

The information set forth in this Appendix does not form part of the Accountants' Report prepared by the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is include here in for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with "Financial Information" and "Appendix I — Accountants' Report".

The following unaudited pro forma financial information prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out here to provide the investors with further information about (i) how the proposed listing might have affected the consolidated net tangible assets of the Group as if the Global Offering had occurred on 30 November 2010; and (ii) how the proposed listing might have affected the unaudited pro forma estimate loss per share of the Group for the year ended 31 December 2010 as if the Global Offering had taken place on 1 January 2010.

The accompanying unaudited pro forma financial information of the Group is based on currently available information along with a number of assumptions, estimates and uncertainties. As a result of these assumptions, estimates and uncertainties, the accompanying unaudited pro forma financial information of the Group does not purport to predict the Group's future financial position or results of operations.

Although reasonable care has been exercised in preparing the said information, prospective investors who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a true picture of the Group's financial results and positions following the completion of the Global Offering.

A. UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted consolidated net tangible assets of the Group have been prepared based on the consolidated net tangible assets attributable to owners of the Company as at 30 November 2010 as extracted from the Accountants' Report, the text of which is set out in Appendix I to this prospectus, and is adjusted as described below.

The unaudited pro forma adjusted consolidated net tangible assets of the Group have been prepared for illustrative purposes only and, because of their nature, they may not give a true picture of the financial position of the Group.

The following unaudited pro forma adjusted combined net tangible assets of the Group have been prepared to show the effect on the consolidated net tangible assets of the Group as at 30 November 2010 as if the Global Offering had occurred on 30 November 2010.

	Consolidate net tangible assets attributable to owners of shareholders of the Company as at 30 November 2010 ⁽¹⁾	Estimated net proceeds from the Global Offering ⁽²⁾	Unaudited pro forma adjusted net tangible assets	Unaudited pro forma adjusted net tangible assets per Share ⁽³⁾	
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB)	(HK\$)
Based on an Offer Price of HK\$2.25 per Share.	100,727	913,121	1,013,848	0.507	0.590
Based on an Offer Price of HK\$3.35 per Share.	100,727	1,369,454	1,470,181	0.735	0.855

Notes:

- (1) The consolidated net tangible assets attributable to owners of the Company as at 30 November 2010 is extracted from the Accountants' Report as set out in Appendix I to this prospectus, which is based on the audited consolidated net assets attributable to owners as at 30 November 2010 of RMB127,369,000 with an adjustment for intangible assets of RMB26,642,000 as at 30 November 2010.
- (2) The estimated net proceeds from the Global Offering are based on an Offer Price of HK\$2.25 per Share or HK\$3.35 per Share after deduction of the underwriting fees and related expenses payable by the Group. For the purpose of the estimated net proceeds from the Global Offering, the translation of Hong Kong dollars into Renminbi was made at the rate of HK\$1 to RMB0.85979, the exchange rate prevailing on 30 November 2010.
- (3) The unaudited pro forma adjusted consolidated net tangible assets per Share are based on 2,000,000,000 Shares expected to be in issue following the completion of the Global Offering.

(B) UNAUDITED PRO FORMA ESTIMATE LOSS PER SHARE

The unaudited pro forma estimate loss per share of the Group for the year ended 31 December 2010 has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Global Offering as if it had taken place on 1 January 2010. This unaudited pro forma estimate loss per share has been prepared for illustrative purposes only and, because of its nature, may not give true picture of the financial results of the Group following the Global Offering.

Estimate consolidated loss attributable to
owners of the Company for the year
ended 31 December 2010 (*Note 1*) not more than RMB22.0 million
(approximately HK\$25.6 million)

Unaudited pro forma estimate loss per
Share for the year ended 31 December
2010 (*Note 2*) not more than RMB0.011
(approximately HK\$0.013)

Notes:

- (1) The estimate consolidated loss attributable to owners of the Company for the year ended 31 December 2010 is extracted from “Financial information — Loss Estimate” section in the Prospectus. The bases on which the above loss estimate for the year ended 31 December 2010 had been prepared are summarized in Appendix III to this Prospectus.
- (2) The calculation of unaudited pro forma estimate loss per Share is based on the estimate consolidated loss attributable to owners of the Company for the year ended 31 December 2010 of RMB22.0 million and on the assumption that the Company has been listed since 30 November 2010 and a total number of 2,000,000,000 Shares were in issue during the year ended 31 December 2010.
- (3) The unaudited pro forma estimate loss per Share is converted into Hong Kong dollars at an exchange rate of HK\$1.00 to RMB0.85979.

(C) LETTER FROM THE REPORTING ACCOUNTANTS ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a letter, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for inclusion in this Prospectus, in respect of the Group's unaudited pro forma financial information.



18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

7 March 2011

The Directors

China Kingstone Mining Holdings Limited

Citigroup Global Markets Asia Limited

Dear Sirs,

We report on the unaudited pro forma adjusted net tangible assets (the “Unaudited Pro Forma Financial Information”) of China Kingstone Mining Holdings Limited (the “Company”) together with its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company (the “Directors”) for illustrative purpose only, to provide information about how the proposed offering of the shares of the Company on the Main Board of the Hong Kong Stock Exchange (“Global Offering”) might have affected the relevant financial information of the Group presented, for inclusion in Part A of Appendix II to the prospectus of the Company dated 7 March 2011 (the “Prospectus”). The basis of presentation of the Unaudited Pro Forma Financial Information is set out in Part A of Appendix II to the Prospectus.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND REPORTING ACCOUNTANTS

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Our work has not been carried out in accordance with the auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) and accordingly should not be relied upon as if it had been carried out in accordance with those standards.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgments and assumptions of the Directors, and, because of its hypothetical nature, it does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the financial position of the Group as at 30 November 2010 or any future dates; or
- the estimated loss per share of the Group for the year ended 31 December 2010 or any future periods.

OPINION

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong