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King's Stone Holdings Group Limited

金石控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1943)

VOLUNTARY ANNOUNCEMENT UPDATE ON INVESTMENT BY THE PARTNERSHIP ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT

This announcement is made by King's Stone Holdings Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the latest development regarding the investment activities of Guangzhou Xindong Changqing Investment Partnership (Limited Partnership)* (廣州芯動長擎投資合夥企業(有限合夥)) (the “**Partnership**”).

References are made to the announcements of the Company dated 18 May 2026 and 3 June 2026 in relation to, among other things, the entering into of the Partnership Agreement and the proposed investment activities of the Partnership (the “**Previous Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Previous Announcements.

ENTERING INTO OF THE CAPITAL INCREASE AGREEMENT

The Board is pleased to announce that, the Partnership has entered into a capital increase agreement (the “**Capital Increase Agreement**”) with Guangdong New Energy Storage National Research Institute Co., Ltd.* (廣東新型儲能國家研究院有限公司) (the “**Target Company**”) in October 2026.

Pursuant to the Capital Increase Agreement, the Partnership agreed to invest RMB35,000,000 in cash in the Target Company (the “**Investment**”) by subscribing for RMB9,533,667.47 of its newly increased registered capital. Upon completion of the relevant capital increase, the Partnership is expected to hold approximately 3.29% of the enlarged equity interest in the Target Company.

PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT

The principal terms of the Capital Increase Agreement are summarised below:

Parties

- (i) the Target Company; and
- (ii) the Partnership, as investor.

Investment amount

The Partnership agreed to invest RMB35,000,000 in cash in the Target Company, of which, (i) RMB9,533,667.47 will be credited to the registered capital of the Target Company; and (ii) RMB25,466,332.53 will be credited to the capital reserve of the Target Company. The subscription price is approximately RMB3.67 for every RMB1.00 of newly increased registered capital of the Target Company. Upon completion of the relevant capital increase, the Partnership is expected to hold approximately 3.29% of the enlarged equity interest in the Target Company.

Basis of the subscription price

The subscription price was determined after arm's length negotiations between the Partnership and the Target Company with reference to, among other things:

- (i) the pre-investment valuation of the Target Company of approximately RMB734,248,300;
- (ii) the financial position, business development and prospects of the Target Company;
- (iii) the Target Company's research and development capabilities and industry resources; and
- (iv) the subscription price payable by the other investors participating in the same financing round.

The other investors participating in the financing round will subscribe for newly increased registered capital of the Target Company at the same subscription price as the Partnership.

Payment and completion

Subject to the satisfaction of the conditions precedent under the Capital Increase Agreement, the Partnership shall pay the investment amount in full within 20 business days after the satisfaction of such conditions.

The conditions precedent include, among other things, the relevant transaction documents having been duly executed and become effective, there having been no material adverse change in respect of the Target Company, and the representations and warranties made by the Target Company remaining true, accurate and complete.

The Investment will be completed upon payment by the Partnership of the investment amount in full. The Target Company shall subsequently complete the necessary registration procedures in respect of the capital increase in accordance with the terms of the Capital Increase Agreement.

The Investment is expected to be funded by the Partnership from the capital contributions made or committed by its partners under the Partnership Agreement. The Investment will not result in any additional capital commitment by the Group beyond the RMB10,000,000 capital contribution by Shenzhen Hengchenyu previously disclosed in the announcement of the Company dated 18 May 2026.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC and had a registered capital of RMB200,000,000 prior to the capital increase.

The Target Company is principally engaged in research and development, testing, pilot-scale application, demonstration and commercialisation relating to new energy storage technologies. Its activities cover, among other things, energy storage technology services, research and development of new energy and new materials technologies, energy storage safety, energy management and engineering and technology research.

The Target Company is the operating entity of the National New Energy Storage Innovation Center* (國家新型儲能創新中心), which is the only manufacturing innovation center in China's new energy storage sector.

INFORMATION ON THE PARTNERSHIP AND THE GROUP

The Partnership is a limited partnership established under the laws of the PRC. Its primary investment objective is to invest in new energy projects approved by all its partners and, subject to the Partnership having surplus funds, to engage in other new energy businesses approved by all its partners.

As disclosed in the Previous Announcements, the total capital contribution of the Partnership is RMB35,600,000. Shenzhen Hengchenyu, an indirect subsidiary of the Company, participates in the Partnership as a limited partner with a capital contribution of RMB10,000,000, representing approximately 28.09% of the total capital contribution of the Partnership.

Guangdong Xindong Energy is a general partner and the executive partner of the Partnership and is responsible for its daily operations and management. Beijing Guojiao Yinghua is the other general partner of the Partnership but does not act as its executive partner, and is principally engaged in investment management and asset management. Investments in and exits from investment projects by the Partnership are subject to the unanimous approval of all partners in accordance with the Partnership Agreement.

The Partnership is not a subsidiary of the Company and its financial results are not consolidated into the consolidated financial statements of the Group.

The Company is an investment holding company. The Group is principally engaged in the provision of construction services for the public and private sectors in Hong Kong, including traditional formwork, system formwork and related ancillary works. The Group has continued to explore business opportunities in green energy, energy storage, industrial park energy management and smart infrastructure construction and operation.

REASONS FOR AND BENEFITS OF THE INVESTMENT

As disclosed in the Previous Announcements, the Partnership was established to invest in new energy projects, particularly projects relating to the research and development and industrialisation of new energy storage technologies. The Target Company is engaged in the research and development, testing, demonstration and commercialisation of new energy storage technologies. The Board considers that the Investment is within the investment scope of the Partnership and will provide the Partnership with an opportunity to participate in the development of the new energy storage industry.

The Target Company is the operating entity of the National New Energy Storage Innovation Center* (國家新型儲能創新中心) and brings together resources and industry participants across the new energy storage value chain. The Board considers that, through the Partnership's equity investment in the Target Company, the Group may strengthen its connections with participants in the new energy storage industry and explore potential cooperation and synergies in areas such as business development, technology research and development, testing and certification, pilot-scale application and incubation, formulation of industry standards and talent development. The Board further believes that the Investment may enable the Partnership, and indirectly the Group, to benefit from the Target Company's platform, research and development capabilities, industry resources and potential future growth. The Investment may also support the Group's exploration of opportunities in the energy storage sector and the integration of intelligent, green and low-carbon technologies with its existing construction business, and is therefore consistent with the Group's long-term development strategy.

Having considered the above, the Board is of the view that the terms of the Investment are fair and reasonable and that the Investment is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Capital Increase Agreement was entered into by the Partnership rather than by the Company or any of its subsidiaries. As disclosed in the Previous Announcements, the Partnership is not a subsidiary of the Company and its financial results are not consolidated into the consolidated financial statements of the Group. Accordingly, the entering into of the Capital Increase Agreement and the Investment do not, in themselves, constitute a transaction of the Company under Chapter 14 of the Listing Rules.

In addition, the Investment will be funded from the capital contributions made or committed by the partners of the Partnership and will not result in any additional capital commitment by the Group beyond the capital contribution previously disclosed in the announcement of the Company dated 18 May 2026.

The Company is making this announcement on a voluntary basis to keep the Shareholders and potential investors informed of the latest investment development of the Partnership. The Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate if there is any material development in relation to the Investment.

GENERAL

Completion of the Investment is subject to the satisfaction of the conditions precedent under the Capital Increase Agreement. Accordingly, the Investment may or may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
King's Stone Holdings Group Limited
He Xin
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 15 October 2026

As at the date of this announcement, the Board comprises Mr. He Xin (Chairman and Chief Executive Officer), Ms. Zeng Jingwen, Mr. Mu Jiaming and Mr. Zhang Yangguang (Chief Financial Officer) as executive Directors, and Mr. Lam Williamson, Mr. Li, Sheung Him Michael and Mr. Yu Kuai as independent non-executive Directors.