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CHINA KINGSTONE MINING HOLDINGS LIMITED

中國金石礦業控股有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 1380)

INSIDE INFORMATION DISPUTE WITH AOF I

This announcement is made by China Kingstone Mining Holdings Limited (the “**Company**” and its subsidiaries collectively, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the circular of the Company dated 27 November 2023 (the “**Circular**”) and the announcement dated 28 December 2023 (the “**Announcement**”) in relation to the issue of the Convertible Notes. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcement unless otherwise stated herein.

The Company received a notice of event of default (the “**Notice**”) on 29 October 2024 from the counsel of AOF I. According to the Notice, upon the delivery of a conversion notice dated 4 October 2024 for the conversion of Convertible Notes with a total nominal value of HK\$1,250,000, the Company had failed to deliver to AOF I on or before 9 October 2024 and had yet to deliver to AOF I as of the date of the Notice the required Conversion Shares; and that despite the Company had been engaging in negotiations with AOF I in relation to the delivery of the required Conversion Shares since 10 October 2024, AOF I declared that there is an occurrence of an event of default under the Amended and Restated Subscription Agreement (the “**Dispute**”). Pursuant to the Notice, AOF I has declared the following sum to be immediately due and payable: (i) the Company is to redeem the outstanding Convertible Notes of HK\$2,250,000 at 118% of its principal amount, amounting to HK\$2,655,000 and all outstanding accrued interest due and owing as at 28 October 2024 of HK\$21,243.17 (“**Redemption Sum**”); (ii) the sum of HK\$5,893,346.91 as a result of AOF I’s loss of income as AOF I did not receive the required Conversion Shares on or before 9 October 2024 and did not have the opportunity to trade the required Conversion Shares on 24 October 2024 when the Company experienced abnormal volumes and price activity with trading volumes surging resulting in the volume-weighted average price for the trading day on 24 October 2024 to be HK\$0.4116 (“**Loss of Income**” together with the Redemption Sum, the “**Default Redemption Sum**”); and (iii) default interest which shall accrue at the rate of 3.0%

per month (the “**Default Interest**”) to be calculated on a daily basis up to and including the date on which AOF I receives full payment of the Default Redemption Sum and the relevant accrued Default Interest. According to the Notice, AOF I will proceed to bring a legal action against the Company should the Company fail to comply with the payment of the aforesaid sums on or before 1 November 2024.

The Company is assessing the impact of the Dispute on the financial condition and the operations of Group at the moment. The Company will make further announcements regarding the Dispute or any other actions that may be taken by AOF I as and when appropriate in accordance with the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Kingstone Mining Holdings Limited
Cheung Wai Kee
Company Secretary

Hong Kong, 29 October 2024

As at the date of this announcement, the Board comprises Ms. Zhang Cuiwei, Mr. Zhang Weijun and Mr. Zhang Mian as executive Directors, and Mr. Yang Ruimin, Mr. Andreas Varianos and Ms. Zu Rui as independent non-executive Directors.