

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

An intention by a former director not to act as a director in the future does not absolve him/her from compliance with the Committee's direction. Parties subject to the disciplinary jurisdiction of the Listing Committee must comply with the directions imposed by the Committee. This case involves a director's failure to attend training as directed by the Committee, despite having received several reminders.

The Exchange views an intentional breach of a direction made by the Committee in a serious light and will, where appropriate, make a direction that such an individual is not suitable to be a director of an issuer listed, or to be listed, on the Exchange.

The Listing Committee of The Stock Exchange of Hong Kong Limited ("Listing Committee")

CENSURES:

Mr Zhang Yun ("Mr Zhang"), former executive director of **Kiu Hung International Holdings Limited ("Company")** (Stock Code: 381)

for failure to comply with a direction ("**Direction**") made by the Committee to attend 18 hours of training on compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Exchange Listing Rules**") and director's duties (including four hours of training on financial reporting obligations) ("**Training**") within 90 days from the publication of the news release dated 12 June 2019 ("**News Release**").

FURTHER

In the Exchange's opinion, Mr Zhang does not satisfy the suitability requirements under Exchange Listing Rule 3.09 to act as a director of any issuer listed, or to be listed, on the Exchange.

For the avoidance of doubt, the Exchange confirms that the sanctions in this news release apply only to Mr Zhang, and not to any other past or present members of the board of directors of the Company.

HEARING

On 24 March 2020, the Committee conducted a hearing into the conduct of Mr Zhang in relation to his breach of the Direction. Mr. Zhang did not file any written submission to the Committee or attend the hearing.

.../2

FACTS

As a result of the disciplinary proceedings commenced by the Listing Division against the Company and nine of its then current and former directors, including Mr Zhang, the News Release was published on 12 June 2019. Mr Zhang was directed by the Committee to complete the Training. Mr Zhang retired as executive director of the Company with effect from 28 June 2019. On 16 August 2019, the Company informed the Listing Division that Mr Zhang had not attended any Training arranged by the Company. Despite the prospect of further disciplinary action, Mr Zhang continued to refuse to comply with the Direction without any valid reason.

COMMITTEE'S FINDINGS OF BREACH

The Committee considered the written and oral submissions of the Listing Division and concluded that Mr Zhang has failed to comply with the Direction.

The Committee agreed with the submissions of the Listing Division and concluded that Mr Zhang's refusal to undertake the Training indicated a blatant disregard for the Direction, and demonstrated that Mr Zhang did not have the character or integrity to perform the duties of a director of a listed issuer, in breach of the suitability requirements under Exchange Listing Rule 3.09. The Committee was therefore of the view that Mr Zhang did not fulfil the requirements under Exchange Listing Rule 3.09 and was thus unsuitable to act as a director of any issuer listed, or to be listed, on the Exchange.

REGULATORY CONCERN

The Committee regards Mr Zhang's failure to comply with the Direction as intentional and a clear regulatory message must be conveyed to the market that such conduct will not be tolerated and that there are severe consequences following such a breach.

SANCTIONS

Having made the findings of breach stated above, and having concluded that the breach is serious, the Committee:

- (1) censures Mr Zhang for his failure to comply with the Direction; and
- (2) makes a statement that, in the Exchange's opinion, Mr Zhang does not satisfy the suitability requirements under Exchange Listing Rule 3.09 to act as a director of any issuer listed, or to be listed, on the Exchange.

Hong Kong, 12 May 2020