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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 with limited liability)

(Stock code: 1380)

OFFER OF SHARE OPTIONS TO EMPLOYEES

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of China Kingstone Mining Holdings Limited (中國金石礦業控股有限公司) (the “**Company**”) announces that on 19 December 2014 (the “**Date of Offer**”), the Company has offered to grant options (the “**Options**”) to certain employees of the Company (the “**Grantees**”) to subscribe for a total of 36,000,000 ordinary shares of the Company (the “**Shares**”), representing approximately 1.48% of the total 2,426,758,636 Shares in issue as at the Date of Offer, pursuant to the share option scheme of the Company adopted on 24 January 2011, subject to the acceptance by the Grantees. Details of the grant of the offer of the Options are set out below:

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|-------|--|--|
| (i) | Date of Offer | 19 December 2014 |
| (ii) | Exercise Price of Options Offered | HK\$0.283 per Share, which represents the highest of (i) HK\$0.10, the nominal value of the Share on the Date of Offer; (ii) the closing price of HK\$0.270 per Share as stated in the daily quotations sheet of the Stock Exchange on the Date of Offer; and (iii) the average closing price of HK\$0.283 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the Date of Offer. |
| (iii) | Number of Options offered | a total of 36,000,000 Options |
| (iv) | Closing price of the Shares on the Date of Offer | HK\$0.270 per Share |

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| (v) | Vesting Date of the Options | 12,000,000 Options offered may be exercised on or after 19 December 2014; and

24,000,000 Options offered may be exercised on or after 19 December 2015. |
| (vi) | Validity period of the Options | The Options are valid for a period of 10 years commencing from the Date of Offer |

Each Option shall entitle the Grantees to subscribe for one Share upon exercise of such Option at a subscription price of HK\$0.283 per Share.

All of the Grantees are employees of the Company and its subsidiaries, and none of the Grantees is a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, nor an associate (as defined in the Listing Rules) of any of them.

On behalf of the Board
CHINA KINGSTONE MINING HOLDINGS LIMITED
Liu Hongyu
Chairman

Hong Kong, 19 December 2014

As at the date of this announcement, the Board comprises Mr. Liu Hongyu, Ms. Zhang Cuiwei, Mr. Zhu Hongjun and Mr. Zhang Jianzhong as executive directors, and Mr. Chung Wai Man, Mr. Lam Tin Faat and Mr. Lu Zhiwei as independent non-executive directors.