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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\$40 million for the six months ended 30 June 2022 as compared to a net profit of approximately HK\$32.3 million for the six months ended 30 June 2021. The expected turnaround from profit to loss for the six months ended 30 June 2022 was mainly attributable to the absence of the one-off gains in respect of (i) the reversal of impairment of financial assets of approximately HK\$41.4 million and (ii) disposal of an associate of approximately HK\$6.6 million recognised for the six months ended 30 June 2022.

The Company is still in the process of finalising the Group’s unaudited interim results for the six months ended 30 June 2022. The information contained in this announcement is only based on the Company’s preliminary review of the unaudited management accounts of the Group, which have not been audited or reviewed by the Company’s auditors. The unaudited interim results for the six months ended 30 June 2022 will be published in August 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, 17 August 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.