

Disclosure of information on supervisory measure imposed on qualifying holder of 16 March 2022

Information on person responsible for breach	
Business name and registered office of legal person	Kylin Prime Group AG, Alpenstrasse 13, 6300 Zug, Switzerland
Information on breach	
Description of circumstances and conduct entailing breach of ZBan-3 or Regulation (EU) No 575/2013	On the deadline date set by the order to dispose of shares, and also on the date of issue of the decision, Kylin Prime Group AG (hereinafter: Kylin) was the holder of 56,320 LONR shares, equivalent to 33.56% of the savings bank's capital and voting rights.
Nature of identified breaches	As an ineligible holder Kylin failed to dispose of its shares by the deadline of 16 December 2019 set by the order to dispose of shares, thereby maintaining its unlawful status as an ineligible holder of a qualifying holding (i.e. without the relevant authorisation).
Operational part of the decision by which the relevant proceedings are completed	
<p>1. In a supervisory procedure Banka Slovenije established that:</p> <ul style="list-style-type: none"> - Kylin Prime Group AG, of Alpenstrasse 13, 6300 Zug, Switzerland, registration number: CHE-305.651.502 (hereinafter: Kylin), together with FIN-NEP inženiring d.o.o., of Barjanska cesta 50, 1000 Ljubljana, Slovenia, registration number: 2363666000 (hereinafter: FIN-NEP) and Capstone Global Solutions Limited, of Room D, 10/F, Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong (hereinafter: Capstone), were joint holders of 78,820 LONR shares as at 15 March 2022, equivalent to a 46.96% holding in the savings bank's capital and voting rights, as follows: <ul style="list-style-type: none"> o Kylin was the holder of 56,320 LONR shares, equivalent to a 33.56% holding in the savings bank's capital and voting rights, o FIN-NEP was the holder of 11,500 LONR shares in its own name and for the account of Kylin, equivalent to a 6.85% holding in the savings bank's capital and voting rights, o Capstone was the holder of 11,000 LONR shares in its own name and for the account of Kylin, equivalent to a 6.55% holding in the savings bank's capital and voting rights; - Kylin had not obtained an authorisation for a qualifying holding, and is therefore an ineligible holder in accordance with Article 80 of the ZBan-3; - Kylin and seven other entities, including FIN-NEP, were issued with the <i>Order to dispose of shares</i> number 0.05.0.7-12/2019-42 referenced PBH-24.50-004/19-01 of 29 May 2019 (hereinafter: the order) and the <i>Decision on an objection</i> number 0.05.0.7-12/2019-86 referenced PBH-24.50-004/19-02 of 5 August 2019 (hereinafter: the decision on an objection), in accordance with which Kylin was required within a period of four months ending 16 December 2019 to dispose of its (ordinary) shares in Hranilnica Lon d.d., Kranj, of Žanova ulica 3, Kranj, registration number: 5624908000 (hereinafter: the savings bank), with the ISIN code SI0021110323 and the ticker symbol LONR (hereinafter: LONR shares), such that its total share of voting rights and total holding of shares would be reduced below 10% of the share capital; - Kylin failed to dispose of the LONR shares by the deadline of 16 December 2019 set by the order, for which reason Kylin was issued with the <i>Decision prohibiting the exercise of all rights attached to shares</i> number 0.05.0.7-13/2020-31 referenced PBH-24.50-004/19-005 of 25 March 2020, by virtue of which Banka Slovenije prohibited it from exercising all rights attached to 	

LONR shares other than the rights attached to the 11,575 LONR shares that do not exceed the qualifying holding;

- Kylin together with FIN-NEP and Capstone was issued with the *Order to dispose of shares* number 0.05.0.7-2/2021-27 referenced PBH-24.50-001/21-001 of 17 March 2021 (hereinafter: the second order) and the *Decision on an objection* number 0.05.0.7-2/2021-128 referenced PBH-24.50-001/21-002 of 14 July 2021 (hereinafter: the second decision on an objection), in accordance with which Capstone was required within a period of four months of the service of the order to dispose of its LONR shares such that the total share of voting rights and total holding of LONR shares would be reduced below 10% of the share capital.

2. As an ineligible holder Kylin failed to dispose of its LONR shares by the deadline set by the order, for which reason Banka Slovenije ordered it pursuant to the first paragraph of Article 299 of the ZBan-3 to make periodic cash payments in the amount of EUR 700 for every day from the service of the decision on periodic cash payment until the disposal of the shares in accordance with the order, up to a maximum periodic cash payment of EUR 3,000,000.
3. Kylin was required to make the first daily cash payments on 10 May 2022, and then its payments for the previous month by the tenth of each month. The cash sums are paid into Banka Slovenije account number 0100 0000 0100 090, reference SI05 311200010.
4. In accordance with Article 310 of the ZBan-3, the following information in connection with this supervisory measure shall be published on the Banka Slovenije website after these proceedings have been completed:
 1. information on the person responsible for the breach:
 - the business name and registered office of the legal person, or
 - the name of the natural person;
 2. information on the breach:
 - a description of the circumstances and conduct constituting the breach,
 - the nature of the identified breaches;
 3. the operational part of the decision by which the relevant proceedings are completed; and
 4. information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-3.

Information as to whether judicial review proceedings have been initiated against the decision in accordance with the ZBan-3

Kylin has initiated judicial review proceedings against the decision on periodic cash payment. The Administrative Court of the Republic of Slovenia decided on 26 January 2023 to refuse the lawsuit contesting the decision.