

Disclosure of information on sanction imposed on legal person and responsible person
Misdemeanour decision against legal person and responsible person

Information on person responsible for breach	
Business name and registered office of legal person	Kylin Prime Group AG, Alpenstrasse 13, 6300 Zug, Switzerland
Name of natural persons	Kai Dai
Information on breach	
Description of circumstances and conduct entailing breach of ZPPDFT-1	By virtue of a misdemeanour decision, Banka Slovenije has imposed sanctions (fines) due to a misdemeanour – failure to obtain authorisation for a qualifying holding in a credit institution.
Nature of identified breaches	Acquisition and ownership of a qualifying holding in a credit institution without the requisite authorisation.
Operational part of the decision by which the relevant proceedings are completed	
<p>As the misdemeanours authority pursuant to Article 380 of the Banking Act,¹ pursuant to the second paragraph of Article 51 of the Misdemeanours Act² and Article 46 of the ZP-1, via the authorised official ■, acting <i>ex officio</i> in misdemeanours proceedings against the legal person Kylin Prime Group AG, with its registered office in Switzerland, and against the responsible person Kai Dai, both of whom are represented by ■, for reason of misdemeanours under point 1 of the fifth paragraph of Article 375 of the ZBan-2 and the sixth paragraph of Article 375 of the ZBan-2 and in connection with point 1 of the fifth paragraph of Article 375 of the ZBan-2, Banka Slovenije hereby:</p> <p style="text-align: center;">rules that:</p> <p>1. The legal entity Kylin Prime Group AG, Rigistrasse 2, 6300 Zug, Switzerland, ■ (hereinafter: the undertaking or the person responsible for the breach):</p> <p style="text-align: center;">bears liability for the following:</p> <p>the undertaking's responsible person, Kai Dai, as general director, acting on behalf of and for the account of the undertaking and responsible for representing and managing the undertaking, including responsibility for taking decisions on legal transactions in shares in Hranilnica LON d.d., Kranj (hereinafter: the savings bank), in Ljubljana,</p> <p>did not ensure that the undertaking obtained authorisation for a qualifying holding in the savings bank, as set out in the first paragraph of Article 70 of the ZBan-2, prior to the purchase of ordinary registered shares with the ticker symbol LONR,³ i.e. prior to 28 November 2018, although on that day it was the holder of:</p> <p style="text-align: center;">- 11,502 LONR shares or 9.93% of the capital and voting rights of the savings bank, on its</p>	

¹ Banking Act (Official Gazette of the Republic of Slovenia, Nos. 25/15, 44/16 [ZRPPB], 77/16 [ZCKR], 41/17, 77/18 [ZTFI-1], 22/19 [ZIUDSOL] and 44/19 [Constitutional Court Decision]), hereinafter: ZBan-2.

² Misdemeanours Act (Official Gazette of the Republic of Slovenia, Nos. 29/11 [official consolidated version], 21/13, 111/13, 74/14 [Constitutional Court decision], 92/14 [Constitutional Court decision], 32/16, 15/17 and 73/19 [Constitutional Court decision]; hereinafter: the ZP-1).

³ Ordinary registered shares of Hranilnica Lon d. d., with the ticker symbol LONR and ISIN code SI0021110323 (hereinafter: LONR shares).

own behalf and for its own account,

- 11,500 LONR shares, which represents 9.93%⁴ of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
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- 1,505 LONR shares, which represents 1.3% of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
- 11,500 LONR shares, which represents 9.93% of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
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whereby ownership of the shares by the entities referred to in indents 2 to 8 for the account of the undertaking derives from the fact that those entities acquired LONR shares in the same or essentially same manner and at price that was considerably higher than the average price of LONR shares in that period, the majority without sufficient funds for the payment of consideration, and without being previous shareholders of the savings bank or trading in shares. In their explanation regarding the acquisition of LONR shares, they stated reasons that contradict the actual situation.

Thus, taking into account points 1 and 8 of the second paragraph in connection with the fourth paragraph of Article 62 of the ZBan-2, the undertaking was the owner of a qualifying holding in the savings bank equal to 70.78% of the capital and voting rights of the savings bank, which would require the prior acquisition of authorisation for a qualifying holding, as set out in the first paragraph of Article 70 of the ZBan-2, by which the undertaking breached the first paragraph of Article 60 in connection with the first paragraph of Article 70 of the ZBan-2.

The undertaking thus committed a misdemeanour pursuant to point 1 of the fifth paragraph of Article 375 of the ZBan-2.

2. The responsible person Kai Dai, ■, ■, ■ (hereinafter: the responsible person):

bears liability for the following:

as general director, acting on behalf of and for the account of the undertaking and responsible for representing and managing the undertaking, including responsibility for taking decisions on legal transactions in shares in Hranilnica LON d. d., Kranj (hereinafter: the savings bank), in Ljubljana,

did not ensure that the undertaking obtained authorisation for a qualifying holding in the

⁴ 11,500 LONR shares represents 9.926% of the capital and voting rights of the savings bank. Holdings are rounded to two decimal places, meaning that the holding represented by 11,502 shares is equal to the holding represented by 11,500 shares.

savings bank, as set out in the first paragraph of Article 70 of the ZBan-2, prior to the purchase of ordinary registered shares with the ticker symbol LONR, i.e. prior to 28 November 2018, although on that day it was the holder of:

- 11,502 LONR shares or 9.93% of the capital and voting rights of the savings bank, on its own behalf and for its own account,
- 11,500 LONR shares, which represents 9.93% of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
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- 1,505 LONR shares, which represents 1.3% of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
- 11,500 LONR shares, which represents 9.93% of the capital and voting rights of the savings bank, and whose direct holder was ■, on its own behalf and for its own account,
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whereby ownership of the shares by the entities referred to in indents 2 to 8 for the account of the undertaking derives from the fact that those entities acquired LONR shares in the same or essentially same manner and at price that was considerably higher than the average price of LONR shares in that period, the majority without sufficient funds for the payment of consideration, and without being previous shareholders of the savings bank or trading in shares. In their explanation regarding the acquisition of LONR shares, they stated reasons that contradict the actual situation.

Thus, taking into account points 1 and 8 of the second paragraph in connection with the fourth paragraph of Article 62 of the ZBan-2, the undertaking was the owner of a qualifying holding in the savings bank equal to 70.78% of the capital and voting rights of the savings bank, which would require the prior acquisition of authorisation for a qualifying holding, as set out in the first paragraph of Article 70 of the ZBan-2, by which the undertaking breached the first paragraph of Article 60 in connection with the first paragraph of Article 70 of the ZBan-2.

The responsible person thus committed a misdemeanour under the sixth paragraph of Article 375 of the ZBan-2 in connection with point 1 of the fifth paragraph of Article 375 of the ZBan-2.

3. The following is **hereby imposed** in accordance with the fifth and sixth paragraphs of Article 375 of the ZBan-2 and Article 382 of the ZBan-2 in connection with Article 17 of the ZP-1:

- **on the undertaking for the misdemeanour referred to in point 1 of this decision, a fine in the amount of EUR 160,000.00,**
- **on Kai Dai for the misdemeanour referred to in point 2 of this decision, a fine in the amount of EUR 5,000.00.**

Information as to whether judicial review proceedings have been initiated against the decision.

Judicial protection proceedings were initiated against the decision. The decision is nevertheless final.