

CHINA KINGSTONE MINING HOLDINGS LTD:**HONGKONG POLICE RAID THE COMPANY'S OFFICES
HUANG XIAN YOU IS SUED FOR \$HK80 MILLION
AUDITOR DISCLAIMS OPINION OF THE 2012 RESULTS**

As officers of the Commercial Crime Bureau of the Hongkong Police Force scan the many documents, taken from the offices of China Kingstone Mining Holdings Ltd () (Code: 1380, Main Board, The Stock Exchange of Hongkong Ltd), it seems only logical to assume that the former Controlling Shareholder of this mining company is sweating it out – where-ever he may be.

The Controlling Shareholder of China Kingstone, according to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, is Wong's Investment Development Holdings Group Ltd which, in turn, is wholly owned by the 37 year-old, Mr Huang Xian You ().

TOLFIN's records indicate that, today, Mr Huang Xian You is the beneficial owner of 62.99 percent of the Issued and Fully Paid-Up Share Capital of China Kingstone.

Exactly one week ago (Friday, April 19, 2013), officers of the Commercial Crime Bureau, armed with a Search Warrant, took away documents and information '*in relation to the investigation of an offence, namely, provision of false or misleading information under section 384 of Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)*', according to an official announcement by China Kingstone.

The third paragraph of this announcement stated:

'Certain agreements, secretarial records, financial records, research reports and correspondence were provided by the Company to the Officers. There have not been any charges or arrests made in connection with the investigation.'

Trading in the shares of China Kingstone has been suspended since September 17, 2012, and remains suspended.

This Company went public on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) on Monday, March 7, 2011, when it Offered 580 million, 10-cent Shares at an Offer Price of between \$HK2.25 and \$HK3.35 Per Share.

When the valid applications for shares of the Company were tallied, the Offer Price Per Share was fixed at \$HK2.25, the minimum, acceptable Offer Price.

While the Global Offering Prospectus stated that 580 million Shares were on Offer, of that number, 500 million Shares were New Shares, Offered by the Company, and 80 million Shares were those, Offered by the Controlling Shareholder: Mr Huang Xian You.

At the time of the flotation of China Kingstone, Mr Huang Xian You, beneficially, owned 65.70 percent of the Issued and Fully Paid-Up Share Capital of the Company.

Mr Huang Xian You, therefore, walked away with about \$HK180 million, before expenses, by selling his 80 million shares in the Company at \$HK2.25 per share.

Today, however, Mr Huang Xian You is in very serious trouble and China Kingstone, after having been a publicly listed company in the HKSAR for just six months, has seen its fortunes sink ... and sink ... and sink into what appears to be a bottomless pit.

(More about the flotation of China Kingstone later in this report.)

The \$HK80-Million Claim

Action, Number 651 of 2013, was lodged in High Court of the HKSAR on April 19, 2013 – on the same day that officers of the Commercial Crime Bureau of the Hongkong Police Force raided the offices of China Kingstone.

The Plaintiff to this Action is Eminent Triumph Ltd () and the two Defendants are Mr Huang Xian You and Wongs Investment Development Holdings Group Ltd.

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