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## **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 Kinetic Mines and Energy Limited (the “**Company**”) 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, based on the preliminary review of the unaudited management accounts of the Group for the six months ended 30 June 2018 and the information currently available to the Board, the Group is expected to record a consolidated net profit exceeding RMB340.0 million for the six months ended 30 June 2018 as compared to a consolidated net profit of RMB185.1 million for six months ended 30 June 2017, representing a significant increase of over 80% period on period, which is mainly due to, among others, significant increase in sales volume of the Group’s coal products during the first half of 2018. Sales volume of the Group for the six months ended 30 June 2018 increased by approximately 60% to 2.49 million tonnes compared with the corresponding period last year. Besides, the average selling price of the Group’s coal product was approximately RMB465 per tonne (net of value added tax) during the first half of 2018.

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 six months ended 30 June 2018 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 six months ending 30 June 2018 expected to be announced by the end of August 2018.

**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, 16 July 2018

*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.*