

## STATEMENT OF DISCIPLINARY ACTION

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Exchange's Disciplinary Action against a Former Director of Regal Partners Holdings Limited (formerly known as Morris Home Holdings Limited) (Stock Code: 1575)

### SANCTIONS

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

**IMPOSES A PREJUDICE TO INVESTORS' INTERESTS STATEMENT** and **CENSURE** against **Mr Shen Zhidong (Mr Shen)**, former executive director (**ED**) of Regal Partners Holdings Limited (formerly known as Morris Home Holdings Limited) (Stock Code: 1575) (**Company**).

The Prejudice to Investors' Interests Statement is a statement that, in the Exchange's opinion, the occupying of the position of director or senior management of the Company or any of its subsidiaries by Mr Shen may cause prejudice to the interests of investors.

### SUMMARY OF FACTS

Mr Shen was a long-standing ED of the Company between 6 July 2017 and 9 November 2022. He was also a supervisor of the Company's principal subsidiary (**Fashion Home**) between 19 November 2015 and 25 August 2022.

During his tenure in October 2021, Fashion Home provided a guarantee for the benefit of a connected person of the Company. Despite his positions in the Company and Fashion Home, Mr Shen admitted that he did not attend any of Fashion Home's board or supervisory board meetings and he was not aware of the Company's operations.

### RULE REQUIREMENTS

Rule 3.08 provides that the Exchange expects directors, both collectively and individually, to fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. These duties include duties to apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the issuer. Rule 3.08 also highlights the importance of a director taking an active interest in the issuer's affairs.

**LISTING COMMITTEE'S FINDINGS OF BREACH**

Mr Shen admitted to the Division that he was not aware of the Company's operations. He did not monitor Fashion Home's operations and business decisions. He only received the Company's annual reports. He claimed that he performed his director's duties as assigned by the Company's board of directors, but he did not provide any further details or evidence.

As the Company's director appointed to oversee the affairs of Fashion Home, Mr Shen was expected, but he failed to:

- (a) take an active interest in the Company's and Fashion Home's affairs;
- (b) exercise due skill, care and diligence in conducting Fashion Home's business;
- (c) discharge his supervisory duties as a supervisor of Fashion Home; and
- (d) ensure the Company's board of directors was properly and timely apprised of Fashion Home's affairs.

Mr Shen therefore breached Rule 3.08. His conduct amounted to a grievous failure to discharge his 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 Mr Shen, and not to the Company or any other past or present directors of the Company.

Hong Kong, 9 January 2025