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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)

PROFIT WARNING

This announcement is made by King Stone Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (“**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on preliminary review of the unaudited management accounts of the Group, it is expected the Group will record a net loss of approximately HK\$80 million for the year ended 31 December 2021 as compared to a net loss for the year ended 31 December 2020 of approximately HK\$265.7 million. The expected decrease in loss for the year is primarily attributable to decrease in impairment loss and increase in reversal of impairment loss of financial assets, including lease and factoring receivables, of approximately HK\$110 million and HK\$40 million, respectively.

The Company is still in the process of finalising the Group’s audited annual results for the year ended 31 December 2021. The information contained in this announcement is only based on the Company’s preliminary review of the unaudited management accounts of the Group for the year ended 31 December 2021, which have not been audited or reviewed by the Company’s auditors, nor confirmed and reviewed by the audit committee of the Company. The audited annual results for the year ended 31 December 2021 is expected to be published before the end of March 2022.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 March 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.