

## STATEMENT OF DISCIPLINARY ACTION

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Exchange's Disciplinary Action against a Former Director of China Fortune Holdings Limited (Stock Code: 110)

### SANCTIONS

The Listing Committee of the Exchange (**Listing Committee**):

**CENSURES Mr Luo Xi Zhi Peter (Mr Luo)**, former executive director (**ED**) of China Fortune Holdings Limited (stock code: 110) (**Company**);

**AND STATES THAT** in the Exchange's opinion, by reason of his failure to discharge his responsibilities under the Listing Rules, had Mr Luo remained on the board of directors of the Company, his retention of office would have been prejudicial to the interests of investors.

### SUMMARY OF FACTS

Mr Luo was an ED of the Company from 12 September 2002 to 17 April 2018. He was subject to the Undertaking with regard to Directors (**Undertaking**) in the terms of Part 2 of Appendix 5B to the Listing Rules.

The Undertaking provides that, among other things, he shall: (i) cooperate in any investigation conducted by the Listing Division (**Division**) and/or the Listing Committee, (ii) promptly and openly answer any questions addressed to him, and (iii) provide his up-to-date contact details to the Exchange for a period of three years from the date on which he ceases to be a director of the Company.

The Division sought to conduct an investigation into, among other things, whether Mr Luo had breached the Listing Rules (**Investigation**). An investigation letter and a reminder were sent to his address last known to the Exchange. They were deemed validly and adequately served on Mr Luo pursuant to his Undertaking. Despite the attempts of the Division to reach Mr Luo, he failed to respond to the enquiries.

**LISTING COMMITTEE'S FINDINGS OF BREACH**

The Listing Committee found as follows:

- (1) Mr Luo breached his Undertaking by failing to cooperate in the Investigation. This constituted a breach of the Listing Rules.
- (2) Mr Luo's breach of his Undertaking obstructed the proper discharge of the Exchange's function to maintain and regulate an orderly market. This was serious, and his conduct demonstrated his wilful and/or persistent failure to discharge his responsibilities under the Listing Rules.

**CONCLUSION**

The Listing Committee 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 Luo, and not to any other past or present members of the board of directors of the Company.

Hong Kong, 16 November 2021