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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)**

### **PROPOSED CHANGE OF AUDITORS**

#### **CHANGE OF AUDITORS**

The Board announces that Ernst & Young will retire as the auditors of the Company upon expiration of its current term of office with effect from the conclusion of the 2019 AGM.

The Board has resolved, with the recommendation from the Audit Committee, to propose the appointment of KPMG as the new auditors of the Company following the retirement of Ernst & Young and to hold office until the conclusion of the annual general meeting of the Company to be held in 2020, subject to the approval by the Shareholders at the 2019 AGM.

This announcement is made pursuant to Rules 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### **PROPOSED CHANGE OF AUDITORS**

The board of directors (the “**Board**”) of Kinetic Mines and Energy Limited (the “**Company**”) hereby announces that Ernst & Young will retire as the auditors of the Company upon expiration of its current term of office with effect from the conclusion of the forthcoming annual general meeting of the Company to be held on Wednesday, 29 May 2019 (the “**2019 AGM**”) as the Company and Ernst & Young could not reach a consensus on the audit fee in respect of the financial year ending 31 December 2019.

The Board has resolved, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), to propose the appointment of KPMG as the new auditors of the Company (the “**Proposed Appointment**”) following the retirement of Ernst & Young to hold office until the conclusion of the annual general meeting of the Company to be held in 2020, subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the 2019 AGM.

The Company has received a letter from Ernst & Young confirming that there are no matters in relation to its retirement that need to be brought to the attention of the Shareholders. The Board has confirmed that there is no disagreement between Ernst & Young and the Company and there are no matters in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders.

A circular containing, among other things, information in relation to the Proposed Appointment, together with the notice convening the 2019 AGM will be despatched to the Shareholders in due course.

The Board would like to take this opportunity to express its sincere gratitude to Ernst & Young for the professional services provided to the Company in the past.

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

Hong Kong, 23 April 2019

*As at the date of this announcement, 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) and Mr. Zhang Liang, Johnson; one is a non-executive director, namely Ms. Zhang Lin, and three are independent non-executive directors, namely Mr. Zheng Ercheng, Ms. Liu Peilian and Ms. Xue Hui.*