

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against a Current Director of Tenfu (Cayman) Holdings Company Limited (Stock Code: 6868)

SANCTIONS AND DIRECTION

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

CRITICISES:

Mr Tseng Ming-Sung (Mr Tseng), non-executive director of Tenfu (Cayman) Holdings Company Limited (**Company**);

AND FURTHER DIRECTS:

15 hours of training on regulatory and legal topics and Listing Rule compliance, including at least three hours on each of (a) directors' duties and (b) the Corporate Governance Code, within 90 days, for Mr Tseng.

SUMMARY OF FACTS

In December 2023, Mr Tseng was authorised to purchase the Company's shares on behalf of the Company pursuant to its share repurchase scheme. At the same time, Mr Tseng also agreed with two substantial shareholders of the Company that he would purchase the Company's shares on their behalf.

Mr Tseng executed purchase orders in respect of 2,381,000 shares of the Company between 1 and 29 December 2023. Some purchases were part of the Company's share repurchase scheme and some purchases were on behalf of the substantial shareholders. The trades represented 25 per cent to 100 per cent of the daily turnover of the Company's shares in this period.

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By undertaking these dual roles, and entering into the transactions, Mr Tseng was in a position of conflict. Mr Tseng admitted that he did not inform the Company about his dual roles, and took no other steps to manage this conflict of duty.

Mr Tseng submitted that he received no benefit from the substantial shareholders. However, whether or not there was personal benefit was irrelevant: he should have taken steps to avoid or properly manage the conflict.

After the Exchange contacted Mr Tseng regarding this issue, Mr Tseng took remedial action by disclosing his dual roles to the Company and ceasing to conduct any trades on behalf of the substantial shareholders.

RULE REQUIREMENTS

Rule 3.08 provides that directors must fulfil both fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. In particular, directors must avoid actual and potential conflicts of interest and duty.

SETTLEMENT

Mr Tseng has admitted his breach and agreed to accept the sanction and direction as set out in this statement.

LISTING COMMITTEE'S FINDING OF BREACH

The Listing Committee found that Mr Tseng breached Rule 3.08 by failing to take any steps to avoid, manage or disclose to the Company the conflict arising from his agreement to purchase the Company's shares on behalf of its substantial shareholders.

CONCLUSION

The Listing Committee decided to impose the sanction and direction set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanction and direction apply only to Mr Tseng, and not to the Company or any other past or present directors of the Company.