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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Coal Limited, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Asia Coal Limited
亞洲煤業有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 835)

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Asia Coal Limited (the “Company”) to be held at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Wednesday, 28 September 2016 at 10:30 a.m. is set out on pages 24 to 28 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting at the annual general meeting or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

22 July 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I – Explanatory Statement	10
Appendix II – Summary of the Principal Terms of New Share Option Scheme	13
Appendix III – Biographical Details of the Directors Proposed for Re-election	21
Notice of Annual General Meeting	24

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Adoption Date”	the date on which the New Share Option Scheme is adopted by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Wednesday, 28 September 2016 at 10:30 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 24 to 28 of this circular
“Board”	the board of Directors
“Business Associate(s)”	(a) any advisor, consultant or agent (in the areas of legal, technical, financial or corporate managerial) to the Group; (b) any provider of goods and/or services to the Group; or (c) any other person who, at the sole discretion of the Board, has contributed or may contribute to the Group (the assessment criterion of which are (i) such person’s contribution to the development and performance of the Group; (ii) the quality of work performed by such person for the Group; (iii) the initiative and commitment of such person in performing his or her duties; and (iv) the length of service or contribution of such person to the Group)
“Business Day”	a day (other than a Saturday or a Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for the business of dealing in securities
“Bye-law(s)”	the bye-laws of the Company
“close associates”	has the meaning as ascribed to it under the Listing Rules
“Company”	Asia Coal Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“core connected persons”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Employee”	(a) any full-time employee and director (including executive director, non-executive director and independent non-executive director or proposed executive director, non-executive director and independent non-executive director) of the Company and its subsidiaries; and (b) any part-time employee with weekly working hours of 10 hours or above of the Group

DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 28 September 2007
“Grantee”	any Participant who accepts an offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the resolution granting such mandate, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution, being the mandate referred to in resolution number 4 in the AGM Notice
“Latest Practicable Date”	18 July 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	a new share option scheme of the Company to be adopted by the Company and to be approved by the Shareholders at the AGM
“Option(s)”	a right to subscribe for Shares pursuant to the terms of the New Share Option Scheme
“Option Period”	a period to be notified by the Board to each Grantee (save that such period within which an Option must be exercised shall not be more than 10 years from the date of grant of the Option) and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised
“Participant(s)”	any Employee, Business Associate and Trustee
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution number 5 of the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Trustee”	the trustee of any trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



Asia Coal Limited

亞洲煤業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 835)

Executive Directors:

Mr. Zhu Xinjiang (*Chairman*)
Mr. Cheung Siu Fai
Mr. Sun David Lee
Mr. Yeung Ting Lap, Derek Emory

Independent Non-executive Directors:

Mr. Edward John Hill III
Mr. Ho Man Kin, Tony
Mr. Li Kar Fai, Peter

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal Place of Business
in Hong Kong:*

Unit A, 60/F
Bank of China Tower
1 Garden Road
Central
Hong Kong

22 July 2016

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
TERMINATION OF EXISTING SHARE OPTION SCHEME AND
ADOPTION OF NEW SHARE OPTION SCHEME
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed general mandates to issue Shares and to repurchase Shares and to extend the general mandate to issue Shares; (ii) the proposed termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme; and (iii) the proposed re-election of retiring Directors in order to enable you to make an informed decision on whether to vote for or against the ordinary resolutions number 2 and 4 to 7 to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, ordinary resolutions number 4 and 6 of the AGM Notice will be proposed which, if passed, will give the Directors a general and unconditional mandate to issue new Shares representing up to (i) 20% of the total number of Shares in issue at the date of the passing of the resolution granting such mandate, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution, plus (ii) the aggregate number of Shares repurchased by the Company (under the authority granted pursuant to the Repurchase Resolution) subsequent to the passing of such resolution.

On the basis of a total of 9,607,753,752 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the AGM date, the Issue Mandate (if granted by the Shareholders at the AGM) will empower the Directors to allot, issue or otherwise deal with up to a maximum of 1,921,550,750 new Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, the ordinary resolution number 5 of the AGM Notice will be proposed which, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution granting such mandate (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution) at any time until the next annual general meeting of the Company following the passing of the said ordinary resolution or such earlier period as stated in the said ordinary resolution (the “Repurchase Mandate”).

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

TERMINATION OF EXISTING SHARE OPTION SCHEME AND ADOPTION OF NEW SHARE OPTION SCHEME

As the Existing Share Option Scheme will expire in September 2017, the Board proposes to adopt the New Share Option Scheme for the Company and terminate the Existing Share Option Scheme (without prejudice to the rights and benefits of and attached to all those option(s), if any, granted under the Existing Share Option Scheme which are outstanding) subject to the approval of the Shareholders.

As at the Latest Practicable Date, there were 9,607,753,752 Shares in issue. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date to the date of adoption of the New Share Option Scheme, the number of Shares which may fall to be allotted and issued upon exercise in full of the Options to be granted under the New Share Option Scheme would be 960,775,375 Shares, representing approximately 10% of the Shares in issue as at the Latest Practicable Date, which, together with the number of Shares which may fall to be allotted and issued upon exercise in full of the 40,060,000 options granted under the Existing Share Option Scheme and the 5,442,320 options granted under the 2003 Share Option Scheme, are within the overall limit of 30% prescribed under the Listing Rules.

LETTER FROM THE BOARD

Existing Share Option Scheme

The Existing Share Option Scheme has been adopted by the Company on 28 September 2007 under which the Directors may at their discretion grant options to eligible participants as referred to in the Existing Share Option Scheme to subscribe for Shares in the Company subject to the terms and conditions stipulated in the Existing Share Option Scheme.

As at the Latest Practicable Date, 40,060,000 options granted under the Existing Share Option Scheme were outstanding.

The 2003 Share Option Scheme

Prior to the Existing Share Option Scheme, the Company adopted the 2003 Share Option Scheme on 26 August 2003. The 2003 Share Option Scheme was operated until it was terminated on 28 September 2007 upon the adoption of the Existing Share Option Scheme on the same day.

As at the Latest Practicable Date, 5,442,320 options granted under the 2003 Share Option Scheme were outstanding and they are exercisable upto 21 August 2016.

Termination of the Existing Share Option Scheme

Under the Existing Share Option Scheme, the Company may at any time by ordinary resolution in general meeting terminate the operation of the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme is to be terminated immediately upon adoption of the New Share Option Scheme subject to the approval of the Shareholders.

Upon termination of the Existing Share Option Scheme, no further options can be offered thereunder but the provisions of the Existing Share Option Scheme shall remain in all other respects in full force and effect in respect of any options granted prior to such termination but not yet exercised at the time of termination.

New Share Option Scheme

The purpose of the New Share Option Scheme is to enable the Company to grant Options to the Participants in order to motivate and recognize the contribution of the Participants of the Company and/or any of its subsidiaries and/or any invested entity and to provide incentives and help the Group in retaining its existing employees and recruiting additional employees and to provide them with a direct economic interest in attaining the long term business objectives of the Group.

The rules of the New Share Option Scheme provide that the Company may specify the Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme.

LETTER FROM THE BOARD

The Board may at its discretion include any terms, including, among other things, the minimum period for which an Option must be held and the minimum performance targets that must be reached before it can be exercised. The Directors believe that the New Share Option Scheme will provide the Board with flexibility in determining (among other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to the Participants to contribute to the Group and to attract human resources that are valuable to the Group.

A resolution will be proposed at the AGM for the Board to grant Options under the New Share Option Scheme for the subscription of not more than 10% of the total number of Shares in issue at the date of the passing of the relevant resolution. The terms of the New Share Option Scheme have no material difference from those of the Existing Share Option Scheme.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

None of the Directors shall be a trustee of the New Share Option Scheme or has a direct or indirect interest in any such trustee.

The Board (or its duly authorised committee) will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules, including Rule 17.07 and 17.09.

Conditions Precedent

The proposed adoption of the New Share Option Scheme is conditional upon:

- (a) the termination of the Existing Share Option Scheme by a resolution of the Shareholders at the AGM;
- (b) the passing of the necessary resolution to approve and adopt the New Share Option Scheme by the Shareholders at the AGM; and

LETTER FROM THE BOARD

- (c) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix II to this circular on pages 13 to 20. A copy of the rules of the New Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions approving the New Share Option Scheme.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 110(A), Mr. Zhu Xinjiang, Mr. Cheung Siu Fai and Mr. Yeung Ting Lap, Derek Emory will retire as Directors by rotation at the AGM and, being eligible, have offered themselves for re-election at the AGM.

Biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix III to this circular.

AGM

The AGM Notice which contains, inter alia, resolutions to approve the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme and the re-election of the retiring Directors is set out on pages 24 to 28 of this circular.

A proxy form is herewith enclosed for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude the Shareholders from attending and voting at the AGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, 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. Therefore, the chairman of the AGM will exercise his right pursuant to Bye-law 78 to demand poll voting on all the resolutions as set out in the AGM Notice. An announcement on the poll vote results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors 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.

RECOMMENDATION

The Board believes that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate, the approval of the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme and the re-election of retiring Directors as set out in the AGM Notice are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,
By Order of the Board
Asia Coal Limited
Zhu Xinjiang
Chairman

This appendix serves as an explanatory statement, as required under the Listing Rules, to provide requisite information for Shareholders to consider the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 9,607,753,752 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 960,775,375 Shares (representing not more than 10% of the total number of Shares in issue at the date of the passing of the Repurchase Resolution).

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cash flow or working capital facilities which are funds otherwise available for dividend or distribution and thus legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws, The Companies Act 1981 of Bermuda and any other applicable laws.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 March 2016 in the event that the power to repurchase Shares pursuant to the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2015	0.148	0.103
August 2015	0.138	0.101
September 2015	0.122	0.099
October 2015	0.144	0.111
November 2015	0.142	0.121
December 2015	0.132	0.108
January 2016	0.116	0.060
February 2016	0.115	0.054
March 2016	0.103	0.075
April 2016	0.142	0.102
May 2016	0.137	0.115
June 2016	0.169	0.125
July 2016 (up to the Latest Practicable Date)	0.196	0.145

(source of information: www.hkex.com.hk)

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries, in the event that the Repurchase Mandate is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If upon the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders were interested in 5% or more of the total number of Shares in issue as recorded in the register of the Company kept under section 336 of the SFO:

Name	Number of Shares	Percentage holding
Sharp Victory Holdings Limited (<i>Note</i>)	6,006,850,314	62.52%
Zhu Xinjiang (<i>Note</i>)	6,006,850,314	62.52%

Note: Sharp Victory Holdings Limited is wholly-owned by Mr. Zhu Xinjiang, Chairman and an Executive Director.

Save as disclosed above, to the best of their knowledge and belief, the Directors are not aware of any single Shareholder who has an interest of 5% or more in the total number of Shares in issue.

Based on the above shareholdings of the Company, in the event that the Directors exercise the Repurchase Mandate in full, which is not presently contemplated, and that there is no change in the total number of Shares in issue after the Latest Practicable Date, then the attributable shareholdings of the above Shareholders will increase to the following respective percentages:

Name	Percentage holding
Sharp Victory Holdings Limited	69.47%
Zhu Xinjiang	69.47%

Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, cause any takeover obligation of any Shareholder or group of Shareholders acting in concert.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following is a summary of the principal terms of the rules of the New Share Option Scheme to be adopted at the AGM:

- (a) The purpose of the New Share Option Scheme is to encourage the Participants to perform their best in achieving the goals of the Group and at the same time allow the Participants to enjoy the results of the Company attained through their efforts and contributions and to provide the Participants with incentives and help the Group in retaining its existing Employees and recruiting additional Employees.
- (b) The New Share Option Scheme is conditional upon (i) the termination of the Existing Share Option Scheme by a resolution of the Shareholders at the AGM; (ii) the approval of the Shareholders for the adoption of the New Share Option Scheme and (iii) the Listing Committee of the Stock Exchange granting approval of the listing of, and the permission to deal in, any Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.
- (c) The New Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date, after which period no further Options will be granted but the provision of the New Share Option Scheme shall remain in full force and effect in all other respects.
- (d) The Board may in its absolute discretion invite any Participant to take up Options. An Option shall be deemed to have been granted and accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 21 days from the date of offer of the Option.
- (e) The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option but in any case, the Subscription Price shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a Business Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days immediately preceding the date of grant; or (iii) the nominal value of a Share.
- (f) (i) Subject to paragraph (f)(iv) below, the total number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the Adoption Date unless the Company obtains a refresh approval from its Shareholders pursuant to paragraph (f)(ii) below. Option lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company under which such Options are granted, as the case may be, shall not be counted for the purpose of calculating such 10% limit.

- (ii) Subject to paragraph (f)(iv) below, the Company may seek approval of its Shareholders in general meetings to renew the 10% limit as set out in paragraph (f)(i) above provided that such 10% limit so renewed must not exceed 10% of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating such 10% renewed limit.
- (iii) Subject to paragraph (f)(iv) below, the Company may grant Options to Participant(s) beyond the 10% limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the identified Participant(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified Participant(s), and an explanation as to how these Options serve such purpose.
- (iv) Notwithstanding the above paragraphs (f)(i) to (iii), the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time. No Options may be granted under any share option schemes of the Company (or its subsidiary) if this will result in the limit being exceeded.
- (g) No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including both exercised and outstanding Options) in the 12-month period up to and including the date of grant to such Participant would exceed 1% of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Grantee and his close associates (as defined in the Listing Rules) abstaining from voting. A circular must be sent to the Shareholders of the Company disclosing the identity of the proposed Grantee, the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such proposed Grantee must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the Subscription Price.
- (h) An Option may be exercised in accordance with the terms and conditions of the New Share Option Scheme at any time during the Option Period which is such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of grant of the Option and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised.

- (i) Unless otherwise determined by the Board, there is no performance target that must be achieved before the Options can be exercised and there is no minimum period for which an Option must be held before it can be exercised.
- (j) An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option.
- (k) In the event of the Grantee, being an Employee at the date of grant, ceasing to be an Employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in clause 28.4 of the New Share Option Scheme, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the relevant Group member whether salary is paid in lieu of notice or not or the last date of appointment as director of the relevant Group member (as the case may be) (provided that the retirement of any director of the Group pursuant to the Bye-laws or articles of association (as the case may be) of the relevant Group member at an annual general meeting of such member who is re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph), failing which the Option shall lapse.
- (l) In the case where
 - (1) the Grantee is a Business Associate to the Group under a fixed term contract, if the Grantee ceases to be a Business Associate by reason of termination or expiry of the term of the relevant fixed term contract without an extension or renewal by the Group for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in clause 28.5 of the New Share Option Scheme, the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of expiry of the relevant fixed term contract, failing which the Option shall lapse.
 - (2) the Grantee is a Business Associate to the Group not under a fixed term contract, if the Grantee ceases to be a Business Associate by reason of the Grantee ceasing to provide any further services or goods to the Group as may be determined by the Board and notified to such Business Associate in writing for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in clause 28.5 of the New Share Option Scheme, the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of the aforesaid written notification to such Business Associate, failing which the Option shall lapse.

- (m) In the case where the Grantee is a Trustee and where
- (1) the relevant beneficiary of the Trust is an Employee, and such Employee ceases to be an Employee in the manner as referred to in clause 25.3 of the New Share Option Scheme, the Grantee may exercise the Option up to his or her or its entitlement at the date of such cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the relevant Group member whether salary is paid in lieu of notice or not or the last date of appointment as director of the relevant Group member (as the case may be) (provided that the retirement of any director of the Group pursuant to the Bye-laws or articles of association (as the case may be) of the relevant Group member at an annual general meeting of such member who is re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph), failing which the Option shall lapse.
 - (2) the relevant beneficiary of the Trust is a Business Associate, and such Business Associate ceases to be a Business Associate in the manner as referred to in clause 25.3 of the New Share Option Scheme, the Grantee may exercise the Option in accordance with clause 25.3 of the New Share Option Scheme, failing which the Option shall lapse.
- (n) in the case where the Grantee is an Employee or a Business Associate (in each case, being an individual) dies before exercising the Option in full and none of the events specified in clauses 28.4 and 28.5 of the New Share Option Scheme arises prior to his or her death, the legal personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the Option shall lapse.
- (o) In the case where the Grantee is a Trustee and where the relevant beneficiary of the Trust is an Employee or a Business Associate, and such Employee or Business Associate (in each case, being an individual) dies and none of the events specified in clauses 28.4 and 28.5 of the New Share Option Scheme arises prior to his or her death, the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the Option shall lapse.

- (p) If a general offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry of the Option, the Grantee (or, as the case may be, his legal personal representatives) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional even though the Option Period has not come into effect during the occurrence of the general offer, failing which the Option shall lapse.
- (q) in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it dispatches such notice to each Shareholder give notice thereof to all Grantees (together with a notice of the existence of the relevant provisions of the New Share Option Scheme) and thereupon, each Grantee (or where permitted his/her legal personal representatives) shall be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than 7 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- (r) if an application is made to the court (otherwise than where the Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), the Grantee may by notice in writing to the Company within 21 days after the date of such application, exercise the Option in full (to the extent which has become exercisable and not already exercised) or to the extent specified in such notice, failing which the Option shall lapse.
- (s) An Option shall lapse automatically (to the extent not already exercised) on the earliest of:-
- (i) the expiry of the Option Period;
 - (ii) the expiry of any of the periods referred to in clauses 25.1, 25.2, 25.3, 25.4, 25.5, 25.6 or 25.7 of the New Share Option Scheme (that is, paragraphs (k), (l), (m), (n), (o), (p) and (q) above);
 - (iii) subject to clause 25.7 of the New Share Option Scheme, the date of the commencement of the winding-up of the Company;

- (iv) in the case the Grantee is an Employee at the date of grant, the date on which the Grantee ceases to be an Employee by reason of the termination of his/her employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant Group Member;
 - (v) in the case the Grantee is a Business Associate to the Group at the date of grant, the date on which the Grantee ceases to be a Business Associate to the Group by reason of breach of contract on the part of the Business Associate or on any one or more of the grounds that he or she or it appears to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her or its creditors generally, or ceases or threatens to cease to carry on his/her/its business, or is wound up, or has an administrator or liquidator being appointed for the whole or any part of his/her/its undertakings or assets, or has been convicted of any criminal offence involving integrity or honesty;
 - (vi) where the Grantee is a Trustee and where the relevant beneficiary of the Trust is an Employee or a Business Associate, the date on which any one of the events referred to in paragraphs (s)(iv) and (v) above occurs to such beneficiary;
 - (vii) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in clause 25.8 of the New Share Option Scheme (that is, paragraph (r) above); and
 - (viii) the date on which the Option is cancelled by the Board as provided in clause 23 of the New Share Option Scheme.
- (t) The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders of Options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

- (u) In the event of any alterations in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital howsoever in accordance with the legal requirements and the requirements of the Listing Rules and the Stock Exchange whilst any Option remains exercisable, such corresponding adjustments (if any) shall be made in the number of Shares subject to the Option so far as unexercised and/or the Subscription Price provided that any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment and that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and in case of any adjustments other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the auditors of the Company is required to confirm that the adjustment(s) satisfy the relevant requirements under the Listing Rules.
- (v) Any cancellation of Options granted but not exercised must be approved by the Board provided that where the Company cancel any Options granted but not exercised and issue new ones to the same option holder, the issue of such new options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders of the Company as mentioned in note (1) to Rule 17.03(3) of the Listing Rules.
- (w) The Company may by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but the provisions of the New Share Option Scheme in relation to any outstanding Options shall remain in full force and effect in all other respects and the Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme.
- (x) The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants; (ii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme; (iii) the terms and conditions of the New Share Option Scheme which are of a material nature; or (iv) any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders, provided that any amendment or alteration to the terms and conditions of the New Share Option Scheme shall comply with Chapter 17 of the Listing Rules.

- (y) (i) Any grant of Option to a director, chief executive or substantial shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or any of their respective close associates (with the meaning as ascribed under the Listing Rules) must be approved by the independent non-executive directors of the Company (excluding any independent non-executive director who is the Grantee of the Option).
- (ii) Where any grant of Option is to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive director of the Company or any of their respective close associates (as defined in the Listing Rules) and the proposed grant of Option, when aggregated will result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person(s) in the 12-month period up to and including the date of grant, (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, then such proposed grant of Option(s) must be subject to approval by Shareholders on a poll in a general meeting where all core connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting (except where such core connected person(s) (as defined in the Listing Rules) intend(s) to vote against the proposed grant of Option(s) and his intention to do so has been stated in the circular). A Shareholders' circular must be prepared by the Company explaining the proposed grant of Option, disclosing the number and terms of the Options proposed to be granted and the recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director who is the Grantee of the Option) as to voting and any other information as required under the Listing Rules.

The following are the particulars of the retiring Directors who are proposed to be re-elected at the AGM:

Mr. Zhu Xinjiang (“Mr. Zhu”)

Mr. Zhu, aged 41, was appointed as a Non-executive Director of the Company in March 2013 and was re-designated as the Chairman and an Executive Director of the Company in May 2013. Mr. Zhu is also a director of other members of the Group. Mr. Zhu has over 8 years of experience in the property development business and holds management positions in property development companies in Guangdong province of the PRC. Mr. Zhu is a citizen of the PRC, the sole shareholder and director of Sharp Victory Holdings Limited, holding company of the Company, and a real estate developer in Guangzhou of the PRC. Mr. Zhu indirectly owns 廣州仲源房地產開發有限公司 (Guangzhou Zhongyuan Real Estate Development Limited), a real estate development company in Guangzhou of the PRC and has been its executive director and chairman since 2005. Mr. Zhu has extensive experience in management of property development business, corporate merger and acquisition, distressed asset management, investment planning, business acquisition and development and corporate management.

As at the Latest Practicable Date, Mr. Zhu has a corporate interest of 6,006,850,314 Shares. Save as disclosed above, Mr. Zhu does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Zhu has entered into a service agreement with the Company for a term of three years commencing from 2 May 2013 in relation to his appointment as an Executive Director and is renewed automatically on every three years. Mr. Zhu is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Zhu is entitled to receive a director’s fee of HK\$20,000 and a housing allowance of HK\$300,000 per month as recommended by the remuneration committee of the Company (the “Remuneration Committee”) and determined by the Board with reference to his duties, responsibilities and the prevailing market conditions.

Save as disclosed above, (i) Mr. Zhu does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) Mr. Zhu does not hold any other positions with the Company or other members of the Group; (iii) Mr. Zhu does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iv) there is no information that should be disclosed pursuant to subparagraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Mr. Cheung Siu Fai (“Mr. Cheung”)

Mr. Cheung, aged 46, was appointed as an Executive Director of the Company in May 2014. Mr. Cheung is also a director of other members of the Group. Mr. Cheung holds a Master Degree in Business Administration from The Chinese University of Hong Kong and a Bachelor Degree in Electronic Engineering from The Hong Kong Polytechnic University. Mr. Cheung is a Certified Financial Analyst. Mr. Cheung is the partner of Hammer Capital Group Limited. Prior to founding Hammer Capital Group Limited, he was the Head of Asia Pacific of the Strategic Equity Solutions of Merrill Lynch (Asia Pacific) Limited (“Merrill Lynch”). Prior to his position at Merrill Lynch, he was the Head of Asia Pacific of the Strategic Equity Solutions and the Managing Director of the Structured Products of Asia of Citigroup Global Markets Asia Limited. He also held key positions in various major investment banks in Asia Pacific like Calyon Corporate & Investment Bank (presently known as Crédit Agricole Corporate & Investment Bank) and JPMorgan Chase & Co..

As at the Latest Practicable Date, Mr. Cheung does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Cheung has entered into a service agreement with the Company for a term of two years commencing from 15 May 2014 in relation to his appointment as an Executive Director and is renewed automatically on every two years. Mr. Cheung is subject to retirement by rotation and re-election in accordance with the Bye-laws. Pursuant to a supplemental service agreement dated 10 February 2015, Mr. Cheung is entitled to receive a director’s fee of HK\$100,000 per month as recommended by the Remuneration Committee and determined by the Board with reference to his duties, responsibilities and the prevailing market conditions.

Save as disclosed above, (i) Mr. Cheung does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) Mr. Cheung does not hold any other positions with the Company or other members of the Group; (iii) Mr. Cheung does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iv) there is no information that should be disclosed pursuant to sub-paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

Mr. Yeung Ting Lap, Derek Emory (“Mr. Yeung”)

Mr. Yeung, aged 43, was appointed as a Non-executive Director of the Company in September 2005 and was re-designated as an Executive Director of the Company in October 2013. Mr. Yeung is also a director of other members of the Group. Mr. Yeung holds a Bachelor Degree in Applied Mathematics and Economics from Brown University and a Master Degree in Business Administration and Accounting from Northeastern University, both in the United States of America. Mr. Yeung is currently the chief executive officer and co-founder of She.Com International Holdings Limited (“she.com”) and an independent non-executive director of Dynasty Fine Wines Group Limited, the shares of which are listed on the main board of the Stock Exchange. Prior to founding she.com, Mr. Yeung was an associate with Telecom Venture Group Limited and a consultant with Arthur Andersen & Company both in Boston and Hong Kong. He is a certified public accountant, a member of the Chinese People’s Political Consultative Conference of Qingdao City, and a member of the Telecommunications Users and Consumers Advisory Committee of Office of the Communications Authority.

As at the Latest Practicable Date, Mr. Yeung holds 7,000,000 share options granted to him under the Existing Share Option Scheme entitling him to subscribe for 7,000,000 Shares. Save as disclosed above, Mr. Yeung does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Yeung has entered into a service agreement with the Company for a term of one year commencing from 23 October 2013 in relation to his appointment as an Executive Director and is renewed automatically on every one year. Mr. Yeung is subject to retirement by rotation and re-election in accordance with the Bye-laws. Pursuant to a supplemental service agreement dated 10 February 2015, Mr. Yeung is entitled to receive a director’s fee of HK\$100,000 per month as recommended by the Remuneration Committee and determined by the Board with reference to his duties, responsibilities and the prevailing market conditions.

Save as disclosed above, (i) Mr. Yeung does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) Mr. Yeung does not hold any other positions with the Company or other members of the Group; (iii) Mr. Yeung does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company; and (iv) there is no information that should be disclosed pursuant to sub-paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

NOTICE OF ANNUAL GENERAL MEETING



Asia Coal Limited

亞洲煤業有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 835)

NOTICE IS HEREBY GIVEN that an annual general meeting of Asia Coal Limited (the “Company”) will be held at Unit A, 60/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Wednesday, 28 September 2016 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors (the “Directors”) and the independent auditor for the year ended 31 March 2016.
2.
 - (a) To re-elect Mr. Zhu Xinjiang as an Executive Director.
 - (b) To re-elect Mr. Cheung Siu Fai as an Executive Director.
 - (c) To re-elect Mr. Yeung Ting Lap, Derek Emory as an Executive Director.
 - (d) To authorise the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board of Directors to fix the auditor’s remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- 4.1 subject to paragraph 4.3 below and pursuant to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 of the Company (the “Shares”) and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- 4.2 the approval in paragraph 4.1 above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power during or after the end of the Relevant Period;
- 4.3 the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph 4.1 above, otherwise than (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into Shares, or (iii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of Shares or rights to acquire Shares, or (iv) an issue of Shares as scrip dividends pursuant to the bye-laws of the Company, from time to time shall not exceed 20% of the total number of Shares in issue at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly; and
- 4.4 for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- 4.4.1 the conclusion of the next annual general meeting of the Company;
- 4.4.2 the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- 4.4.3 the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by the Directors to the holders of Shares (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate such other securities) as at that date (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 applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- 5.1 subject to paragraph 5.2 below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- 5.2 the maximum number of Shares which the Directors are authorised to repurchase pursuant to the approval in paragraph 5.1 above shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly;
- 5.3 for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- 5.3.1 the conclusion of the next annual general meeting of the Company;
- 5.3.2 the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- 5.3.3 the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT subject to the passing of resolutions number 4 and 5 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution number 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution number 5 as set out in the notice convening this meeting, provided that such number of Shares so repurchased shall not exceed 10% of the total number of Shares in issue at the date of the passing of the said resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of this resolution).”

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

7.1 subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, shares of the Company (the “Shares”) to be issued pursuant to the exercise of any options under the new share option scheme of the Company (the “New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the Chairman thereof, (i) the existing share option scheme of the Company adopted on 28 September 2007 be and is hereby terminated; and (ii) the New Share Option Scheme be and is hereby approved and adopted and that the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including but without limitation:

7.1.1 to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for Shares;

7.1.2 to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;

7.1.3 to issue and allot from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted under the New Share Option Scheme;

NOTICE OF ANNUAL GENERAL MEETING

7.1.4 to make application at the appropriate time or times to The Stock Exchange of Hong Kong Limited for listing of and permission to deal in any Shares which may from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme; and

7.1.5 to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board
Asia Coal Limited
Zhu Xinjiang
Chairman

Hong Kong, 22 July 2016

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business in Hong Kong:

Unit A, 60/F
Bank of China Tower
1 Garden Road
Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is a holder of two or more Shares, more than one proxies to attend and vote in his stead. A proxy needs not be a member of the Company.
2. In order to be valid, the proxy form must be duly lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of a proxy form will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof should he so wish, and in such event, the proxy form shall be deemed to be revoked.
4. Where there are joint holders of any Shares, any one of such persons may vote at the meeting personally or by proxy in respect of such Shares as if he is solely entitled thereto provided that if more than one of such joint holders be present at the meeting personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. As at the date hereof, the Board of Directors comprises Mr. Zhu Xinjiang, Mr. Cheung Siu Fai, Mr. Sun David Lee and Mr. Yeung Ting Lap, Derek Emory as Executive Directors; and Mr. Edward John Hill III, Mr. Ho Man Kin, Tony and Mr. Li Kar Fai, Peter as Independent Non-executive Directors.