

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against E&P Global Holdings Limited (Stock Code: 1142)

SANCTION

The Stock Exchange of Hong Kong Limited (**Exchange**)

CRITICISES:

E&P Global Holdings Limited (Stock Code: 1142)

SUMMARY OF FACTS

On 14 April 2022, the Company published an announcement (**Announcement**) disclosing that it had previously entered into the following transactions (**Transactions**).

Transactions	Date	Details
The Acquisition	11 August 2021	The Company's Korean subsidiary (Subsidiary) acquired convertible bonds (CB) issued by Kanglim Co., a Korean listed company (CB Issuer) from three independent third parties at a consideration of approximately KRW17.6 billion.
The Conversion	12 and 18 August 2021	The Subsidiary converted all the CB into approximately 7.9 million shares of the CB Issuer (Kanglim Shares), representing 10.7 per cent interest in the CB Issuer.
The Disposal	10 September 2021	The Subsidiary entered into a sales agreement with an independent third party purchaser (Purchaser) to dispose of all the Kanglim Shares at consideration of approximately KRW19.9 billion.

.../2

The Terminated Disposal	12 November 2021	The Subsidiary entered into an agreement with the Purchaser to terminate the sales agreement. Upon termination, the Kanglim Shares were returned to the Subsidiary while the down payment of KRW2 billion made by the Purchaser was retained by the Subsidiary.
The Open Market Disposal	From November 2021 to January 2022	The Subsidiary disposed of all the Kanglim Shares on the open market.

The Subsidiary recorded an overall gain of approximately KRW23.1 million after taking into account the gain and losses arising from the Transactions, including the down payment from the Terminated Disposal.

Each of the Acquisition, the Conversion and the Terminated Disposal constituted a major transaction. Each of the Disposal and the Open Market Disposal constituted a very substantial disposal.

During the process of the Open Market Disposal, the Company voluntarily reported to the Exchange that it had not complied with the announcement, circular and shareholders' approval requirements at the material time of the Transactions.

The Company has taken various remedial measures, such as the publication of the Announcement, delivery of training on Rule compliance, and enhancement of internal controls.

LISTING RULE REQUIREMENTS

Rule 14.34, 14.38A, 14.40, 14.48 and 14.49 require the Company to comply with its announcement, circular, and shareholders' approval requirements for a major transaction and a very substantial disposal.

SETTLEMENT AND ACCEPTANCE OF SANCTION

The Company agreed to settle the disciplinary action and accepted its breaches, the sanction to be imposed upon it by the Listing Committee as set out below.

LISTING COMMITTEE'S FINDINGS OF BREACH

- (1) The Listing Committee found the Company breached Rules 14.34, 14.38A, 14.40, 14.48 and 14.49 for failing to timely announce, send a circular and obtain shareholders' approval for the Transactions.

CONCLUSION

The Listing Committee decided to impose the sanctions and direction set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanction apply only to the Company, and not to any other past or present directors of the Company.

Hong Kong, 5 July 2023