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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Kinetic Mines and Energy Limited (the “**Company**”) dated 7 July 2017 (the “**Positive Profit Alert Announcement**”) in relation to the positive profit alert of results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2017. Unless otherwise defined, capitalized terms used herein shall bear the same meaning as defined in the Positive Profit Alert Announcement.

Due to the typographical errors, the Company wishes to clarify that the second paragraph in the summary box of the Positive Profit Alert Announcement should read as follows, with changes underlined for easy reference:

“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 for the six months ended 30 June 2017 of the Group, it is expected that the Group would record a consolidated net profit before taxation exceeding RMB100 million for the six months ended 30 June 2017 as compared to a consolidated net loss before taxation of RMB55.8 million for the six months ended 30 June 2016.”

And the second and third paragraphs of the Positive Profit Alert Announcement should read as follows, with changes underlined for easy reference:

“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 exceeding RMB100 million for the six months ended 30 June 2017 as compared to a consolidated net loss before taxation of RMB55.8 million for the six months ended 30 June 2016, which is mainly due to, among others, significant increase in sales volume as well as growth in gross profit margins due to the increase in the average selling price of the Group’s coal products during the first half of 2017 compared with the corresponding period in 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 remained steadily and ranged from approximately RMB500 to 550 per tonne (inclusive of value-added tax) during the first half of 2017.”

“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 2017 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 2017 expected to be announced by the end of August 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, 10 July 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.