

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



**CHINA KINGSTONE**  
中國金石

## **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)**

#### **(1) DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF 85% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING ISSUE OF A PROMISSORY NOTE AND (2) APPOINTMENT OF CHAIRMAN OF THE BOARD**

##### **THE PROPOSED ACQUISITION**

On 28 June 2026, the Company as Purchaser and Mr. Song as Vendor entered into the Sale and Purchase Agreement, pursuant to which Mr. Song has conditionally agreed to sell, and the Company has conditionally agreed to acquire (i) the Sale Shares, representing 85% of the entire issued share capital of the Target Company and (ii) the Debt Assignment of USD800,000 owed by the Chilean Company to Mr. Song, at the consideration of USD3,200,000 (equivalent to approximately HK\$24,960,000).

The Consideration shall be satisfied by (i) crediting the Earnest Money of USD1,000,000 previously paid by the Company to Mr. Song under the MOU towards the Consideration on Completion, and (ii) the issue of the Promissory Note in the principal amount of USD2,200,000 (equivalent to approximately HK\$17,160,000) by the Company to Mr. Song on Completion.

As at the date of this announcement, the Target Company is wholly owned by Mr. Song. Upon Completion, the Target Company will be owned as to 85% by the Company and 15% by Mr. Song, and accordingly, will become a direct non wholly-owned subsidiary of the Company.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Acquisition are more than 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder. No Shareholders' approval is required for the Proposed Acquisition.

**Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction of the Conditions as set out in the Sale and Purchase Agreement. Therefore, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **APPOINTMENT OF CHAIRMAN OF THE BOARD**

The Board announces that, with effect from 28 June 2026, Mr. Chin, an executive Director and the existing Chief Executive Officer, has been appointed as the Chairman.

Reference is made to the Company's announcements dated 22 December 2023, 11 December 2024, 30 December 2025 and 21 May 2026 in relation to, among other things, the Pumillahue Project (collectively, the "**Acquisition Announcements**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Acquisition Announcements.

### **(1) THE PROPOSED ACQUISITION**

On 28 June 2026, the Company, as Purchaser, and Mr. Song, as Vendor, entered into the Sale and Purchase Agreement in respect of the Proposed Acquisition.

#### **The Sale and Purchase Agreement**

The principal terms and conditions of the Sale and Purchase Agreement are set out below:

#### ***Date***

28 June 2026

#### ***Parties***

Vendor: Mr. Song Tai

Purchaser: the Company

#### ***Subject matter***

Pursuant to the Sale and Purchase Agreement, Mr. Song has conditionally agreed to sell, and the Company has conditionally agreed to acquire the Sale Shares, representing 85% of the entire issued share capital of the Target Company, at the total consideration of USD3,200,000 (equivalent to approximately HK\$24,960,000).

### ***Consideration and payment***

The total consideration is USD3,200,000 (equivalent to approximately HK\$24,960,000), comprising: (a) USD2,400,000 for the 85% equity interest in the Target Company; and (b) USD800,000 for the Debt Assignment.

The Consideration shall be satisfied as follows on Completion:

- (i) USD1,000,000 shall be credited towards the Consideration by applying the Earnest Money; and
- (ii) the remaining USD2,200,000 shall be settled by the issue of the Promissory Note by the Company to Mr. Song.

The principal terms of the Promissory Note are set out as follows:

Issuer:	The Company
Noteholder:	Mr. Song
Principal amount:	USD2,200,000, equivalent to approximately HK\$17,160,000
Issue date:	Completion Date
Maturity date:	Twelve months from the issue date or such later date as agreed by Mr. Song and the Company in writing
Interest:	8% per annum
Convertibility:	Non-convertible; no right to subscribe for, convert into or otherwise receive any shares or other securities of the Company
Security:	Unsecured
Transferability:	Not transferable or assignable without the prior written consent of the Company
Early redemption:	The Company may redeem the Promissory Note, in whole or in part, at any time before maturity without premium or penalty
Set-off:	The Company may set off against the Promissory Note any amount due from Mr. Song to the Company under the SPA, including any warranty claim, indemnity claim or other claim under the SPA
Variation:	No waiver, variation or amendment of the Promissory Note shall be made unless (i) such waiver, variation or amendment is made upon the written consent of the Company and Mr. Song, and (ii) the Company has complied with all applicable requirements under the Listing Rules

The total consideration was determined after arm's length negotiations between the Company and Mr. Song with reference to, among others, (i) the independent valuation of 100% of the appraised equity value of the Target Company at approximately USD2,750,000 prepared by the Independent Valuer as at 31 May 2026 (assuming the Chile onshore reorganisation is completed as planned); (ii) the business growth and prospects of the Target Group; (iii) the Debt Assignment of USD800,000 owed by the Chilean Company to Mr. Song, which is being acquired by the Company at face value as part of the transaction; (iv) the unpaid capital contribution of 1,000,000,000 Chilean pesos (equivalent to approximately USD1,085,000) in the Chilean Company, after the Chile onshore reorganisation; and (v) the factors set out in the section headed "Reasons for and benefits of the Proposed Acquisition" in this announcement.

## **VALUATION OF THE TARGET COMPANY**

The Company engaged the Independent Valuer to conduct an independent valuation of the Target Company as at 31 May 2026 (the "**Date of Valuation**"). The Independent Valuer is a professional valuer firm and a wholly-owned subsidiary of Langu Company Limited (together with its subsidiaries) (stock code: 8072), which is listed on GEM of the Stock Exchange.

### **Qualification and independence of the Independent Valuer**

The Board had reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the valuation report. To the best of the Directors' knowledge and belief and having made all reasonable enquiries:

- (i) Mr. Ken Yue, the responsible person of the Independent Valuer in charge of the valuation of the Target Group, has over 20 years of experience in accounting, auditing, compliance, valuation and corporate finance. He is a Certified Public Accountant (CPA), a Chartered Global Management Accountant (CGMA), a member of the American Institute of Certified Public Accountants (AICPA), and a member of the Colorado Society of Certified Public Accountants (CSCPA); and
- (ii) Mr. Michael Li, who is responsible for the mining-related aspects of the valuation, has over 10 years of experience in financial valuation, natural resources advisory and management. He holds a Master of Research in Crystallography and a Bachelor of Science (Hons) in Biochemistry, and specialises in the natural resources sector.

The Board has assessed the qualification and experience of the Independent Valuer and its responsible persons, and is of the view that the Independent Valuer is qualified, experienced and competent in performing the valuation of the Target Group and providing a reliable opinion in respect of the valuation of the Target Group.

The Board also enquired with the Independent Valuer as to its independence from the Group and the parties involved in the Proposed Acquisition, and understands that the Independent Valuer is independent from the Group, Mr. Song, the Target Group and their respective associates.

## Scope of Work

The Independent Valuer's scope of work included:

- (i) discussions with the Company's management regarding the development and prospects of the gold mining industry, the development, operations and other relevant information of the Mining Licenses;
- (ii) review of financial information (including the management accounts of the Target Group) and information relating to the corporate structure and the Mining Licenses (including the technical reports and field visit reports) provided by the Company's management;
- (iii) selection and application of appropriate valuation approaches; and
- (iv) preparation of the valuation report.

The scope was limited to the information provided by Company's management, which the Independent Valuer relied upon without independent verification. The Independent Valuer did not conduct a site visit, audit, or investigation of title to the Mining Licenses.

## Valuation Result

According to the valuation report prepared by the Independent Valuer, the market value of 100% of the Target Company as at the Date of Valuation was reasonably stated as HK\$21,452,000 (equivalent to approximately USD2,750,000).

## Valuation Approach and Methodology

### 1. *Valuation of Target Company*

In carrying out this valuation, the Independent Valuer considered three generally accepted valuation approaches, namely the income approach, the market approach and the cost approach.

- **Cost Approach (Entity Level)** – The Independent Valuer adopted the cost approach as the primary method to value the Target Company. When applied at the entity level, the cost approach is implemented using the adjusted net asset method, under which the equity value is determined as the fair value of recognised and identifiable assets less the fair value of recognised and identifiable liabilities as at the valuation date. Starting from the audited statement of financial position prepared in accordance with HKFRS, each material line item is restated from historical carrying amount to fair value to reflect current economic conditions, recognising that historical cost, accumulated depreciation, and existing impairments may not be indicative of recoverable amount. In this context, financial assets are marked to market or otherwise measured by reference to observable inputs where available, trade receivables are adjusted for expected credit losses, inventories are stated at the lower of cost and net realisable value, and non-financial assets such as property, plant and equipment and investment properties are remeasured to fair value or depreciated replacement cost where appropriate. Unlike the income and market approaches, which place primary emphasis on forecast earnings

or market participant pricing, the adjusted net asset method focuses on the current fair value of the underlying asset base and is therefore most suited to asset-holding and investment entities, or as a corroborative, asset-based benchmark for going-concern valuations.

- **Market Approach** – In this approach, the value of an asset is appraised with reference to market prices of similar assets. A general way of estimating a value indication of an asset, the market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect differences in terms, conditions, etc. relative to the market comparative. Assets for which there is an established market may be appraised by this approach.

There are two methods to implement the market approach:

- **The Guideline Transaction Method:** In the first market approach, transaction data for private and public companies is used to compute the value. In this method, a database of buy and sale records of enterprises with financial fundamentals on companies similar to the subject company is used as basis for transaction prices.
- **The Guideline Public Company Method:** In the second market approach, the valuation multiples derived from the market prices and financial data of listed companies in a similar business is used to appraise the subject company.

The Independent Valuer did not adopt the market approach at the entity level because, due to the absence of historical operating results of the Target Company, there is insufficient market evidence to support a reliable market approach.

- **Income Approach** – The income approach estimates value based on the present worth of expected future economic benefits. The value of the asset to be valued is developed through the application of the discounted cash flow method to devolve the values of expected future income generated by the asset into a present value. This method eliminates the discrepancy in time value of money by using a discount rate to reflect all business risks including intrinsic and extrinsic uncertainties in relation to its underlying business operation.

The Independent Valuer did not adopt the income approach at the entity level because the Target Company does not have any historical operations or a meaningful track record of revenue or profit from which reliable cash flow projections can be prepared.

Details of the Target Company's assets and liabilities as at the Date of Valuation are as follows:

	<b>Book Value</b> <i>(HKD)</i>	<b>Market Value</b> <i>(HKD)</i>
<b>Non-Current Assets</b>		
Investment in a subsidiary (KBI)	213,000	21,501,000
<b>Current Assets</b>		
Amount due from a director	78,000	78,000
Amount due from inter-companies – Kingstone Bullion Invest – FZCO	127,418	0
<b>Total Assets</b>	<b>418,418</b>	<b>21,579,000</b>
<b>Current Liabilities</b>		
Other Payables	127,418	127,418
Amount due to inter-companies – Kingstone Bullion Invest – FZCO	213,000	0
<b>Total Liabilities</b>	<b>340,418</b>	<b>127,418</b>
<b>Net Asset Value</b>	<b>78,000</b>	<b>21,451,582</b>

## **2. Valuation of the Mining Licenses**

To value the Mining Licenses held by the Chilean Company, the Independent Valuer adopted the market approach. The market-based approach values the Mining Licenses by comparing prices at which other mining rights in a similar nature changed hands in arm's length transactions.

The Independent Valuer selected comparable transactions with reference to the following criteria:

- the underlying assets of the transactions are mainly related to gold resources;
- the transactions were completed within recent years from the Date of the Valuation; and
- sufficient information regarding the transaction details was publicly available.

A summary of the comparable mining rights is set out in the below table.

	<b>Acquisition Target</b>	<b>Acquirer</b>	<b>Consideration (USD)</b>
1	Sturec gold project (Slovakia)	MetalsTech Ltd	8,000,000
2	Washburn Lateral District Lot/ Gillam Township (Canada)	Golden Cariboo Resources Ltd	53,115
3	Gold Mountain Project (Nevada)	Eminent Gold Corp	1,542,624
4	Founders Metals Inc (Canada)	B2Gold Corp	8,805,170
5	San Luis Project (Peru)	Highlander Silver Corp	42,500,000
6	LLH1 mineral claim (British Columbia)	EnMining Rights Ltd	1,000,000
7	East West Property (Canada)	Emergent Metals Corp	606,635

Source: Bloomberg, Company's website

The consideration from each comparable transaction was adjusted by reference to the change in the price of gold from the completion date to the Date of Valuation. The implied adjusted consideration was then divided by the total land size of the relevant claim to arrive at a price per hectare. The mean price per hectare implied by the comparable transactions was applied to the estimated land area of the Mining Licenses.

In selecting the comparable transactions, the Independent Valuer focused on acquisitions and investments involving greenfield mining projects. These transactions are considered more appropriate than brownfield or producing mine transactions because they exhibit a similar development stage, lack of operating history, higher geological and development risk, and a comparable pattern of cash-flow timing and uncertainty as the Mining Licenses. Market evidence indicates that investors and financiers apply different pricing and return expectations to greenfield projects than to operating mines, reflecting the additional risks and capital requirements associated with bringing a new mine into production. Accordingly, greenfield mine transactions provide a more relevant and supportable benchmark for deriving valuation multiples for the subject project.

The valuation of the Mining Licenses is summarised below:

<b>Estimated land size related to the Mining Licenses</b>	400 hectares
<b>Multiplied by: Price/Ha Multiple (USD/hectare)</b>	x10,966
<b>Market value of the Mining Licenses (USD)</b>	4,386,412
<b>Multiplied by: Marketability Discount</b>	(1 – 15.66%)
<b>Adjusted Market Value (USD)</b>	3,699,500
<b>Adjusted Market Value (HKD) (Rounded)</b>	28,988,000

Note: The above total figure may not add up due to rounding.

A marketability discount of 15.66% was applied by the Independent Valuer, as referenced from the Stout Restricted Stock Study, to reflect the illiquid nature of the Mining Licenses and the absence of an active secondary market for mining concessions of this type. The discount reflects the valuer's assessment that, compared to the comparable transactions used in the market approach, the Mining Licenses cannot be readily sold or converted to cash at their appraised value.

## **Assumptions and Limiting Conditions**

The Independent Valuer has adopted the following key assumptions in its valuation:

- the audited financial statements of the Company as at 31 May 2026 could reasonably represent its financial position since the audited financial statements of the Target Company were unavailable;
- there were no material differences between the management accounts of 31 May 2026 and that of the Date of Valuation as advised by the Company's management;
- information relating to the Mining Licenses is based entirely on technical reports provided by the Company's management;
- the Company has free and uninterrupted rights to operate the Mining Licenses throughout the concession period, and subject to no land premium or any payment to the government of substantial amount;
- all relevant legal approvals and business certificates or licenses to operate the business in the localities in which the Mining Licenses are operated or intend to be operated would be officially obtained and renewable upon expiry;
- there exist a reliable and adequate transportation network and capacity for processing the mining products;
- there will be no major changes in the current taxation laws in the localities in which the Target Company is operated and the rates of tax payable shall remain unchanged and all applicable laws and regulations will be complied with;
- there will be no major changes in the political, legal, economic or financial conditions in the localities in which the Target Company is operated, which would adversely affect the revenues attributable to and the profitability of the Mining Licenses;
- interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailed;
- the Independent Valuer has not investigated the title to or any legal liabilities of the Mining Licenses and has assumed no responsibility for such matters; and
- the valuation reflects facts and conditions existing at the Date of Valuation. Subsequent events or circumstances have not been considered.

## **The Board's view on the fairness and reasonableness of the valuation methodology and assumptions**

The Board (including the independent non-executive Directors) has reviewed the valuation report and discussed the methodology, bases and assumptions with the Independent Valuer. The Board understands that the Independent Valuer had considered the income approach, the market approach and the cost approach, and concurs with the Independent Valuer's view that the cost approach is the most appropriate methodology to determine the value of the Target Company at the entity level, and that the market approach is the most appropriate methodology to value the underlying Mining Licenses.

The Board has also considered the key assumptions and limiting conditions set out in the valuation report and is satisfied that they are reasonable in the circumstances.

Taking into account the above, the Directors (including the independent non-executive Directors) are of the view that the independent valuation provides a fair and reasonable basis for determining the Consideration, and that the Consideration of USD3,200,000 (of which USD2,400,000 is attributable to the 85% equity interest in the Target Company) is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **CONDITIONS PRECEDENT**

Completion shall be conditional upon and subject to fulfilment (or waiver by the Company, where permitted) of the following conditions ("**Conditions**"):

- (a) the completion of the Chile onshore reorganisation to the satisfaction of the Company and the relevant registration procedures having been completed, including but not limited to:
  - the Mining Licenses being free from any Encumbrance, and the Turner Minerals Encumbrance having been formally cancelled and deregistered from the relevant registries, with evidence of such cancellation in form and substance satisfactory to the Company;
  - the UAE Company holding 91% of the issued share capital of the Chilean Company and Mr. Song holding 9% of the issued share capital of the Chilean Company, with the issuance of new shares in the Chilean Company to the UAE Company having been duly completed and registered in accordance with Chilean law, and evidence of such registration having been provided to the Purchaser in form and substance satisfactory to the Company;
  - Mr. Song having provided evidence satisfactory to the Company that Mr. Song is the sole legal and beneficial owner of the Sale Shares, free from any Encumbrance;
- (b) the Company being satisfied with the results of the due diligence review (including but not limited to the legal, financial, geological, tax and technical due diligence review) on the Target Group and the Mining Licenses;

- (c) all requisite authorisations, approvals, permissions, agreements, consents and waivers required to be obtained by Mr. Song and/or any member of the Target Group in respect of the entering into of the Sale and Purchase Agreement and the implementation of the transactions contemplated hereunder having been obtained and remaining in full force and effect, with full compliance of all applicable laws and regulations (including but not limited to the Listing Rules);
- (d) the Company having complied with the applicable Listing Rules requirements in relation to the Proposed Acquisition;
- (e) the representations, warranties and/or undertakings given by Mr. Song and the Company under the Sale and Purchase Agreement shall remain true, accurate and not misleading in all material respects throughout the period from the date of the Sale and Purchase Agreement to the Completion Date, and there having been no breach by any party of the Sale and Purchase Agreement;
- (f) the Mining Licenses continuing to be valid, subsisting and in full force and effect, and not having been revoked, suspended, reduced or cancelled for whatever reason;
- (g) the Company being satisfied with the title, validity, continuity, encumbrance status, compliance status and risk profile of the Mining Licenses;
- (h) evidence satisfactory to the Purchaser in respect of the due incorporation and valid existence of each company of the Target Group and valid ownership of the Mining Licenses having been provided;
- (i) a valuation report of the Target Group and/or the Mining Licenses (as applicable) from an independent professional valuer in form and substance satisfactory to the Company having been obtained;
- (j) the form of the Promissory Note having been agreed by the Company and Mr. Song;
- (k) all third party consents, approvals and notices which are required to be obtained by Mr. Song pursuant to any applicable laws or agreements involving Mr. Song or any company of the Target Group, and in connection with the transactions contemplated under the Agreement having been obtained; and
- (l) there being no Material Adverse Effect, or any development likely to involve a Material Adverse Effect in the condition, financial or otherwise, or in the operations or prospects of the Target Group and/or the Mining Licenses.

The Company may at any time waive in whole or in part and conditionally or unconditionally any of the Conditions above (save for Conditions (c) and (d), which cannot be waived).

As at the date of this announcement, Condition (j) has been fulfilled.

Mr. Song and the Company have undertaken to use their best endeavours to procure (so far as it lies within their power so to do) that the above Conditions are satisfied as soon as practicable after the signing of the Sale and Purchase Agreement.

If the above Conditions are not satisfied (or waived, as the case may be) on or before the Long Stop Date, the Sale and Purchase Agreement shall terminate, following which all rights and obligations of the parties shall cease immediately, and no party shall have any obligations and liabilities under the Sale and Purchase Agreement save for any antecedent breaches of the terms thereof. In that event, Mr. Song shall return the Earnest Money in full (without interest) to the Company within 14 days of the termination date.

## **COMPLETION**

Completion of the Sale and Purchase Agreement shall take place on the third (3rd) Business Day immediately following the day of the fulfilment (or waiver, as applicable) of all the Conditions above or on such other date as the Company and Mr. Song may agree in writing.

At Completion, among other things:

- (i) Mr. Song will transfer the Sale Shares free from Encumbrance and deliver the necessary documents required to vest title in the Company, as well as procure the resignation of the existing directors and authorised signatories of the Target Company, the UAE Company and the Chilean Company as required by the Company, and the appointment of the Company's nominees as directors and authorised signatories;
- (ii) Mr. Song will deliver the duly executed assignment document(s) relating to the Debt Assignment, together with evidence satisfactory to the Company that the Debt Assignment has been perfected in accordance with Chilean law and confirming the status of the Debt; and
- (iii) the Company will credit the Earnest Money towards the Consideration and issue and deliver the Promissory Note to Mr. Song for the outstanding balance of the Consideration.

Upon Completion, the Target Company will be owned as to 85% by the Company, and accordingly, will become a direct non wholly-owned subsidiary of the Company.

## **INFORMATION ON THE PARTIES INVOLVED**

### **Information of the Company**

The Company is a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and is an investment holding company operating its business through its subsidiaries.

The Group is principally engaged in the production and sales of marble and marble-related products in the PRC and the operation of a food brand business in the United Kingdom.

## Information of the vendor

Mr. Song is a PRC citizen and merchant. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Song is a third party independent of the Company and its connected persons in accordance with the Listing Rules as at the date of this announcement.

## Information of the Target Company

The Target Group is principally engaged in the business of investment in exploration activities.

The Target Company is a company incorporated under the laws of the British Virgin Islands, with limited liability and is principally engaged in pure equity investment holding. As at the date of this announcement, Mr. Song is the sole registered legal and beneficial owner of the entire issued share capital of the Target Company. The Target Company holds a 100% legal and beneficial ownership interest in the UAE Company.

As at the date of this announcement, the Chilean Company is wholly owned by Mr. Song. Upon completion of the Chile onshore reorganisation, it is intended that the UAE Company will hold 91% of the issued share capital of the Chilean Company, and Mr. Song will hold the remaining 9%. As part of this reorganisation, the Chilean Company will issue new shares to the UAE Company with a total subscription amount of approximately 1,000,000,000 Chilean pesos (equivalent to approximately USD1,085,000), which may remain unpaid for up to five years under Chilean law.

The Company has been advised by its Chilean legal counsel that if the subscription amount is not duly paid within the prescribed period, the share capital of the Chilean Company would be reduced to the amount actually paid, and the unpaid shares would forfeit all economic and political rights. Based on the advice of Chilean legal counsel, the unpaid capital contribution does not affect the current validity of the issued shares in the Chilean Company, provided that the payment is made within the period prescribed under Chilean law. Mr. Song has provided an indemnity under the Sale and Purchase Agreement to indemnify the Company against any losses arising from non-payment of the subscription amount by the UAE Company.

As the Target Company is a newly formed company incorporated on 31 December 2025, it does not have any net profits for the two financial years immediately preceding the Proposed Acquisition.

As at the date of this announcement, the details of the Mining Licenses are as follows:

<b>Licence holder</b>	<b>Licence and National ID number</b>	<b>Area</b>
The Chilean Company	MAR 101/120 (10102-0068-3)	Approximately 200 hectares
The Chilean Company	MAR 121/140 (10102-0069-1)	Approximately 200 hectares

As at the date of this announcement:

- (i) MAR 101/120 is registered in the name of the Chilean Company at the Conservator of Mines of San José de la Mariquina on 12 June 2026, free from Encumbrances; and

- (ii) MAR 121/140 is registered in the name of the Chilean Company at the Conservator of Mines of San José de la Mariquina on 13 April 2026 but remains subject to the Turner Minerals Encumbrance.

The Company has been advised by its Chilean legal counsel, Chile China Lawyers, on the nature and effect of the Turner Minerals Encumbrance as follows:

- (i) **Scope of the restriction:** The restriction applies to the mining concession itself and does not extend to the sale of shares in companies that may own such concession. Accordingly, the Proposed Acquisition is not directly restricted by the Turner Minerals Encumbrance.
- (ii) **Status of the registration:** The underlying purchase option contract provides that the prohibition shall be automatically cancelled once the acceptance period has elapsed. As at the date of this announcement, the acceptance period under the option contract has elapsed. However, the registration remains in force at the Conservator of Mines of San José de la Mariquina until it is formally lifted or cancelled.
- (iii) **Risk of challenge:** As a result of the registered restriction, any direct transfer or encumbrance of MAR 121/140 would not be enforceable against Turner Minerals S.A. while the registration remains in force. If a transfer is effected without cancellation of the registration, Turner Minerals S.A. could potentially challenge the validity of such transfer, which represents a legal risk.
- (iv) **Cancellation process:** The cancellation process requires the filing of an application together with a copy of the purchase option deed with the Conservator of Mines of San José de la Mariquina. In principle, the cooperation of Turner Minerals S.A. is not required, although the Conservator may request its participation. Based on advice from the Company's Chilean legal counsel, the process is expected to take approximately one and a half months from the submission of all required documents.

To mitigate the risk of the Turner Minerals Encumbrance, under the Sale and Purchase Agreement, Mr. Song has undertaken to use his best endeavours to procure the formal cancellation and deregistration of the Turner Minerals Encumbrance at his sole cost and expense. Completion of the Proposed Acquisition is conditional upon, among other matters, the formal cancellation and deregistration of the Turner Minerals Encumbrance. Mr. Song has also provided an indemnity to the Company against any losses arising from the Turner Minerals Encumbrance.

Furthermore, on 25 June 2026, an application for deregistration of the Turner Minerals Encumbrance was formally submitted to the Mariquina Real Estate and Mining Conservator. The Conservator has acknowledged receipt and estimates that the deregistration will be processed by 6 July 2026. Provided the application is processed successfully, the deregistration will be completed and the Mining Licenses will be free from the Turner Minerals Encumbrance. However, there can be no assurance that the said deregistration will be processed by the estimated date or that the application will not be rejected by the Conservator. The formal cancellation and deregistration of the Turner Minerals Encumbrance remains a condition precedent to Completion under the Sale and Purchase Agreement.

Reference is made to the Company's announcement dated 21 May 2026 in relation to, among other things, the due diligence exercise in relation to the Pumillahue Project. Pursuant to the draft geological report prepared by GMY Consulting Inc. in respect of the Pumillahue Project, the total potential in-situ gold at the Pumillahue Project is estimated at approximately 72,017 troy ounces, equivalent to approximately 2,240 kg (2.469 tons), with recoverable gold estimated at approximately 2,125.8 kg (2.343 tons) assuming a 94.9% recovery rate.

Shareholders and potential investors should note that the above economic assessment is preliminary, for illustrative purposes only, based on historical exploration data and subject to assumptions as contained in the geological report. It does not conform to NI 43-101 standards and a formal Pre-Feasibility Study under NI 43-101 (or an equivalent standard) is required for a complete economic evaluation. There is no certainty that the estimated quantities or grades will be achieved, and actual results may differ materially from these estimates. Accordingly, Shareholders and potential investors are advised to exercise caution when placing reliance on such estimates and should not assume that all or any part of the potential gold will be recovered or will be economically viable.

The above information is preliminary in nature and is provided for illustrative purposes only. It should not be regarded as a statement of mineral resources or mineral reserves prepared in accordance with Chapter 18 of the Listing Rules, the JORC Code or any other internationally recognised reporting standard. There is no assurance that the Pumillahue Project can be developed into commercial production, that any commercially recoverable mineral resources will be identified, or that the estimated quantities or grades will be achieved.

## **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

The Group is principally engaged in the mining, production, and sale of marble slags in the PRC. To diversify its asset base and revenue sources, the Board has been strategically exploring opportunities to expand the Group's mining portfolio into other geographical regions and mineral resources.

The Proposed Acquisition is fully aligned with the business development strategy of the Company. As part of this strategic commitment to diversification, the Group executed the MOU with Mr Song in late 2023, which granted the Company an exclusive period to conduct due diligence, study the mining rights and negotiate the acquisition of an interest in the Pumillahue area in Chile. The Board considers that the substantial due diligence work completed to date provides a solid foundation for the Group to proceed with the Proposed Acquisition of a controlling stake in the Target Group.

The Board believes that global geopolitical tensions and economic uncertainties have driven demand for precious metals such as gold, making the Proposed Acquisition a pivotal step to extend the Group's mining operations into the overseas metal mining sector and capitalize on a strategic opportunity to diversify the Group's revenue streams.

The Pumillahue Project is a gold mining concession covering approximately 400 hectares located in southern Chile. As noted in the Company's announcement dated 21 May 2026, Chile is a globally recognised mining-friendly jurisdiction with abundant mineral resources, a stable regulatory framework, and well-established mining infrastructure, offering compelling opportunities for the Group to participate in high-potential mining projects.

The Pumillahue Project is located within the Madre de Dios district of southern Chile, an area with a recorded gold heritage dating back to the mid-to-late 1500s. The name 'Pumillahue' means 'Place of the Gold Mine' in the local indigenous language, while the Spanish named the wider district 'Madre de Dios' ('Mother of God') in recognition of its mineral wealth. Gold from the region was historically prized for an exceptional purity in the range of 22 to 24 karats, and during the colonial period Valdivia was reported to be the richest city in Chile. Industrial-scale hydraulic mining was carried out across the district from the late 1800s into the mid-1900s, and in the modern era various international mining companies have conducted exploration and development work in the district.

The Group possesses established expertise in operating mining businesses. Despite market challenges, it has maintained operations through the optimization of operational models and cost control. The Board considers that the Group's mining expertise can be effectively applied to the development of the Pumillahue Project, creating operational synergies and enhancing the value of the Mining Licenses.

Upon Completion, the Company will acquire a 85% controlling interest in the Target Company, with Mr. Song retaining a 15% minority interest. This structure allows the Company to secure operational control over the Target Group and the Mining Licenses while retaining Mr. Song's continued involvement and alignment of interests. As the controlling shareholder, the Company will be able to direct and oversee further technical work, exploration programmes, development activities and mining-related operations at the Pumillahue Project, enabling the Group to apply its mining expertise directly to the project's advancement. The Target Company will become a direct non-wholly owned subsidiary of the Company, and its financial results, assets and liabilities will be consolidated into the consolidated financial statements of the Company.

The consideration structure has also been designed to preserve the Company's cash resources. By crediting the Earnest Money of USD1,000,000 already paid under the MOU and issuing an 8% p.a. interest-bearing Promissory Note for the balance of USD2,200,000, the Company is able to complete the Proposed Acquisition without immediate cash outflow. The Promissory Note matures 12 months from Completion and is expected to be redeemed using part of the net proceeds from fundraising activities or internal resources of the Company. The Board considers this structure to be financially prudent and in the interests of the Company and its Shareholders.

The Board has also taken into account the protections negotiated under the Sale and Purchase Agreement, including but not limited to:

- (i) comprehensive vendor warranties given by Mr. Song covering, among other things, title to the Sale Shares, the business and assets of the Target Group, the Mining Licenses, the validity of the Debt and the permissibility of the Debt Assignment;
- (ii) indemnities from Mr. Song covering, among other things, pre-Completion tax liabilities and losses arising from the transfer and registration of the Mining Licenses, any defects in the Debt or Debt Assignment, and any losses arising from the Turner Minerals Encumbrance;
- (iii) the Company's right to set off against the Promissory Note any amounts due from Mr. Song;
- (iv) the requirement for Mr. Song to return the Earnest Money in full if the Conditions are not satisfied by the Long Stop Date; and

- (v) an undertaking from Mr. Song to use his best endeavours to procure the formal cancellation and deregistration of the Turner Minerals Encumbrance at his sole cost and expense before Completion.

Taking into account the above, the Directors believe that the terms of the Proposed Acquisition are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Proposed Acquisition are more than 5% but are all less than 25%, the Proposed Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules. No shareholders' approval is required for the Proposed Acquisition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Song is an Independent Third Party as at the date of this announcement. Accordingly, the Proposed Acquisition does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company should note that Completion is subject to the satisfaction or waiver, as applicable, of the Conditions as set out in the Sale and Purchase Agreement. Therefore, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## **(2) APPOINTMENT OF CHAIRMAN OF THE BOARD**

The Board hereby announces that Mr. Chin, an executive Director and the Chief Executive Officer, has been appointed as the Chairman with effect from 28 June 2026. As the Chairman, Mr. Chin will lead the Board, oversee the overall strategic direction of the Group, and ensure the effectiveness of corporate governance and Board performance.

The biographical details of Mr. Chin are set out below:

Mr. Chin, aged 45, has served as an executive Director and the Chief Executive Officer since 22 August 2025. He has over 18 years of experience in metals and mining investments, distressed asset investments, commodities trading, and corporate finance.

Since September 2011, Mr. Chin had been with Sirius Minerals Plc (FTSE250 SXX) which was acquired by Anglo American Plc in January 2020 and continued his position at Anglo American Crop Nutrients Holdings Limited as the Head of Greater China until January 2024. During the period from May 2014 to September 2016, he also served as the Director specialising in ferrous metals for the Asia-Pacific region in the Singapore and Hong Kong offices of BTG Pactual, through which he managed investments in the Burkina Faso Tambao Manganese mine and led prepayments of iron ore to maximize returns, as well as potential investments in washing and mixing plants at various Chinese ports. He also served as the Senior Vice President and the Head of Asia Pacific and Greater China for African Minerals (AIM-listed AML) between January 2010 and May 2014, during which he led and secured

a USD 1.5 billion investment from Shandong Iron and Steel Group (SISG) for 25% of the Tonkolili Iron Ore Mine/African Minerals Limited, and separately raised investments from China Railway Materials. Mr Chin is a member of the Australasian Institute of Mining and Metallurgy (AusIMM), the leading professional body for mining professionals globally, and a custodian of the JORC and VALMIN Codes governing resource and reserve reporting standards. Mr. Chin holds a bachelor's degree in commerce from the University of Auckland.

Mr. Chin will not enter into a separate letter of appointment with the Company in respect of his appointment as the Chairman. Mr. Chin has entered into a letter of appointment with the Company in relation to his role as an executive Director and the Chief Executive Officer for an initial term of three years commencing from 22 August 2025, which may be terminated by either party by giving not less than three months' prior notice in writing. His directorship is subject to retirement by rotation and re-election at the next general meeting of the Company in accordance with the Bye-laws of the Company and the Listing Rules. Mr. Chin's remuneration as an executive Director and Chief Executive Officer is determined with reference to his position, level of responsibilities, the remuneration policy of the Company, and prevailing market conditions. Pursuant to the said letter of appointment, Mr. Chin is entitled to receive (i) a performance-based remuneration, which will be determined and reviewed annually subject to approval by the Board, and (ii) a discretionary bonus and/or other benefits which will be subject to the recommendation of the remuneration committee of the Board and approval of the Board. Mr. Chin will not receive any additional remuneration for his appointment as the Chairman.

Save as disclosed above, as at the date of this announcement, Mr. Chin does not (i) hold any other position in the Group nor have any relationship with any Director, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (ii) hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas or other major appointments and professional qualifications during the last three years preceding the date of this announcement; or (iii) have any other interest in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information required to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters relating to the appointment of Mr. Chin as the Chairman that need to be brought to the attention of the Shareholders.

## **DEVIATION FROM THE CORPORATE GOVERNANCE CODE**

Pursuant to Code Provision C.2.1 of the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules (the "CG Code"), the roles of chairman and chief executive should be separate and should not be performed by the same individual. As Mr. Chin will assume the dual roles of the Chairman and the Chief Executive Officer, such practice deviates from Code Provision C.2.1 of the CG Code.

The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Chin is appropriate and in the best interests of the Company and its Shareholders as a whole for the following reasons:

- (i) Mr. Chin possesses extensive experience in metals and mining investments, and has been instrumental in driving the Group's strategic expansion into precious metals, including the Pumillahue Project in Chile. The Board considers that Mr. Chin is well placed to identify strategic opportunities and lead the Board, given his deep industry knowledge and established relationships within the global mining sector;
- (ii) the combined role enables consistent leadership, allows the Group to respond swiftly to opportunities and challenges in the mining sector, and facilitates more effective and efficient strategic planning and execution of the Group's mining diversification strategy, as well as the flow of information between management and the Board; and
- (iii) all major decisions of the Company require approval by at least a majority of the Directors, and Mr. Chin and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors to act in the best interests of the Company and its Shareholders.

Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in the circumstance. In addition, under the supervision of the Board, which is comprised of three executive Directors and two independent non-executive Directors, all major decisions are made collectively by the Board. The existing independent non-executive Directors will continue to provide independent judgment and advice to the Board, and the Board will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code and the Listing Rules. As at the date of this announcement, the Company is actively identifying suitable candidates to fill the independent non-executive Director vacancy. The Board will review the effectiveness of the Group's governance structure from time to time, and will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which commercial banks are open for business in Hong Kong;
“Chairman”	the chairman of the Board;
“Chief Executive Officer”	the chief executive officer of the Company;

“Chilean Company”	Minerales Del Sur SpA, a company incorporated in Chile;
“Company”	China Kingstone Mining Holdings Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability the issued shares of which are listed on the Main Board of the Stock Exchange;
“Completion”	the completion of the sale and purchase of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement;
“Completion Date”	the date of the Completion, being the third (3rd) Business Day immediately following the day of fulfilment (or waiver, as applicable) of all the Conditions or on such other date as the Company and Mr. Song may agree in writing;
“Conditions”	the conditions precedent required for the completion of the Sale and Purchase Agreement as set out in the section headed “Conditions Precedent” in this announcement;
“connected persons”	has the same meaning ascribed to it under the Listing Rules;
“Debt”	the debt in the principal amount of USD800,000 owed by the Chilean Company to Mr. Song;
“Debt Assignment”	the assignment by Mr. Song to the Company of the Debt, to be completed on Completion in accordance with the terms of assignment document(s) governed by Chilean law;
“Director(s)”	the director(s) of the Company;
“Earnest Money”	the earnest money of USD1,000,000 previously paid by the Company to Mr. Song pursuant to the MOU;
“Encumbrance”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, assignment, deed of trust, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect, any proxy, power of attorney, voting trust arrangement, any adverse claim as to title, possession or use, and any agreement or obligation to create or grant any of the aforesaid;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	third party(ies) who is/are independent of the Company and its connected person(s);
“Independent Valuer”	Roma Appraisals Limited, being the independent property valuer engaged by the Company for the valuation of the Sale Shares. It is a professional valuer firm which is a wholly-owned subsidiary of Langu Company Limited (together with its subsidiaries) (stock code: 8072) listed on GEM of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time;
“Long Stop Date”	30 September 2026, or such other date as the parties to the Sale and Purchase Agreement may agree in writing;
“Material Adverse Effect”	means any event, change, fact, development, circumstance, condition or occurrence that, individually or in the aggregate with one or more other events, changes, facts, developments, circumstances, conditions or occurrences, would or would be reasonably likely to materially impair the ability of Mr. Song or the Target Group to perform any of its obligations or to consummate the Sale and Purchase Agreement any of the transactions contemplated thereunder;
“Mining Licenses”	the 2 mining licenses, namely MAR 101/120 and MAR 121/140, relating to the Pumillahue Project in Southern Chile, which are legally and beneficially owned and registered in the name of the Chilean Company, allowing the Chilean Company to conduct exploration activities in the Pumillahue area, San José de la Mariquina;
“MOU”	the memorandum of understanding dated 22 December 2023 (as amended and supplemented by the first supplemental agreement dated 11 December 2024 and the second supplemental agreement on 30 December 2025) entered into between the Company and Mr. Song in relation to the Possible Acquisition;
“Mr. Chin”	Mr. Chin Then Hin ( 陳田興 ) ;
“Mr. Song”	Mr. Song Tai ( 宋泰* ) ;
“PRC”	the People’s Republic of China (other than Hong Kong, the Macau Special Administrative Region and Taiwan for the purposes of this announcement);

“Promissory Note”	the promissory note to be issued by the Company to Mr. Song on Completion in the principal amount of USD2,200,000 (equivalent to approximately HK\$17,160,000);
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by the Company subject to and upon the terms and conditions of the Sale and Purchase Agreement;
“Sale Shares”	8,500 shares, representing 85% of the entire issued capital of the Target Company, which is legally and beneficially owned by Mr. Song;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Company and Mr. Song on 28 June 2026, as amended, modified or supplemented from time to time;
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the shares of the Company;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Kingstone Global Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands;
“Target Group”	the Target Company and its subsidiaries;
“Turner Minerals Encumbrance”	the registration dated 10 January 2006 at Page 1 No. 1 of 2006 in the Mortgage and Lien Registry and in the Injunctions and Prohibitions Registry of the Real Estate and Mining Conservator of San José de la Mariquina of (i) a purchase option and (ii) a prohibition to encumber or transfer the mining concession MAR 121-140 in favour of Turner Minerals S.A;
“USD”	United States Dollar, the lawful currency of United States of America;
“UAE Company”	Kingstone Bullion Invest – FZCO, a company incorporated in the United Arab Emirates; and
“%”	per cent.

*For the purpose of this announcement, the exchange rates of USD1.00 = HK\$7.8 have been used for currency conversion, where applicable. Such exchange rates are for illustrative purposes and do not constitute representations that any amount in HK\$ or USD has been, could have been or may be converted at such rates.*

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

Hong Kong, 28 June 2026

*As at the date of this announcement, the Board comprises Mr. Chin Then Hin (Chairman and Chief Executive Officer), Ms. Zhang Cuiwei and Mr. Zhang Mian as executive Directors, and Mr. Andreas Varianos and Ms. Zu Rui as independent non-executive Directors.*

\* *For identification purpose only*