

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against Hosa International Limited (delisted, previous Stock Code: 2200) and five of its directors (at the date of delisting)

SANCTIONS

The Listing Committee of the Exchange ("Listing Committee")

CENSURES:

- (1) **Hosa International Limited** (delisted, previous Stock Code: 2200) ("**Company**");

AND CENSURES:

- (2) **Mr Shi Hong Liu**, executive director ("**ED**") and Chairman of the Company at the date of delisting;
- (3) **Mr Shi Hong Yan**, ED and Chief executive officer of the Company at the date of delisting;
- (4) **Mr Shi Zhi Xiong**, ED of the Company at the date of delisting;
- (5) **Mr Yao Ge**, former independent non-executive director ("**INED**") of the Company; and
- (6) **Mr He Wen Yi**, former INED of the Company.

(The directors identified at (2) to (6) above are collectively referred to as "**Relevant Directors**".)

AND STATES in the Exchange's opinion, by reason of Mr Shi Hong Liu, Mr Shi Hong Yan and Mr Shi Zhi Xiong's respective wilful and/or persistent failure to discharge their responsibilities under the Listing Rules, had any of them remained on the board of directors of the Company, their retention of office would have been prejudicial to the interests of investors.

.../2

SUMMARY OF FACTS

Between January 2019 and May 2020, the Listing Division (“**Division**”) requested the Company to provide information for verification of the Company’s compliance with the Listing Rules. The Company failed to provide any timely and/or substantive responses to the Division’s enquiries.

In April 2020, after the Company was delisted, the Division made direct enquiries with each of the five Relevant Directors in relation to their discharge of duties, to which only the two former INEDs, Mr He Wen Yi and Mr Yao Ge, responded.

LISTING RULE REQUIREMENTS

Rule 2.12A requires the Company to provide to the Exchange as soon as possible, or otherwise in accordance with the time limits imposed by the Exchange, (i) any information that the Exchange reasonably considers appropriate to protect investors or ensure the smooth operation of the market; and (ii) any other information or explanation that the Exchange may reasonably require for the purpose of investigating a suspected breach of or verifying compliance with the Listing Rules.

The Relevant Directors are collectively and individually responsible for the Company’s compliance with the Listing Rules.

Pursuant to the Declaration and Undertaking with regard to Directors (“**Director’s Undertaking**”) in the form set out in Appendix 5B to the Listing Rules, each of the Relevant Directors is required to (i) use his best endeavours to procure the Company’s compliance with the Listing Rules; and (ii) cooperate in any investigation conducted by the Division, including answering promptly and openly any questions addressed to him and promptly producing the originals or copies of any relevant documents.

LISTING COMMITTEE’S FINDINGS OF BREACH

The Listing Committee found as follows:

- (1) The Company breached Rule 2.12A;
- (2) The Relevant Directors were in breach of their Directors’ Undertakings to use their best endeavours to procure the Company’s compliance with Rule 2.12A by failing to take adequate steps to ensure that the Company responded to the Division’s enquiries in a timely and substantive manner; and

- (3) Mr Shi Hong Liu, Mr Shi Hong Yan and Mr Shi Zhi Xiong breached their Directors' Undertakings to cooperate with the Division's investigation. A breach of the Director's Undertaking constitutes a breach of the Listing Rules. Their breaches were serious and their conduct shows their wilful and/or persistent failure to discharge their 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 the Company, Mr Shi Hong Liu, Mr Shi Hong Yan, Mr Shi Zhi Xiong, Mr He Wen Yi and Mr Yao Ge, and not to any other past members of the board of directors of the Company.

Hong Kong, 1 February 2021