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FOR REFERENCE ONLY

Subject : Display of Adjusted Previous Closing Price of King Stone Energy Group Limited (stock code 663) on OTP-C for its 1-for-2 Rights Issue on Ex-Rights Date, 17 January 2022

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Pursuant to the rights issue timetable issued by King Stone Energy Group Limited ("King Stone Energy"), King Stone Energy's shares will be marked "ex-rights" on 17 January 2022, the Ex-Rights Date. Shareholders, investors and market participants should read the King Stone Energy's announcements and prospectus documents in full including the terms and conditions of the rights issue of King Stone Energy in dealing with King Stone Energy's shares. If they are in doubt, they should consult their professional adviser(s).

As an OTP-C standard practice for ex-rights issue and for reference only, respective Adjusted Previous Closing Prices will be displayed in the "PRV CLOSE" fields of King Stone Energy's OTP-C stock pages (stock code 663 and temporary stock code 2996) on 17 January 2022, the Ex-Rights Date. The unadjusted previous closing prices will instead be displayed in their free text fields. Calculation of the Adjusted Previous Closing Prices will be based on King Stone Energy's closing prices on 14 January 2022 (i.e. last cum-rights trading day) and by using the following standard adjustment formula for rights issue generally.

Adjustment Formula:

Adjusted Previous Closing Price

$$= [(Closing Price on the last cum-rights trading day \times Y) + (S \times X)] \div (X + Y)$$

where:

S = Subscription price per rights share, i.e. HK\$0.25

X = Number of rights shares a shareholder is entitled to subscribe when he/she holds Y existing shares on the record date, i.e. 1 rights share

Y = Number of existing shares a shareholder has to hold on the record date for entitling him/herself to subscribe for X rights shares, i.e. 2 shares

Note: Price adjustment for rights issue will not be made and the previous closing price will remain unchanged on ex-rights date when the subscription price is higher than the closing price of the shares on the last cum-rights trading day.

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For illustration purpose, depending on King Stone Energy's closing prices on 14 January 2022, the Exchange shall base on the above standard formula for rights issue generally to calculate and display the Adjusted Previous Closing Prices on King Stone Energy's OTP-C stock pages on 17 January 2022 as follows:-

<u>CUM-RIGHTS</u>	<u>EX-RIGHTS</u>
<u>Unadjusted Closing Price</u> <u>on 14 January 2022</u>	<u>Adjusted</u> <u>Previous Closing Price</u> <u>on 17 January 2022</u>
(HK\$)	(HK\$)
0.3325	0.305
0.3400	0.310
0.3475	0.315
0.3550	0.320
0.3625	0.325
0.3700	0.330
0.3775	0.335
0.3850	0.340
0.3925	0.345
0.4000	0.350
0.4075	0.355
0.4150	0.360
0.4225	0.365
0.4300	0.370
0.4375	0.375
0.4450	0.380
0.4525	0.385
0.4600	0.390
0.4675	0.395
0.4750	0.400
0.4825	0.405
0.4900	0.410
0.4975	0.415
0.5050	0.420
0.5125	0.425
0.5200	0.430
0.5275	0.435
0.5350	0.440
0.5425	0.445
0.5500	0.450

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