

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **KINETIC MINES AND ENERGY LIMITED**

**力量礦業能源有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1277)**

### **POSITIVE PROFIT ALERT**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group, it is expected that the Group would record a consolidated net profit before taxation of exceeding RMB100 million for the year ended 31 December 2016 as compared to a consolidated net loss before taxation of RMB2.6 million for the year ended 31 December 2015.

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

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

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company and potential investors that the Group is expected to record a consolidated net profit before taxation of exceeding RMB100 million for the year ended 31 December 2016 as compared to a consolidated net loss before taxation of RMB2.6 million for the year ended 31 December 2015, which is mainly due to, among others, a significant increase in the gross profit margin due to the increase in the average selling price of the Group’s coal products during the second half of 2016. According to the statistics published by Qinhuangdao Coal Net (秦皇島煤炭網), the average price of 5,000 kCal thermal coal at the

Bohai Rim increased significantly from approximately RMB360 per tonne (inclusive of value-added tax) at the end of June 2016 to approximately RMB545 per tonne (inclusive of value-added tax) at the end of December 2016.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited management accounts of the Group for the year ended 31 December 2016 and other information currently available to the Company which has not been reviewed or audited by the Company's independent auditor. Shareholders of the Company and potential investors are advised to refer to the details of the Company's results announcement for the year ending 31 December 2016 expected to be announced by the end of March 2017.

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

By Order of the Board  
**Kinetic Mines and Energy Limited**  
**Zhang Li**  
*Chairman and Executive Director*

Hong Kong, 23 January 2017

*As at the date of this announcement, the Board comprises seven directors, of whom three are executive directors, namely Mr. Zhang Li (Chairman), Mr. Gu Jianhua (Chief Executive Officer) and Mr. Zhang Liang, Johnson; one is a non-executive director, namely Ms. Zhang Lin, and three are independent non-executive directors, namely Ms. Xue Hui, Ms. Liu Peilian and Mr. Zheng Ercheng.*