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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)**

### **(I) PLACING OF PLACING SHARES AND (II) COMPLETION OF THE RIGHTS ISSUE AND THE PLACING**

Financial Adviser to the Company



INCUC Corporate Finance Limited

#### **PLACING OF PLACING SHARES**

The Board is pleased to announce that the Placing Agent have successfully placed all Placing Shares to one (1) placee (the “**Placee**”) at the placing price of HK\$0.25 per Placing Share pursuant to the terms of the Placing Agreement.

#### **COMPLETION OF THE RIGHTS ISSUE AND THE PLACING**

All conditions to the Rights Issue and the Placing were fulfilled. Accordingly, the Rights Issue and the Placing became unconditional at or before 5:00 p.m. on 2 March 2022.

## **DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES**

The share certificates for the fully-paid Rights Shares are expected to be posted by Friday, 4 March 2022 to those entitled to them at their registered addresses by ordinary post at their own risk. Since the Rights Issue became unconditional and proceeded to completion and all excess Rights Shares applied for can be allotted in full, no refund cheque will be posted to any accepting or applying Shareholders.

## **COMMENCEMENT OF DEALINGS OF RIGHTS SHARES IN FULLY-PAID FORM AND PLACING SHARES**

Dealings in the fully-paid Rights Shares and the Placing Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 7 March 2022.

References are made to (i) the circular of King Stone Energy Group Limited (the “**Company**”) dated 8 December 2021 (the “**Circular**”); (ii) the prospectus of the Company dated 26 January 2022 (the “**Prospectus**”); and (iii) the announcement of the Company dated 21 February 2022 (the “**Announcement**”) in relation to, among other things, the Rights Issue and the Placing. Capitalised terms used herein shall have the same meanings as defined in the the Circular and the Prospectus unless the context requires otherwise.

## **PLACING OF PLACING SHARES**

As disclosed in the Announcement, valid acceptances of PALs and applications under EAFs were received for 378,841,666 Rights Shares. Accordingly, during the placing period between Tuesday, 22 February 2022 and Tuesday, 1 March 2022, the Placing Agent conducted the Placing on a best effort basis to seek to procure placees to subscribe for up to 16,911,112 Placing Shares.

The Board is pleased to announce that the Placing Agent have successfully placed all Placing Shares to one (1) placee at the placing price of HK\$0.25 per Placing Share pursuant to the terms of the Placing Agreement.

## **INFORMATION OF THE PLACEE**

Set out below is the details of the Placee including the name, capacity, identity and the number of Placing Shares subscribed by the Placee:

| <b>Name of the Placee</b> | <b>Capacity</b> | <b>Identity</b>    | <b>Number of Placing Shares<br/>subscribed</b> |
|---------------------------|-----------------|--------------------|--|
| Liao Pin-Tsung            | Individual      | Hong Kong Resident | 16,911,112                                     |

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) the Placee is an independent third party; and (iii) the Placee shall not become a Substantial Shareholder immediately following the Placing.

## **COMPLETION OF THE RIGHTS ISSUE AND THE PLACING**

All conditions to the Rights Issue and the Placing were fulfilled. Accordingly, the Rights Issue and the Placing became unconditional at or before 5:00 p.m. on 2 March 2022.

On completion of the Rights Issue and the Placing which took place on 2 March 2022:

- (a) 131,085,384 Rights Shares were allotted and issued under valid acceptances of PALs and 247,756,282 Rights Shares were allotted and issued under valid application of EAFs, representing in aggregate approximately 95.7% of the total number of 395,752,778 Rights Shares available for subscription under the Rights Issue; and
- (b) 16,911,112 Placing Shares were allotted and issued to one (1) placee procured by the Placing Agent under the Placing.

Therefore, the total number of Shares taken by Shareholders under PALs and EAFs under the Rights Issue and the Shares placed under the Placing represents the total number of 395,752,778 Rights Shares available for subscription under the Rights Issue.

## INTENDED USE OF THE NET PROCEEDS FROM THE RIGHTS ISSUE AND THE PLACING

As disclosed in the Circular and Prospectus, the gross proceeds from the Rights Issue and the Placing are approximately HK\$98.938 million and the net proceeds from the Rights Issue and the Placing, after deducting the relevant expenses, are estimated to be approximately HK\$97.74 million. The Company has applied and will apply the net proceeds of the Rights Issue and the Placing in the following manner:

- (i) approximately HK\$80 million for the business development of the photovoltaic power generation sector to develop and secure more solar photovoltaic system projects of SPSI and other investment opportunities in renewable energy sector in Hong Kong, the PRC and Japan if such opportunities arise; and
- (ii) the remaining amount for general working capital of the Company.

## EFFECT OF THE RIGHTS ISSUE AND THE PLACING ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue and the Placing are as follows:

| Shareholders                                  | Immediately before the<br>Rights Issue settlement date |  | Immediately after<br>completion of the<br>Rights Issue and Placing |  |
|---|--|--|--|--|
|   | Number of<br>Shares                                    | Approximate<br>shareholding<br>percentage<br>(%) | Number of<br>Shares  | Approximate<br>shareholding<br>percentage<br>(%) |
| Belton Light Limited ( <i>Note 1</i> )        | 357,531,800  | 45.17  | 357,531,800  | 30.11  |
| Goldsino Investment Limited ( <i>Note 2</i> ) | 108,150,000  | 13.66  | 262,225,000  | 22.09  |
| Liao Pin-Tsung                                | –  | –  | 16,911,112   | 1.42   |
| Other public shareholders                     | 325,823,756  | 41.17  | 550,590,422  | 46.38  |
| Total   | <u>791,505,556</u>                                     | <u>100.00</u>                                    | <u>1,187,258,334</u>   | <u>100.00</u>                                    |

*Note:*

1. Belton Light Limited is a Substantial Shareholder of the Company and is wholly-owned by Jade Bird Energy Fund II, L.P., a limited partnership registered in Cayman Islands whose general partner is Jade Bird Strategic Investment.

2. Goldsino Investments Limited is a Substantial Shareholder of the Company and is wholly-owned by Team Collection Limited which in turn wholly owned by Ms. Xu Mengran.
3. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

## **DESPATCH OF SHARE CERTIFICATES FOR FULLY-PAID RIGHTS SHARES**

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Dealings in the fully-paid Rights Shares and the Placing Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Monday, 7 March 2022.

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

Hong Kong, 3 March 2022

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