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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)

SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF THE ANNUAL REPORT FOR THE YEAR ENDED 2022

Reference is made to the annual report of King Stone Energy Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2022 (“**2022 Annual Report**”). Unless otherwise defined herein, capitalised terms shall have the same meanings as those defined in the 2022 Annual Report.

In addition to the information disclosed in the 2022 Annual Report, the Company hereby provides the following supplemental information in relation to the Group’s asset financing business as follows:

The Group’s asset financing business is mainly categorised into two segments, finance leasing and factoring services. As at 31 December 2022, the Group had 9 customers for its asset financing business (8 customers for its factoring business and 1 customer for its finance leasing business). The customers are all corporate entities in the PRC which are third parties independent of the Company and its connected persons. The total carrying amounts of the outstanding loan receivables in relation to the asset financing business was approximately HKD42,182,000 as at 31 December 2022.

Breakdown of the asset financing business:

	Customer background	Type of Loan	Details of collateral/guarantee
Customer A	A company established in the PRC principally engaged in energy project investment	Factoring services	Loan receivables due to Customer A as collateral
Customer B	A company established in the PRC principally engaged in technology development investment	Factoring services	Loan receivables due to Customer B as collateral
Customer C	A company established in the PRC principally engaged in the trading of mineral products such as gold, silver, copper and nickel	Factoring services	Loan receivables due to Customer C as collateral
Customer D	A company established in the PRC principally engaged in the trading of metals and other materials	Factoring services	Loan receivables due to Customer D as collateral
Customer E	A company established in the PRC principally engaged in trading of various metals	Factoring services	Loan receivables due to Customer E as collateral
Customer F	A company established in the PRC principally engaged in telecommunication and electronics manufacturing	Factoring services	Loan receivables due to Customer F as collateral
Customer G	A company established in the PRC principally engaged in the sales and distribution of mineral products, chemicals products, and other material products	Factoring services	Loan receivables due to Customer G as collateral

	Customer background	Type of Loan	Details of collateral/guarantee
Customer H	A company established in the PRC principally engaged in the sales of mineral products, metal products, construction materials and other material products	Factoring services	Loan receivables due to Customer H as collateral
Customer I	A company established in the PRC principally engaged in the sales of nonferrous metals, plastic products, agricultural products and construction materials	Finance leasing services	Security deposit

The supplemental information set out above does not affect the information disclosed in the 2022 Annual Report.

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

Hong Kong, 26 September 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.