



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. HK)

**Kinetic Mines Announced its 2017 Interim Results
Revenue and Net Profit Kept Strong Growth**

2017 Interim Results Financial Highlights:

- Revenue increased by 147.4% to RMB737.5 million;
- Gross profit margin increased to 40.3%;
- Consolidated net profit amounted to RMB185.1 million;
- Basic earnings per share amounted to RMB0.022;
- The Board of Directors proposed an interim dividend of HKD0.01 per share.

(21 August, 2017, Hong Kong) A leading integrated coal provider in China - **Kinetic Mines and Energy Limited** (“Kinetic Mines”) and its subsidiaries (the “Group”) (Stock Code:1277.HK) is pleased to announce its unaudited consolidated results for the six months ended 30 June 2017 (the “Reporting Period”).

During the Reporting Period, Kinetic Mines has maintained a strong growth momentum as last year and achieved a remarkable result. For the six months ended 30 June 2017, the Group recorded a total revenue of RMB737.5 million, representing a significant increase of 147.4% compared with the same period last year. The Group recorded a consolidated net profit of RMB185.1 million for the six months ended 30 June 2017 compared with a consolidated net loss of RMB44.6 million for the same period of last year. In addition, the Group’s gross profit margin set a new record high of 40.3%. With the sound growth in revenue and profit, the Group’s basic earnings per share amounted to RMB0.022.

Meanwhile, the Group achieved a substantial growth in its cash flow with an EBITDA reaching RMB345.8 million. The Board of Directors proposed to pay an interim dividend of HK0.01 per share to its shareholders.

For the six month ended 30 June 2017, the Group sold a total of approximately 1.54 million tonnes of coal products, representing a period on period increase of 49.5%. The increase in the Group's revenue was largely in line with the increase in the sales volume of coal during the Reporting Period. In addition, the average selling price of the coal products increased from RMB289 per tonne (net of value added tax) in same period of last year to RMB479 per tonne (net of value added tax), representing an increase of 65.7% period on period.

During the Reporting Period, the Chinese economy continued to develop steadily in a favorable momentum. China's GDP aggregated RMB38.1 trillion in the first half of 2017, with a better-than-expected increase of 6.9% based on comparable prices. The economic situation in the coal sector saw an overall stable and sound development momentum. Coal prices slightly decreased but stabilized within a reasonable range. The PRC government continued to execute the planning of de-capacity in the iron and coal industry by eliminating obsolete and illegal capacity, which shaped a positive landscape to the development of the coal industry.

During the first half of 2017, sizeable coal enterprises in China produced approximately 1,710 million tonnes of raw coal, up by 5.0% from the corresponding period last year. According to the statistics released on www.cqcoal.com, the average price of 5,000 kcal steam coal in Bohai-rim area remained stable at the range of approximately RMB500 to RMB550 per tonne (value-added tax inclusive) during the first half of 2017.

Mr. Zhang Li, Chairman and Executive Director of Kinetic Mines stated: "Looking ahead in the second half of 2017, the PRC government will continue to promote supply-side structural reform by further execution of the de-capacity in the coal industry. We believe that benefiting from the stable and favorable prospect of the coal industry in China as well as the upcoming peak season of electricity consumption in the second half of the year, inventory levels in power plants and at the ports will continue to decline, contributing to the recovery of the industry. As a leading company in terms of environmental protection, safety, technology and scale, Kinetic Mines is confident to achieve a steady and favorable development in its businesses including coal production, marketing and trading in future, thereby maintaining a steady cash flow and profit and creating the highest value for our shareholders."

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About Kinetic Mines and Energy Limited

Kinetic Mines and Energy Limited (“Kinetic Mine” or the “Group”, HKEX Stock Code: 1277) is a leading integrated coal provider in China covering in coal production, washing, loading, transportation and coal trading. Well-established business segments throughout the industry chain can optimize the Group’s profit. In addition, thanks to the Group’s large capital investment in the previous years, its “Dafanpu” is built as one of best coal mine in terms of safety and efficiency in China. This ensures the Group’s production costs per tonne maintained at the lowest industry level. By leveraging the competitive edge of low cost and industry chain owned by the Group, Kinetic Mines is able to maintain a strong cash flow and profit in current coal market.

This press release is issued by Wonderful Sky Financial Group on behalf of **Kinetic Mines and Energy Limited**

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