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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)

**PROPOSAL FOR
DECLARATION AND PAYMENT OF FINAL DIVIDEND
RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of Kinetic Mines and Energy Limited to be held at Unit B, 20/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:30 a.m. is set out on pages 15 to 18 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). Whether or not you are able to attend such 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:30 a.m. 18 May 2021) before the time appointed for the holding of such meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting at such meeting or any adjourned meeting thereof should you so wish.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the AGM:

- (1) Compulsory temperature screening/checks
- (2) Wearing of surgical face mask
- (3) No provision of refreshments or drinks

Attendees who do not comply with the precautionary measures referred to in (1) to (2) above may be denied entry to the AGM venue, at the absolute discretion of the Company as permitted by law.

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy and to return their forms of proxy by the time specified above, instead of attending the AGM in person.

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

With the outbreak and spreading of the COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company will implement the following precautionary measures at the AGM.

Voting by proxy in advance of the AGM: The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the AGM by appointing the Chairman of the AGM as their proxy instead of attending the AGM in person. Physical attendance is not necessary for the purpose of exercising Shareholder rights. **Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they subsequently so wish.**

The deadline to submit completed forms of proxy is 10:30 a.m., 18 May 2021. Completed forms of proxy must be returned to the Hong Kong Share Registrar of the Company, Computershare Hong Kong Investor Services Limited (the “Hong Kong Share Registrar”) at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Shareholders are strongly encouraged to cast their votes by submitting a form of proxy and appointing the Chairman of the AGM as their proxy.

To safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company will also implement the following measures at the AGM:

- (1) Compulsory temperature screening/checks will be carried out on every attendee at the main door of Unit B, 20/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong (the “AGM venue”). Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or is exhibiting flu-like symptoms may be denied entry into the AGM venue and be requested to leave the AGM venue.
- (2) Every attendee will be required to wear a surgical face mask throughout the AGM and sit at a safe distance from other attendees. Please note that no masks will be provided at the AGM venue and attendees should bring and wear their own masks.
- (3) No refreshments or drinks will be provided to attendees at the AGM.

Attendees are requested to observe and practise good personal hygiene at the times at the AGM venue. To the extent permitted under law, the Company reserves the right to deny entry of any person into the AGM venue or require any person to leave the AGM venue so as to ensure the health and safety of the attendees at the AGM.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the AGM arrangements at short notice. Shareholders should check the Company's website at www.kineticme.com for future announcements and updates on the AGM arrangements.

Appointment of proxy by non-registered Shareholders: non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

If Shareholders have any questions relating to the AGM, please contact the Hong Kong share registrar of the Company as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone: +852 2862 8555
Facsimile: +852 2865 0990
Email: hkinfo@computershare.com.hk

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 Unit B, 20/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:30 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
“Final dividend”	the proposed final dividend of HK\$0.04 per Share as proposed by the Board on 22 March 2021
“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. 8(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 BVI on 9 December 2009 and a Controlling Shareholder

DEFINITIONS

“Latest Practicable Date”	26 March 2021, 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
“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. 8(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
“%”	percent



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. Zhang Liang, Johnson

Mr. Ju Wenzhong (*Chief Executive Officer*)

Non-executive Director:

Ms. Zhang Lin

Independent Non-Executive Directors:

Ms. Liu Peilian

Mr. Zheng Ercheng

Ms. Xue Hui

Registered Office:

Windward 3

Regatta Office Park

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

Dear Sir/Madam,

**PROPOSAL FOR
DECLARATION AND PAYMENT OF FINAL DIVIDEND
RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

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 proposal for (i) the declaration and payment of a final dividend, (ii) the re-election of Directors, and (iii) the granting of the General Mandate and the Repurchase Mandate. A notice of the AGM is set out on pages 15 to 18 of this circular.

LETTER FROM THE BOARD

DECLARATION AND PAYMENT OF FINAL DIVIDEND

In the annual results announcement of the Company on 22 March 2021, the Board proposed and recommended to pay a final dividend of HK\$0.04 per Share, payable to Shareholders of the Company whose names appear on the register of members of the Company on 28 May 2021, subject to the Shareholder's approval at the AGM. The final dividend, if approved, is expected to be paid in cash on or before Wednesday, 30 June 2021.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY FOR ATTENDING THE AGM

The register of members of the Company will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021 (both days 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 branch share registrar in Hong Kong, 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 Thursday, 13 May 2021.

RE-ELECTION OF DIRECTORS

In accordance with Article 108(a) and 112 of the Articles, the Directors, Mr. Zhang Liang, Johnson, Mr. Ju Wenzhong and Ms. Liu Peilian, 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.

Pursuant to Rule A.5.5 in Appendix 14 to the Listing Rules, the nomination committee under the Board and the Board have discussed the matters regarding the re-election of, the independent non-executive Director, Ms. Liu. Ms. Liu has served as the independent non-executive Director of the Company for more than eight years and is familiar with the Company's business. She has also provided the Company with objective, independent and sufficient opinions and analysis from different perspectives and with her professional knowledge and unique experience. Ms. Liu has proved her ability to provide independent, fair and objective opinions on the affairs of the Company by virtue of her personal views, skills and experience. She is also able to promote the diversity of the structure of the Board of the Company in various aspects, including gender, culture, knowledge, educational background, experience and skills. She does not hold seven or more listed company directorship, thus she can give sufficient time and attention to the Company's affairs. The Board has greatly benefited from her contribution in the past.

In view of the above, and given that Ms. Liu has furnished her independence confirmation under Rule 3.13 of the Listing Rules to the Board and has not engaged in any executive management of the Group, the Board believes that Ms. Liu is independent and should be re-elected.

LETTER FROM THE BOARD

GENERAL MANDATE AND REPURCHASE MANDATE

By resolutions of the Shareholders passed on 19 May 2020, 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. 8(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. 8(3), the number of issued shares purchased by the Company under ordinary resolution no. 8(2) will also be added to the 20% general mandate as mentioned in the ordinary resolution no. 8(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.

At the AGM, another ordinary resolution set out as resolution no. 8(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 Unit B, 20/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:30 a.m., at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider the proposed declaration and payment of the final dividend, the proposed re-election of the Directors and the proposed grant to the Directors of the General Mandate and the Repurchase Mandate. The notice of AGM is set out on pages 15 to 18 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.

LETTER FROM THE BOARD

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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours (i.e. 10:30 a.m. 18 May 2021) 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 resolutions set out in the notice of AGM including the proposed declaration and payment of the final dividend, the proposed re-election of Directors and the proposed 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.

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

8 April 2021

The particulars of Mr. Zhang Liang, Johnson, Mr. Ju Wenzhong and Ms. Liu Peilian, who will offer themselves for re-election at the AGM, disclosed pursuant to Rule 13.74 of the Listing Rules are as follows:

Mr. Zhang Liang, Johnson (張量), aged 39, has been an executive Director since 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 is an entrepreneur in various industries, including energy and real estate. He has over 12 years of experience in the real estate industry of China, he is a director of Seedland Construction Holdings Limited (實地建設集團有限公司), a company incorporated in Hong Kong with limited liability on 15 July 2008 and primarily engaged in real estate business through its subsidiaries. Besides, Mr. Zhang has been an executive director and the chairman of Transmit Entertainment Limited (傳遞娛樂有限公司) (formerly known as Pegasus Entertainment Holdings Limited (天馬影視文化控股有限公司)) (Stock Code: 1326), a company listed on the Stock Exchange, since December 2017 and has been an executive director and the chairman of Brainhole Technology Limited (腦洞科技有限公司) (formerly known as Top Dynamic International Holdings Limited (泰邦集團國際控股有限公司)) (Stock Code: 2203), a company listed on the Stock Exchange, since June 2018.

Mr. Zhang is the sole director of King Lok Holdings Limited, which held approximately 62.96% of the issued share capital of the Company as of 31 December 2020.

Mr. Zhang has renewed his service contract with the Company for a initial fixed term of three years with effect from 6 March 2021 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 director's remuneration of RMB3,000,000 per annum plus a discretionary bonus. His remuneration 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. Ju Wenzhong (具文忠), aged 52, has been an executive Director and the chief executive officer of the Company since 28 May 2020. Mr. Ju is fully responsible for the leadership in production and sales of the Group. He serves in important positions in various companies of the Group including: the chairman of Inner Mongolia Zhunge'er Kinetic Coal Limited (內蒙古准格爾旗力量煤業有限公司), and the chairman and general manager of Kinetic (Tianjin) Coal Co., Limited (力量(天津)煤業貿易公司).

He obtained a professional qualification in precision machinery from the Department of Mechanical Engineering, Shenzhen University (深圳大學機械系精密機械儀器專業資格) in July 1990. Mr. Ju has joined our Group since September 2010 as the deputy general manager of Kinetic (Qinhuangdao) Energy Co., Limited (力量(秦皇島)能源有限公司) and the deputy general manager of Inner Mongolia Zhunge'er Kinetic Coal Limited (內蒙古准格爾旗力量煤業有限公司), and was mainly responsible for coal sales and external communication.

Prior to joining our Group in September 2010, Mr. Ju served as a senior management and director in several companies. He served as the deputy general manager and media sales director of Guangdong One Generation Advertising Co., Ltd (廣東壹時代廣告有限公司) from January 2000 to December 2002, and was mainly responsible for media sales in Shenzhen and Guangzhou, China. In addition, Mr. Ju served as the general manager of Guangzhou Frasar Advertising Co., Ltd (廣州菲沙廣告有限公司) during the period from January 2003 to September 2006. He was the general manager and executive director of Guangzhou Universal Networks Co., Ltd (廣州普及網絡有限公司) from October 2006 to August 2010.

Mr. Ju has entered into a service contract with the Company for an initial fixed term of three years with effect from 28 May 2020 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. Ju is entitled to a fixed director's remuneration of RMB780,000 per annum plus a discretionary bonus. His remuneration is determined by the Board having regard to his duties and responsibilities.

As at the Latest Practicable Date, Mr. Ju owns 353,659 ordinary Shares of the Company the meaning of Part XV of the SFO, representing approximately 0.004% of the number of issued Shares of the Company.

Ms. Liu Peilian (劉佩蓮), aged 67, has been an independent non-executive Director of the Company since 6 March 2012. She completed her undergraduate education in finance and accounting from Guangzhou Open University (廣州市廣播電視大學) in 1990 and obtained her master's degree in business administration from Murdoch University in Australia in 2002. Ms. Liu is an accountant, a certified public accountant and a certified tax agent in the PRC and has over 40 years of experience in finance and accounting. She worked in the Bureau of Finance of Guangzhou Municipality (廣州市財政局) and held various senior positions with Shu Lun Pan Yangcheng Certified Public Accountants Co., Ltd. (立信羊城會計師事務所有限公司) and its predecessor firms including director, deputy chief accountant and consultant. She has been a consultant of Qinghai Huading Industrial Co., Ltd. (青海華鼎實業股份有限公司), a manufacturer of mechanical products listed on the Shanghai Stock Exchange (stock code: 600243), since 2010 and an independent director of Keda Industrial Co., Ltd. (廣東科達機電股份有限公司) from 2009 to 2015, another manufacturer of mechanical products listed on the Shanghai Stock Exchange (stock code: 600499), and GRG Banking Equipment Co., Ltd. (廣州廣電運通金融電子股份有限公司), an automatic teller machine supplier listed on the Shenzhen Stock Exchange (stock code: 002152), from 2011 to 2017. Moreover, she has been an independent director of Guangzhou Hongteo Accurate Technology Co., Ltd. (廣東鴻特精密技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 300176), from 2013 to 2016.

Ms. Liu has renewed her contract with the Company for an initial fixed term of three years with effect from 6 March 2021 and she is subject to retirement by rotation and re-election at the AGM of the Company in accordance with the Articles. Under the letter of appointment, Ms. Liu is entitled to a fixed director's fee of RMB240,000 per annum. Her remuneration is determined by the Board having regard to her duties and responsibilities.

As at the Latest Practicable Date, Ms. Liu does not have any interest in the Company.

Save as disclosed above, each of the above Directors:

- (i) does not have any other relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; and
- (ii) does not have any other 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 the 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 results announcement on 22 March 2021 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 results announcement. 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 69.95%, and the effective interests of Mr. Zhang Liang, Johnson in the issued share capital of the Company would be increased to approximately 69.95%. 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:

Month	Highest HK\$	Lowest HK\$
2020		
April	0.365	0.330
May	0.350	0.300
June	0.325	0.305
July	0.325	0.275
August	0.360	0.305
September	0.360	0.265
October	0.350	0.330
November	0.390	0.320
December	0.460	0.390
2021		
January	0.465	0.410
February	0.450	0.410
March (up to the Latest Practicable Date)	0.540	0.435

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 Unit B, 20/F, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong on Thursday, 20 May 2021 at 10:30 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 2020.
2. To declare a final dividend of HK\$0.04 per share for the year ended 31 December 2020 (the “Final Dividend”).
3. To re-elect Mr. Zhang Liang, Johnson as an executive director of the Company.
4. To re-elect Mr. Ju Wenzhong as an executive director of the Company.
5. To re-elect Ms. Liu Peilian as an independent non-executive director of the Company.
6. To authorise the board of directors to fix the remuneration of the directors of the Company (the “Directors”).
7. To re-appoint KPMG as the auditors of the Company and to authorise the board of Directors to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

8. 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

NOTICE OF ANNUAL GENERAL MEETING

(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
- 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 (the “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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;
- 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. 8(1) and 8(2) as set out in the notice convening this meeting, the general unconditional mandate granted to the Directors pursuant to Ordinary Resolution No. 8(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. 8(2) as set out in the notice convening this meeting, provided that such extended amount shall not exceed

NOTICE OF ANNUAL GENERAL MEETING

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, 8 April 2021

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. Zhang Liang, Johnson and Mr. Ju Wenzhong (Chief Executive Officer); one is a non-executive Director, namely Ms. Zhang Lin, and three are independent non-executive Directors, namely Ms. Liu Peilian, Mr. Zheng Ercheng and Ms. Xue Hui.

Notes:

1. Resolution numbered 8(3) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 8(1) and 8(2) are passed by the shareholders.
2. The register of members of the Company will be closed from Wednesday, 26 May 2021 to Friday, 28 May 2021 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to the proposed final dividend. To qualify for the final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office 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 no later than 4:30 p.m. on Tuesday, 25 May 2021.
3. The register of members of the Company will be closed from Friday, 14 May 2021 to Thursday, 20 May 2021 (both days inclusive), during which period no transfer of shares will be registered for the purpose of determining shareholders' entitlement to attending and voting at the forthcoming AGM. In order to be entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office 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 no later than 4:30 p.m. on Thursday, 13 May 2021.
4. 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.
5. 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 17M 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.
6. In accordance with Article 108(a) and 112 of the Company's articles of association, Mr. Zhang Liang, Johnson, Mr. Ju Wenzhong and Ms. Liu Peilian 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 8 April 2021.