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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 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 for the eleven months ended 30 November 2017, it is expected that the Group's consolidated net profit before taxation for the year ended 31 December 2017 will increase significantly by over 150% as compared to the consolidated net profit before taxation of RMB193.1 million for the year ended 31 December 2016.

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 expects that its consolidated net profit before taxation for the year ended 31 December 2017 will increase significantly by over 150% as compared to the consolidated net profit before taxation of RMB193.1 million for the year ended 31 December 2016. This is mainly attributable to an increase in both sales volume and average selling price of the Group's coal products for the first eleven months of 2017. The sales volume of the Group's coal products for the first eleven months of 2017 aggregated over 3.3 million tonnes, which has exceeded approximately 20% of the

total sales volume of the Group in 2016. In addition, the average selling price of the Group's coal products increased more than 20% for the first eleven months ended 30 November 2017 compared to the year ended 31 December 2016.

The information contained in this announcement is based only on the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group for the eleven months ended 30 November 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 year ending 31 December 2017 expected to be announced by the end of March 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, 18 December 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.