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## **KING STONE ENERGY GROUP LIMITED**

**金山能源集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00663)**

### **CHANGE OF AUDITOR**

This announcement is made by King Stone Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### **RESIGNATION OF AUDITOR**

The Board hereby announces that Ernst & Young (“**EY**”) has resigned as the auditor of the Company with effect from 28 November 2022, as the Company and EY could not reach a consensus in respect of the audit fee for the year ending 31 December 2022.

EY has confirmed in its letter of resignation dated 28 November 2022 that there are no matters in connection with its resignation that need to be brought to the attention of the shareholders of the Company. The Board and the audit committee of the Board (“**Audit Committee**”) have also confirmed that, save for the audit fee for the financial year ending 31 December 2022, there is no disagreement between the Company and EY, and that there are no other matters or circumstances in respect of the change of the auditor which should be brought to the attention of the shareholders of the Company.

The Board and Audit Committee confirmed that EY has not commenced any audit work on the consolidated financial statements of the Group for the year ending 31 December 2022. It is expected that the resignation of EY will not have any material impact on the annual audit of the Group for the year ending 31 December 2022. The Board would like to take this opportunity to express its gratitude and appreciation to EY for its professional and quality services rendered to the Company during the past years.

## **APPOINTMENT OF AUDITOR**

The Board further announces that, with the recommendation from the Audit Committee, Asian Alliance (HK) CPA Limited (“**Asian Alliance**”) has been appointed as the new auditor of the Company with effect from 30 November 2022 to fill the casual vacancy following the resignation of EY and to hold office until the conclusion of the next annual general meeting of the Company.

The Board and the Audit Committee are of the view that the change of auditor would enable the Company to carry out effective cost control and reduce the overall operating expenses of the Company to better cope with the future business development of the Group and complies with good corporate governance practice as it enhances the independence of the auditor of the Company, and is in the interest of the Company and its shareholders as a whole.

The Board would like to take this opportunity to express its warm welcome to Asian Alliance on its appointment as the auditor of the Company.

By order of the Board  
**King Stone Energy Group Limited**  
**Xu Zhuliang**  
*Chairman*

Hong Kong, 30 November 2022

*As at the date of this announcement, the executive Directors are Mr. Xu Zhuliang, Mr. Zong Hao and Ms. He Qing, and the independent non-executive Directors are Mr. Chiu Sui Keung, Mr. Lee Ping and Mr. Lee Kwok Wan.*