

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against Four Current and Former Directors of National Investments Fund Limited (Delisted) (Previous Stock Code: 1227)

SANCTIONS

The Stock Exchange of Hong Kong Limited (**Exchange**)

IMPOSES A DIRECTOR UNSUITABILITY STATEMENT against:

- (1) **Mr Huang Hu (Mr Huang)**, non-executive director of (**NED**) of National Investments Fund Limited (Delisted) (Previous Stock Code: 1227) (**Company**) at the time of delisting;
- (2) **Mr Liao Kai (Mr Liao)**, independent non-executive director of (**INED**) of the Company at the time of delisting;
- (3) **Ms Wu Xiao Xia (Ms Wu)**, former INED of the Company; and
- (4) **Mr Liu Jin (Mr Liu)**, former INED of the Company.

(The directors identified at (1) to (4) above are collectively referred to as the **Relevant Directors**).

The statements made in respect of the Relevant Directors above are made in addition to a public censure against them. The Director Unsuitability Statement is a public statement that, in the Exchange's opinion, each of the Relevant Directors is unsuitable to occupy a position as director or within senior management of the Company or any of its subsidiaries.

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SUMMARY OF FACTS

Each of the Relevant Directors has provided to the Exchange a Declaration and Undertaking with regard to Directors (**Undertaking**) in the form set out in Appendix 5B to the Listing Rules.

The Undertaking provides, among other things, that they 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 them; and (iii) provide their up-to-date contact details to the Exchange for a period of three years from the date on which they cease to be a director of the Company, failing which any documents/notices sent by the Exchange shall be deemed to have been served on them.

The Division sought to conduct an investigation into, amongst other things, whether the Relevant Directors had breached the Listing Rules in respect of events which took place in 2019 and 2020. For the purpose of the investigation, the Division sent investigation letters and reminder letters to each of the Relevant Directors, and also spoke to each of the Relevant Directors via telephone to inform them about the investigation. However, the Relevant Directors did not respond to the Division's enquiries.

Mr Liao and Ms Wu finally contacted the Exchange after disciplinary proceedings had commenced. Various explanations for the failure to cooperate were advanced including: (i) not regularly using or checking emails; (ii) forgetting to update the correspondence address notified to the Exchange; (iii) as liquidators had been appointed, they were no longer involved with the Company, and they believed it was not necessary to respond to the Exchange's enquiries; and (iv) as INEDs of the Company, they had no knowledge of the matters under investigation.

LISTING COMMITTEE'S FINDINGS OF BREACH

The Listing Committee found as follows:

- (1) The Relevant Directors breached their Undertakings by failing to cooperate with the Division in the investigation, which constituted a breach of the Listing Rules. Further, Mr Liu's obligation to provide information reasonably requested by the Exchange did not lapse after he ceased to be a director of the Company.
- (2) The Relevant Directors' breaches of their Undertakings to cooperate with the Exchange represented a serious and/or repeated failure to discharge their responsibilities under the Listing Rules.

- (3) Directors are required to respond to enquiries from the Division even if they consider that they have limited knowledge of the matters under investigation. A director's obligation to cooperate with the Division's investigation does not cease after liquidators are appointed. Directors are reminded that it is their responsibility to ensure they are contactable at addresses and/or email addresses provided to the Exchange.

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 Relevant Directors, and not to the Company, or any other past or present members of the board of directors of the Company.

Hong Kong, 26 September 2022