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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)

FURTHER EXTENSION OF EXCLUSIVITY PERIOD OF THE PROPOSED ACQUISITION

Reference is made to the announcements of the Company dated 4 December 2017, 29 June 2018, 27 December 2018, 28 June 2019, 27 December 2019, 26 June 2020, 22 December 2020 and 25 June 2021 in respect of, among others, the proposed acquisition of 51% equity interests in a target company.

As the valuation of the Target Company and consideration for the proposed acquisition have yet to be agreed by the Company and the Vendor and the Company is still considering the most suitable proposal of the proposed acquisition for the Company, the Vendor, the Company and the Guarantor entered into a further supplemental memorandum of understanding dated 30 December 2021 to extend the exclusivity period for the Proposed Acquisition to 30 June 2022. Such extended date shall also apply to the terms on the refund of the Earnest Money under the MOU, i.e. the MOU shall be terminated in the event that the Formal Agreement cannot be entered into on or before 30 June 2022, and the Earnest Money shall be fully refunded together with interest calculated at 3% per annum by the Vendor to the Company.

Save for the above, all other material terms and conditions of the MOU shall remain unchanged and continue in full force and effect.

The Company will make further announcement(s) in relation to the development of the Proposed Acquisition as and when appropriate.

The Board wishes to emphasise that the Proposed Acquisition may or may not proceed. If the Proposed Acquisition materialises, it will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30 December 2021

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.