwise, or in the earnings, assets, business, operations or prospects of the Company, or the Group taken as a whole; or
  - (b) any suspension or limitation of trading (a) in any of the Company's securities by the Stock Exchange, or (b) generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
  - (c) any outbreak or escalation of hostilities, act of terrorism, the declaration by Hong Kong, the PRC, the Cayman Islands, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area of a national emergency or war or other calamity or crisis; or

- (d) any material disruption in commercial banking or securities settlement or clearance services in any of Hong Kong, the PRC, the Cayman Islands, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of aforesaid jurisdictions; or
- (e) any material adverse change or development involving a prospective material adverse change in or affecting the financial markets in any of Hong Kong, the PRC, the Cayman Islands, Japan, Singapore, the United States, the United Kingdom or any other member of the European Economic Area or in international financial, political or economic conditions, currency exchange rates, exchange controls or taxation,

that, in the sole judgment of the Sole Placing Agent, would make the Placing or the enforcement of contracts to subscribe for or purchase the Placing Shares impracticable or inadvisable, or would materially prejudice trading of the Placing Shares in the secondary market;

- (iii) the representations and warranties made by the Company pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date;
- (iv) the Company having complied with all of the agreements and undertakings and satisfied all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Closing Date;
- (v) the Sole Placing Agent having received on the Closing Date the final draft or substantially complete draft of the CSRC Filings and (where applicable) the opinion from counsel for the Company as to PRC laws in relation to such matters as the Sole Placing Agent shall reasonably request, including in relation to the CSRC Filings, such draft and such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent;
- (vi) the Sole Placing Agent having received on the Closing Date an opinion from counsel for the Company as to Cayman Islands laws in relation to such matters as the Sole Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent;
- (vii) the Sole Placing Agent having received on the Closing Date an opinion from counsel for the Company as to Hong Kong laws in relation to such matters as the Sole Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent;

- (viii) the Sole Placing Agent having received on the Closing Date an opinion from counsel for the Sole Placing Agent as to the PRC laws in relation to such matters as the Sole Placing Agent shall reasonably request including in relation to the CSRC Filings, such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent; and
- (ix) the Sole Placing Agent having received on the Closing Date an opinion of from counsel to the Sole Placing Agent as to U.S. laws, to the effect that the offer and sale of the Placing Shares by the Sole Placing Agent as set forth in Placing Agreement are not required to be registered under the U.S. Securities Act of 1933, as amended, and such other matters as the Sole Placing Agent shall reasonably request, such opinion to be in form and substance reasonably satisfactory to the Sole Placing Agent.

The Company shall use its reasonable endeavours to procure the fulfilment of the foregoing conditions on or before the Closing Date, and shall, as soon as is practicable after the signing of the Placing Agreement, apply to the Stock Exchange for the granting of the approval for the listing of and permission to deal in the Placing Shares. The Company shall promptly inform the Sole Placing Agent following the receipt of the approval for the listing of and permission to deal in the Placing Shares. The Company shall furnish such information, supply such documents, pay such fees and do all such acts and things as may be required by the Sole Placing Agent, the Stock Exchange and/or the SFC in connection with the fulfilment of the foregoing conditions.

The Sole Placing Agent in its sole discretion may waive any of the conditions (ii) to (ix) above, in whole or in part and with or without conditions, by notice to the Company. In the event that (i) the condition (i) above has not been satisfied by 11 June 2026 or such other date as may be agreed between the Company and the Sole Placing Agent; or (ii) any of the events set out in condition (ii) above occurs at any time between the date of the Placing Agreement and the Closing Date; or (iii) the Company does not deliver the Placing Shares on the Closing Date; or (iv) any of the conditions (ii) to (ix) above has not been satisfied or waived in writing on the dates specified therein, the Sole Placing Agent may elect, in its sole discretion, to terminate Placing Agreement forthwith, provided that certain customary clauses of the Placing Agreement relating to, among other things, expenses and indemnity provisions, shall survive such termination and remain in full force and effect, and provided further that if the Company shall have delivered some but not all of the Placing Shares on the Closing Date, the Sole Placing Agent shall have the option to effect the Placing with respect to such Placing Shares as have been delivered, but such partial Placing shall not relieve the Company from liability for its default with respect to the Placing Shares not delivered.

## Completion of the Placing

The completion of the Placing is expected to take place on the Closing Date subject to fulfillment (or waiver) of the conditions set out above.

## LOCK-UP UNDERTAKING

The Company shall not, without the prior written consent of the Sole Placing Agent, (i) effect or arrange or procure placement of, allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for, or enter into any transaction which is designed to, or might reasonably be expected to, result in any of the aforesaid (whether by actual disposition or effective economic disposition due to cash settlement or otherwise), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company, or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or (iii) publicly announce an intention to effect any such transaction, for a period beginning on the date of the Placing Agreement and ending on the date which is 90 days after the Closing Date.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY AS A RESULT OF THE PLACING

	As at the date of this announcement		Immediately after the completion of the Placing <sup>(1)</sup>	
	Number of Shares	% of total number of issued Shares	Number of Shares	% of total number of issued shares
King Lok Holdings Limited <sup>(2)</sup>	5,307,450,000	62.96	5,307,450,000	61.72
Mr. Zhang Li <sup>(3)</sup>	952,682,000	11.30	952,682,000	11.08
Madam Liao Dong Fen <sup>(3)</sup>	2,800,000	0.03	2,800,000	0.03
Placees	–	–	169,508,000	1.97
Other Shareholders	<u>2,167,068,000</u>	<u>25.71</u>	<u>2,167,068,000</u>	<u>25.20</u>
<b>Total</b>	<b><u>8,430,000,000</u></b>	<b><u>100.0</u></b>	<b><u>8,599,508,000</u></b>	<b><u>100.0</u></b>

*Notes:*

- (1) The above table assumes there will be no change to the total number of issued Shares between the date of this announcement and the completion of the Placing, save for the allotment and issue of Placing Shares being placed in full. Certain figures and percentage figures included in the above table have been subject to rounding adjustments.
- (2) The entire issued share capital of King Lok Holdings Limited, which directly holds 5,307,450,000 ordinary shares of the Company in issue, is held by The Zhang Family Overseas Limited, a discretionary family trust with Mr. Zhang Liang, Johnson as settlor for the benefit of Mr. Zhang Liang, Johnson and his family members, which is 100% owned by TMF (Cayman) Ltd., the trustee of The Zhang Family Overseas Limited. Therefore, The Zhang Family Overseas Limited, TMF (Cayman) Ltd. and Mr. Zhang Liang, Johnson are all deemed to be interested in the ordinary shares of the Company held by King Lok Holdings Limited.
- (3) Mr. Zhang Li directly holds 952,682,000 ordinary shares of the Company in issue and therefore is a substantial shareholder of the Company. Mr. Zhang Li is the spouse of Madam Liao Dong Fen. Accordingly, under the SFO, Mr. Zhang Li is deemed to be interested in the 2,800,000 ordinary shares of the Company directly held by Madam Liao Dong Fen. Madam Liao Dong Fen is the spouse of Mr. Zhang Li. Accordingly, under the SFO, Madam Liao Dong Fen is deemed to be interested in the 952,682,000 ordinary shares of the Company directly held by Mr. Zhang Li.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Placing is being undertaken to enlarge the Shareholders base of the Company, optimize the capital structure of the Company and support a healthy and sustainable development of the Company, in particular the Group's overseas business.

Assuming the Placing Shares are fully placed, the gross proceeds from the Placing are expected to be HK\$313.6 million. The estimated net proceeds from the Placing after deducting all fees, costs and expenses properly incurred by the Company including without limitation, the Sole Placing Agent's commission, the Stock Exchange trading fee, the SFC transaction levy and the AFRC transaction levy and other expenses incurred by the Company in connection with the Placing, are expected to be approximately HK\$309.3 million (the "**Net Proceeds**"). The net Placing Price per Placing Share, after deducting such fees, costs and expenses, is expected to be approximately HK\$1.82.

The table below sets forth a detailed breakdown of the intended use of the Net Proceeds and the expected timeline:

<b>Intended use of the Net Proceeds</b>	<b>Available amount of the Net Proceeds for utilization</b>	<b>Expected utilization timeline of the use of the Net Proceeds</b>
Procurement for the mining and transportation operations of our subsidiary in South Africa	Approximately HK\$101.9 million (or approximately 32.94%)	By 31 December 2026
Supplement of working capital of MC Mining Limited, a 51% non-wholly owned subsidiary of the Group	Approximately HK\$78.4 million (or approximately 25.34%)	By 31 December 2026
Equipment procurement and operating expenses in relation to the Group's rutile mine project in Sierra Leone	Approximately HK\$78.4 million (or approximately 25.34%)	By 31 December 2026
General working capital required for other project developments and other general corporate purposes	Approximately HK\$50.7 million (or approximately 16.38%)	By 31 December 2026

## **GENERAL MANDATE FOR THE ALLOTMENT AND ISSUE OF THE PLACING SHARES**

By a resolution of the Shareholders passed at the AGM, the Company granted the General Mandate to the Directors to exercise the power of the Company to allot, issue and deal with unissued Shares not exceeding 20% of the total number of issued shares of the Company as at the date of the granting of the mandate, with such additional Shares amounting to not more than 1,686,000,000 Shares.

As at the date of this announcement, no Shares have been allotted and issued under the General Mandate and the Company does not have any treasury Shares or repurchased Shares pending cancellation. The Placing Shares will be allotted and issued under the General Mandate, and therefore no separate Shareholders' approval is required for the allotment and issue of the Placing Shares.

## **EQUITY FUND RAISING BY THE COMPANY DURING THE PAST 12 MONTHS**

The Company had not conducted any fund-raising exercise by issuing equity securities during the 12 months immediately before the date of this announcement.

## **LISTING APPLICATION FOR THE PLACING SHARES**

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

*The completion of the Placing is subject to the satisfaction or (if applicable) waiver of the conditions precedent set out in the Placing Agreement. As the completion of the Placing may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made as and when appropriate in accordance with the relevant rules of the Stock Exchange.*

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“AGM”	the annual general meeting of the Company held on 20 May 2026
“Board”	the board of Directors
“Business Day(s)”	any day(s) other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong

“Company”	Kinetic Development Group Limited (力量發展集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Closing Date”	expected to be 11 June 2026, or at such other time and/or date as the Company and the Sole Placing Agent agree in writing
“CSRC”	China Securities Regulatory Commission
“CSRC Filings”	the filing report in relation to the Placing and any transactions contemplated by the Placing Agreement and any relevant supporting materials to be submitted to the CSRC pursuant to the applicable requirements under the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies* (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC effective from 31 March 2023 (as amended, supplemented or otherwise modified from time to time)
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the AGM to allot, issue and deal with up to 20% of the total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party” or “Independent Third Parties”	any person (and whose ultimate beneficial owner(s)) who is independent of, and not acting in concert (as defined in the Codes on Takeovers and Mergers and share buybacks) with, any of the Company, any of the associates (as defined in the Listing Rules) or connected persons (as defined in the Listing Rules) of any of the Company, or any of the parties acting in concert with any of the foregoing
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investors whom the Sole Placing Agent have procured to subscribe for any of the Placing Shares pursuant to its obligations under the Placing Agreement
“Placing”	the placing of the Placing Shares by or on behalf of the Sole Placing Agent on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agreement”	the agreement dated 3 June 2026 and entered into among the Company and the Sole Placing Agent in respect of the Placing
“Placing Price”	HK\$1.85 per Placing Share (exclusive of, without limitation, all brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy)
“Placing Shares”	an aggregate of 169,508,000 new Shares to be allotted and issued under the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China which shall, for the sole purpose of this announcement, exclude Hong Kong, Macao Special Administrative Region and Taiwan Region

“SFC”	the Securities and Futures Commission
“Shareholder(s)”	the holder(s) of the Share(s)
“Shares”	ordinary share(s) of US\$0.001 each in the share capital of the Company
“Sole Placing Agent”	CLSA Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 3 June 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.*