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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) RESULTS OF THE RIGHTS ISSUE ON THE BASIS
OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS
AND
(II) NUMBER OF PLACING SHARES SUBJECT TO THE PLACING**

Financial Adviser to the Company



INCUC Corporate Finance Limited

References are made to (i) the circular of King Stone Energy Group Limited (the “**Company**”) dated 8 December 2021 (the “**Circular**”); and (ii) the prospectus of the Company dated 26 January 2022 (the “**Prospectus**”) 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.

RESULTS OF THE RIGHTS ISSUE

The Board announces that as at 4:00 p.m. on Monday, 14 February 2022, being the Latest Time for Acceptance of, and payment for, the Rights Shares in respect of the provisional allotments under the Rights Issue and the application and payment for excess Rights Shares, a total of 24 valid acceptances and applications had been received for a total of 378,841,666 Rights Shares, comprising (a) 12 valid acceptances of provisional allotments under the PALs in respect of 131,085,384 Rights Shares; and (b) 12 valid applications for excess Rights Shares under the EAFs in respect of 247,756,282 Rights Shares, representing approximately 95.7% of the total number of 395,752,778 Rights Shares available for subscription under the Rights Issue.

As the aggregate number of Rights Shares available for excess application is greater than the aggregate number of excess Rights Shares being applied for under EAFs, if the Rights Issue becomes unconditional, the Directors will allocate in full to each Qualifying Shareholder the number of excess Rights Shares applied for under the EAFs.

NUMBER OF PLACING SHARES SUBJECT TO THE PLACING

On the basis of the total valid acceptances and applications for 378,841,666 Rights Shares under the Rights Issue whether through valid acceptances of PALs or EAFs, the gross proceeds raised by the Company from the Rights Issue on a standalone basis amount to HK\$94,710,416.50.

Under the terms of the Placing Agreement, the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for 16,911,112 Placing Shares. The Placing Period will commence on Tuesday, 22 February 2022 and end on Tuesday, 1 March 2022.

The Company will publish a further announcement on, among other things, the further information relating to the results of the Rights Issue and the Placing on Thursday, 3 March 2022.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” in the Prospectus. Accordingly, the Rights Issue may or may not proceed. Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, which is expected to be 4:00 p.m. on the Rights Issue settlement date (i.e. Wednesday, 2 March 2022), will bear the risk that the Rights Issue may not become unconditional or may not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing Shares is advised to exercise caution when dealing in the Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

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

Hong Kong, 21 February 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.