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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
COOPERATION AGREEMENT IN RELATION TO
RUTILE PROJECT IN ROTIFUNK SIERRA LEONE

The board of directors (the “**Board**”) of Kinetic Development Group Limited (the “**Company**”, together with its subsidiaries (the “**Group**”) is pleased to announce that on 23 December 2025, Kinetic Development Metal Mining (SL) Limited, an indirect wholly-owned subsidiary of the Company incorporated in Sierra Leone (“**Metal Mining**”) entered into a cooperation agreement and a supplementary agreement (the “**Agreements**”) with Minenet Company Limited, a company incorporated in Sierra Leone (“**Minenet**”) in relation to the rutile project in Rotifunk, Sierra Leone (the “**Rutile Project**”).

Minenet legally holds a large-scale rutile mining licence covering approximately 117 square kilometres in Moyamba District, Sierra Leone, valid until 25 February 2049. Pursuant to the Agreements, Metal Mining will invest in and undertake mining operations within a designated 50 square kilometre area under the licence, with exclusive rights to exploration, mining, processing and sales.

KEY TERMS OF THE AGREEMENTS

Under the Agreements, Metal Mining will be responsible for the development, production and operational management of the Rutile Project within the designated mining area. The cooperation period will run until the expiry of the mining licence on 25 February 2049, subject to extension if the Rutile Project remains economically viable.

Metal Mining will construct three production lines in the first phase with each production line having an annual processing capacity of over 2 million tonnes of raw ore. The estimated investment for the three production lines is approximately USD\$18 million, with an estimated annual production capacity of approximately 280,000 tonnes of mineral products (heavy sand minerals). Upon commencement of normal production of the third production line, all mineral products shall be distributed at a ratio of 80% to Metal Mining and 20% to Minenet.

Subject to the successful and stable operation of the first-phase production lines and confirmation of sufficient resource volume, Metal Mining has committed to completing the construction and commissioning of two additional production lines within 12 months, bringing the total to five production lines.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

Rutile is a major source of titanium dioxide, which is widely used in pigments, coatings, plastics, and paper, as well as in the production of titanium metal for aerospace, medical implants, and high-performance alloys. The Rutile Project is expected to produce heavy sand minerals meeting international market specifications. The Board believes that the Rutile Project will enhance the Group's competitiveness in supplying high-grade feedstock to global industrial customers.

The heavy sand minerals of this project contains 30%-45% rutile (titanium dioxide content 95%), 35%-55% ilmenite (titanium dioxide content 52.66%), and 2.3%-6% zircon. Based on current market information, the indicative average prices are as follows: heavy mineral at USD410 per tonne, rutile at USD960 per tonne, ilmenite at USD251 per tonne, and zircon at USD1,456 per tonne. After the five production lines are fully operational, the Rutile Project is expected to produce approximately 480,000 tonnes of heavy sand minerals per annum, of which Metal Mining is entitled to approximately 80%, representing around 384,000 tonnes. Based on current information available, it is expected that the estimated unit cost of heavy sand minerals of the Rutile Project will be approximately USD200 per tonne. The above information is for illustrative purposes only and does not constitute a forecast or projection of revenue or earning of the Group. The project is currently under construction and is expected to commence production in September 2026.

In terms of sales, the heavy sand minerals produced under the Rutile Project are currently expected to be sold primarily to customers in the PRC market. In addition, Metal Mining intends to market the products to customers globally, subject to market conditions and commercial arrangements.

The Board also considers that the Agreements represent a strategic opportunity for the Group to expand its resource portfolio into rutile, a key titanium feedstock, and to strengthen its international mining operations. The Board believes that the terms of the Agreements are fair and reasonable and in the interests of the Group and its shareholders as a whole. The Board will update the market of the progress of the Rutile Project in due course.

LISTING RULES IMPLICATIONS

This announcement is made by the Company on a voluntary basis. None of the applicable percentage ratio(s) as set out in Rule 14.07 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) in respect of the commitment of Metal Mining to the Agreements exceeds 5%, therefore the Agreements and the transactions thereunder do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

To the best of the directors’ knowledge, information and belief, having made all reasonable enquiries, Minenet and its ultimate beneficial owners are not connected persons of the Group. Accordingly, the Agreements and the transactions thereunder also do not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

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

Hong Kong, 28 December 2025

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.