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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in E&P Global Holdings Limited, you should immediately hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**(1) PROPOSED ISSUE OF CONVERTIBLE NOTES UNDER SPECIFIC  
MANDATE IN FULL AND FINAL SETTLEMENT OF THE THIRD  
CONVERTIBLE NOTE;**  
**AND**  
**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Financial Adviser to the Company**



**Asian Capital Limited**

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A notice convening the extraordinary general meeting of E&P Global Holdings Limited to be held at 35/F, Dah Sing Financial Centre, 248 Queen's Road East, Wanchai, Hong Kong on 6 January 2025 (Monday) at 10:00 a.m. is set out on pages 28 to 30 of this circular.

Whether or not you are able to attend the extraordinary general meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event before 10:00 a.m. on 4 January 2025 (Saturday), which is no less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment (as the case may be) thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting (as the case may be) in person if you so wish.

20 December 2024

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2013 Conversion Price”	HK\$48.00 per Existing Conversion Share
“2020 Conversion Price”	HK\$480.00 per Existing Conversion Share
“A Mark”	A Mark Limited, a company incorporated in Hong Kong with limited liability, which as at the Latest Practicable Date, is one of the Third Convertible Noteholders
“Acquisition Agreement”	the acquisition agreement entered into between Grandvest International Limited, a wholly-owned subsidiary of the Company, as purchaser and Cordia Global as the vendor in 2009 in relation to the acquisition of 90% interest in Langfeld Enterprises Limited, a company incorporated in Cyprus
“Board”	the board of Directors
“Capital Reduction”	the reduction of the par value of each of the issued Shares from HK\$0.50 each to HK\$0.01 each by cancelling the paid-up share capital to the extent of HK\$0.49 per issued Share so that following such reduction, each issued Share shall become one Reduced Share with a par value of HK\$0.01 each in the share capital of the Company
“Company”	E&P Global Holdings Limited (能源及能量環球控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreement
“Conversion Price”	HK\$0.25 per Conversion Share
“Conversion Share(s)”	Reduced Share(s) falling to be allotted and issued by the Company, credited as fully paid, upon any exercise of the conversion rights attaching to the Convertible Notes
“Convertible Note(s)”	zero coupon rate unsecured convertible note(s) in the aggregate principal amount of US\$400,390,000 to be issued by the Company pursuant to the Subscription Agreement
“Convertible Noteholders”	holders of Convertible Note(s)

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## DEFINITIONS

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“Cordia Global”	Cordia Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Deed of Settlement”	the deed of settlement to be signed by the Third Convertible Noteholders in favour of the Company in full and final settlement of all of the liabilities and obligations of the Company under the Third Convertible Note
“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 issue of the Convertible Notes under the Specific Mandate and the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Notes
“Existing Conversion Share(s)”	Share(s) which fall to be issued upon any exercise of the conversion rights attaching to the Third Convertible Note
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Interim Results Announcement”	the interim results announcement for the six months ended 30 September 2024 of the Company dated 29 November 2024
“Last Trading Date”	29 November 2024, the full trading day immediately preceding the date of the Subscription Agreement
“Latest Practicable Date”	16 December 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2025 or such later date as may be agreed between the Company and the Subscribers
“Maturity Date”	the maturity date of the Note Instrument, being the fifth (5th) anniversary from the issue date of the Note Instrument

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## DEFINITIONS

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“Note Instrument”	the instrument to be executed by the Company at Completion by way of deed poll constituting the Convertible Notes
“Observation Period”	the 12-month period ended on the Last Trading Date
“Ocean Resources”	Ocean Resources Int’l Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, which as at the Latest Practicable Date, is one of the Third Convertible Noteholders
“Original Note Instrument”	the note instrument in the principal sum of US\$443,070,000 (approximately HK\$3,455,946,000) from the Company to Cordia Global dated 3 April 2013
“Proposed Capital Reorganisation”	proposed share capital reorganisation of the Company, comprising the Capital Reduction and Share Sub-division as announced by the Company on 26 November 2024
“Reduced Shares”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company immediately following the Proposed Capital Reorganisation becoming effective
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Shares”	ordinary share(s) with a par value of HK\$0.50 each in the share capital of the Company prior to the Proposed Capital Reorganisation becoming effective
“Share(s)”	the ordinary share(s) of HK\$0.50 each in the share capital of the Company
“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
“Share Sub-division”	the sub-division of the authorised but unissued Shares into fifty (50) unissued Reduced Shares with a par value of HK\$0.01 each
“Shareholders”	the holder(s) of the Shares or Reduced Shares (as the case may be)
“Specific Mandate”	the specific mandate for the allotment and issue of the Conversion Shares to be granted to the Directors by the Shareholders in EGM

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	A Mark, Ocean Resources and Wayside
“Subscription”	the subscription for the Convertible Notes under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 2 December 2024 entered into between the Company and the Subscribers in respect of the Subscription
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Third Convertible Note”	the convertible note issued by the Company to Cordia Global on 3 April 2013 to satisfy the consideration pursuant to the terms of the Acquisition Agreement
“Third Convertible Noteholders”	the holders of Third Convertible Note, and as at the Latest Practicable Date, being the Subscribers
“US\$”	United States dollar, the lawful currency of the United States of America
“Wayside”	Wayside Holdings Limited, a company incorporated in Samoa with limited liability, which as at the Latest Practicable Date, is one of the Third Convertible Noteholders
“%”	per cent.

*For the purpose of this circular, unless otherwise indicated, conversion of US\$ into HK\$ is calculated at the approximate exchange rate of US\$1.00 to HK\$7.80. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.*

*All times and dates in this circular refer to the Hong Kong local times and dates.*

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Lee Jaeseong (*Chairman*)  
Im Jonghak  
Liu Wai Shing, Peter

*Non-executive Director:*

Sun Meng

*Independent Non-executive Directors:*

Chen Dai  
Kim Sung Rae

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head Office and Principal*

*Place of Business:*

Units A & B  
15th Floor  
Chinaweal Centre  
414-424 Jaffe Road  
Causeway Bay  
Hong Kong

20 December 2024

*To the Shareholders,*

Dear Sir or Madam,

**(1) PROPOSED ISSUE OF CONVERTIBLE NOTES UNDER SPECIFIC  
MANDATE IN FULL AND FINAL SETTLEMENT OF THE THIRD  
CONVERTIBLE NOTE;**

**AND**

**(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to:

- (1) the announcement and the circular of the Company dated 14 November 2008 and 31 December 2008 respectively in relation to, among other things, the acquisition of 90% of the shares in the issued share capital of Langfeld Enterprises Limited and certain loans owed by Langfeld Enterprises Limited;
- (2) the announcement of the Company dated 21 March 2013 in connection with certain requisitions made by certain shareholders of the Company to convene extraordinary general meetings;
- (3) the announcement of the Company dated 3 April 2013 regarding the inside information, requisition of extraordinary general meeting from shareholders, issue of the Third Convertible Note and resumption of trading;
- (4) the announcement of the Company dated 22 April 2015 regarding inside information and resumption of trading;
- (5) the announcement of the Company dated 26 May 2015 regarding partial conversion of Third Convertible Note;
- (6) the announcement of the Company dated 17 June 2015 regarding inside information transfer of Third Convertible Note;
- (7) the announcement of the Company dated 23 April 2020 regarding the adjustments to conversion price of Third Convertible Note;
- (8) the announcement of the Company dated 26 November 2024, and the circular of the Company dated 6 December 2024 regarding the Proposed Capital Reorganisation and the proposed change in board lot size; and
- (9) the announcements dated 2 December 2024 and 4 December 2024 in relation to the proposed issue of the Convertible Notes under Specific Mandate.

The purpose of this circular is to provide you with information regarding, among other things, (i) the proposed issue of the Convertible Notes under Specific Mandate; and (ii) the notice of the EGM.

### BACKGROUND

On 3 April 2013, pursuant to a written convertible note agreement, the Company, as issuer, issued the zero-coupon Third Convertible Note by executing a note instrument in the principal sum of US\$443,070,000 (approximately HK\$3,455,946,000) to Cordia Global. The Original Note Instrument was part of the settlement consideration relating to the Acquisition Agreement.



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## LETTER FROM THE BOARD

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The outstanding principal amount of the Third Convertible Note was reduced by (i) the partial conversion of the principal amount of US\$30,800,000 by Cordia Global, the Original Note Instrument holder, on 22 May 2015; and (ii) an agreement between, inter alia, the Company, Cordia Global and Daily Loyal Limited, the then noteholder of the Third Convertible Note, to reduce the principal amount by US\$11,880,000. As at the Latest Practicable Date, the outstanding principal amount of the Third Convertible Note was US\$400,390,000 (approximately HK\$3,123,042,000).

The 2013 Conversion Price was determined at the time of the issue of the Third Convertible Note. The parties to the Acquisition Agreement were minded to set the conversion price at HK\$0.12 per Existing Conversion Share, which represented a premium of approximately 42.86% over the closing price of HK\$0.084 per Share as quoted on the Stock Exchange on 25 September 2008, being the last trading date prior to suspension of trading in the Shares on the Stock Exchange on 26 September 2008 pending the release of the announcement in relation to the Acquisition Agreement giving rise to the issue of the Third Convertible Note.

Based on the intended conversion price of HK\$0.12 per Share and taking into account the two share consolidation exercises both at the scale of 20-to-1 implemented on 9 April 2010 and 30 September 2011 by the Company, on 3 April 2013, the parties to the Acquisition Agreement agreed to set the final conversion price at HK\$48.00 per Existing Conversion Share.

Pursuant to the terms of the Third Convertible Note, the conversion price of the Third Convertible Note was further adjusted from HK\$48.00 per Existing Conversion Share to the 2020 Conversion Price of HK\$480.00 per Existing Conversion Share as a result of the completion of the share consolidation exercise of 10-to-1 with effect from 24 April 2020.

### List of Third Convertible Noteholders

As at the Latest Practicable Date, according to the register of the Third Convertible Noteholders of the Company, the Third Convertible Noteholders are as follows:

<b>Name of Third Convertible Noteholder</b>	<b>Aggregate principal amount and outstanding balance</b>
Ocean Resources	US\$100,097,500
A Mark	US\$200,195,000
Wayside	US\$100,097,500
<b>Total:</b>	<b>US\$400,390,000</b>

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the above Third Convertible Noteholders and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

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## LETTER FROM THE BOARD

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### ISSUE OF CONVERTIBLE NOTES TO THE SUBSCRIBERS

On 2 December 2024 (after trading hours), the Company entered into the Subscription Agreement with the Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the Convertible Notes in the aggregate principal amount of US\$400,390,000. Details of the Subscription Agreement are set out below:

#### The Subscription Agreement

Date : 2 December 2024

Parties : (i) the Company, as the issuer; and  
(ii) Ocean Resources, A Mark and Wayside as the subscribers.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save for being the holders of the Third Convertible Note, the Subscribers and their respective beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Principal amount and consideration : An aggregate principal amount of US\$400,390,000, which shall be satisfied by means of execution of the Deed of Settlement in full and final settlement of the Third Convertible Note upon Completion.

As the consideration of the Subscription will be applied exclusively as full and final settlement of the Third Convertible Note, there will be no remaining net proceeds from the issue of the Convertible Notes available to be utilised by the Company.

#### Conditions precedent to the Subscription

The obligation of the Subscribers to subscribe for the Convertible Notes is subject to the fulfilment of each of the following conditions at or prior to the Completion:

- (a) the Proposed Capital Reorganisation becoming effective;
- (b) the passing of resolutions by Shareholders at the EGM to approve, among other matters, the Subscription Agreement and the issue of the Convertible Notes and the Conversion Shares upon any exercise of the conversion rights attaching to the Convertible Notes under the Specific Mandate;
- (c) the Listing Committee having granted the listing of, and permission to deal in, the Conversion Shares; and
- (d) the Shares or the Reduced Shares remain listed and traded on the Main Board of the Stock Exchange and no written notification being received by the Company to the effect that listing of the Shares or the Reduced Shares on the Main Board of the Stock Exchange will or may be withdrawn.

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## LETTER FROM THE BOARD

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If the above conditions precedent have not been fulfilled on or before the Long Stop Date or such later date as may be agreed between the Company and the Subscribers, the Subscription Agreement will lapse and become null and void and the parties thereto will be released from all obligations thereunder, save for liabilities for any antecedent breaches thereof.

As at the Latest Practicable Date, subject to the fulfilment of the requisite conditions precedent, the Proposed Capital Reorganisation is expected to take place on 31 March 2025. Please refer to the announcement of the Company dated 26 November 2024 for details of the conditions of the Proposed Capital Reorganisation.

All of the above conditions precedent shall be fulfilled prior to the Completion.

As at the Latest Practicable Date, none of the above conditions precedent to the Subscription have been satisfied/fulfilled.

The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be granted by the Shareholders at the EGM.

### CONVERTIBLE NOTES

The principal terms of the Convertible Notes are as follows:

Issuer	:	The Company
Principal amount	:	US\$400,390,000 (or equivalent to approximately HK\$3,123,042,000)
Maturity Date	:	The Convertible Notes will mature on the business day falling on the fifth (5th) anniversary from the issue date of the Note Instrument.
Interest	:	No interest shall accrue on each of the Convertible Notes.
Redemption	:	The Company shall be entitled to redeem the Convertible Notes at a price equal to 115% of the outstanding principal amount of the Convertible Notes on their respective Maturity Dates, without entitlement of early redemption before the Maturity Dates.
Transferability	:	Any assignment or transfer of the Convertible Notes shall be in respect of the whole or any part (in integral multiples of US\$1,000,000) of the outstanding principal amount of the Convertible Notes and should be made in accordance with any applicable requirements of the Stock Exchange, the Listing Rules, applicable laws and regulations. Save for with the consent of the Stock Exchange, none of the Convertible Notes may be transferred to a connected person of the Company (as defined in the Listing Rules).

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## LETTER FROM THE BOARD

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- Conversion : The Convertible Noteholder shall have the right at any time from the date of issue up to and including the date immediately prior to their respective Maturity Dates, to convert in amounts in integral multiple of US\$100,000, the whole (but not part) of the outstanding principal amount of the Convertible Notes into Conversion Shares. The Convertible Noteholder shall be entitled to convert the outstanding principal amount of the Convertible Notes, provided that: (a)(i) the holder of each of the Convertible Notes together with the parties acting in concert (as defined in the Takeovers Code) with it will not hold or control such level of the voting rights of the Company as may trigger a mandatory general offer under the Takeovers Code regardless of whether a waiver has been granted by the SFC on the obligation of a mandatory general offer under the Takeovers Code; or (ii) the holder of each of the Convertible Notes together with the parties acting in concert (as defined in the Takeovers Code) with it, which will hold or control such level of the voting rights of the Company as may trigger a mandatory general offer under the Takeovers Code, shall make a mandatory general offer under the Takeovers Code or otherwise obtain a waiver from the SFC on the obligation of a mandatory general offer under the Takeovers Code; and (b) the conversion of the outstanding principal amount of each of the Convertible Notes will not cause the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules.
- Conversion Price : The Convertible Notes shall be converted at the initial Conversion Price of HK\$0.25 per Conversion Share (subject to adjustments), which represents:
- (i) a discount of approximately 21.88% to the closing price of HK\$0.320 per Share as quoted on the Stock Exchange on 2 December 2024, being the date of the Subscription Agreement;
  - (ii) a discount of approximately 24.92% to the average of the closing prices of HK\$0.333 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Date;
  - (iii) a discount of approximately 37.73% to the average of the closing prices of HK\$0.402 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Date;
  - (iv) a discount of approximately 64.79% to the closing price of HK\$0.710 per Share as quoted on the Stock Exchange on 16 December 2024, being the Latest Practicable Date;

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## LETTER FROM THE BOARD

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- (v) a discount of approximately 64.29% to the average of the closing prices of HK\$0.700 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Latest Practicable Date;
- (vi) a difference (i.e. the initial Conversion Price minus net deficit per Share, which is calculated by dividing the capital deficiency of the Company by the number of issued Shares) of HK\$12.3231 relative to the audited net deficit per Share of approximately HK\$12.0731 as at 31 March 2024;
- (vii) a difference of approximately HK\$13.1392 relative to the unaudited net deficit per Share of approximately HK\$12.8892 as at 30 September 2024; and
- (viii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 24.64%, represented by the theoretical diluted price of approximately HK\$0.251 per Share to the benchmarked price of approximately HK\$0.333 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the Subscription Agreement of HK\$0.320 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Subscription Agreement of HK\$0.333 per Share).

The Conversion Price is subject to adjustments, which are exhaustive, upon the occurrence of consolidation, subdivision or reclassification of Reduced Shares, capitalisation of profits or reserves, capital distributions, rights issues of Reduced Shares, options over Reduced Shares, issue of Reduced Shares or convertible securities other than Reduced Shares issued on the exercise of the conversion right under the Convertible Notes, modification of rights of conversion or offers to Shareholders at price less than 80% of the then market price per Reduced Share.

***For consolidation, subdivision or reclassification***

The Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

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## LETTER FROM THE BOARD

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Where:

- A is the nominal amount of one (1) Reduced Share immediately after such alteration; and
- B is the nominal amount of one (1) Reduced Share immediately before such alteration. Such adjustment shall become effective on the date the alteration takes effect.

*For capitalisation of profits or reserves*

- (a) If the Company issues any Reduced Shares to the Shareholders by way of capitalisation of profits or reserves (except any scrip dividend) and which would not have constituted a capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

- A is the aggregate nominal amount of the issued Reduced Shares immediately before such issue; and
- B is the aggregate nominal amount of the issued Reduced Shares immediately after such issue.
- (b) In the case of an issue of Reduced Shares by way of a scrip dividend, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Reduced Shares by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the aggregate nominal amount of the issued Reduced Shares immediately before such issue;
- B is the aggregate nominal amount of Reduced Shares issued by way of such scrip dividend multiplied by a fraction of which (i) the numerator is the amount of the

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## LETTER FROM THE BOARD

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whole, or the relevant part, of the relevant cash dividend and (ii) the denominator is the current market price of the Reduced Shares issued by way of scrip dividend in respect of each existing Reduced Share in lieu of the whole, or the relevant part, of the relevant cash dividend; and

C is the aggregate nominal amount of Reduced Shares issued by way of such scrip dividend.

### *For capital distributions*

If and whenever the Company shall pay or make any capital distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such capital distribution by the following fraction:

$$\frac{A-B}{A}$$

Where:

A is the current market price of one (1) Reduced Share; and

B is the fair market value on the portion of the capital distribution attributable to one (1) Reduced Share.

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## LETTER FROM THE BOARD

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*For rights issues*

- (a) If and whenever the Company shall issue Reduced Shares by way of rights, of options, warrants or other rights to subscribe for or purchase or otherwise acquire any Reduced Shares, in each case at less than the current market price per Reduced Share, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the number of Reduced Shares in issue immediately before the relevant announcement;
- B is the number of Reduced Shares which the aggregate amount (if any) payable for the Reduced Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Reduced Shares comprised therein would subscribe for, purchase or otherwise acquire at such current market price per Reduced Share; and
- C is the aggregate number of Reduced Shares issued or, as the case may be, comprised in the grant.
- (b) If and whenever the Company shall issue any securities (other than Reduced Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) by way of rights, of options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Reduced Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Reduced Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A-B}{A}$$



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## LETTER FROM THE BOARD

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Where:

- A is the current market price of one (1) Reduced Share; and
- B is the fair market value attributable to one (1) Reduced Share.

***For issues of at less than current market price***

- (a) If and whenever the Company shall issue wholly for cash any Reduced Shares or shall issue or grant options, warrants or other rights to subscribe for, purchase or otherwise acquire Reduced Shares in each case at a price per Reduced Share which is less than the 80% of the current market price, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{C}$$

Where:

- A is the number of Reduced Shares in issue immediately before the issue of such additional Reduced Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Reduced Shares;
- B is the number of Reduced Shares which the aggregate consideration (if any) receivable for the issue of such additional Reduced Shares would purchase at such current market price per Reduced Share; and
- C is the number of Reduced Shares in issue immediately after the issue of such additional Reduced Shares.

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## LETTER FROM THE BOARD

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- (b) Save in the case of an issue of securities wholly for cash arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves, if and whenever the Company or any of its subsidiaries shall issue any securities which by their terms of issue carry rights of conversion into, or exchange or subscription for, Reduced Shares to be issued by the Company upon conversion, exchange or subscription at a total effective consideration per Reduced Share which is less than 80% the current market price on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the number of Reduced Shares in issue immediately before such issue;
- B is the number of Reduced Shares which the total effective consideration receivable by the Company for the Reduced Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such current market price per Reduced Share; and
- C is the maximum number of Reduced Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

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## LETTER FROM THE BOARD

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### *For modification of rights of conversion*

If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities (other than in accordance with the terms of such securities) so that the total effective consideration per Reduced Share (for the number of Reduced Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 80% of the current market price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A+B}{A+C}$$

Where:

- A is the number of Reduced Shares in issue immediately before such modification;
- B is the number of Reduced Shares which the total effective consideration receivable by the Company for the Reduced Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such current market price per Reduced Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Reduced Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price.

Ranking : The Convertible Notes will at all times rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be provided by mandatory provisions of applicable law.

The Conversion Shares being allotted and issued upon exercise of the conversion rights attached to the Convertible Notes shall rank pari passu in all respects with all other Shares in issue as at the date of conversion.

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## LETTER FROM THE BOARD

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- Listing : The Convertible Notes will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
- Completion : Completion shall take place on the fifth (5th) business day following the date on which all the conditions precedent pursuant to the Subscription Agreement are fulfilled.

*The Subscription Agreement is prepared in English and there is no official Chinese version. Therefore, any Chinese translation serves as a reference only. In case of any inconsistencies between the English and Chinese version, the English version shall prevail.*

### **Determination of the redemption price**

The Company shall be entitled to redeem the Convertible Notes at a price equal to 115% of the principal amount, or equivalent to an implied simple interest rate of 3% per annum for the term of the Convertible Notes (i.e. 5 years).

Having taken into account (a) the effective interest rate of the fixed-rate borrowings of the Group ranged between 4.6% and 6% for the year ended 31 March 2024; (b) the yield for five-year treasury of the United States (being a proxy of risk-free borrowings denominated in US\$ for the same tenor) was approximately 4.08% as at 2 December 2024 (being the date of the Subscription Agreement); (c) the terms of redemption under the Third Convertible Note; and (d) the net liability position of the Group, the Board considered the redemption price under the Convertible Note is fair and reasonable.

### **Determination of the Conversion Price**

The Conversion Price which was determined after arm's length negotiations between the Company and the Subscribers, being the Third Convertible Noteholders, and taking into account of, among others:

#### **(a) *Financial performance of the Group***

For the year ended 31 March 2024, the audited profit before and after income tax of the Group was approximately HK\$108.66 million and HK\$105.63 million, respectively, which comprised the reversal of impairment loss on exploration and evaluation assets in relation to the mining rights of the Group's coal mines in the Russian Federation of approximately HK\$142.91 million. The reversal of impairment loss on exploration and evaluation assets was a non-cash item arising from the year end valuation exercise for financial reporting purposes, which had no impact on the cashflow position of the Group. However, if such reversal were to be excluded from the profit before and after income tax of the Group, the Group would have recorded net loss for the year ended 31 March 2024. The Board noted a similar situation for the financial year ended 31 March 2023.

As disclosed in the Interim Results Announcement, the unaudited loss before and after income tax of the Group was approximately HK\$92.26 million and HK\$91.46 million, respectively.

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## LETTER FROM THE BOARD

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As disclosed in the paragraph headed “PROSPECTS” of the Interim Results Announcement, the business environment of the Group’s diesel and gasoline trading business will remain challenging as macroeconomic environment, coupled with high interest rates, geopolitical conflicts, trade wars, remains complicated.

**(b) *Financial position of the Group***

As at 31 March 2024, the Group recorded:

- (i) an audited total non-current asset of approximately HK\$2,149.15 million comprising mainly exploration and evaluation assets of approximately HK\$2,107.61 million;
- (ii) an audited total current asset of approximately HK\$14.45 million comprising mainly inventories and trade and other receivables;
- (iii) an audited total non-current liability of approximately HK\$194.89 million comprising mainly amounts due to Shareholders, a Director and a related party of approximately HK\$152.32 million in aggregate and interest-bearing borrowings of approximately HK\$33.54 million; and
- (iv) an audited total current liability of approximately HK\$3,719.51 million comprising mainly the Third Convertible Note of approximately HK\$3,591.50 million, trade and other payables of approximately HK\$39.60 million in aggregate, interest-bearing borrowings of approximately HK\$28.56 million, amounts due to Shareholders of approximately HK\$39.10 million and promissory notes payables of approximately HK\$15.6 million.

As at 30 September 2024, the Group recorded:

- (i) an unaudited total non-current asset of approximately HK\$1,991.83 million comprising mainly exploration and evaluation assets of approximately HK\$1,949.64 million;
- (ii) an unaudited total current asset of approximately HK\$16.37 million comprising mainly trade and other receivables and cash and cash equivalents;
- (iii) an unaudited total non-current liability of approximately HK\$200.72 million comprising mainly amounts due to Shareholders, a Director and a related party of approximately HK\$157.39 million in aggregate, interest-bearing borrowings of approximately HK\$20.40 million and security deposit payable of approximately HK\$14.00 million; and
- (iv) an unaudited total current liability of approximately HK\$3,676.63 million comprising mainly the Third Convertible Note of approximately HK\$3,591.50 million, trade and other payables of approximately HK\$23.98 million in aggregate, amounts due to Shareholders of approximately HK\$39.39 million and promissory notes payables of approximately HK\$15.6 million.

As a result, the Group had net liabilities and net current liabilities of approximately HK\$1,750.80 million and HK\$3,705.06 million, respectively, as at 31 March 2024 and approximately HK\$1,869.15 million and HK\$3,660.26 million, respectively, as at 30 September 2024. The net deficit per Share

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## LETTER FROM THE BOARD

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(i.e. capital deficiency divided by the number of issued Shares) as at 31 March 2024 and 30 September 2024 were HK\$12.0731 and HK\$12.8892, respectively. In view of the financial positions as at 31 March 2024 and 30 September 2024, the Board is of the view that the high levels of net liabilities and net current liabilities have been adversely affecting the fundraising ability of the Group.

**(c) *Liquidity and financial resources***

The liquidity of the Group for the year ended 31 March 2024 and 30 September 2024 is demonstrated below:

- (i) the Group recorded the net cash outflow of approximately HK\$4.46 million for the year ended 31 March 2024 while the total cash and cash equivalents decreased to approximately HK\$0.23 million as at 31 March 2024 (31 March 2023: HK\$5.35 million);
- (ii) as at 31 March 2024 and 30 September 2024, the aggregate interest-bearing borrowings was approximately HK\$62.10 million and HK\$20.40 million, respectively, and the amounts due to Shareholders was approximately HK\$172.66 million and HK\$177.26 million, respectively, the majority of which was repayable within a period of more than one year but not exceeding two years; and
- (iii) during the year ended 31 March 2024 and six months ended 30 September 2024, the Group raised several loans of approximately HK\$4.38 million and HK\$1.63 million, respectively.

The abovementioned liquidity situation of the Group illustrates the reliance of the Group on Shareholders, Directors and related parties and the limited ability of the Group to procure external funding.

**(d) *Views of the Company's independent external auditor***

In the opinion of the Company's independent external auditor, the consolidated financial statements of the Group as at 31 March 2024 gave a true and fair view of the financial position of the Group, and the financial performance and the cash flows as at 31 March 2024.

However, the Company's independent external auditor highlighted the material uncertainty related to the on-going concern of the Group as one of the emphases of the matter of the "existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern". As disclosed in the Interim Results Announcement, the Company's independent external auditor highlighted the same uncertainty in their review report on the Group's interim financial information for the six months ended 30 September 2024.

**(e) *Cash position of the Group***

The cash position of the Group was approximately HK\$0.23 million (equivalent to approximately US\$29,000) and HK\$5.76 million (equivalent to approximately US\$0.74 million) as at 31 March 2024 and 30 September 2024.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company did not have sufficient cash or cash equivalent to settle the outstanding Third Convertible Note in full. Assuming the outstanding Third Convertible Note remains unsettled, the Third Convertible Noteholders may commence legal proceedings or petition to enforce their rights as creditors against the Company, which would severely interrupt the normal operations of the Group.

It is, therefore, not in the best interest of the Company and the Shareholders as a whole if the Third Convertible Noteholders demand the settlement of the Third Convertible Note in cash.

*(f) Trading statistics of the Shares*

The closing price of the Shares ranged between HK\$1.11 and HK\$0.25 in the Observation Period, with an average daily trading volume of approximately 50,000 Shares, representing approximately 0.03% of the issued Shares.

In light of the above statistics and information, as well as the indicative terms of settlement proposal from the Third Convertible Noteholders, the Directors are of the view that the Conversion Price will provide a more appealing incentive for the Convertible Noteholders to convert the Convertible Notes into Conversion Shares, which upon conversion, will significantly improve the financial position of the Group.

Therefore, it is fair and reasonable for the Directors to take the view that the issue of the Convertible Notes in full and final settlement of the Third Convertible Note represents a realistic solution to the Company to address the net current liability position of the Company and strengthen the financial position of the Company, which is in the best interest of the Company and the Shareholders as a whole.

## LETTER FROM THE BOARD

### EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the Company's shareholding structure (i) as at the Latest Practicable Date; (ii) upon partial exercise of the conversion rights attaching to the Convertible Notes such that 25% of the Company's total number of issued Reduced Shares are held by the public (assuming there is no other change to the issued share capital of the Company and the Proposed Capital Reorganisation would have become effective); and (iii) upon full exercise of the conversion rights attaching to the Convertible Notes (assuming there is no other change to the issued share capital of the Company and the Proposed Capital Reorganisation would have become effective):

	As at the Latest Practicable Date		Upon partial exercise of the conversion rights attaching to the Convertible Notes such that 25% of the Company's total number of issued Reduced Shares are held by the public <sup>(Note 4)</sup>		Upon full exercise of the conversion rights attaching to the Convertible Notes <sup>(Note 5)</sup>	
	No. of Reduced Shares	Shareholding %	No. of Reduced Shares	Shareholding %	No. of Reduced Shares	Shareholding %
Space Hong Kong Enterprise Limited <sup>(Note 1)</sup>	43,134,137	29.74%	43,134,137	7.44%	43,134,137	0.34%
E-tron Co., Ltd <sup>(Note 2)</sup>	24,169,510	16.67%	24,169,510	4.17%	24,169,510	0.19%
Solidarity Partnership <sup>(Note 3)</sup>	17,403,076	12.00%	17,403,076	3.00%	17,403,076	0.14%
Kim Wuju	7,440,000	5.13%	7,440,000	1.28%	7,440,000	0.06%
<b>Sub-total:</b>	<b>92,146,723</b>	<b>63.54%</b>	<b>92,146,723</b>	<b>15.89%</b>	<b>92,146,723</b>	<b>0.73%</b>
Other public shareholders	52,870,339	36.46%	52,870,339	9.11%	52,870,339	0.42%
<b>Sub-total:</b>	<b>145,017,062</b>	<b>100%</b>	<b>145,017,062</b>	<b>25.00%</b>	<b>145,017,062</b>	<b>1.15%</b>
A Mark <sup>(Note 6)</sup>	-	-	217,523,593	37.50%	6,246,084,000	49.43%
Ocean Resources <sup>(Note 6)</sup>	-	-	108,762,797	18.75%	3,123,042,000	24.71%
Wayside <sup>(Note 6)</sup>	-	-	108,762,796	18.75%	3,123,042,000	24.71%
<b>Sub-total:</b>	<b>-</b>	<b>-</b>	<b>435,051,186</b> <sup>(Note 4)</sup>	<b>75.00%</b>	<b>12,492,168,000</b>	<b>98.85%</b>
<b>Total:</b>	<b>145,017,062</b> <sup>(Notes 7 &amp; 8)</sup>	<b>100%</b>	<b>580,068,248</b>	<b>100%</b>	<b>12,637,185,062</b>	<b>100%</b>

*Notes:*

- (1) HCMP SPC Ltd. held approximately 67.78% interest in Space Hong Kong Enterprise Limited. HCMP SPC Ltd. was a wholly-owned subsidiary of BSE CMP Value-up Private Equity Fund. BSE CMP Value-up Private Equity Fund was in turn a wholly-owned subsidiary company of Cheon Ji In M Partners Co Ltd. By virtue of the SFO, each of HCMP SPC Ltd., BSE CMP Value-up Private Equity Fund and Cheon Ji In M Partners Co Ltd is deemed to be interested in these 43,134,137 Shares which Space Hong Kong Enterprise Limited has beneficial interest in.
- (2) E-tron Co., Ltd is a company incorporated in the Republic of Korea, and its shares are listed and traded on the KOSDAQ of the Korea Exchange (stock code: 09604.KQ).



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## LETTER FROM THE BOARD

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- (3) Solidarity Partnership, a partnership set up in the Republic of Korea, in which Ms. Park Jonghee is the representative and she held 50% interest in Solidarity Partnership. By virtue of the SFO, Ms. Park Jonghee is deemed to be interested in these 17,403,076 Shares which Solidarity Partnership has beneficial interest in.
- (4) Assuming the conversion rights attaching to the Convertible Notes are partially exercised by the Subscribers such that 435,051,186 Reduced Shares will be issued: immediately follow the allotment of 435,051,186 Reduced Shares, each of Space Hong Kong Enterprise Limited, E-tron Co., Ltd and Solidarity Partnership will cease to own 10% or more of the total number of issued Reduced Shares; and none of them will be regarded as a substantial Shareholder or a core connected person (as having the meaning ascribed to it under the Listing Rules) of the Company. This will result in 25% of the Company's total number of issued Reduced Shares being held by the public in accordance with Rules 8.08 and 13.32 of the Listing Rules.
- (5) Assuming the conversion rights attached to the Convertible Notes are wholly exercised by the Subscribers, and this is for illustrative purposes only. Pursuant to the terms of the Convertible Notes, the Subscribers shall not exercise the conversion rights of the Convertible Notes if such conversion will result in, inter alia, the public float of the Company unable to meet the requirement under Rule 8.08 of the Listing Rules.
- (6) As at the Latest Practicable Date, assuming each of A Mark, Ocean Resources and Wayside, in their capacity as Third Convertible Noteholders, had exercised the conversion rights in full under the Third Convertible Note: (a) the number of enlarged issued Shares would have been 151,523,398 Shares; (b) A Mark, Ocean Resources and Wayside would have been allotted 3,253,168, 1,626,584 and 1,626,584 Shares, respectively; and (c) representing approximately 2.24%, 1.12% and 1.12% of the enlarged issued share capital of the Company immediately after such allotments, respectively.
- (7) As at the Latest Practicable Date, (a) the Company had no treasury Shares; and (b) the Board had no intention to transfer treasury Shares upon the exercise of conversion rights under the Convertible Notes.
- (8) Based on the disclosure of interest filings published on the website of the Stock Exchange, as at the Latest Practicable Date, in addition to the holdings in the Shares as set out above, (a) Fu Daoding had a security interest in 43,134,137 Shares, representing approximately 29.00% of the issued share capital of the Company; and (b) Lee Thomson had security interest in 24,169,510 Shares, representing approximately 16.00% of the issued share capital of the Company.

### INFORMATION OF THE PARTIES

#### The Company and the Group

The Company engages in investment holding. The principal activities of its principal subsidiaries are engaged in holding mining and exploration rights of coal mines in the Russian Federation and trading of diesel, gasoline and other products in the Republic of Korea.

#### The Subscribers

The principal business activities of each of Ocean Resources, A Mark and Wayside are investment holdings. As at the Latest Practicable Date, the Subscribers were also the Third Convertible Noteholders. The part of the Third Convertible Note held by Ocean Resources and A Mark are beneficially owned by Wayside, which is in turn wholly-owned by Mr. Chen William Hon Lam ("**Mr. Chen**"). Mr. Chen is a seasoned investor with property investments in the People's Republic of China and the Commonwealth of Australia and investments in coal mine in Mongolia.

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## LETTER FROM THE BOARD

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### REASONS FOR THE PROPOSED ISSUE OF THE CONVERTIBLE NOTES

The Board is of the view that the proposed issue of the Convertible Notes is fair and reasonable and is in the interests of the Group and the Shareholders as a whole based on the following reasons:

- (a) the Third Convertible Note has been overdue since 2018, and the Company does not have the financial resources to redeem the Third Convertible Note;
- (b) the issue of the Convertible Notes in full and final settlement of the Third Convertible Note will change the nature of liability under the Third Convertible Note from current liability to noncurrent liability under the Convertible Notes. This reclassification will significantly improve the net current liabilities position of the Group; and
- (c) the Conversion Price would provide greater incentive to the Subscribers, being the Third Convertible Noteholders to exercise their conversion rights attaching to the Convertible Notes.

The Board has considered the following alternatives to address the current financial position of the Group, in particular settling the Third Convertible Note in the principal amount of US\$400.39 million (approximately HK\$3,123.04 million) including but not limited to (i) equity fund raising by placing of new Shares to independent third parties; (ii) borrowings from banks and independent third parties; and (iii) pre-emptive offering of new Shares to existing Shareholders by rights issue or open offer.

However, the Board considers that none of these alternatives is suitable for the following reasons:

- (a) the Company's financial performance for the year ended 31 March 2024 and six months ended 30 September 2024, particularly the net liabilities and net current liabilities of the Group were substantial as at 31 March 2024 and 30 September 2024;
- (b) the significant amount of the Third Convertible Note representing approximately 73 times of the current market capitalisation of the Company of approximately HK\$42.78 million as at the Last Trading Date;
- (c) the market price was lower than the par value of the Shares for substantial time of the Observation Period and the low trading liquidity of the Shares on the Stock Exchange with daily average of approximately 50,000 Shares, representing approximately 0.03% of the total issued Shares during the Observation Period are both unfavourable factors for any fund-raising activities; and
- (d) the Group does not have suitable assets to meet the collateral requirements of the banks, particularly, the Group's coal mines in the Russian Federation are not accepted by banks, as such the terms of borrowings offered by banks are unattractive and at the same time the Group may not be able to service the finance costs for any additional borrowings.

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## LETTER FROM THE BOARD

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The Board notes that the issue of the Convertible Notes will result in a significant dilution of the shareholding of existing Shareholders. The Board nevertheless believes that that the issue of the Convertible Notes is in the best interest of the Company and the Shareholders as a whole for the following reasons:

- (a) since the Group has been operating under very tight cash flow with short-term support from its Shareholders and various related parties, the Company has been unable to raise substantial funds either by equity or borrowings;
- (b) the Third Convertible Note is already overdue, and the Third Convertible Noteholders can demand settlement anytime, but the Company has no financial resources to settle the demand of settlement of the Third Convertible Note; and
- (c) typical liquidation value of nil or nearly nil of the Company if the Company is being wound up by the Third Convertible Noteholders.

The Directors are of the view that the issue of the Convertible Notes would allow the Company (i) to settle the outstanding amount of the principal under the Third Convertible Notes without immediate cash outflow as a result of its repayment of the Third Convertible Notes; (ii) provide the Company with flexibility in working capital management and deployment of its financial resources to fund its business operations and development as well as the planning of its working capital requirements. If the relevant special resolution is vetoed, the Company will continue to liaise with the Third Convertible Noteholders for settling the outstanding liability of the Third Convertible Notes. However, Shareholders should note that the terms of any new settlement proposal may not be as favourable as the terms of the Subscription Agreement. In the worst case, the Third Convertible Noteholders can demand settlement by commencing legal proceedings against the Company, which could lead to a material challenge for the Group.

However, the issue of the Convertible Notes would not provide any cash inflow to address the tight cash flow of the Group, the Company is also considering a potential small-scale fundraising by utilising the general mandate granted by the Shareholders at the annual general meeting of the Company on 27 September 2024, in order to raise fund for its business operations, part repayment of borrowings and general working capital. The Company will make further announcements in this regard in accordance with the Listing Rules as and when appropriate.

### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any equity fund-raising activities during the 12 months immediately preceding the Latest Practicable Date.

### **LISTING RULES IMPLICATION**

The Subscription will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Subscription is in compliance with Rule 7.27B of the Listing Rules.

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## LETTER FROM THE BOARD

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### APPLICATION FOR LISTING

An application will be made by the Company to the Listing Committee for listing of, and permission to deal in, the Conversion Shares.

### GENERAL

As at the Latest Practicable Date, save for the Third Convertible Note, the Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange into Shares or Reduced Shares, as the case may be.

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other matters, the issue of the Convertible Notes under the Specific Mandate and Conversion Shares upon any exercise of the conversion right attaching to the Convertible Notes.

As no Shareholders have a material interest in the Subscription, no Shareholders will be required to abstain from voting on the resolutions to be proposed at the EGM.

### WARNING

Shareholders and potential investors of the Company should note that the Completion including the proposed issue of the Convertible Notes is conditional upon, among others, the fulfilment of certain conditions precedents as out in the paragraph headed “Conditions precedent to the Subscription” in this circular. Accordingly, the Subscription may or may not proceed. The Company will announce any material updates to the Proposed Capital Reorganisation and the Subscription in separate announcements, respectively as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

### EGM

The notice of the EGM is set out on pages 28 to 30 of this circular. As at the Latest Practicable Date, to the extent that the Directors were aware and having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the resolution to approve, among other things, the proposed issue of the Convertible Notes to the Subscribers at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote in the EGM, you are requested to complete the form of proxy enclosed in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event before 10:00 a.m. on Saturday, 4 January 2025, which is no less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude

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## LETTER FROM THE BOARD

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you from subsequently attending and voting at the EGM or any adjourned meeting thereof should you so wish. An announcement setting out the poll results of the EGM will be made by the Company after the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement of the Shareholders of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 3 January 2025 to Monday, 6 January 2025 (both days inclusive) during which no transfer of Shares will be registered. In order to qualify for entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 2 January 2025.

### **LISTING RULES REQUIREMENT**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the EGM will therefore demand a poll for the ordinary resolution put to the vote at the EGM in accordance with the articles of association of the Company. The results of the poll shall be deemed to be the ordinary resolution of the EGM in which the poll was demanded or required, and the poll results will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company (<https://enp.aconnect.com.hk>) after the EGM.

### **RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### **RECOMMENDATION**

Based on the above, the Directors consider that the proposed issue of the Convertible Notes under the Specific Mandate is in the best interest of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution at the EGM.

Yours faithfully,  
By Order of the Board  
**E&P Global Holdings Limited**  
**Lee Jaeseong**  
*Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of E&P Global Holdings Limited (the “Company”) will be held at 35/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wanchai, Hong Kong on 6 January 2025 (Monday) at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:

#### ORDINARY RESOLUTION

1. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company:

“**THAT** subject to and conditional upon (a) the proposed capital reorganisation of the Company as announced on 26 November 2024 becoming effective; (b) the passing of resolution by shareholders of the EGM to approve, among other matters, the subscription agreement (“**Subscription Agreement**”) dated 2 December 2024 entered into between the Company as issuer and A Mark Limited, Ocean Resources Int’l Investment Group Limited and Wayside Holdings Limited as subscribers (collectively, the “**Subscribers**”) in respect of the issue of the convertible notes (“**Convertible Notes**”) in the principal amount of US\$400,390,000 and the conversion shares (“**Conversion Shares**”) upon any exercise of the conversion rights attaching to the Convertible Notes; (c) the listing committee of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) having granted the listing of, and permission to deal in, the Conversion Shares; and (d) the shares (“**Shares**”) with a par value of HK\$0.50 each in the Share capital of the Company or the Reduced Shares (as defined below) remain listed and traded on the Main Board of the Stock Exchange and no written notification being received by the Company to the effect that listing of the Shares or the Reduced Shares on the Main Board of the Stock Exchange will or may be withdrawn:

- (a) the Convertible Notes be issued to Subscribers;
- (b) a specific mandate (“**Specific Mandate**”) be granted to the directors of the Company to allot and issue a maximum of 12,492,168,000 shares (“**Reduced Shares**”) with a par value of HK\$0.01 each in the share capital of the Company upon any exercise of the conversion rights attaching to the Convertible Notes; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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- (c) the directors of the Company be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such documents on behalf of the Company, including under seal where applicable, as they may consider necessary or expedient to give effect to or in connection with the issue of Convertible Notes under Specific Mandate.”

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

Hong Kong, 20 December 2024

*As at the date of this circular, the Board consists of Mr. Lee Jaeseong, Mr. Im Jonghak and Mr. Liu Wai Shing, Peter as executive Directors, Ms. Sun Meng as non-executive Director, and Ms. Chen Dai and Mr. Kim Sung Rae as independent non-executive Directors.*

*Notes:*

1. A member of the Company entitled to attend and vote at the aforesaid EGM is entitled to appoint one or (if holding two or more Shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a notarial certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 10:00 a.m. on 4 January 2025 (Saturday), which is not later than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
3. In order to qualify for the right to attend and vote at the EGM, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before 4:30 p.m. on 2 January 2025 (Thursday) which is the last registration date for the EGM.
4. Completion and return of the form of proxy will not preclude members from attending and voting at the EGM.
5. The voting on the resolution at the EGM will be conducted by way of a poll.

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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6. (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the EGM, the EGM will be adjourned in accordance with the articles of association of the Company, and shareholders of the Company will be informed of the date, time and venue of the adjourned EGM by a supplemental notice posted on the respective websites of the Company and The Stock Exchange of Hong Kong Limited.

(b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled 4 hours before the time of holding of the EGM (i.e. at or before 6:00 a.m.) and where conditions permit, the EGM will be held as scheduled.

(c) The EGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

(d) After considering their own situations, shareholders should decide on their own whether or not they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
7. No distribution of corporate gifts and no serving of refreshments.
8. The Chinese translation of this notice is for reference only, and in case of any inconsistency, the English version shall prevail.