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*If you are in any doubt as to any aspect of this circular or as to any action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.*

*If you have sold or transferred all your shares in Kinetic Mines and Energy Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.*



## **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)**

### **NOTICE OF ANNUAL GENERAL MEETING, RE-ELECTION OF DIRECTORS AND GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE SHARES**

A notice convening the AGM of Kinetic Mines and Energy Limited to be held at Carlton Room One, 2/F, The Ritz-Carlton, Guangzhou, 3 Xing An Road, Pearl River New City, Tianhe District, Guangzhou, PRC on Monday, 1 June 2015 at 11:00 a.m. is set out on pages 13 to 17 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

27 April 2015

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at Carlton Room One, 2/F, The Ritz-Carlton, Guangzhou, 3 Xing An Road, Pearl River New City, Tianhe District, Guangzhou, PRC on Monday, 1 June 2015 at 11:00 a.m.
“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Close Associates”	has the meaning ascribed thereto in the Listing Rules
“Company”	Kinetic Mines and Energy Limited, a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and for the purposes of this circular, means each of King Lok and Mr. Zhang Liang, Johnson
“Director(s)”	the director(s) of the Company
“General Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares in the manner as set out in resolution no. 7(1) in the notice of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“King Lok”	King Lok Holdings Limited, a BVI business company incorporated under the laws of the BVI on 9 December 2009 and a Controlling Shareholder
“Latest Practicable Date”	20 April 2015, being the latest practicable date before the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“PRC” or “China”	the People’s Republic of China, which for the purposes of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan Region
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in resolution no. 7(2) in the notice of the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of nominal value of US\$0.001 each in the capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



**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)**

*Executive Directors:*

Mr. Zhang Li (*Chairman*)  
Mr. Gu Jianhua (*Chief Executive Officer*)  
Mr. Zhang Liang, Johnson

*Non-executive Director:*

Ms. Zhang Lin

*Independent Non-Executive Directors:*

Mr. Shi Xiaoyu  
Ms. Liu Peilian  
Mr. Zheng Ercheng

*Registered Office:*

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

Unit B, 20/F  
Two Chinachem Plaza  
68 Connaught Road Central  
Hong Kong

27 April 2015

Dear Sir/Madam,

**NOTICE OF ANNUAL GENERAL MEETING,  
RE-ELECTION OF DIRECTORS  
AND  
GENERAL MANDATE TO ISSUE SHARES AND  
TO REPURCHASE SHARES**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the forthcoming AGM in relation to (i) the re-election of Directors and (ii) the granting of the General Mandate and the Repurchase Mandate. A notice of the AGM is set out on pages 13 to 17 of this circular.

## **LETTER FROM THE BOARD**

### **Closure of Register of Members of the Company**

The register of members of the Company will be closed from Wednesday, 27 May 2015 to Monday, 1 June 2015 (both dates inclusive), during which period no transfer of Shares will be effected. In order to be entitled to attend and vote at the AGM, all transfer instruments accompanied by the relevant share certificates must be lodged by holders of the Shares with the Company's registrar, namely, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Tuesday, 26 May 2015.

### **RE-ELECTION OF DIRECTORS**

In accordance with Article 108(a) and Article 112 of the Articles, the Directors, Mr. Gu Jianhua, Mr. Zhang Liang, Johnson and Mr. Zheng Ercheng, will retire at the AGM, and being eligible, will offer themselves for re-election at the AGM. Information required to be disclosed under the Listing Rules in relation to the Directors for re-election is set out in Appendix I to this circular.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

By resolutions of the Shareholders passed on 3 June 2014, the Directors were granted general mandates to issue Shares and to repurchase Shares. Each such mandate will expire at the conclusion of the forthcoming AGM.

In order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any Shares, approval is sought from the Shareholders, pursuant to the Listing Rules, for granting of the General Mandate. In this regard, an ordinary resolution set out as resolution no. 7(1) in the notice of the AGM will be proposed at the AGM to grant the General Mandate to the Directors to allot and issue new Shares up to an amount not exceeding 20% of the number of issued shares of the Company as at the date of the passing of the resolution. In addition, subject to a separate approval under ordinary resolution no. 7(3), the number of issued Shares purchased by the Company under ordinary resolution no. 7(2) will also be added to the 20% general mandate as mentioned in the ordinary resolution no. 7(1).

In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that purchase of its own securities, without the prior approval of the Stock Exchange.

## **LETTER FROM THE BOARD**

At the AGM, another ordinary resolution set out as resolution no. 7(2) in the notice of the AGM will be proposed to the Shareholders that the Directors be granted a Repurchase Mandate to repurchase Shares up to 10% of the number of issued shares of the Company as at the date of the passing of the resolution. An explanatory statement as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

### **NOTICE OF AGM**

The AGM will be held at Carlton Room One, 2/F, The Ritz-Carlton, Guangzhou, 3 Xing An Road, Pearl River New City, Tianhe District, Guangzhou, PRC on Monday, 1 June 2015 at 11:00 a.m., at which, inter alia, ordinary resolutions will be proposed to Shareholders to consider the re-election of Directors and the grant to the Directors of the General Mandate and the Repurchase Mandate. The AGM notice is set out on pages 13 to 17 of this circular.

### **VOTING PROCEDURES**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

### **PROXY**

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjourned meeting should you so desire.

### **RECOMMENDATION**

The Board believes that the re-election of Directors and the granting of the General Mandate and the Repurchase Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends you to vote in favour of all the ordinary resolutions as set out in the notice of the AGM.

## LETTER FROM THE BOARD

### RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Your attention is drawn to additional information as set out in the Appendices.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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



The particulars of Mr. Gu Jianhua, Mr. Zhang Liang, Johnson and Mr. Zheng Ercheng, who will offer themselves for re-election at the AGM, disclosed pursuant to Rule 13.74 of the Listing Rules are as follows:

**Mr. Gu Jianhua (顧建華)**, aged 61, was appointed as an executive Director and the chief executive officer of the Company on 7 January 2013. He studied economics and management at the Central Party School (中央黨校) in the PRC from 1994 to 1996, and is a senior engineer in China.

Mr. Gu has nearly 40 years of experience in the coal mining industry of China. Prior to joining our Group in September 2009, Mr. Gu worked in Fengcheng Mining Bureau (豐城礦務局) in Jiangxi Province, China from 1971 to 1995 where he accumulated extensive experience in coal production and safety management while serving in various senior positions including as deputy mine manager of Jianxin No. 2 Coal Mine (建新二礦) and as deputy chief engineer of the bureau. He served as general manager of a company under the Ministry of Coal Industry (煤炭工業部) in Qingdao, China from 1995 to 1997, assistant to the general manager of the China Coal Comprehensive Utilisation Group Company (中國煤炭綜合利用集團公司), and head of its general office from 1997 to 1999, deputy head of the Coal Industry Comprehensive Utilisation of Technology Consultation Centre (煤炭綜合利用多種經營技術諮詢中心) under the Ministry of Coal Industry (煤炭工業部) of China from 1999 to 2002, chairman and party secretary of China Coal Electric Company Limited (中煤電氣有限公司) from 2002 to 2004 with key responsibilities for overseeing the production of high- and low-voltage electrical cabinets, as well as deputy secretary and general manager for the mineral resources development department of China Coal Comprehensive Utilisation Group Company (中國煤炭綜合利用集團公司) from 2004 to 2009 with key responsibilities in mineral resources development and technology consultation.

Mr. Gu is a committee member of the National Technical Committee of Standardisation of Low-voltage Switchgear and Control Equipment Administration of the PRC (中華人民共和國全國低壓成套開關設備和控制設備標準化技術委員會).

Mr. Gu directed and wrote numerous dissertations, including the “Measures for the Administration of Safety Production (安全生產管理辦法)” for Fengcheng Mining Bureau (豐城礦務局) of Jiangxi Province, China in 1994 and the “Provisional Measures for the Administration of Safety Production (安全生產管理試行辦法)” of Beijing Zhongmei Electric Co., Ltd. (北京中煤電氣有限公司) in November 2002, which was then consolidated into the document “Zhongmei Electric Installation No. 001 (中煤電氣安裝001號文)”, and won various prizes for scientific and technological achievements, including awards in relation to the redevelopment of certain mine shaft ventilation systems and the construction of a new mine for Fengcheng Mining Bureau (豐城礦務局) between 1973 to 1974 and 1982 to 1986, respectively. Mr. Gu was awarded a certificate of long-term service in the coal industry by China National Coal Association (中國煤炭工業協會) in 2005 in recognition of his contributions to the coal industry of China throughout the years.

Mr. Gu has entered into a service contract with the Company for an initial fixed term of three years with effect from 7 January 2013 and he is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles, provided that either party may terminate the service contract by three months' notice. Under the service contract, Mr. Gu is entitled to a fixed salary of RMB700,000 per annum plus a discretionary bonus. His emolument is determined by the Board having regard to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Gu has personal interest in 952,219 Shares within the meaning of Part XV of the SFO.

**Mr. Zhang Liang, Johnson (張量)**, aged 33, was appointed as an executive Director on 6 March 2012. He assists Mr. Zhang Li in devising the overall business strategy and corporate development plan of our Group. Mr. Zhang is the son of Mr. Zhang Li and the nephew of Ms. Zhang Lin.

Mr. Zhang has been a president of Guangzhou Heng Liang Mechanical & Electrical Engineering Co., Ltd. (廣州恒量機電工程有限公司), a construction company, and a director of Hengleung Construction Holdings Limited (恒量建設集團有限公司), an investment holding company, since 2010 and 2008, respectively, and participated in the overall business strategic planning of these companies.

Mr. Zhang has renewed his service contract with the Company for a fixed term of three years with effect from 6 March 2015 and he is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles, provided that either party may terminate the service contract by three months' notice. Under the service contract, Mr. Zhang is entitled to a fixed salary of RMB3,000,000 per annum plus a discretionary bonus. His emolument is determined by the Board having regard to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Zhang, through his shareholding in King Lok, owns 5,307,450,000 Shares within the meaning of Part XV of the SFO.

**Mr. Zheng Ercheng (鄭爾城)**, aged 57, has extensive experience in China's banking industry and financial sector. He was the sub-branch deputy governor and then governor of China Construction Bank, Guangzhou Branch, Tianhe Sub-branch from 1987 to 1997, the general manager of the International Business Department of the Guangzhou Branch of the China Construction Bank from 1997 to 1999 and the general manager of the Guangzhou Branch of Cinda Asset Management Company from 1999 to 2000. He was also a supervisor of the supervisory committee of Guangzhou R&F Properties Co., Ltd. (Stock Code: 2777), which is a company listed on the Stock Exchange from June 2004 to May 2014 and a director of PCI-Suntek Technology Co., Ltd., (佳都新太科技股份有限公司) (Stock Code: 600728), which is a company listed on the Shanghai Stock Exchange, from February 2008 to April 2014. Mr. Zheng has retired from active employment since 2000.

Mr. Zheng is currently an independent non-executive director, the chairman of the remuneration committee, a member of the audit committee and nomination committee of Guangzhou R&F Properties Co., Ltd., a position he has held since May 2014.

Mr. Zheng has entered into an appointment letter with the Company for a fixed term of three years commencing from 24 March 2015 and he is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Under the appointment letter, Mr. Zheng is entitled to a fixed director's fee of RMB240,000 per annum. His emolument is determined by the Board having regard to his responsibilities and duties as well as the prevailing market conditions.

As at the Latest Practicable Date, Mr. Zheng does not have any interest in the Company within the meaning of Part XV of the SFO.

Save as disclosed, each of the above Directors:

- (i) does not have any relationship with any Directors, senior management, substantial or Controlling Shareholders; and
- (ii) does not have any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there are no other matters that are required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders and each of the above Directors did not hold any directorship in any other listed company in Hong Kong or overseas in the past three years before the Latest Practicable Date.

This Appendix serves as the explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate to be granted to the Directors.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 8,430,000,000 Shares.

Subject to the passing of the relevant ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 843,000,000 Shares (representing not more than 10% of the number of issued shares of the Company as at the date of passing the resolution to approve the Repurchase Mandate).

### **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders that they should have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

### **FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the applicable laws and regulations of the Cayman Islands, any repurchase by the Company may be made out of the profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the applicable laws and regulations of the Cayman Islands, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or from sums standing to the credit of the Company's share premium account or, if authorised by the Articles and subject to the provisions of the applicable laws and regulations of the Cayman Islands, out of capital.

On the basis of the current financial position of the Company as disclosed in its annual report for the year ended 31 December 2014 and taking into account the Company's current working capital position, the Directors consider that, if the Repurchase Mandate is exercised in full, it may have a material adverse effect on the Company's working capital and/or gearing position as compared with the position disclosed in this annual report. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**GENERAL**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applied, they will exercise the Repurchase Mandate in accordance with the Listing Rules and applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their Close Associates, currently intends to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected person (as defined in the Listing Rules) have notified the Company that he or she has a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, King Lok directly held 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company. Mr. Zhang Liang, Johnson, by virtue of his interest in King Lok, was deemed to be interested in the said 5,307,450,000 Shares. King Lok is held as to 100% by Mr. Zhang Liang, Johnson. Accordingly, each of King Lok and Mr. Zhang Liang, Johnson is interested in 5,307,450,000 Shares, representing an effective interest of approximately 62.96% in the issued share capital of the Company.

In the event that the Directors should exercise in full the Repurchase Mandate, the effective interests of King Lok in the issued share capital of the Company would be increased to approximately 69.96%, and the effective interests of Mr. Zhang Liang, Johnson in the issued share capital of the Company would be increased to approximately 69.96%. The Directors have no present intention to repurchase the Shares to the extent it will trigger the obligations under the Takeovers Code for King Lok or Mr. Zhang Liang, Johnson to make a mandatory offer. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

The Listing Rules prohibit a company from repurchase of shares on the Stock Exchange if the result of the repurchase would be that the Company's public float will fall below 25%. The Directors do not intend to repurchase Shares to such an extent that the public float of the Company will fall below 25%.

**SHARE PRICES**

The highest and lowest traded prices for Shares recorded on the Stock Exchange in each of the last twelve months were as follows:

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2014</b>		
April	0.450	0.395
May	0.410	0.320
June	0.450	0.400
July	0.445	0.390
August	0.460	0.400
September	0.450	0.395
October	0.440	0.385
November	0.420	0.360
December	0.400	0.350
<b>2015</b>		
January	0.405	0.325
February	0.390	0.330
March	0.360	0.300
April (up to the Latest Practicable Date)	0.370	0.290

No repurchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

**NOTICE OF ANNUAL GENERAL MEETING**



**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)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the shareholders of Kinetic Mines and Energy Limited (the “Company”) will be held at Carlton Room One, 2/F, The Ritz-Carlton, Guangzhou, 3 Xing An Road, Pearl River New City, Tianhe District, Guangzhou, People’s Republic of China on Monday, 1 June 2015 at 11:00 a.m. (the “Annual General Meeting”) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2014.
2. To re-elect Mr. Gu Jianhua as an executive director of the Company.
3. To re-elect Mr. Zhang Liang, Johnson as an executive director of the Company.
4. To re-elect Mr. Zheng Ercheng as an independent non-executive director of the Company.
5. To authorise the board of directors to fix the remuneration of the directors of the Company (the “Directors”).
6. To re-appoint KPMG as auditors of the Company and to authorise the board of Directors to fix their remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

7. To consider, and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

(1) **“THAT:**

- (a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares or such securities in the capital of the Company, and to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option, warrant or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or (iii) the exercise of any options under any share option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or right to acquire shares of the Company; or (iv) the exercise of any rights under the bonds, warrants and debentures convertible into shares of the Company, shall not exceed 20 per cent of the number of issued shares of the Company as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;
- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law or the articles of association of the Company to be held; or



## NOTICE OF ANNUAL GENERAL MEETING

- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such shares of the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

(2) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with Cayman Islands law and all applicable laws and/or the Listing Rules or the rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares to be repurchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- i. the conclusion of the next annual general meeting of the Company;

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- ii. the expiration of the period within which the next annual general meeting of the Company is required by applicable law or the articles of association of the Company to be held; or
- iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) “**THAT:**

conditional upon the passing of Ordinary Resolutions Nos. 7(1) and 7(2) as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors pursuant to Ordinary Resolution No. 7(1) as set out in the notice convening this meeting be extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the shares repurchased by the Company pursuant to the authority to repurchase shares granted pursuant to Ordinary Resolution No. 7(2) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the number of issued shares of the Company in issue as at the date of this resolution.”

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

Hong Kong, 27 April 2015

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

*Notes:*

1. Resolution numbered 7(3) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 7(1) and 7(2) are passed by the shareholders.
2. The register of members of the Company will be closed from Wednesday, 27 May 2015 to Monday, 1 June 2015, both days inclusive, during which period no share transfers will be effected. In order to determine the identity of the shareholders who are entitled to attend the Company’s forthcoming Annual General Meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 26 May 2015.
3. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.

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4. To be effective, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. In accordance with Article 108(a) and Article 112 of the Company's articles of association, Mr. Gu Jianhua, Mr. Zhang Liang, Johnson and Mr. Zheng Ercheng will retire as Directors at the above meeting and being eligible, all the retiring Directors will offer themselves for re-election. Particulars of the said retiring Directors are set out in the Appendix I to the circular to the shareholders of the Company dated 27 April 2015.