

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)

Directors play an important role in overseeing an issuer’s business and affairs. When it comes to investigation into possible breaches of the Exchange Listing Rules, the Exchange relies on the terms of the Director’s Undertaking that the director shall cooperate with its investigation and provide prompt, accurate and complete information requested by the Exchange.

The Director’s Undertaking also provides that the director shall provide his up-to-date contact address to the Exchange for a period of three years from the date on which he ceases to be a director of the issuer, failing which any documents/notices sent by the Exchange shall be deemed to have been served on him at the last known address on the Exchange’s records.

The ability to conduct effective investigation is an important tool of the Exchange to discharge its function to maintain and regulate an orderly market. As a consequence of his failure to cooperate with the Exchange’s investigation, the director may be subject to disciplinary action and a finding of breach will have an impact on his suitability if he wishes to become a director of an issuer listed on the Exchange in the future.

The Listing Committee of The Stock Exchange of Hong Kong Limited (the “Listing Committee”)

CENSURES:

Ms Zhou Bao Ying (“Ms Zhou”), former executive director of Huarong International Financial Holdings Limited (stock code: 993) (the “**Company**”) for breaching her obligations to cooperate with the Exchange’s investigation under the Declaration and Undertaking with regard to Directors (the “**Director’s Undertaking**”) given to The Stock Exchange of Hong Kong Limited (the “**Exchange**”) in the form set out in Appendix 5B to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Exchange Listing Rules**”);

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AND STATES THAT:

Ms Zhou's conduct in this matter will be taken into account in assessing her suitability under Rule 3.09 of the Exchange Listing Rules in the event that she should wish to become a director of an issuer listed on the Exchange in the future.

For the avoidance of doubt, the Exchange confirms that the above sanction applies only to Ms Zhou and not to any other past or present members of the board of directors of the Company.

On 8 May 2018, the Listing Committee conducted a hearing into the conduct of Ms Zhou in relation to her obligations under the Director's Undertaking.

FACTS

Ms Zhou was an executive director of the Company from 22 July 2013 to 2 September 2015.

Ms Zhou has given a written Director's Undertaking to the Exchange which includes, among other matters:

- (1) an undertaking to cooperate with any investigation conducted by the Listing Department (the "**Department**") and/or the Listing Committee;
- (2) she shall answer any questions addressed to him promptly and openly; and
- (3) an undertaking to provide her up-to-date contact address to the Exchange for a period of three years from the date on which she ceases to be directors of the Company, failing which any documents/notices sent by the Exchange shall be deemed to have been served on her (the "**Deemed Service Provision**").

The Exchange sought to conduct an investigation into whether Ms Zhou had breached the Exchange Listing Rules. The Department sent enquiry letters to Ms Zhou for the purpose of such investigation. All the letters sent to Ms Zhou have not been returned. In any event, Ms Zhou was deemed, pursuant to the Deemed Service Provision, to have received the letters and notices sent by the Department.

Ms Zhou did not respond to the initial enquiries made by the Department despite repeated reminders. The Department was eventually able to contact Ms Zhou by telephone, where (i) she was informed of the Department's correspondence; (ii) her contact details were confirmed; and (iii) she confirmed that she had previously received some correspondence from the Department. The Department sent further correspondence to Ms Zhou but did not receive any reply.

Prior to the hearing, the Department had further telephone conversations with Ms Zhou where she confirmed that she had received the Department's correspondence and was informed about the hearing date. Despite informing the Department that she would respond to the Department's correspondence, no such reply was received. Ms Zhou further failed to attend the hearing without providing any explanation. The Department considered that Ms Zhou had intentionally refused to cooperate with the Department's investigation.

LISTING COMMITTEE'S FINDINGS OF BREACH

The Listing Committee considered the written and oral submissions of the Department, and concluded that Ms Zhou's conduct constituted a breach of her Director's Undertaking by failing to cooperate with the Department's investigation. Pursuant to the Director's Undertaking, such failure constituted a breach of the Exchange Listing Rules.

The Listing Committee considered Ms Zhou's breach serious, as the ability to conduct effective investigation was essential to enable the Exchange to discharge its function to maintain and regulate an orderly market. Ms Zhou's failure to respond to the Department's enquiries frustrated the Department's investigation and assessment of the relevant issues involving Ms Zhou's conduct and her compliance with the Exchange Listing Rules. Ms Zhou's failure and/or refusal to respond in this case, despite having received the Department's correspondence and having been verbally informed of the existence and content of the correspondence, was unacceptable.

SANCTIONS

Having made the findings of breach as stated above, and having concluded that the breach was serious, the Listing Committee decided to censure Ms Zhou for her breach of the Director's Undertaking for failing to cooperate with the Exchange's investigation.

Ms Zhou's conduct in this matter will be taken into account in assessing her suitability under Rule 3.09 of the Exchange Listing Rules in the event that she should wish to become a director of an issuer listed on the Exchange in the future.

Hong Kong, 14 June 2018