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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)

POSITIVE PROFIT ALERT

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 profit of approximately HK\$100 million for the year ended 31 December 2022 as compared to a net loss for the year ended 31 December 2021 of approximately HK\$42.9 million. The expected turnaround is primarily attributable to one-off write back (the “**Write back**”) on the accrual of penalty of approximately HK\$260 million in respect of a loan of a subsidiary of the Company recognised in the consolidated statement of profit and loss of the Company during the year. Details of the Write back were disclosed in the announcement of the Company dated 30 December 2022.

The Company is still in the process of finalising the Group’s audited annual results for the year ended 31 December 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 audited annual results for the year ended 31 December 2022 will be published on 31 March 2023.

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, 24 March 2023

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.