KINGSTONE
金 石 礦 業

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)

ANNOUNCEMENT
UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of China Kingstone Mining Holdings Limited (the "**Company**") dated 25 March 2020 in relation to the unaudited annual results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2019 (the "**2019 Annual Results Announcement**"). Unless the context requires otherwise, capitalised terms used herein shall bear the same meanings as defined in the 2019 Annual Results Announcement.

AUDITORS' AGREEMENT ON THE 2019 ANNUAL RESULTS

As stated in the 2019 Annual Results Announcement, the annual results for the year ended 31 December 2019 (the "**2019 Annual Results**") contained therein had not been agreed by the Company's auditors as required under Rule 13.49(2) of the Listing Rules.

The board of directors (the "**Board**") is pleased to announce that the Company has completed the auditing process for the 2019 Annual Results and the Company's auditor, Elite Partners CPA Limited, has agreed on the 2019 Annual Results (including the financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position and the related notes thereto) as set out in the 2019 Annual Results Announcement in accordance with the requirement of Rule 13.49(2) of the Listing Rules. The

2019 Annual Results contained in the 2019 Results Announcement remain substantially the same as the 2019 Annual Results Announcement, except for the following disclosures of impacts and changes in accounting policies of application on IFRS 16:

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On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognized lease liabilities of approximately RMB1,620,000 and right-of-use assets of approximately RMB2,873,000 at 1 January 2019.

When recognizing the lease liabilities for leases previously classified as operating leases, the Group has applied incremental discounts of the relevant group entities at the date of initial application. The weight average lessee's incremental discount rate applied is 4.7%.

	Disclosed in 2019 Annual Results Announcement *RMB'000*	**Audited** *RMB'000*
Operating lease commitments disclosed as at 31 December 2018	2,060	2,060
Less: Recognition exemption – short-term leases	(393)	(393)
	1,667	1,667
Lease liabilities discounted at relevant incremental borrowing rates	(47)	(47)
Add: Obligation under finance lease recognized at 31 December 2018	233	–
Lease liabilities at 1 January 2019	1,853	1,620
Analysed as		
Current	1,671	1,438
Non-current	182	182
	1,853	1,620

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The following adjustments were made to the amounts recognized in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Disclosed in 2019 Annual Results Announcement			Audited		
	Carrying amount previously reported at 31 December 2018	**Adjustments**	**Carrying amount under IFRS 16 at 1 January 2019**	**Carrying amount previously reported at 31 December 2018**	**Adjustments**	**Carrying amount under IFRS 16 at 1 January 2019**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets						
Prepaid land lease payments	1,253	(1,253)	–	1,253	(1,253)	–
Right-of-use assets	–	2,873	2,873	–	2,873	2,873
Current liabilities						
Lease liabilities	–	1,671	1,671	–	1,671	1,671
Obligations under finance lease	233	(233)	–	–	–	–
Non-current liabilities						
Lease liabilities	–	182	182	–	182	182

The announcement provides updated information on the 2019 Annual Results, which shall be read in conjunction with the 2019 Annual Results Announcement.

SCOPE OF WORK OF ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the 2019 Annual Results Announcement have been agreed by the Company's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statement for the year as approved by the Board of the Company on 11 May 2020. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagement issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the 2019 Annual Results Announcement or this further announcement.

PUBLICATION OF ANNUAL REPORT

The 2019 annual report of the Company containing all the applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the websites of the Stock Exchange of Hong Kong Limited (www.hkexnew.hk) and the Company (www.kingstonemining.com) on or before 15 May 2020.

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

Hong Kong, 11 May 2020

As at the date of this announcement, the Board comprises Mr. Zheng Yonghui, Ms. Zhang Cuiwei, Mr. Zhang Jianzhong, Mr. Zhang Weijun and Mr. Zhang Mian as executive Directors, and Ms. Wang Yihua, Mr. Sheng Guoliang and Mr. Yang Ruimin as independent non-executive Directors.