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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, APPOINTMENT AND RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF NOMINATION COMMITTEE**

#### **CHANGE OF AUDITORS**

The Board announces that KPMG will retire as the auditors of the Company upon expiration of its current term of office with effect from the conclusion of the 2016 AGM.

The Board has resolved, with the recommendation from the Audit Committee, to propose the appointment of Ernst & Young as the new auditors of the Company following the retirement of KPMG and to hold office until the conclusion of the annual general meeting of the Company to be held in 2017, subject to the approval by the Shareholders at the 2016 AGM.

#### **APPOINTMENT AND RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF NOMINATION COMMITTEE**

In order for Mr. Shi Xiaoyu to devote more time to his personal commitments, Mr. Shi tendered his resignation as an independent non-executive director of the Company with effect from 22 April 2016.

The Board is also pleased to announce that Ms. Xue Hui has been appointed as the independent non-executive director of the Company with effect from 22 April 2016.

A circular, containing, among other things, details of the Proposed Appointment and the notice convening the 2016 AGM, will be despatched to the shareholders of the Company in due course.

This announcement is made pursuant to Rules 13.51(2) and 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## **PROPOSED CHANGE OF AUDITORS**

The board of directors (the “**Board**”) of Kinetic Mines and Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that KPMG 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 Tuesday, 31 May 2016 (the “**2016 AGM**”).

The Board has continuously reviewed the corporate governance practices implemented by the Company to ensure that it aligns with the strategic direction of the Group and the Board noted that KPMG have been the auditors of the Company since 2010. For the purpose of maintaining good corporate governance practice, the Board considers that the auditors of the Company should be rotated after an appropriate period of time. Such rotation of auditors will also enhance the independence of the auditors in providing independence professional services. After due consideration, the Board has resolved, with the recommendation from the audit committee of the Company (the “**Audit Committee**”), to propose the appointment of Ernst & Young as the new auditors of the Company (the “**Proposed Appointment**”) following the retirement of KPMG to hold office until the conclusion of the annual general meeting of the Company to be held in 2017, subject to the approval by the shareholders of the Company (the “**Shareholders**”) at the 2016 AGM.

The Company has received a letter from KPMG 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 KPMG 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 2016 AGM will be despatched to the Shareholders in due course.

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

## **RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF NOMINATION COMMITTEE**

The Board announces that Mr. Shi Xiaoyu (“**Mr. Shi**”) has tendered his resignation as the Company’s independent non-executive director, chairman of remuneration committee and member of nomination committee with effect from 22 April 2016 to allow him to devote more time to his personal commitments. The Board would like to express its sincere gratitude to Mr. Shi for his efforts and contributions to the Company during his tenure of office.

Mr. Shi has confirmed that he has no claims against the Company in respect of his resignation and that he does not have any disagreement with the Board, and there are no matters that need to be brought to the attention of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Shareholders in relation to his resignation as the independent non-executive director, chairman of remuneration committee and member of nomination committee of the Company.

#### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF NOMINATION COMMITTEE**

The Board announces that Ms. Xue Hui (薛慧) (“**Ms. Xue**”) has been appointed as the Company’s independent non-executive director, chairman of remuneration committee and member of nomination committee with effect from 22 April 2016.

Ms. Xue Hui (薛慧), aged 60, has extensive experience in the construction and real estate industries. She acquired a certificate of Intermediate Economist in 2003, and has served as the department head of the personnel office of Guangzhou Municipal Farm Administration (廣州市農場管理局) from 1974 to 1993, the deputy general manager of Guangzhou Sino Properties Development Company Ltd (廣州信和房地產開發有限公司) from 1994 to 2003 and the general manager of Chongqing R&F Properties Development Company Ltd (重慶富力城地產開發有限公司) from 2003 to 2015.

An appointment letter has been entered into between the Company and Ms. Xue to appoint her for a term of three years commencing from 22 April 2016, subject to retirement and re-election pursuant to the articles of association of the Company (the “**Articles**”). She will hold office until the 2016 AGM and shall be eligible for re-election in accordance with the Articles. Thereafter, she will be subject to retirement by rotation and re-election at least once every three years at the Company’s annual general meetings in accordance with the Articles. Ms. Xue will be entitled to a director’s remuneration of RMB240,000 per annum, such emolument has been determined by the Board having regard to her duties and responsibilities.

Ms. Xue did not hold any directorship in the last three years in any public companies, the securities of which are listed in Hong Kong or overseas and did not hold any position with the Company or any of its subsidiaries. Ms. Xue has confirmed that she meets the independence requirements as set out in Rule 3.13 of the Listing Rules.

As at the date of this announcement, Ms. Xue owns 3,860,055 ordinary shares of the Company (the “**Shares**”) representing 0.05 per cent of the number of issued shares of the Company. Save as disclosed above, Ms. Xue is not interested or deemed to be interested in any Shares or underlying Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed, there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the appointment of Ms. Xue that need to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to take this opportunity to express its warmest welcome to Ms. Xue for joining the Board.

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

Hong Kong, 22 April 2016

*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 Ms. Xue Hui, Ms. Liu Peilian and Mr. Zheng Ercheng.*