

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against the Former Chief Financial Officer and Company Secretary of CHK Oil Limited (Stock Code: 632)

SANCTIONS

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

IMPOSES A PREJUDICE TO INVESTORS' INTERESTS STATEMENT and **CENSURE** against **Mr Li Siu Bun (Mr Li)**, former chief financial officer and company secretary of CHK Oil Limited (**Company**) (Note 1).

HEARINGS

On 14 April 2026, the Listing Committee conducted a hearing into the conduct of Mr Li as the chief financial officer and the company secretary of the Company.

On 17 June 2026, the Listing Review Committee conducted a hearing of Mr Li's application for a review of the findings of breaches and the sanctions imposed on him by the Listing Committee.

SUMMARY OF FACTS

The Company and its subsidiaries (**Group**) are principally engaged in the exploitation and trading of oil and natural gas. Through a subsidiary (**Subsidiary**), the Company held an exploitation interest in certain oil and gas fields in the United States of America under leases granted by a government bureau (**Bureau**).

In November 2022, the Bureau terminated three of the leases (**Leases**) owing to the absence of production in the relevant oil fields (**Termination**). The Leases were material assets of the Group, accounting for approximately 40% of the Group's total assets as at 31 December 2022.

The Termination (including the matters leading to it) was known to Mr Yu Jiyuan (**Mr Yu**), the

chairman, chief executive officer and executive director of the Company who was responsible for overseeing the Subsidiary, and a staff member of the Subsidiary (**US Staff**), but not to the rest of the Company's board of directors (**Board**).

In January 2024, Mr Li was copied on an email from the US Staff which referred to the Termination. The email stated that Mr Yu had been uncontactable or unresponsive when the US Staff had tried to contact him on matters relevant to the Termination. In spite of the obvious materiality of the Termination, Mr Li did not follow up with the US Staff about the circumstances of the Termination, and failed to escalate the Termination to the full Board, the audit committee or the auditors of the Company. He merely forwarded the US Staff's email to Mr Yu who, as Mr Li was aware from the email, had been unresponsive to the US Staff in relation to the Termination and other matters.

Mr Li did not disclose the Termination to the Board, the audit committee or the auditors. He remained silent on this matter even after the auditors, in the course of auditing the Company's financial statements, stated that they encountered difficulties in verifying the ownership of the oil wells under the Leases in February and March 2024. As the then chief financial officer and company secretary of the Company, and as an experienced professional accountant, he should have been aware that the Termination was material information, necessary for the Board and the audit committee to examine and approve the Company's consolidated financial statements and for the auditors to audit them.

Mr Li merely forwarded the auditors' enquiries to Mr Yu who, at that time, had not provided any substantive response to Mr Li's earlier message concerning the Termination.

Further, when preparing the Company's consolidated financial statements for the financial year ended 31 December 2023, Mr Li continued to treat the terminated Leases as assets of the Group, without reflecting any impairment or making any additional disclosures, and caused or allowed the Company to publish its annual results and report for that year (**2023 Annual Results and Report**) without taking any account of the impact of the Termination. Despite his knowledge of the Termination, he did not take any substantive action to ascertain the status of the Leases, and failed to alert the Board, the audit committee or the auditors to the Termination when they examined or audited the financial statements.

In August 2024, the Board became aware of the Termination and published an announcement on 27 September 2024 restating the annual results for the financial year ended 31 December 2023 (Note 2). The announcement disclosed that the Company's failure to exclude the terminated Leases from its balance sheets had resulted in an overstatement of the Group's total assets as at

31 December 2023 by 58.1%. The 2023 Annual Results and Report were therefore materially inaccurate, incomplete and misleading.

EXCHANGE'S FINDINGS

At the material time, Mr Li, as the company secretary and chief financial officer of the Company, was a member of the senior management of the Company (Note 3).

As the company secretary of the Company, Mr Li was expected to (i) have day-to-day knowledge of the Company's affairs; (ii) ensure good information flow within the Board; (iii) ensure that all directors had access to his advice and services so that Board procedures, and all applicable law, rules and regulations, were followed; and (iv) advise the Board on governance matters (Notes 4 to 6). As a member of the Company's senior management, he was also expected to provide sufficient explanation and information to the Board to enable it to make an informed assessment of financial and other information put before it for approval (Note 7).

As the chief financial officer of the Company, Mr Li was responsible for the Group's overall financial management and reporting, including (i) preparing the Group's financial statements; (ii) reporting and sending relevant information and documents to the Board in a timely manner; and (iii) ensuring that the Company's financial statements were accurate and complete in all material respects and not misleading.

Mr Li failed to discharge his duties and responsibilities. In particular, after becoming aware of the Termination, he failed to escalate the matter to the Board, the audit committee or the auditors in a timely manner or at all. In addition, in preparing the Company's financial statements, he continued to treat the Leases as unimpaired assets of the Group, without taking any substantive action to ascertain the status of the Leases or alerting the Board, the audit committee or the auditors about the Termination.

The Exchange found that Mr Li is liable under Rule 2A.10B(3) for causing, by action and/or omission, the Company to publish financial statements which were materially inaccurate, incomplete and/or misleading, in breach of Rule 2.13(2) (Notes 8 and 9).

Mr Li was aware of the Termination from at least January 2024. Given his failure to take any substantive action to ascertain the status of the Leases between that time and the publication of the 2023 Annual Results and Report, he had no reasonable grounds to believe that the Termination was not a material adverse event or that it would not have a material adverse impact on the Company's financial statements. His forwarding to Mr Yu of the messages relating to the Termination and of the auditors' enquiries relating to the oil wells under the Leases was wholly

inadequate to discharge his duties and responsibilities, particularly given his knowledge that Mr Yu had been unresponsive in relation to those matters.

Mr Li's conduct amounted to a serious and blatant failure to discharge his duties and responsibilities as chief financial officer and company secretary of the Company. The Exchange considered that the occupying of the position of director or senior management of the Company or any of its subsidiaries by Mr Li may cause prejudice to the interests of investors.

CONCLUSION

The Exchange decided to impose the sanctions set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanctions apply only to Mr Li, and not to the Company or to any other past or present directors or member of senior management of the Company.

Hong Kong, 6 October 2026

NOTES:

1. The Prejudice to Investors' Interests Statement is a statement that, in the Exchange's opinion, the occupying of the position of director or senior management of the Company or any of its subsidiaries by Mr Li may cause prejudice to the interests of investors.
2. The Company also restated its annual results for the financial year ended 31 December 2022 and its interim results for the six months ended 30 June 2023. For details, please refer to the Company's announcement dated 27 September 2024.
3. Under Rule 2A.09(2)(c), senior management includes any person occupying the position of company secretary or chief financial officer.
4. Principle C.6 (Company Secretary) of the Corporate Governance Code (Appendix C1 to the Listing Rules) states that the company secretary plays an important role in supporting the board by ensuring good information flow within the board and is responsible for advising the board on governance matters.

5. Code Provision C.6.1 of the Corporate Governance Code (Appendix C1 to the Listing Rules) states that the company secretary should have day-to-day knowledge of the issuer's affairs.
6. Code provision C.6.4 of the Corporate Governance Code (Appendix C1 to the Listing Rules) states that all directors of an issuer should have access to the advice and services of the company secretary to ensure that board procedures, and all applicable law, rules and regulations, are followed.
7. Code provision D.1.1 of the Corporate Governance Code (Appendix C1 to the Listing Rules) states that management should provide sufficient explanation and information to the board to enable it to make an informed assessment of financial and other information put before it for approval.
8. The Listing Committee found that the Company breached Rule 2.13(2) by publishing the 2023 Annual Results and Report, which were materially inaccurate, incomplete and/or misleading.
9. Rule 2A.10B(3) provided that the Exchange may impose sanctions on any of the parties referred to in Rule 2A.09 if it finds that the party has caused by action or omission or knowingly participated in a contravention of the Listing Rules.