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E&P Global Holdings Limited
能源及能量環球控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock code: 1142)

PROPOSED CAPITAL REORGANISATION

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The Company proposes to reorganise the share capital of the Company by conducting (1) the Capital Reduction involving the reduction of the par value of each issued Share from HK\$2.00 to HK\$0.50 by cancelling the paid up share capital to the extent of HK\$1.50 per issued Share so that following such reduction, each issued Share with a par value of HK\$0.50 in the share capital of the Company shall become one New Share; and (2) the Share Sub-division by, immediately following the Capital Reduction becoming effective, sub-dividing each authorised but unissued Share into four (4) unissued New Shares with a par value of HK\$0.50 each.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the necessary resolution(s) in respect of the Capital Reduction and the Share Sub-division. A circular containing, among other matters, information regarding the Capital Reduction and the Share Sub-division together with a notice of the EGM will be despatched to the Shareholders on or before Monday, 6 February 2023.

As the Capital Reorganisation is subject to the satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation”, the Capital Reorganisation may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

PROPOSED CAPITAL REORGANISATION

As at the date of this announcement, the authorised share capital of the Company is HK\$1,000,000,000 divided into 500,000,000 Shares of par value of HK\$2.00 each, of which 145,017,062 Shares of par value HK\$2.00 each have been issued and fully paid or credited as fully paid.

For avoidance of doubt, as at the date of this announcement, the Third Convertible Note at the outstanding principal amount of US\$400,390,000.00 (approximately HK\$3,123,042,000.00) at conversion price of HK\$480.00 per conversion share has not been converted, and the conversion price and the potential total number of conversion shares thereof will not be affected by the Capital Reorganisation.

The Board proposes the Capital Reorganisation which involves (i) the Capital Reduction; and (ii) the Share Sub-division to be implemented in the following manner:

Capital Reduction

- (i) the par value of each of the issued Shares be reduced from HK\$2.00 to HK\$0.50 per issued Share by cancelling the paid up share capital to the extent of HK\$1.50 per issued Share; and
- (ii) the credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses (the “**Accumulated Losses**”) of the Company as at the effective date of the Capital Reorganisation in a manner as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate.

Share Sub-division

- (i) immediately following the Capital Reduction, each of the authorised but unissued Shares with par value of HK\$2.00 each be sub-divided into four (4) New Shares with par value of HK\$0.50 each; and
- (ii) each of the New Shares arising from the Capital Reorganisation shall rank *pari passu* in all respects with each other and will have rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Capital Reorganisation becomes effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Capital Reorganisation becoming effective
Par value	HK\$2.00 per Share	HK\$0.50 per New Share
Amount of the authorised share capital	HK\$1,000,000,000.00	HK\$1,000,000,000.00
Number of authorised Shares	500,000,000	2,000,000,000
Amount of the issued share capital	HK\$290,034,124.00	HK\$72,508,531.00
Number of issued shares	145,017,062 Shares	145,017,062 New Shares

As at the date of this announcement, 145,017,062 Shares have been issued and are fully paid or credited as fully paid. Assuming that the par value of each of the 145,017,062 issued Shares will be reduced from HK\$2.00 to HK\$0.50 per issued Share by cancelling the paid up share capital to the extent of HK\$1.50 per issued Share by way of a reduction of capital, so as to form issued New Shares with par value of HK\$0.50 each, the Company's existing issued share capital of HK\$290,034,124.00 will be reduced by HK\$217,525,593.00 to HK\$72,508,531.00.

Reasons for and effects of the Capital Reorganisation

The proposed Capital Reorganisation will enable the par value of the Shares to be reduced from HK\$2.00 to HK\$0.50 each. The credit arising from the Capital Reduction will be applied towards offsetting the Accumulated Losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. Such credit will be transferred to the capital reduction reserve account of the Company or other reserve account of the Company which may be utilised by the Board in any manner as the Board may deem fit and as may be permitted under the applicable laws.

The Board is of the opinion that the proposed Capital Reorganisation will give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

Since the Shares were trading below par value recently, the Board considers that the Capital Reorganisation will enable the nominal or par value of the Shares to be reduced from HK\$2.00 to HK\$0.50 each, for the purpose of further enhancing flexibility to the Company to issue new shares in the future given that the Company is not permitted, without order of the Court, to issue new shares below their nominal or par value. It is important for Shareholders to note that, at this stage, there can be no assurance that any dividends will be declared or paid in the future, or that the Company will issue New Shares, even if the Capital Reorganisation takes effect.

As such, the Directors are of the view that the Capital Reorganisation involving Capital Reduction and the Share Sub-division is in the best interests of the Company and its Shareholders as a whole.

Save for applying the credit arising from the Capital Reduction towards offsetting the Accumulated Losses of the Company and the expenses to be incurred in relation to Capital Reorganisation, the Directors consider that the Capital Reorganisation will have no material effect on the underlying assets, business operations, management or financial position of the Company or the proportional interests of the Shareholders in the Company.

As at the date of this announcement, the Company has no intention to carry out other corporate action or arrangement, including share consolidation, share sub-division and capital reduction, in the next 6 months.

The Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on the following conditions being fulfilled:

- (i) the Shareholders' approval by way of special resolution at the EGM to be convened and held to consider and, if thought fit, approve, among other things, the Capital Reorganisation;
- (ii) an order being made by the Court confirming the Capital Reorganisation;
- (iii) compliance with any conditions which the Court may impose in relation to the Capital Reorganisation;
- (iv) registration by the Registrar of Companies of the Cayman Islands of a copy of the order of the Court confirming the Capital Reorganisation and the minutes approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reorganisation; and
- (v) the Listing Committee granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

The Capital Reorganisation will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganisation at the EGM, the legal advisors to the Company (as to the Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reorganisation and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

Listing of and dealings in the New Shares

Application will be made to the Listing Committee for the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the share capital or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Exchange of share certificates for the New Shares

As the Court hearing date(s) has yet to be fixed, the effective date of the Capital Reorganisation is not ascertainable at present. Should the Capital Reorganisation become effective, the Shareholders may submit existing certificates for the Shares to the Share Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange, at the expense of the Company, within one month from the effective date of the Capital Reorganisation, for certificates for the New Shares. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reorganisation is ascertained.

All existing certificates of the Shares will continue to be evidence of title to such Shares and be valid for delivery, trading and settlement purpose.

Expected timetable of the Capital Reorganisation

Set out below is the expected timetable for the implementation of the Capital Reorganisation. The expected timetable is subject to the results of the EGM and satisfaction of the conditions to the Capital Reorganisation and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this announcement refer to the Hong Kong local times and dates.

Event	Time and Date
Despatch date of circular with notice of the EGM with form of proxy	6 February 2023 (Monday)
Latest time for lodging share transfer in order to qualify for attending and voting at the EGM	4:30 pm, 22 February 2023 (Wednesday)
Closure of register of members for determining the entitlement to attend and vote at the EGM (both dates inclusive)	23-28 February 2023 (Thursday to Tuesday)
Latest time for lodging forms of proxy for the EGM (not less than 48 hours prior to time of the EGM)	3:00 pm 26 February 2023 (Sunday)
Record date for attendance and voting at the EGM	28 February 2023 (Tuesday)
Date and time of the EGM	3:00 pm 28 February 2023 (Tuesday)
Announcement of voting results of the EGM	28 February 2023 (Tuesday)
The following events are conditional on the results of the EGM and the approval from the Court and therefore the dates are tentative:	
Effective date of the Capital Reorganisation	15 May 2023 (Monday)
Commencement of dealings in the New Shares	15 May 2023 (Monday)
First day of free exchange of existing share certificates for new share certificates for the New Shares	15 May 2023 (Monday)

Last day and time for free exchange of existing certificates
of the Shares for new certificates for the New Shares 31 May 2023 (Wednesday)

General

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the Capital Reorganisation. A circular containing, among other things, further details of the Capital Reorganisation, together with a notice convening the EGM and the related proxy form, will be despatched by the Company to the Shareholders on or before Monday, 6 February 2023.

As no Shareholders have a material interest in the Capital Reorganisation, no Shareholders will be required to abstain from voting on the resolutions to approve the Capital Reorganisation.

As the Capital Reorganisation is subject to the satisfaction of conditions set out in the paragraph headed “Conditions of the Capital Reorganisation”, the Capital Reorganisation may or may not become effective. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange generally is open for business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of this announcement be counted as a business day
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction and the Share Sub-division
“Capital Reduction”	the reduction of the issued share capital of the Company by reducing the par value of each issued Share from HK\$2.00 to HK\$0.50 by cancelling the paid up share capital to the extent of HK\$1.50 per issued Share
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies Act”	the Companies Act (2021 Revision) of the Cayman Islands, as consolidated and revised
“Company”	E&P Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange (stock code: 1142)
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Capital Reorganisation
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	ordinary share(s) with par value of HK\$0.50 each in the share capital of the Company immediately following the Capital Reorganisation becoming effective
“Share(s)”	ordinary share(s) with par value of HK\$2.00 each in the share capital of the Company prior to the Capital Reorganisation becoming effective

“Shareholder(s)”	the holder(s) of the Share(s) or the New Share(s)
“Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, the address of which is at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-division”	the proposed sub-division of each authorised but unissued Share into four (4) unissued New Shares
“Third Convertible Note”	the zero-coupon convertible note in an aggregate outstanding principal amount of US\$400,390,000 (equivalent to approximately HK\$3,123,042,000) issued by the Company on 3 April 2013
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
E&P Global Holdings Limited
Lee Jaeseong
Chairman

Hong Kong, 19 January 2023

As at the date of this announcement, the Board consists of Mr. Lee Jaeseong and Mr. Im Jonghak as executive directors, and Ms. Chen Dai and Mr. Leung Yau Wan John as independent non-executive directors.