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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)**

### UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

RESULTS HIGHLIGHTS				
	Six months ended 30 June		Change	
	2025	2024		
	(unaudited)	(unaudited)		
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue	17,144	30,772	-13,628	-44.3
Loss for the period	(7,708)	(16,592)	+8,884	N/A
	<i>RMB cents</i>	<i>RMB cents</i>	<i>RMB cents</i>	<i>%</i>
	(unaudited)	(unaudited)		
		(Restated)		
Basic loss per share	(2.70)	(7.73)	+5.03	N/A

The board (the “Board”) of directors (the “Directors”) of China Kingstone Mining Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in year 2024 as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the six months ended 30 June 2025*

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
		(unaudited)	(unaudited)
<b>REVENUE</b>	4	<b>17,144</b>	30,772
Cost of sales		<u>(10,988)</u>	<u>(19,869)</u>
<b>Gross profit</b>		<b>6,156</b>	10,903
Other income and net gains	5	<b>158</b>	274
Selling and distribution costs		<b>(1,235)</b>	(2,472)
Administrative expenses		<b>(11,410)</b>	(12,618)
Impairment losses under expected credit loss model, net of reversal		<b>(887)</b>	(12,264)
Finance costs	6	<u><b>(490)</b></u>	<u>(310)</u>
<b>LOSS BEFORE TAX</b>		<b>(7,708)</b>	(16,487)
Income tax expense	7	<u><b>–</b></u>	<u>(105)</u>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	8	<b>(7,708)</b>	(16,592)
<b>Other comprehensive loss:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation from functional currency to presentation currency		<b>516</b>	(352)
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operation		<u><b>(1,030)</b></u>	<u>(6)</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<u><b>(8,222)</b></u>	<u>(16,950)</u>
			(Restated)
Loss per share			
– Basic and diluted (RMB cents)	9	<u><b>(2.70)</b></u>	<u>(7.73)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		67,643	68,086
Intangible assets		16,850	16,850
Right-of-use assets		582	973
Prepayment and other receivables		7,141	7,251
		<u>92,216</u>	<u>93,160</u>
<b>CURRENT ASSETS</b>			
Inventories		413	381
Trade receivables	11	5,833	20,564
Prepayment, deposits and other receivables		24,724	12,377
Prepaid tax		–	23
Loan receivable		4,047	–
Cash and cash equivalents		18,865	8,551
		<u>53,882</u>	<u>41,896</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	12	3,403	7,415
Lease liabilities		325	714
Other payables and accruals		44,727	34,196
Other loans		10,317	12,406
		<u>58,772</u>	<u>54,731</u>
<b>NET CURRENT LIABILITIES</b>		<u>(4,890)</u>	<u>(12,835)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>87,326</u>	<u>80,325</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		64	182
Provision for environmental rehabilitation		3,946	3,946
		<u>4,010</u>	<u>4,128</u>
<b>NET ASSETS</b>		<u>83,316</u>	<u>76,197</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	13	3,029	45,241
Reserves		80,287	30,956
<b>TOTAL EQUITY</b>		<u>83,316</u>	<u>76,197</u>

## NOTES

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 (“Interim Financial Statements”) have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024.

The Interim Financial Statements have been prepared in accordance with the same accounting policies applied in the 2024 annual financial statements, except for additional accounting policies resulting from application of amendments to IFRS Accounting Standards (“IFRSs”) and application of certain accounting policies which became relevant to the Group for the six months ended 30 June 2025 as set out in note 2.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

The Interim Financial Statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since the 2024 annual financial statements. The Interim Financial Statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

The Interim Financial Statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

#### **Going concern basis**

The Group incurred a loss of approximately RMB7,708,000 during the six months ended 30 June 2025 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately RMB4,890,000. In preparing the consolidated financial statements, the directors of the Company (“the Directors”) have given careful consideration to the future liquidity of the Group. The Directors adopted the going concern basis for the preparation of the consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group by way of implementing a right issue as follows:

On 27 December 2024, the Group proposed to implement a rights issue on the basis of two rights issue for every five shares at the subscription price of HK\$0.2 per rights share to raise of approximately HK\$20.40 to HK\$21.2 million. On 28 February 2025, the net proceeds from the rights issue after deducting the expenses were approximately HK\$15.43 million. Details of the rights issue are disclosed in the Company’s announcement dated 27 February 2025.

After the completion of the rights issue, the Group will continue to explore any possibility of conducting further equity fund raising to satisfy its funding needs if suitable opportunities arise. In the opinion of the Directors, the Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from 31 December 2024, in light of the various measures or arrangements implemented after the end of reporting period together with the expected results of the other measures, they are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within twelve months from 31 December 2024. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis the Group will have sufficient working capital for its current requirements and it is reasonable to expect the Group to remain a commercially viable concern.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in the Interim Financial Statements prepared on a going concern basis.

## **2. APPLICATION TO NEW AND AMENDMENTS TO IFRSs**

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on 1 January 2025 for the preparation of the Group's Interim Financial Statements:

Amendments to IFRS 21

Lack of Exchangeability

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these Interim Financial Statements.

The Group has not applied any new and amendments to IFRSs that have been issued but not yet effective for the current accounting period.

## **3. SEGMENT INFORMATION**

The Group determines its operating segments based on the reports reviewed by the Directors, being the chief operating decision maker (the "CODM"), for the purpose of monitoring segment performance and allocating resources between segments and that are used to make strategic decisions.

The Group has two reportable segments – Marble Slag and Food Brand. The reportable segments are based on the information about the operations of the Group that management uses to make decisions.

The Group's reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

Particulars of the Group's reportable segments is summarised as follows:

- Marble Slag
- Food Brand

Segment information about these operations is presented as below:

(a) **An analysis of the Group's revenue and results by operating segments**

	Segment revenue		Segment results	
	Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Marble Slag	<b>7,810</b>	27,676	<b>(90)</b>	307
Food Brand	<b>9,334</b>	3,096	<b>(2,029)</b>	(2,207)
	<u><b>17,144</b></u>	<u>30,772</u>	<u><b>(2,119)</b></u>	<u>(1,900)</u>
Reconciliation from segment results to loss before tax				
Unallocated corporate income			<b>101</b>	366
Unallocated corporate expenses			<b>(5,200)</b>	(14,643)
Finance costs			<b>(490)</b>	(310)
Loss before tax			<u><b>(7,708)</b></u>	<u>(16,487)</u>

Segment revenue reported above represents revenue generated from external customers.

Segment results represent the loss suffered by each segment without allocation of central administrative expenses, certain other income and net gains and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(b) An analysis of the Group's financial position by operating segments

	As at 30 June 2025 <i>RMB'000</i> (unaudited)	As at 31 December 2024 <i>RMB'000</i> (audited)
<b>ASSETS</b>		
Segment assets		
– Marble Slag	110,602	114,972
– Food Brand	1,304	1,025
	<hr/>	<hr/>
Total segment assets	111,906	115,997
Unallocated assets	34,192	19,059
	<hr/>	<hr/>
	146,098	135,056
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Segment liabilities		
– Marble Slag	35,950	26,611
– Food Brand	5,944	12,882
	<hr/>	<hr/>
Total segment liabilities	41,894	39,493
Unallocated liabilities	20,888	19,366
	<hr/>	<hr/>
	62,782	58,859
	<hr/>	<hr/>

For the purposes of resource allocation and performance assessment between segments:

- all assets are allocated to reportable segments, other than certain prepayment, deposits and other receivables, certain cash and cash equivalents, certain property, plant and equipment and right-of-use assets; and
- all liabilities are allocated to reportable segments, other than certain other payables and accruals, other loans and lease liabilities.

(c) **Geographical information**

The following table sets out information about geographical location of (i) revenue from external customers and (ii) non-current assets (excluding prepayment and financial instruments). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of non-current asset are based on the physical location of the assets.

	Revenue from external customers		Non-current assets (excluding financial instruments)	
	Six months ended 30 June		At 30 June	At 31 December
	2025	2024	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	–	–	–	411
The PRC	7,810	27,676	84,669	85,099
The UK	9,334	3,096	404	399
	<u>17,144</u>	<u>30,772</u>	<u>85,073</u>	<u>85,909</u>

**4. REVENUE**

Revenue represents the net invoiced value of goods sold, net of trade discounts and returns.

**Information about revenue**

The following table sets forth the total revenue from external customers during the period:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Revenue from contracts with customer recognised at a point in time:		
Sales of marble slags	7,810	27,676
Sales of food	9,334	3,096
	<u>17,144</u>	<u>30,772</u>



## 5. OTHER INCOME AND NET GAINS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Bank interest income	59	1
Imputed interest income on other receivables	–	330
Interest income on loan receivable	82	–
Exchange loss, net	1	(92)
Others	16	35
	<u>158</u>	<u>274</u>

## 6. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Interest on lease liabilities	12	21
Interest on amount due to a director	–	8
Interest on other loans	478	281
	<u>490</u>	<u>310</u>

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
PRC Enterprise Income Tax:		
– Current tax	–	105

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of subsidiaries of the Company in the PRC is 25% for both periods.

The tax rate of subsidiaries of the Company in Hong Kong is 16.5% for both periods.

The tax rate of subsidiary of the Company in the UK is subject to Corporation Tax in the UK (“UK Corporation Tax”) and is calculated at 19% for both periods.

No provision for Hong Kong profits tax has been made for both periods as the Group had no assessable profits arising in Hong Kong.

No provision for UK Corporation Tax has been made for both periods as the Group had no assessable profits arising in the UK.

No provision for PRC Enterprise Income Tax has been made for the six months ended 30 June 2025 as the Group had no assessable profits arising in the PRC.

## 8. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)
Cost of inventories sold	5,568	1,714
Depreciation of property, plant and equipment	514	640
Depreciation of right-of-use assets	374	346
Expense related to short-term leases	989	934
(Reversal of impairment losses)/impairment losses recognised in respect of trade receivables, net of reversal	(437)	1,740
Impairment losses recognised in respect of other receivables	1,324	10,524

## 9. LOSS PER SHARE

### (a) Basic loss per share

The calculation of basic loss per share attributable to owners of the Company is based on a loss of approximately RMB7,708,000 attributable to owners of the Company for the six months ended 30 June 2025 (six months ended 30 June 2024: RMB16,592,000) and the weighted average number of 285,545,703 (six months ended 30 June 2024: 214,518,821 (restated)) ordinary shares in issue during the period.

### (b) Diluted loss per share

The calculation of diluted loss per share had not taken into consideration the assumed exercise of outstanding share options for both periods as it had an anti-dilutive effect on the basic loss per share.

## 10. DIVIDEND

The Directors did not recommend payment of any dividend for each of the six months ended 30 June 2025 and 2024.

## 11. TRADE RECEIVABLES

An aged analysis of trade receivables at the end of the reporting periods, based on earlier of the invoice date or revenue recognition date, and net of allowance for credit losses, is as follows:

	<b>30 June 2025 RMB'000 (unaudited)</b>	<b>31 December 2024 RMB'000 (audited)</b>
0 to 90 days	5,833	4,364
91 to 180 days	–	11,136
181 to 360 days	–	5,064
361 to 720 days	–	–
	<hr/>	<hr/>
	<b>5,833</b>	<b>20,564</b>
	<hr/> <hr/>	<hr/> <hr/>

The credit period is generally three month. Trade receivables are non-interest bearing.

## 12. TRADE PAYABLES

Trade payables are unsecured, non-interest bearing and are normally settled in 90 days. An aged analysis of trade payables, based on the invoice date, is as follows:

	<b>30 June 2025 RMB'000 (unaudited)</b>	<b>31 December 2024 RMB'000 (audited)</b>
0 to 60 days	3,348	7,228
61 to 120 days	–	–
121 to 180 days	–	–
Over 180 days	55	187
	<hr/>	<hr/>
	<b>3,403</b>	<b>7,415</b>
	<hr/> <hr/>	<hr/> <hr/>

### 13. SHARE CAPITAL

	Number of shares '000	Nominal values of ordinary shares	
		HK\$'000	RMB'000
Authorised:			
As at 1 January 2024 (audited), 31 December 2024 (audited) and 1 January 2025 (audited)			
– Ordinary shares of HK\$0.2 each	7,500,000	1,500,000	
Share sub-division ( <i>note (iv)(b)</i> )	142,500,000	–	
As at 30 June 2025 (unaudited), ordinary shares of HK\$0.01	150,000,000	1,500,000	
Issued and fully paid:			
As at 1 January 2024 (audited), ordinary shares at \$0.2 each	174,104	34,821	30,420
Conversion of convertible notes ( <i>note (i)</i> )	40,853	8,170	7,417
Issue of shares upon settlement of convertible notes ( <i>note (ii)</i> )	40,000	8,000	7,404
As at 31 December 2024 (audited) and 1 January 2025 (audited)	254,957	50,991	45,241
Issue of new shares ( <i>note (iii)</i> )	83,138	16,628	15,341
Capital reduction ( <i>note (iv)(a)</i> )	–	(64,238)	(57,553)
As at 30 June 2025 (unaudited), ordinary shares at HK\$0.01 each	338,095	3,381	3,029

#### Notes:

- (i) On 27 February 2024, the Company completed to issue and allot 12,099,213 shares upon conversion of convertible notes in the principal amount of HK\$2,000,000 at the conversion price of HK\$0.1653 per share.

On 15 March 2024, the Company completed to issue and allot 9,074,410 shares upon conversion of convertible notes in the principal amount of HK\$1,500,000 at the conversion price of HK\$0.1653 per share.

On 11 April 2024, the Company completed to issue and allot 9,578,544 shares upon conversion of convertible notes in the principal amount of HK\$1,500,000 at the conversion price of HK\$0.1566 per share.

On 4 June 2024, the Company completed to issue and allot 10,101,010 shares upon conversion of convertible notes in the principal amount of HK\$1,500,000 at the conversion price of HK\$0.1485 per share.

- (ii) On 13 November 2024, the Company completed to issue and allotted 40,000,000 subscription shares at subscription price of HK\$0.2 per share to the convertible notes holder to settle the remaining outstanding of the convertible notes at principal amount of HK\$3,500,000. The net proceeds approximately HK\$7,800,000 will be used to settle the dispute between the Company and the convertible notes holder with reference to the announcement of the Company dated 29 October 2024.
- (iii) On 27 February 2025, the Company completed the rights issue on the basis of two rights shares for every five existing shares held and the net proceeds raised from the rights issue were approximately HK\$15,430,000.
- (iv) On 2 June 2025, the capital reorganisation became effective, which involves the capital reduction and the share sub-division as follows:
  - (a) the issued share capital of the Company will be reduced by cancelling the paid-up capital to the extent of HK\$0.19 on each of the then issued existing shares such that the par value of each issued existing share will be reduced from HK\$0.20 to HK\$0.01; and
  - (b) immediately following the capital reduction, each of the authorised but unissued shares of par value of HK\$0.20 each (including the authorised but unissued shares arising from the capital reduction) be sub-divided into twenty new shares of par value of HK\$0.01 each.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

China Kingstone Mining Holdings Limited (the “Company”), together with its subsidiaries (the “Group”), were principally engaged in production and sales of marble slags in People’s Republic of China (“PRC” or “China”). The Group owns and operates a beige marble mine in China, namely the Zhangjiaba Mine, which is located in Zhenjiang Village, Xiangshui County, Jiangyou City of Sichuan Province, China.

#### Marble Slag

Marble slag is produced in the course of stripping overburden at Zhangjiaba mine and by crushing the cracked marble stones. Marble slag is a raw material for the production of ground calcium carbonate (the “GCC”) which is widely used in production of many daily products, such as construction materials, paper, plastic, paints, etc. The Group primarily sells the marble slags to the GCC manufactures which are close to the Zhangjiaba mine.

In first half year of 2025, the United States (the “US”) imposed a series of steep tariffs on nearly all goods from most of the countries imported into the US. The tariff threats loom over the global economy growth. However, China’s economy shows resilience amid global uncertainties triggered by tariff disputes, geopolitical tension and supply chain disruptions. Despite tariff-driven headwinds, China’s gross domestic product maintains a steady growth rate at around 5% in the first half year of 2025. In the face of major uncertainties, the Company believes that risk diversification becomes an important strategy in the complex external environment. In the past few years, the Group granted an exclusive sales agreement to a GCC customer that encouraged the GCC customer to invest in fixed asset to increase its own productivity, in turn to achieve rapid growth in sales of the Company. The arrangement was mutually beneficial to each of the parties thereto at the time. However, the Company considers that over-reliance on one GCC customer would pose a risk to the Company’s marble business and also limit the bargaining power and further growth of the Company. The Group decided not to renew the exclusive sales agreement and the mining agreement with the engineering team when it expired in December 2024. Due to the delays resulting from the Chinese New Year holiday and the process of dismounting and removing the plant and equipment belonging to the former engineering team, the Company obtained the approval for the resumption of production in the Zhangjiaba mine in April 2025 and the mining production resumed at the end of May 2025.

As at 30 June 2025, the Company has already entered into a mining contract with another engineering team for a contract term of 3 years. The Company has also entered into non-exclusive sales contracts with 5 customers to supply different marble products with different sizes and purities of calcium carbonate contained in the original rocks. The contracted prices of the different quality of the marble products range from RMB17.5 to RMB34.0 per ton. During the six months ended 30 June 2025 (“HY2025”), the actual production time is only around one month in June 2025. As a result, the Group’s sales of marble slag decreased by approximately 71.8% from approximately RMB27.7 million for six months ended 30 June 2024 (“HY2024”) to approximately RMB7.8 million for HY2025. The average selling price per ton decreased by 9.2% from approximately RMB26.0 for HY2024 to approximately RMB23.6 for HY2025. The Company believes that China’s deflationary pressure and weak consumption would continue to cast a shadow on the economic recovery of China. The Company would stay vigilant amid the ever-changing macro-environment.

## **Food Brand Business**

The Group operates food brand business in the United Kingdom (the “UK”). The Group targets customers who are too busy to cook but want to enjoy healthy and tasty home-made meals with fresh ingredient with their family. The Company believes that ready-to-cook meals would be a good choice for these customers. The Group runs the food brand business on a delivery-only operation with its own central kitchen for ready-to-cook meal kits in various culinary recipes. The Group carries out a click-and-mortar strategy by integrating the Group’s online and offline operations. The Group operates its e-commerce operations through an online webpage ([www.celeplate.co.uk](http://www.celeplate.co.uk)) for customers and also sells the products to retailers and shops via offline distribution channels.

The Group has merged several operated brands into a unified brand of “Celeplate 好食” to enhance its influence and reducing operating cost under which the Group rolled out five categories of meal kits (1) seafood and sashimi, (2) meat and wagyu, (3) BBQ and hotpot, (4) oven-ready Peking duck and (5) other fresh meat and seafood. The Group’s sales of food increased by approximately RMB6.2 million from approximately RMB3.1 million for HY2024 to approximately RMB9.3 million for HY2025. The food brand business is a high-growth market. The Group would continue to enrich the variety of foods for sales and promote the food brand by means of advertising on social media platform and offering discounts in order to build traction for the food brand business in UK.

## **Exploration, Development and Production Activities at the Mine**

The Group commenced commercial mining production at the Zhangjiaba Mine in September 2010. The initial term of mining permit was granted for 10-year period in February 2011. The premium paid in connection with such permit covers reserves extractable for 30 years based on the approved capacity. The mining permit of Zhangjiaba Mine expired on 21 February 2021. The renewed mining permit was issued on 7 March 2022 and is valid from 21 February 2021 to 21 February 2026.

The Group focuses on the development and mining at the Zhangjiaba mine during HY2025. The Zhangjiaba Mine contains 44.2 million cubic meters of measured and indicated marble resources, which represents 16.8 million cubic meters of proved and probable marble reserves based on a block rate of 38%, according to the independent competent person’s report dated on 7 March 2011 (as shown in the Company’s Prospectus). There was no new geological exploration activity on Zhangjiaba mine during HY2025.

During HY2025, the aggregate expenditure of the mining operation of the Group was approximately RMB5.4 million (HY2024: RMB18.1 million), which mainly included subcontracting cost of stripping of approximately RMB2.4 million (HY2024: RMB18.0 million) and safety and precaution cost of RMB1.0 million (HY2024: Nil). The subcontracting cost of stripping accounted for a large proportion of cost of mining operation because the Group employed an outsourced engineering team to work on the mine areas to reduce the capital expenditure and increase the financial flexibility of the Group.

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased by approximately RMB13.7 million or 44.3% from approximately RMB30.8 million for HY2024 to approximately RMB17.1 million for HY2025. The decrease was a combined effect of (1) a decrease of approximately RMB19.9 million in sales of marble slag from approximately RMB27.7 million for HY2024 to approximately RMB7.8 million for HY2025 and (2) an increase of approximately RMB6.2 million in sales of food from approximately RMB3.1 million for HY2024 to approximately RMB9.3 million for HY2025.

### Revenue by products

	Six months ended 30 June		Change
	2025 RMB'000	2024 RMB'000	
Marble slags	7,810	27,676	-71.8%
Sale of food	9,334	3,096	+201.5%
	<u>17,144</u>	<u>30,772</u>	<u>-44.3%</u>

Analysis by sales volume and selling price of marble business are set out below:–

	Six months ended 30 June		Change
	2025	2024	
<b>Sales volume:</b>			
Marble slags (ton)	330,961	1,064,477	-68.9%
<b>Average selling prices:</b>			
Marble slags (RMB per ton)	<u>23.6</u>	<u>26.0</u>	<u>-9.2%</u>

### Gross Profit and Gross Profit Margin

Gross profit decreased by approximately RMB4.7 million or 43.5% from approximately RMB10.9 million for HY2024 to approximately RMB6.2 million for HY2025.

Gross profit margin increased by approximately 0.5 percentage points from approximately 35.4% for HY2024 to approximately 35.9% for HY2025.



## **Selling and distribution expenses**

Selling and distribution expenses decreased by approximately RMB1.3 million from approximately RMB2.5 million for HY2024 to approximately RMB1.2 million for HY2025. The decrease was primarily due to a decrease in sales tax attributable to sales of marble slag.

## **Administrative expenses**

Administrative expenses decreased by approximately RMB1.2 million from approximately RMB12.6 million for HY2024 to approximately RMB11.4 million for HY2025. The decrease was primarily due to a decrease in mineral resources tax for HY2025.

## **Impairment loss under expected credit loss model**

For HY2025, impairment loss of approximately RMB0.9 million under expected credit loss model (HY2024: RMB12.3 million) comprises a gain on reversal of impairment loss of approximately RMB0.4 million attributable to trade receivables (HY2024: loss of RMB1.7 million) and impairment loss of approximately RMB1.3 million (HY2024: 10.5 million) attributable to other receivables.

### ***(i) Impairment loss in relation to trade receivable***

The Group recorded a gain on reversal of impairment loss of RMB0.4 million on trade receivable for HY2025, as compared to a provision for impairment loss of RMB1.7 million for HY2024. The impairment loss was provided due to payment delays of the outstanding invoices from customers. During the HY2025, the Group has made progress to recover the long outstanding amount of approximately RMB0.4 million from the customers of marble slab trading business in which the Group no longer operated. The Company has continued to assess the repayment ability of the customers and actively communicated with them to recover the outstanding receivables.

### ***(ii) Impairment loss in relation to other receivables***

The Group made an impairment loss of RMB1.3 million on other receivable for HY2025, representing a decrease by approximately RMB9.2 million, as compared to approximately RMB10.5 million for HY2024. The impairment loss was provided due to the recoverability assessment of the return of payment for grinding mill machines and the construction of production plant from the suppliers. The suppliers agreed to refund the payment for grinding mill machines and the construction of production plant by instalments, however, their payment delays resulted in heightening the risk of default for the suppliers.

## **Loss for the period**

As a result of the foregoing, the Group recorded a net loss of approximately RMB7.7 million for HY2025, representing a decrease of approximately RMB8.9 million as compared to a net loss of RMB16.6 million for HY2024.

## **Liquidity and Capital Resources**

As at 30 June 2025, the Group's total equity interests were approximately RMB83.3 million, representing an increase of approximately RMB7.1 million or 9.3% as compared to approximately RMB76.2 million as at 31 December 2024. The increase was mainly an increase of approximately RMB15.3 million in share capital, resulting from issue of new shares by way of right issue and placement of shares during HY2025, but partly offset by a net loss of approximately RMB7.7 million incurred for HY2025.

As at 30 June 2025, the Group had cash and bank balances of approximately RMB18.9 million (31 December 2024: RMB8.6 million). Cash and bank balances were mainly denominated in Hong Kong dollars, Chinese Renminbi ("RMB") and sterling pounds. The Group has adequate financial resources to meet the anticipated future liquidity requirement and capital expenditure commitment.

As at 30 June 2025, total borrowings of the Group of approximately RMB10.7 million (31 December 2024: RMB13.3 million) comprised other loans of approximately RMB10.3 million (31 December 2024: RMB12.4 million) and lease liabilities of approximately RMB0.4 million (31 December 2024: RMB0.9 million). The borrowings were unsecured and dominated in Hong Kong dollar and United States dollar. The annual interest rate of the borrowings for HY2025 ranged from 7% to 15% p.a. (HY2024: 7% to 15% p.a.). The borrowings of approximately RMB10.6 million were repayable within one year which was accounted for as current liabilities of the Group and the borrowings of approximately RMB0.1 million were repayable beyond one year which was accounted for as non-current liabilities of the Group. The Group does not currently use any derivatives to manage interest rate risk.

Gearing ratio, representing total borrowings divided by total equity, was 0.13 (31 December 2024: 0.17).

## **Capital Expenditure**

During HY2025, the Group's capital expenditure amounted to RMB0.1 million (HY2024: Nil), which was primarily related to an addition of property, plant and equipment for the marble slag business.

## **Exposure to Fluctuations in Exchange Rates**

All of the income and expenditure of the Group were denominated in Hong Kong dollar, Renminbi ("RMB"), United States and sterling pounds. In view of the stability of the exchange rates among these currencies, the Group has not been exposed to significant foreign exchange risk and thus the Group did not enter into any foreign exchange contract as hedging measures.

## **Human Resources**

As at 30 June 2025, the Group had a total of 49 employees (31 December 2024: 45). The total staff cost, including Directors' emoluments, share options benefit and pension scheme contribution, was approximately RMB5.0 million for HY2025 (HY2024: RMB3.7 million).

The Group's emolument policies are formulated on the performance of individual employee and on the basis of the salary trends in Hong Kong and the PRC, and will be reviewed regularly. Subject to the Group's profitability, the Group may also distribute discretionary bonus to its employees as an incentive for their contribution to the Group.

## **Pledge of Assets**

As at 30 June 2025, the Group had no pledge of assets (31 December 2024: Nil).

## **Capital Commitment**

As at 30 June 2025, the Group did not have any significant capital commitments (31 December 2024: Nil).

## **Contingent Liabilities**

As at 30 June 2025, the Group had no significant contingent liabilities (31 December 2024: Nil).

## **Use of proceeds from fund raising activities**

On 27 December 2024, the Company proposed to issue (i) 101,982,926 shares (the “Rights Share(s)”) by way of a rights issue (the “Rights Issue”) on the basis of two Rights Shares for every five existing Shares held by shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of business on the record date of 22 January 2025 (the “Qualifying Shareholders”), other than certain non-qualifying shareholders (“Non-Qualifying Shareholders”) (assuming no change in the number of Shares in issue on or before the record date of 22 January 2025 (the “Record Date”), if fully subscribed) or (ii) 105,947,840 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the exercise in full of the then outstanding and vested Share options granted to subscribe for 9,912,287 Shares, if fully subscribed), to raise gross proceeds of up to approximately HK\$20.4 million or approximately HK\$21.2 million, respectively, at the subscription price of HK\$0.20 per Rights Share on the basis of two (2) Rights Shares for every five (5) existing Shares held on the Record Date. The Rights Issue was only available to the Qualifying Shareholders and was not extended to the Non-Qualifying Shareholders.

On 11 February 2025, a total of five valid applications and acceptances under the provisional allotment letters (PALs) were received for a total of 2,638,069 Rights Shares, representing approximately 2.59% of the total number of Rights Shares offered under the Rights Issue. Based on the above results of valid application and acceptance, the total number of there were a total of 99,344,857 Rights Shares that were not subscribed by the Qualifying Shareholders and Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that were not successfully sold by the Company (together, the “Unsubscribed Rights Shares”) subject to the compensatory arrangement (the “Compensatory Arrangements”) of placing of these Rights Shares by KGI Asia Limited (the “Placing Agent”). The Company had, pursuant to Rule 7.21(1)(b) of the Listing Rules, made the Compensatory Arrangements by entering into a placing agreement (the “Placing Agreement”) with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares in accordance with the terms of the Placing Agreement.

On 25 February 2025, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 80,500,000 Unsubscribed Rights Shares were successfully placed to one placee, namely, Ms. Kwok Sin Ting Savin (the “Placee”) at the price of HK\$0.2 per Share, which was equal to the subscription price of HK\$0.2 per Right Share. To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, (i) the Placee was an third party independent of the Company and its connected person(s) and not acting in concert with the connected persons of the Company and their respective associates; and (ii) the Placee become a substantial shareholder of the Company upon completion of the aforementioned placing.

Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$16.63 million and the net proceeds (after deducting all necessary costs and expenses) from the Rights Issue were approximately HK\$15.43 million. The Company intended to apply the net proceeds from the Rights Issue as to approximately HK\$10.94 million for general working capital of the Group, including but not limited to staff costs, rent and rates, professional fees and other general corporate expenses, and as to approximately HK\$4.49 million for investment in potential business opportunities, which included the possible cooperations with a vendor, including but not limited to acquisition, joint venture or other ways of cooperation of several gold mining rights which are located in southern Chile. During HY2025, the net proceeds were fully utilised in accordance with the intended use as mentioned above.

## **NO MATERIAL CHANGE**

Save as disclosed herein, there had been no material change in the development or future development of the Group’s business and financial position, and no important event affecting the Group had occurred since the publication of the Company’s annual report for the year ended 31 December 2024.

## **PROSPECTS**

China has diversified its trade relationships and increased domestic consumption to mitigate the impact of US tariffs and also rolled out a raft of supportive measures to shore up its economy. The Company believes that China’s economy will achieve steady growth and be able to withstand the pressure amid a protracted trade war with the US. The Group will maintain a high degree of vigilance against unpredictable international developments and any sensitive external factors that may adversely affect the Group’s business. The Group will continue to consolidate the production and operations and extend the customer base to make improvements in the performance of the Group’s business. On the other hand, the Group will continue to explore new business opportunities so arising to maximize shareholder’s value in the future.

## OTHER INFORMATION

### Corporate Governance

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for HY2025 except for the following deviations from code provisions C.2.1, C.1.7 and F.1.3 of CG Code.

Under code provision C.2.1 of CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. During HY2025, the Board has yet to appoint chairman of the Board (the “Chairman”) and the chief executive officer of the Company (the “CEO”). The independent Board members will temporarily take the role and responsibility of Chairman to ensure that the Board is effective in its task of setting and implementing the Company’s direction and strategy. The duties of the CEO are undertaken by the executive Directors. Subsequently, Mr. Chin, Then Hin was appointed as the CEO on 22 August 2025. The Board is of the view that there is a sufficient balance of power and the current arrangement maintains a strong management position of the Company.

Under code provision of C.1.7 of CG Code, the Company should arrange appropriate insurance cover in respect of legal action against the Directors. Currently, the Company does not have insurance cover in this respect as the Board believes that, with the current internal control system and the close supervision of the management, the Directors’ risk of being sued or getting involved in litigation in their capacity as a director is relatively low. Nevertheless, the Board will review the need for insurance cover from time to time.

Under code provision of F.1.3 of the CG Code, the chairman of the board should attend the annual general meeting. The chairman of the board should also invite the lead independent non-executive director (if any), the chairman of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, the chairman should invite another member of the committee or failing this their duly appointed delegates to attend. During HY2025, Ms. Zhang Cuiwei and Mr. Zhang Weijun attended the annual general meeting (the “AGM”) of the Company and other members of the Board were unable to attend the AGM due to other business commitments. The Board was aware of this non-compliance and will continue to bring the importance of attending AGMs to the attention to each Board committee’s chairman and its members.

Save for the deviations from the code provisions C.2.1, C.1.7 and F. 1.3 of the CG Code, in the opinion of the Directors, the Company has complied with all code provisions as set out in the CG Code throughout HY2025.

## **COMPLIANCE WITH THE MODEL CODE**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding directors’ securities transactions by the Directors. The Company confirms that, having made specific enquiries with all Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code and its own code of conduct regarding directors’ securities transaction throughout HY2025.

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The audit committee of the Board (“Audit Committee”) comprised three independent non-executive Directors, namely Mr. Andreas Varianos, Ms. Zu Rui and Ms. Gu Yiran. The Audit Committee members have reviewed the unaudited interim results of the Group for HY2025 and have recommended their adoption to the Board.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2025.

## **PUBLICATION OF THE INTERIM RESULTS AND 2025 INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This interim results announcement is published on the HKExnews website of the Stock Exchange (<https://www.hkexnews.hk>) and the Company’s website (<https://www.kingstonemining.com>), and the 2025 Interim Report containing all the information required by the Listing Rules will be dispatched to the shareholders of the Company and published on the respective websites of the Stock Exchange and the Company in due course.

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

Hong Kong, 28 August 2025

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