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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Kingstone Mining Holdings Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

- (1) PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF DIRECTORS
(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND TERMINATION OF THE 2011 SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company (the “2019 AGM”) to be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong at 5:00 p.m. on Monday, 29 June 2020 is set out on pages 36 to 41 of this circular.

A form of proxy for use at the 2019 AGM is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkex.com.hk. Whether or not you are able to attend the 2019 AGM in person, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 2019 AGM or any adjournment thereof should you so wish.

28 May 2020

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DEFINITIONS

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

“2011 Share Option Scheme”	the share option scheme adopted by the Company on 24 January 2011
“2019 AGM”	the annual general meeting of the Company to be convened and held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong at 5:00 p.m. on Monday, 29 June 2020 or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, approving, among other things, the resolutions proposed in this circular
“Adoption Date”	29 June 2020, being the date of adoption of the New Share Option Scheme by resolution of the Shareholders at the 2019 AGM
“Associates”	shall have the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Board Lot”	the board lot in which Shares are traded on the Stock Exchange from time to time
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company adopted by the Company on 15 July 2016 and became effective on 10 August 2016 (Bermuda time), as amended from time to time
“Cancellation Date”	in respect of any Options, the effective date of cancellation of the Option in whole or in part as specified in the written notice given by the Board to the Grantee
“close associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Companies Act”	the Company Act 1981 of Bermuda (as amended from time to time)

DEFINITIONS

“Company”	China Kingstone Mining Holdings Limited (中國金石礦業控股有限公司), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the main board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Culpable Termination”	termination of the employment of an Executive on the grounds that he has been guilty of serious misconduct, or there exists grounds allowing his summary dismissal under his employment contract or under common law, or he is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) as amended from time to time or any other applicable law, or he has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or he has been convicted of any criminal offence involving his integrity or honesty
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any eligible participants of the New Share Option Scheme as specified therein
“Employee(s)”	any employee or officer of any company in the Group who is employed by any company in the Group (whether full time or part time)
“Executive”	any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of the Group

DEFINITIONS

“Grantee”	any Eligible Person who accepts the offer in accordance with the terms of the New Share Option Scheme, and where the context permits, any person who is entitled to any such Option in consequence of the death of the original Grantee (being an individual)
“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 PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities not exceeding the sum of 20% of the total number of issued Shares as at the date of passing of the relevant resolutions
“Latest Practicable Date”	22 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	The new share option scheme proposed to be adopted by the Company at the 2019 AGM, a summary of the principal terms of which is set out in Appendix III to this circular
“Notice”	the notice concerning the 2019 AGM as set out on pages 36 to 41 of this circular
“Option”	an option to subscribe for Shares granted pursuant to the New Share Option Scheme
“Non-executive Retirement”	the retirement of a non-executive Director who retires pursuant to the Company’s articles of association as amended from time to time and who notifies the Company that he is not offering himself for re-election at the Company’s annual general meeting
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing the relevant resolutions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of an Option pursuant to the terms and conditions of the New Share Option Scheme
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks issued by the Securities and Futures Commission
“%”	per cent.

* *All the English translation of certain Chinese names or words in this circular is included for identification purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Zheng Yonghui
Ms. Zhang Cuiwei
Mr. Zhang Weijun
Mr. Zhang Jianzhong
Mr. Zhang Mian

Independent non-executive Directors:

Ms. Wang Yihua
Mr. Sheng Guoliang
Mr. Yang Ruimin

Registered office:

Victoria Place 5th Floor
31 Victoria Street
Hamilton HM10
Bermuda

*Principal place of business
in Hong Kong:*

Unit 14, 8/F,
Seapower Tower,
Concordia Plaza,
No. 1 Science Museum Road,
Kowloon, Hong Kong

28 May 2020

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND
REPURCHASE SHARES,
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS,
(3) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND TERMINATION OF THE 2011 SHARE OPTION SCHEME
AND
(4) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2019 AGM and to give you the Notice of 2019 AGM. Resolutions to be proposed at the 2019 AGM include, *inter alia*: (1) the proposed grant of each of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate to include the Shares repurchased pursuant to the Repurchased Mandate; (2) the proposed re-election of Directors at the 2019 AGM; and (3) the proposed adoption of the New Share Option Scheme and termination of the 2011 Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES

The following separate ordinary resolutions will be proposed at the 2019 AGM:

- (a) to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the total number of the issued Shares as at the date of passing the resolution. Subject to the passing of the ordinary resolution granting the Issue Mandate and on the basis of 2,832,082,770 Shares in issue as at the Latest Practicable Date and that there is no change in the total number of issued Shares prior to the 2019 AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 566,416,554 Shares. The Issue Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may be repurchased shall not exceed 10% of the total number of the issued Shares as at the date of passing the resolution. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the Issue Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the 2019 AGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

In accordance with clause 99 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number of nearest one-third but not less than one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices. For avoidance of doubt, each Director shall retire at least once every three years.

In accordance with clause 99 of the Bye-laws, the Directors to retire and being eligible offer themselves for re-election at the 2019 AGM are Mr. Zhang Jianzhong and Ms. Zhang Cuiwei as executive Directors and Mr. Sheng Guoliang and Ms. Wang Yihua as independent non-executive Director.

Each of the independent non-executive Directors standing for election or re-election has confirmed that they are independent and remains independent pursuant to Rule 3.13 of the Listing Rules. The Board has determined that there are no relationships or circumstances which are considered to be material to affect the independence of independent non-executive Directors.

The biographical details of the re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular, in which it indicates how each Director contributes to the diversity of the Board.

Each of the Directors standing for re-election has also confirmed that they would be able to devote sufficient time to the Board.

The nomination committee of the Company notes the following in relation to the Directors seeking re-election:

Mr. Zhang Jianzhong is an executive Director. Mr. Zhang is an associate professor that is conferred by Ministry of Geology and Mineral Resources of the PRC with an extensive experience in the operation of mining and the marble stones business. Mr. Zhang makes a valuable and active contribution to the Group's core business.

LETTER FROM THE BOARD

Ms. Zhang Cuiwei is an executive Director with extensive experience of corporate operational management and personnel and administration. Ms. Zhang's extensive commercial experience is of importance to the Group's long-term strategy.

Mr. Sheng Guoliang is an independent non-executive Director with rich experience in mining business and hotel management which is of particular relevance to the existing business. The Board attaches great importance to the contribution that Mr. Sheng makes to the Group.

Ms. Wang Yihua is an independent non-executive Director who possesses finance, accounting, governance and management knowledge. Ms. Wang Yihua's extensive commercial experience is of importance to the Group's strategy.

The biographical details of the re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular, in which indicates how each Director contributes to the diversity of the Board.

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE 2011 SHARE OPTION SCHEME

The 2011 Share Option Scheme

In view of the impending expiry of the 2011 Share Option Scheme and to enable the Company to grant Options to Eligible Persons as incentives or rewards for their contributions to the success of the Group, the Board proposes to recommend to the Shareholders at the AGM to terminate the 2011 Share Option Scheme and to approve and adopt the New Share Option Scheme.

The New Share Option Scheme will become effective on the date of fulfilment of all the conditions precedent as referred to under the paragraph headed "Conditions precedent of the New Share Option Scheme" below.

As at the Latest Practicable Date, the Company had granted 263,247,287 options to subscribe for the Shares under the 2011 Share Option Scheme. There were 263,247,287 outstanding options under the 2011 Share Option Scheme and no further options were granted under the 2011 Share Option Scheme after the Latest Practicable Date and up and until the date of the termination of the 2011 Share Option Scheme.

LETTER FROM THE BOARD

Details of outstanding options under the 2011 Share Option Scheme as of the Latest Practical Date are as follows:-

The Company has not granted share options to non-employees.

Grantees	Date of Grant	Exercise Price	Exercised as of 15 May 2020	Gross proceeds from exercise of share options
Director				
Zhang Cuiwei	26 June 2014 ^{Note 4}	HK\$1.737	1,731,663	HK\$3,007,899
	12 January 2015 ^{Note 5}	HK\$1.649	2,424,329	HK\$3,997,718
Zhang Mian	15 April 2019 ^{Note 8}	HK\$0.1172	28,320,287	HK\$3,319,138
Other				
Other Employees	9 June 2014 ^{Note 3}	HK\$1.737	3,290,160	HK\$5,715,008
	26 June 2014 ^{Note 4}	HK\$1.737	1,731,663	HK\$3,007,899
	30 December 2014 ^{Note 6}	HK\$1.634	4,848,657	HK\$7,922,706
	12 January 2015 ^{Note 5}	HK\$1.649	2,424,329	HK\$3,997,719
	23 November 2017 ^{Note 7}	HK\$0.0972	47,200,000	HK\$4,587,840
	15 April 2019 ^{Note 8}	HK\$0.1172	169,924,962	HK\$19,915,206
Former Director and Employee	4 November 2011 ^{Note 1,2}	HK\$10.87	<u>1,350,697</u>	HK\$14,682,076
Share options vested as of Latest Practical Date			<u><u>263,247,287</u></u>	

Note:

1. On 24 May 2012, the Board passed a resolution that these options shall continue to be vested and be exercisable until the expiry of the option period regardless of these grantees ceased to be a Director or an employee of the Company.
2. The options were divided into three tranches exercisable from 4 November 2011, 4 November 2012 and 4 November 2013 to 3 November 2021.
3. The options were exercisable from 9 June 2014 to 8 June 2024 (both dates inclusive).
4. The options were exercisable from 26 June 2014 to 25 June 2024 (both dates inclusive).
5. The options were exercisable from 12 January 2015 to 15 December 2024 (both dates inclusive).
6. The options were exercisable from 30 December 2014 to 18 December 2024 (both dates inclusive).
7. The options were exercisable from 23 November 2017 to 22 November 2027 (both dates inclusive).
8. The options were exercisable from 15 April 2019 to 14 April 2029 (both dates inclusive).

LETTER FROM THE BOARD

There were a total of 2,832,082,770 Shares in issue as at the Latest Practicable Date. Assuming that there is no change in issued share capital of the Company between the period from the Latest Practicable Date up to the Adoption Date, the maximum number of Shares which may be issued pursuant to the New Share Option Scheme and any other option schemes (if any) will be 283,208,277 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date. The Company may seek approval by its Shareholders to renew the 10% limit on the basis that the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the total number of Shares in issue from time to time.

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme (if any). There is no trustee appointed for the purposes of the New Share Option Scheme.

Termination of the 2011 Share Option Scheme

Under the terms of the 2011 Share Option Scheme, the Company may at any time by resolution in general meeting terminate the operation of the 2011 Share Option Scheme. It is proposed that the 2011 Share Option Scheme is to be terminated upon the adoption of the New Share Option Scheme subject to the approval of the Shareholders. Upon termination of the 2011 Share Option Scheme, no further options may be granted thereunder but the provisions of the 2011 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to the termination. Therefore, the adoption of the New Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that has already been granted under the 2011 Share Option Scheme and the above outstanding options granted under the 2011 Share Option Scheme shall continue to be valid and subject to the provisions of the 2011 Share Option Scheme. Save for the 2011 Share Option Scheme and the proposed New Share Option Scheme, the Company does not have any other share option schemes.

LETTER FROM THE BOARD

Principal terms of the New Share Option Scheme

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. The terms of the New Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which governs the terms of the share option schemes of listed companies.

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date on which the New Share Option Scheme becomes unconditional, will provide the Company with more flexibility in long term planning of granting Options to Eligible Persons in a longer period in the future. The New Share Option Scheme does not provide for any minimum period for holding of Options or any performance target before exercise of Options, but the Board may add such terms at the time of the grant of any Option, which can provide appropriate incentives or rewards to the Eligible Persons for their contribution to the Group. Under the New Share Option Scheme, the Board will have discretion in determining the Subscription Price (subject to the requirements under the Listing Rules) in respect of any Option. The Directors are of the view that the flexibility given to the Directors to determine the Subscription Price will place the Group in a better position to reward Employees and retain the Eligible Persons that are valuable to the long-term growth and development of the Group as a whole.

The Company has no immediate plans to offer the grant of an Option to any Eligible Persons under the New Option Scheme.

Value of the Options

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of all Options have not been determined. Such variables include but are not limited to the exercise price, exercise period and any performance targets to be set. The Directors believe that any calculation of the value of all Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

LETTER FROM THE BOARD

Conditions precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is conditional upon the following conditions:

1. the passing of an ordinary resolution to approve the adoption of the new Share Option Scheme by the Shareholders at the 2019 AGM to , among others,
 - (a) terminate the 2011 Share Option Scheme;
 - (b) approve the adoption of the New Share Option Scheme;
 - (c) authorise the Board to grant Options under the New Share Option Scheme; and
 - (d) authorise the Board to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and
2. the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options on the Stock Exchange.

An application will be made to the Stock Exchange for the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options granted under the New Share Option Scheme.

Once the New Share Option Scheme is adopted, any alterations to the terms and conditions thereof, which are of a material nature, must be approved by the Shareholders in a general meeting, except where the alterations take effect automatically pursuant to the terms originally provided in the New Share Option Scheme.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the ordinary resolution to be proposed at the AGM approving the adoption of the New Share Option Scheme, except that they may vote against the relevant resolution at the AGM provided that any of their intention to do so has been stated in the circular to be sent to the Shareholders.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The Company will convene the 2019 AGM at Portion 2, 12/F., The Center, 99 Queen's Road Central, Hong Kong at 5:00 p.m. on Monday, 29 June 2020 at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the Notice as set out on pages 36 to 41 of this circular.

For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Wednesday, 24 June 2020 to Monday, 29 June 2020 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending the 2019 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 5:00 p.m. on Saturday, 27 June 2020. Shareholders of the Company whose names appear on the Register of Members on 29 June 2020 are entitled to attend and vote at the 2019 AGM or any adjourned meetings.

A form of proxy for use in connection with the 2019 AGM is enclosed herewith. Whether or not you intend to be present and vote at the 2019 AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the 2019 AGM (i.e. not later than 5:00 p.m. on Saturday, 27 June 2020) or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the 2019 AGM in person should you so wish. If you attend and vote at the 2019 AGM, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the 2019 AGM will be by poll except where the chairman of the 2019 AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the 2019 AGM will therefore demand a poll for every resolution put to the vote of the 2019 AGM pursuant to clause 70 of the Bye-laws.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquires, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the rules of the New Share Option Scheme will be available for inspection at the principal place of business in Hong Kong of the Company at Unit 14, 8/F., Seapower Tower, Concordia Plaza, No. 1 Science Museum Road, Kowloon, Hong Kong during normal business hours on any business day from the date hereof up to the and including the date of the 2019 AGM.

RECOMMENDATION

The Directors consider that the renewal of the Issue Mandate and the Repurchase Mandate, the re-election of retiring Directors and the proposed adoption of the New Share Option Scheme and termination of the 2011 Share Option Scheme are in the best interests of the Company as well as its Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the 2019 AGM as set out in the Notice of the 2019 AGM.

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

The English text of this circular and proxy form shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
China Kingstone Mining Holdings Limited
Zhang Cuiwei
Executive Director

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the 2019 AGM for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,832,082,770 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the 2019 AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 283,208,277 Shares, being 10% of the issued Shares as at the date of the passing of the relevant resolution at the 2019 AGM.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interest of the Company and its Shareholders as a whole as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole. The Directors have no present intention of exercising the proposed Repurchase Mandate.

3. FUNDING OF REPURCHASE

Any repurchase will, in any event, be made out of funds which are legally available for the purchase in accordance with memorandum and the Bye-laws and the Company Act. Any repurchase will be made out of funds of the Company legally permitted to be utilized in this connection. Such fund may include profits available for distribution and proceeds of a new issue of Shares made for the purpose of the repurchases. In addition, under law of Bermuda and other applicable laws and regulations, no repurchase of the Company's Shares may be effected if, on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the Company is, or after the repurchase would be, unable to pay its liabilities as they become due.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2019) in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close Associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the applicable laws of Bermuda, and the memorandum and the Bye-laws.

6. EFFECT OF TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Takeover Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

To the best of the knowledge and belief having made all reasonable enquiries, they are not aware of any consequence which may arise under the Takeovers Code as a consequence of any repurchase that may be made pursuant to the Repurchase Mandate. The Directors have no intention to exercise the Repurchase Mandate to such extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25% of the Shares in issue.

7. SHARE REPURCHASES BY THE COMPANY

No repurchase has been made by the Company (whether on the Stock Exchange or otherwise) in the past six months immediately preceding the Latest Practicable Date.

8. SHARE PRICES

The highest and lowest prices at which the Shares of the Company traded on the Stock Exchange during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
May	0.114	0.108
June	0.109	0.101
July	0.113	0.107
August	0.111	0.107
September	0.109	0.105
October	0.107	0.083
November	0.091	0.073
December	0.088	0.066
2020		
January	0.080	0.069
February	0.093	0.074
March	0.095	0.077
April	0.083	0.073
May (up to and including the Latest Practicable Date)	0.081	0.072

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the 2019 AGM are set out as follows:

ZHANG JIANZHONG

Mr. Zhang Jianzhong (張建忠) (“Mr. Zhang”), aged 62, is an executive director of the Company. Mr. Zhang has been an executive director of the Company since 30 August 2013. Mr. Zhang is an associate professor, conferred by Ministry of Geology and Mineral Resources of the People’s Republic of China, and holds a bachelor degree in Engineering and Law. Since 1991, Mr. Zhang has been involved in management work relating to stone mining, processing and marketing. From 1991 to May 2002, he worked in Wuhan Lingda Stone Materials Co., Ltd.* (武漢翎達石材有限公司), which is a company founded by the China University of Geosciences* (中國地質大學) and other parties in 1990, where he had taken up posts such as deputy factory director, office head and factory director. Prior to joining the Company, Mr. Zhang served as deputy general manager of Wuhan Zhongdida Assets Management Co., Ltd. (武漢中地大資產經營有限公司). Mr. Zhang has extensive expertise in geology, and sophisticated experience in stone mine exploration and development.

The Company entered into a service contract with Mr. Zhang for a fixed term of three years commencing from 30 August 2019, subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. Mr. Zhang is entitled to a remuneration of HK\$12,800 per month and a discretionary bonus payment subject to approval of the Remuneration Committee by reference to his duty and responsibility within the Group.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Zhang did not hold directorship in any other public listed companies in Hong Kong or overseas during the past three years, (ii) Mr. Zhang did not hold any other position with the Company and other members of the Company in the past three years, and (iii) Mr. Zhang does not have any other relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Zhang did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that is required to be disclosed by Mr. Zhang pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the election of Mr. Zhang.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

ZHANG CUIWEI

Ms. Zhang Cuiwei (張翠薇) (“Ms. Zhang”), aged 51, is an executive director of the Company. Ms. Zhang was first appointed as an executive director of the Company on 30 April 2013 and ceased to be an executive director of the Company on 14 July 2015. Ms. Zhang has been re-appointed as executive Director with effect from 1 January 2016. Ms. Zhang graduated in Foreign Languages and Literature from Jilin University of the PRC. Ms. Zhang is primarily responsible for corporate operational management and administration of the Group. Ms. Zhang has about 20 years of experience in corporate management, personnel and administration affairs.

The Company entered into a service contract with Ms. Zhang for a fixed term of three years commencing on 1 January 2019, subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. Ms. Zhang is entitled to a remuneration of HK\$20,000 per month and a discretionary bonus payment subject to approval of the Remuneration Committee by reference to her duty and responsibility within the Group.

Save as disclosed above, as at the Latest Practicable Date, (i) Ms. Zhang did not hold directorship in any other public listed companies in Hong Kong or overseas during the past three years, (ii) Ms. Zhang did not hold any other position with the Company and other members of the Company in the past three years, and (iii) Ms. Zhang does not have any other relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Zhang did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that is required to be disclosed by Ms. Zhang pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the election of Ms. Zhang.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

SHENG GUOLIANG

Mr. Sheng Guoliang (盛國良) (“Mr. Sheng”), aged 52, is an independent non-executive director of the Company. Mr. Sheng has been an independent non-executive director of the Company since 28 December 2015. Mr. Sheng has completed a three years’ course in Public Affairs Management at Huzhou University. Mr. Sheng has over 5 years of experience in mining industry and hotel management business, respectively.

The Company entered into a letter of appointment with Mr. Sheng for a fixed term of three years commencing from 28 December 2018, subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. Mr. Sheng is entitled to a remuneration of HK\$10,000 per month. The remuneration is determined after the review of the Remuneration Committee by reference to his duty and responsibility within the Group.

Save as disclosed above, as at the Latest Practicable Date, (i) Mr. Sheng did not hold directorship in any other public listed companies in Hong Kong or overseas during the past three years, (ii) Mr. Sheng did not hold any other position with the Company and other members of the Company in the past three years, and (iii) Mr. Sheng does not have any other relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Sheng did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that is required to be disclosed by Mr. Sheng pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the election of Mr. Sheng.

APPENDIX II DETAILS OF THE DIRECTORS TO BE RE-ELECTED

WANG YIHUA

Ms. Wang Yihua (王藝華) (“Ms. Wang”), aged 49, is an independent non-executive director of the Company. Ms. Wang has been an independent non-executive director of the Company since 28 December 2015. Ms. Wang holds a Bachelor Degree in Management from the Party School of the Central Committee of the Communist Party of China (Hubei Branch) and obtained the Qualification Certificate of Speciality and Technology approved and issued by Ministry of Personnel, PRC with speciality in intermediate level of accountancy conferred by the Ministry of Finance, PRC. Ms. Wang has over 20 years of experience in finance, accounting and relevant management gained from an investment company in the PRC.

The Company entered into a letter of appointment with Ms. Wang for a fixed term of three years commencing on 28 December 2018, subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. Ms. Wang is entitled to a remuneration of HK\$120,000 per annum. The remuneration is determined after the review of the Remuneration Committee by reference to her duty and responsibility within the Group.

Save as disclosed above, as at the Latest Practicable Date, (i) Ms. Wang did not hold directorship in any other public listed companies in Hong Kong or overseas during the past three years, (ii) Ms. Wang did not hold any other position with the Company and other members of the Company in the past three years, and (iii) Ms. Wang does not have any other relationship with other directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Wang did not have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no information that is required to be disclosed by Ms. Wang pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders of the Company in relation to the election of Ms. Wang.

The following is a summary of the principal terms of the New Share Option Scheme to be approved at the 2019 AGM. It does not form part of, nor is it intended to be part of the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme. The Directors reserve the right at any time prior to the 2019 AGM to make such amendments to the New Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary of this appendix.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

- (a) The New Share Option Scheme is a share incentive scheme and is established to give Eligible Persons a personal stake in the Company and acknowledge the contributions that Eligible Persons (as defined under paragraph (c) below) had made or may make to the Group.
- (b) The New Share Option Scheme will provide the Eligible Persons with an opportunity to acquire proprietary interests in the Company with the view to achieving the following principal objectives:
 - (i) motivate the Eligible Persons to optimise their performance and efficiency for the benefit of the Group; and
 - (ii) attract and retain or otherwise maintain an ongoing relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the group; and
 - (iii) in the case of Executives, to enable the Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.
- (c) For the purpose of the New Share Option Scheme, “Eligible Persons” means any of the following persons who satisfies the eligibility criteria in paragraph 2 below:
 - (a) an Employee;
 - (b) a Director or proposed Director (including an independent non-executive director) of any member of the Group;
 - (c) a direct or indirect Shareholder of any member of the Group;

- (d) a supplier of goods or services to any member of the Group;
- (e) a customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; and
- (f) a person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group.

The Options to be granted to the Eligible Persons provides each of them with the opportunity to acquire proprietary interests in the Company and encourages each of them to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholder(s) as a whole. In addition, the Directors believe that the grant of Options to Eligible Persons other than employees and directors of the Group is necessary and appropriate. The success of the Group not only depends on the contributions by the employees and directors of the Group, but also requires the co-operation and contribution from parties who play a part in the business and operations of the Group, including customers, consultants, business or joint venture partners, franchisees, contractors, agents and suppliers of goods or services of any member of the Group. It is therefore in line with the prevailing commercial practice to align the interests of such parties with those of the Group and to maintain good business relationships with such parties.

The granting of Options aligns the interests of the Eligible Persons to work towards increasing the value of the Company's share price. The Directors will also consider the merits of each grant on a case-by-case basis and the scope of Eligible Persons as set out under the New Share Option Scheme gives the Board the flexibility to exercise their discretion in the case where these individuals or entities have made or will make significant contributions to or play an important role in the growth of the Group as a whole. It is expected that with suitable motivation measures to be set by the Board as condition(s) to exercise the Options to be granted, the Grantees of the Options will make an effort to contribute to the business and financial performance of the Group. Upon exercising the Options at an increased share price, the Company will also receive an inflow of exercise proceeds, which in turn strengthens its cash flow for the benefit of all Shareholders. Due to the foregoing, the Directors are of the view that the New Share Option Scheme is fair and reasonable to its Shareholders and in the interests of the Company.

2. WHO MAY JOIN AND BASIS FOR DETERMINING ELIGIBILITY

In determining the basis of eligibility of each Eligible Person, the Board would take into account such factors as the Board may at its discretion consider appropriate.

The Directors will assess the eligibility of the Eligible Persons, particularly the Employees and Directors of the Group, based on their individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, or where appropriate, contribution to the revenue, profits or business development of the Group during the financial year or in the future.

3. CONDITIONS

The New Share Option Scheme shall take effect subject to the following conditions:

- (1) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the 2019 AGM to, among others,
 - (a) terminate the 2011 Share Option Scheme;
 - (b) approve the adoption of the New Share Option Scheme;
 - (c) authorise the Board to grant Options under the New Share Option Scheme; and
 - (d) authorise the Board to allot and issue Shares pursuant to the exercise of any Options that may be granted under the New Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any new Shares which may fall to be issued and allotted pursuant to the exercise of the Options on the Stock Exchange.

4. DURATION AND ADMINISTRATION

Subject to the fulfillment of the conditions in paragraphs 3 and the termination provisions in paragraph 20, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted but in all other respects, subject to the compliance with the provisions under the Listing Rules, the provisions of the New Share Option Scheme shall remain in full force and effect and Options which are granted during the life of the new Share Option Scheme may continue to be exercisable in accordance with the terms of issue.

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties. The Board may delegate any or all of its powers in relation to the New Share Option Scheme to any of its committees.

Subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the New Share Option Scheme; (ii) to determine the persons who will be awarded Options under the New Share Option Scheme, the number of Shares to be issued under the Option (iii) to determine the Subscription Price; (iv) to make such appropriate and equitable adjustments to the terms of the Options granted under the New Share Option Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the New Share Option Scheme. The Board may also provide restrictions on the exercise of an Option during the period of which an Option may be exercised.

5. GRANT OF OPTIONS

- (a) On and subject to the terms of the New Share Option Scheme, the Board shall be entitled at any time on a Business Day within 10 years commencing on the effective date of the New Share Option Scheme to offer the grant of an Option to any Eligible Persons as the Board may in its absolute discretion select to subscribe at the Subscription Price for such number of Shares as the Board may (subject to paragraph 8) determine (provided the same shall be a Board Lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).
- (b) Subject to the provisions of the New Share Option Scheme, the Listing Rules and other applicable rules and regulations, the Board may in its absolute discretion when offering the grant of an Option, impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the New Share Option Scheme as it may think fit (which shall be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing):
 - (i) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by the Company and/or the Grantee; and
 - (ii) the satisfactory performance or maintenance by the Grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of any of the Option Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms and conditions of the New Share Option Scheme.

- (c) An offer shall be deemed to have been accepted and an Option to which the offer relates shall be deemed to have been granted and accepted and to have taken effect when the Company, within 28 days from the date on which an Option is offered to an Eligible Person (provided that no such grant of an Option may be accepted after the expiry of the effective period of the New Share Option Scheme as stated in paragraph 4), receives the duly signed offer letter from the Grantee together with the number of Shares in respect of which the offer is accepted clearly stated therein and a non-refundable payment of HK\$1.0 in favour of the Company as consideration for the grant thereof.
- (d) The Board shall not offer the grant of an Option to any Eligible Persons: (i) after an inside information has come to the Company's knowledge and until such inside information has been announced pursuant to the relevant requirements of the Listing Rules; or (ii) within the period commencing one month immediately preceding the earlier of: (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its result for any year, half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement.
- (e) Further to the restrictions in paragraph (d) above, no Option may be granted to any Eligible Person who is a Director on any day on which financial results of the Company are published and:
 - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

6. GRANT OF OPTIONS TO CONNECTED PERSONS

Without prejudice to paragraph 5, any grant of Options to any Director, Chief Executive or substantial shareholder must be approved by all of the independent non-executive Directors excluding, for all purposes, any independent non-executive Director who is a proposed Grantee. Where any grant of Options to a substantial shareholder or an independent non-executive Director would result in the total number of the Shares issued and to be issued upon exercise of the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in any 12-month period up to and including the date of the grant:

- (a) representing in aggregate over 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders of the Company. The Company must send a circular to its Shareholders. Such Grantee, his Associates and all core connected persons must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll in accordance with the Listing Rules.

The circular to be issued by the Company to Shareholders pursuant to the paragraph above shall contain the following information:

- (i) details of the numbers and terms (including the Subscription Price) of the Options to be granted to each Eligible Person, which must be fixed before the Shareholders' meeting, and the date of the Board meeting for proposing such further grant is to be taken as the date of the grant for the purpose of calculating the Subscription Price;
- (ii) a recommendation from the independent non-executive Directors of the Company (excluding the independent non-executive Director who is the Grantee) to the independent Shareholders as to voting;
- (iii) the information required under Rules 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

7. SUBSCRIPTION PRICE OF SHARES

The Subscription Price for any Share under the New Share Option Scheme will be a price determined by the Board at its absolute discretion at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) and will be not less than whichever is the highest of (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the relevant Option, which must be a Business Day; (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant of the relevant Option, provided always that in the event of fractional prices, the Subscription Price per Share shall be rounded upwards to the nearest whole cent. The Subscription Price shall also be subject to any adjustments made in a situation contemplated under paragraph 13.

8. MAXIMUM NUMBER OF SHARES

- (a) The maximum number of Shares in respect of which Options may be granted under the New Share Option Scheme and any other schemes of the Group, shall not, in aggregate, exceed 10 % of the Shares in issue as at the date of approval of the New Share Option Scheme (the "Scheme Mandate Limit") unless approved by the Shareholders pursuant to sub-paragraph (c) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (b) The Scheme Mandate Limit may be renewed by the Shareholders of the Company at a general meeting from time to time provided always that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue as at the date of approval of such renewal by Shareholders of the Company at a general meeting. Upon such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company) prior to the approval of such renewal shall not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to the Shareholders containing such relevant information from time to time as required by the Listing Rules in connection with the general meeting at which their approval is sought.

- (c) The Board may seek separate Shareholders' approval at a general meeting to grant Options beyond the Scheme Mandate Limit provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information from time to time required by the Listing Rules in relation to any such proposed grant to such Eligible Persons.
- (d) The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes involving the issue or grant of options or similar rights over Shares or other securities by the Company must not, in aggregate, exceed 30% of the Shares in issue from time to time. Notwithstanding anything contrary to the terms of the New Share Option Scheme, no Options may be granted under any scheme of the Company (including the New Share Option Scheme) if this will result in the said 30% limit being exceeded.
- (e) No Option may be granted to any Eligible Person which, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of the Options already granted or to be granted to such Eligible Person under the New Share Option Scheme (including exercised, cancelled and outstanding share Options) in the 12-month period up to and including the date of such new grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further Options above this limit shall be subject to certain requirements provided under the Listing Rules and subject to the separate approval of the shareholders of the Company at a general meeting whereby such Eligible Person and his Associates shall abstain from voting.
- (f) The maximum number of Shares referred to in this clause shall be adjusted, in such manner as the auditors of the Company or the independent financial adviser of the Company shall certify as fair and reasonable in accordance with paragraph 13.

9. TIME OF EXERCISE OF OPTION

- (a) Subject to certain restrictions contained in the New Share Option Scheme, an Option may be exercised in accordance with the terms of the New Share Option Scheme and the terms of grant thereof at any time during the applicable Option period, which is not more than 10 years from the date of grant of Option.

- (b) There is no general requirement on the minimum period for which an Option must be held or the performance targets which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme. However, at the time of granting any Option, the Board may, on a case-by-case basis, make such grant subject to such conditions, restrictions or limitations including (without limitation) those in relation to the minimum period of the Options to be held and/or the performance targets to be achieved as the Board may determine in its absolute discretion.

10. TRANSFERABILITY OF OPTIONS

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option (where the Grantee is a company, any change of its major shareholder or any substantial change in its management as determined by the Board at its sole discretion will be deemed to be a sale or transfer of interest as aforesaid, if so determined by the Board at its sole discretion). Any breach of the foregoing by a Grantee shall entitle the Company to cancel, revoke or terminate any Option granted to such Grantee to the extent not already exercised.

11. RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON

Where an Option was granted subject to certain continuing conditions, restrictions or limitations on the Grantee's eligibility and the Board resolves that the Grantee has failed or otherwise is or has been unable to meet such continuing eligibility criteria, the Option (to the extent it has not already been exercised) shall lapse.

12. RIGHTS ON DEATH/CEASING EMPLOYMENT

- (a) If the Grantee (being an individual) dies or becomes permanently disabled before exercising the Option in full (and none of the events for termination of employment or engagement under this paragraph 12(e) exists respect to such Grantee, his or her legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent exercisable as at the date of his death and not exercised) within a period of 12 months following his/her death or such longer period as the Board may determine.
- (b) In the event that the Grantee ceases to be an Executive by reason of his retirement pursuant to such retirement scheme applicable to the Group at the relevant time and none of the events for termination of employment or engagement under paragraph 12(e) exists with respect to such Grantee, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period.

- (c) In the event that the Grantee ceases to be an Executive by reason of his transfer of employment to an Affiliate Company, his Option (to the extent not already exercised) shall be exercisable within such period as the Board has determined.
- (d) In the event that the Grantee ceases to be an Executive for any reason (including his employing company ceasing to be a member of the Group) other than his death, permanent disability, retirement pursuant to such retirement scheme applicable to the Group at the relevant time or the transfer of his employment to an Affiliate Company or termination with the relevant member of the Group by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation.
- (e) In the event that the Grantee ceases to be an Executive by reason of the termination of his employment by resignation or Culpable Termination, the Option (to the extent not already exercised) shall lapse on the date on which the notice of termination is served (in the case of resignation) or the date on which the Grantee is notified of the termination of his employment (in the case of Culpable Termination) and not be exercisable unless the Board otherwise determined in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such service or notification. A resolution of the board resolving that the Executive's Option has lapsed pursuant to this paragraph 12(e) shall be final and conclusive.
- (f) If a Grantee being an executive Director ceases to be an Executive but remains a non-executive Director, his Option (to the extent not already exercised) shall be exercisable until the expiry of the relevant Option period unless the Board in its absolute discretion otherwise determines in which event the option (or such remaining part thereof) shall be exercisable within such period as the Board has determined.
- (g) If a Grantee being a non-executive Director ceases to be a director:
 - (i) by reason of Non-Executive Director Retirement, his Option (to the extent not already exercised) shall be exercisable up to the Grantee's entitlement immediately prior to his retirement until the expiry of the relevant Option Period unless the Board in its absolute discretion otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board has determined; or

- (ii) for reasons other than Non-Executive Director Retirement, his Option (to the extent not already exercised) shall lapse on the date of cessation of such appointment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation.

13. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration to the capital structure of the Company, whether by way of capitalisation issue, rights issue, consolidation, sub-division, or reduction of the share capital of the Company, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, whilst any Option remains exercisable, corresponding alterations (if any) shall be made to:

- (i) the aggregate number of Shares subject to the Option so far as unexercised;
- (ii) the Subscription Price of each outstanding Option; and/or
- (iii) the maximum number of Shares subject to the New Share Option Scheme.

Any adjustments required under this paragraph must give a Grantee the same proportion of the equity capital as that to which that Grantee was previously entitled but no such adjustments may be made to the extent that Shares would be issued at less than nominal value.

For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser of the Company or the auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in this paragraph. Any adjustment to be made to the Subscription Price of, and/or the number of Shares subject to, and any Options to be granted under, the New Share Option Scheme will comply with Chapter 17 of the Listing Rules and all guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

14. RIGHTS ON A TAKEOVER AND SCHEME OF ARRANGEMENT

If a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer), or is approved by the requisite majorities at the relevant meetings of Shareholders of the Company (in the case of a scheme of arrangement), the Grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such date and time shall be notified by the Company.

15. RIGHTS ON A VOLUNTARY WINDING UP

In the event notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

16. RIGHTS ATTACHING TO SHARES UPON EXERCISE OF AN OPTION

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of the Company and the laws of Bermuda from time to time and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first date of the re-opening of the register of members, and accordingly shall entitle the holder(s) to participate in all dividends or other distributions paid or made after the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the allotment date. Any Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered into the register of members of the Company as the holder thereof.

17. LAPSE OF OPTIONS

An Option (to the extent such Option has not already been exercised) shall lapse and not be exercisable on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of the periods referred to in paragraph 12;
- (c) the date of commencement of the winding-up of the Company;
- (d) there is an unsatisfied judgment, order or award outstanding against the Grantee or the Board has reason to believe that the Grantee is unable to pay or to have no reasonable prospect of being able to pay his/its debts;

- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order;
- (f) a bankruptcy order has been made against any director or shareholder of the Grantee (being a corporation) in any jurisdiction;
- (g) in the event that the Grantee is an Employee of the Group when an offer letter as referred to in paragraph 5(c) is issued to him and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, the date of cessation of his employment with the Group. A resolution of the Board or the board of directors of the relevant member of the Group to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the Grantee;
- (h) subject to the arrangement as referred to in paragraph 14 becoming effective, the expiry of the earlier of the option Period, the period of two months from the date of the Company giving such notice or the date on which such arrangement is sanctioned by the court; or
- (i) the date on which the Board exercises the Company's right to cancel, revoke or terminate the Option on the ground that the Grantee commits a breach of paragraph 10 in respect of that or any other Option.

18. CANCELLATION OF OPTIONS GRANTED

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the Grantee stating that such Option is thereby cancelled with effect from the Cancellation Date:

- (a) the Grantee commits or permits or attempts to commit or permit a breach of paragraph 10 or any terms or conditions attached to the grant of the Option;
- (b) the Grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the Grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of the Company or a subsidiary.

Where an Option is cancelled and a new Option is proposed to be granted to the same Grantee, the issue of such new Option may only be made with available but unissued Shares in the authorized share capital of the Company, and available ungranted Options (excluding for this purpose all the cancelled Options) within the limit referred to in paragraph 8.

19. PERIOD OF THE NEW SHARE OPTION SCHEME

Options may be granted to Eligible Persons under the New Share Option Scheme during the period of 10 years commencing on the effective date of the Share Option Scheme.

20. ALTERATION TO NEW SHARE OPTION SCHEME AND TERMINATION

- (a) The New Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of the Shareholders of the Company at a general meeting:
 - (b) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Scheme);
 - (c) any alteration to the provisions of the Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantee; and
 - (d) any alteration to this paragraph 20,

provided always that the amended terms of the New Share Option Scheme shall comply with the applicable requirements of the Listing Rules.

Notwithstanding anything to the contrary contained in paragraphs (a) to (d) above, the Board may at any time alter or modify the New Option Scheme in any way to the extent necessary to cause the New Option Scheme to comply with any statutory provisions or the regulations of any regulatory or any relevant authority.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “2019 AGM”) of China Kingstone Mining Holdings Limited (the “Company”) will be held at Portion 2, 12/F., The Center, 99 Queen’s Road Central, Hong Kong on Monday, 29 June 2020 at 5:00 p.m. for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and, if thought fit, adopt the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the independent auditors of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2019.
2. To consider and, if thought fit, re-elect Mr. Zhang Jianzhong as an executive Director.
3. To consider and, if thought fit, re-elect Ms. Zhang Cuiwei as an executive Director.
4. To consider and, if thought fit, re-elect Mr. Sheng Guoliang as an independent non-executive Director.
5. To consider and, if thought fit, re-elect Ms. Wang Yihua as an independent non-executive Director.
6. To consider and, if thought fit, authorise the board of Directors to fix their remuneration.
7. To consider and, if thought fit, re-appoint Elite Partners CPA Limited as the auditors of the Company and to authorise the board of Directors to fix their remuneration.
8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

NOTICE OF ANNUAL GENERAL MEETING

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) and (b), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of any options granted under the share option scheme of the Company approved by the Stock Exchange; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 20% of the total number of the issued Shares as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued Shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its Shares at a price determined by the Directors;
- (c) the total number amount of Shares which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of the issued Shares as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

10. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 8 and 9 above, the general mandate to the Directors pursuant to resolution no. 8 be and is hereby extended by the addition thereto of an amount representing the aggregate amount of Shares purchased by the Company under the authority granted pursuant to the resolution no. 9, provided that such amount shall not exceed 10% of the total number of the issued Shares as at the date of passing this resolution.”

11. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

(a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the new shares of the Company which may fall to be issued pursuant to the exercise of any options that may be granted under the new share option scheme of the Company (the rules of which are contained in the document marked “A” and the summary of which marked “B” produced to the meeting and signed by the chairman of the meeting for the purpose of identification (the “New Share Option Scheme”), the New Share Option Scheme be and is hereby approved and adopted; and the Board of Directors of the Company or persons authorized by it and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (i) to administer the New Share Option Scheme and to grant options in accordance with the terms of the New Share Option Scheme;
- (ii) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;

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- (iii) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;
 - (iv) make an application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and
 - (v) to consent, if so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
- (b) subject to and conditional upon the New Share Option Scheme becoming effective, the 2011 Share Option Scheme (the “2011 Share Option Scheme”) for the Company which was adopted by the Company pursuant to the written resolutions passed by the shareholders of the Company on 24 January 2011 be and is hereby terminated upon the New Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which may have been granted under the 2011 Share Option Scheme prior to the date of the passing of this resolution).

By order of the Board
CHINA KINGSTONE MINING HOLDINGS LIMITED
Zhang Cuiwei
Executive Director

Hong Kong, 28 May 2020

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
- (2) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (3) For determining the entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Wednesday, 24 June 2020 to Monday, 29 June 2020 (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending the 2019 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 23 June 2020. Shareholders of the Company whose names appear on the Register of Members on 29 June 2020 are entitled to attend and vote at the 2019 AGM or any adjourned meetings.
- (4) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting (i.e. not later than 5:00 p.m. on 27 June 2020) or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
- (5) The completion of a form of proxy will not preclude you from attending and voting at the 2019 AGM in person should you so wish. If you attend and vote at the 2019 AGM, the authority of your proxy will be revoked.
- (6) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (7) With respect to resolution no. 2 to 5 of this notice, Mr. Zhang Jianzhong, Ms. Zhang Cuiwei, Mr. Sheng Guoliang and Ms. Wang Yihua shall retire and, being eligible, offer themselves for re-election. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 28 May 2020.
- (8) In relation to resolution nos. 8 and 10 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to allot and issue shares of the Company. The Directors have no immediate plans to issue any new shares of the Company.
- (9) In relation to resolution no. 9 above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the resolution as required by the Listing Rules is set out in Appendix I in the circular of the Company dated 28 May 2020.