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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
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, 27 September 2017 at 11:00 a.m. is set out on pages 13 to 17 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, 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 (i.e. before 11:00 a.m. on Monday, 25 September 2017 (Hong Kong time)) 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 case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

21 July 2017

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DEFINITIONS

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

“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, 27 September 2017 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM set out on pages 13 to 17 of this circular
“Board”	the board of Directors
“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
“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”	14 July 2017, 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

DEFINITIONS

“PRC”	the People’s Republic of China
“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
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“2007 Share Option Scheme”	the share option scheme adopted by the Company on 28 September 2007
“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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

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

*Principal Place of Business
in Hong Kong:*

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

21 July 2017

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
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; and (ii) 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 6 to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, the 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 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.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 110(A), Mr. Sun David Lee, Mr. Ho Man Kin, Tony (“Mr. Ho”) and Mr. Li Kar Fai, Peter (“Mr. Li”) will retire as Directors by rotation at the AGM and, being eligible, have offered themselves for re-election at the AGM.

LETTER FROM THE BOARD

The nomination committee of the Company has assessed the independence of all the Independent Non-executive Directors in particular, Mr. Ho and Mr. Li, who have served the Board for more than nine years. Mr. Ho and Mr. Li do not have any management role in the Group since their appointment. They have expressed their willingness clearly to exercise independent judgment and have been giving objective views to the Company. There is no evidence that length of tenure is having an unfavourable influence on their independence. The Board is satisfied that, as well proven by the valuable independent judgment and advice given by Mr. Ho and Mr. Li over the years, both Mr. Ho and Mr. Li have the required character, integrity, independence and experience to perform the role of an Independent Non-executive Director. The Board is not aware of any circumstances that might influence Mr. Ho and Mr. Li in exercising their independent judgment and therefore, considers they are still independent and should be re-elected at the AGM.

Biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II 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 and the re-election of the retiring Directors is set out on pages 13 to 17 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, Hong Kong not less than 48 hours before the time appointed for holding the AGM (i.e. before 11:00 a.m. on Monday, 25 September 2017 (Hong Kong time)) 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.

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.

LETTER FROM THE BOARD

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 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 assets 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 2017 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 been 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 2016	0.208	0.145
August 2016	0.194	0.130
September 2016	0.191	0.150
October 2016	0.203	0.171
November 2016	0.200	0.146
December 2016	0.172	0.106
January 2017	0.163	0.120
February 2017	0.135	0.106
March 2017	0.125	0.096
April 2017	0.116	0.086
May 2017	0.099	0.080
June 2017	0.105	0.080
July 2017 (up to the Latest Practicable Date)	0.094	0.085

(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, the Chairman and an Executive Director.

Save as disclosed above, to the best of their knowledge and belief, the Directors are not aware of any other 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 are the particulars of the retiring Directors who are proposed to be re-elected at the AGM:

Mr. Sun David Lee (“Mr. Sun”)

Mr. Sun, aged 51, served as an Executive Director of the Company from August 2008 to May 2013, the Chairman of the Company from June 2011 to May 2013 and a Non-executive Director of the Company from May 2013 to October 2013. From October 2013, Mr. Sun was re-designated from a Non-executive Director to an Executive Director of the Company. He is also a director of other members of the Group. Mr. Sun holds a Juris Doctor from the University of Illinois College of Law and a Bachelor of Arts degree from Cornell University, the United States of America. He is currently an executive director of China Outfitters Holdings Limited and an independent non-executive director of Dynasty Fine Wines Group Limited, the shares of these companies are listed on the main board of the Stock Exchange. Mr. Sun is currently responsible for brands sourcing and transaction management of China Outfitters Holdings Limited and he is a director of CEC Management Limited. Prior to helping to form CEC Management Limited, Mr. Sun was the managing director and general counsel of Pacific Alliance Group Limited. He was the director of Strategy and Business Development Asia at InBev. Prior to his position at InBev, Mr. Sun was a consultant in the Corporate Finance and Strategy Practice of McKinsey & Company, Inc. in Hong Kong. Prior to his position at McKinsey & Company, Inc., Mr. Sun practised law as an associate in the corporate group at Linklaters.

As at the Latest Practicable Date, Mr. Sun held 9,000,000 share options granted to him under the 2007 Share Option Scheme entitling him to subscribe for 9,000,000 Shares. Save as disclosed above, Mr. Sun does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Sun has entered into a service agreement with the Company for an initial term of one year commencing from 23 October 2013 in relation to his appointment as an Executive Director and is renewed automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment. Mr. Sun is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Sun is entitled to receive a director’s fee of HK\$100,000 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. Sun 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. Sun does not hold any other positions with the Company or other members of the Group; (iii) Mr. Sun 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. Ho Man Kin, Tony (“Mr. Ho”)

Mr. Ho, aged 46, was appointed as an Independent Non-executive Director of the Company in March 2006. He holds a Bachelor Degree in Management Science from the University of St. Andrews. Mr. Ho was the Head of Special Situation Investments – Greater China, LaSalle Investment Management in Hong Kong and held key positions in various corporate advisory assignments. He has also worked as an equity investment analyst for various major investment banks in Hong Kong.

As at the Latest Practicable Date, Mr. Ho held 2,000,000 share options granted to him under the 2007 Share Option Scheme entitling him to subscribe for 2,000,000 Shares. Save as disclosed above, Mr. Ho does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Ho has entered into a service agreement with the Company in relation to his appointment as an Independent Non-executive Director. Pursuant to a renewal letter dated 1 April 2017, Mr. Ho’s term of service has been renewed for the period from 1 April 2017 to 31 March 2019. Mr. Ho is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Ho is entitled to receive a director’s fee of HK\$15,000 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. Ho 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. Ho does not hold any other positions with the Company or other members of the Group; (iii) Mr. Ho 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. Li Kar Fai, Peter (“Mr. Li”)

Mr. Li, aged 52, was appointed as an Independent Non-executive Director of the Company in March 2006. He holds a Bachelor Degree in Accountancy from the City University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Li has extensive experience in corporate finance and accounting. He was an independent non-executive director of Super Strong Holdings Limited from March 2016 to April 2017 and an independent non-executive director of China Hanya Group Holdings Limited (formerly known as Brilliance Worldwide Holdings Limited) from November 2010 to May 2016, the shares of these companies are listed on the Growth Enterprise Market of the Stock Exchange.

As at the Latest Practicable Date, Mr. Li held 2,000,000 share options granted to him under the 2007 Share Option Scheme entitling him to subscribe for 2,000,000 Shares. Save as disclosed above, Mr. Li does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Li has entered into a service agreement with the Company in relation to his appointment as an Independent Non-executive Director. Pursuant to a renewal letter dated 1 April 2017, Mr. Li’s term of service has been renewed for the period from 1 April 2017 to 31 March 2019. Mr. Li is subject to retirement by rotation and re-election in accordance with the Bye-laws. Mr. Li is entitled to receive a director’s fee of HK\$15,000 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. Li 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. Li does not hold any other positions with the Company or other members of the Group; (iii) Mr. Li 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, 27 September 2017 at 11:00 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 2017.
2.
 - (a) To re-elect Mr. Sun David Lee as an Executive Director.
 - (b) To re-elect Mr. Ho Man Kin, Tony as an Independent Non-executive Director.
 - (c) To re-elect Mr. Li Kar Fai, Peter as an Independent Non-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 Share 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; and
- 5.3 for the purpose 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).”.

By Order of the Board
Asia Coal Limited
Zhu Xinjiang
Chairman

Hong Kong, 21 July 2017

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/she/it 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, 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 (i.e. before 11:00 a.m. on Monday, 25 September 2017 (Hong Kong time)) or any adjournment thereof (as the case may be).
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 (as the case may be) should he/she/it so wishes, 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/she/it 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.

NOTICE OF ANNUAL GENERAL MEETING

5. The register of members of the Company will be closed from Friday, 22 September 2017 to Wednesday, 27 September 2017 (both days inclusive) during which period no transfer of Shares will be registered and effected. In order to qualify for attending and voting at the meeting, all transfers of Shares accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with 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, Hong Kong for registration not later than 4:30 p.m. on Thursday, 21 September 2017.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect at any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be adjourned. The Company will publish an announcement on the website of the Company at www.asiacoallimited.com and on the HKEXnews website of the Stock Exchange at www.hkexnews.hk to notify shareholders of the Company of the date, time and venue of the adjourned meeting.
7. As at the date hereof, the Board of Directors comprises Mr. Zhu Xinjiang (*Chairman*), 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.