

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)

A director's compliance with his Undertaking to cooperate in the Exchange's investigation into possible Listing Rule breaches is of utmost importance in enabling the Exchange to discharge its function to maintain and regulate an orderly market. Directors who fail to cooperate with the Exchange's investigations without any reasonable grounds may be subject to disciplinary action, and such conduct will be taken into account in assessing their suitability to act as a director of any listed issuer and listing applicant in the future.

The Listing Committee of The Stock Exchange of Hong Kong Limited ("Listing Committee")

CENSURES:

Mr Zhang Jing Zhi ("Mr Zhang"), a former executive director ("**ED**") of Sound Global Limited (Stock Code: 967) ("**Company**") for breaching his obligations under the Declaration and Undertaking with regard to Directors ("**Undertaking**") given to The Stock Exchange of Hong Kong Limited ("**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 ("**Exchange Listing Rules**"); and

STATES THAT:

Mr Zhang's conduct in this matter will be taken into account in assessing his suitability under Rule 3.09 of the Exchange Listing Rules (and its equivalent of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited ("**GEM Listing Rules**")) in the event that he should wish to become a director of any issuer listed or to be listed on the Exchange in the future.

For the avoidance of doubt, the Exchange confirms that the above sanction applies only to Mr Zhang and not to the Company or any other past or present members of the board of directors of the Company. No adverse inference against the Company should be drawn from the fact that Mr Zhang is a former director of the Company.

On 8 March 2018, the Listing Committee conducted a hearing into the conduct of Mr Zhang in relation to his obligations under the Undertaking.

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BACKGROUND

Mr Zhang was an ED and the Chief Executive Officer of the Company from 4 March 2013 to 12 August 2016.

The Listing Department sought to conduct an investigation into whether Mr Zhang breached the Exchange Listing Rules ("**Investigation**").

The Listing Department sent an enquiry letter to Mr Zhang. As no response was received, the Listing Department sent a reminder to Mr Zhang. Both letters were sent to Mr Zhang at his last known address on the Listing Department's records. A staff member of the Listing Department called Mr Zhang a total of three times on his last known mobile phone number on the Listing Department's records, but has not been able to contact him. A follow-up letter was then issued to Mr Zhang. The address and mobile phone number of Mr Zhang were provided by Mr Zhang to the Exchange upon his resignation from directorship in the Company. The letters sent by ordinary post have not been returned undelivered. Mr Zhang did not cooperate at all in the Investigation.

UNDERTAKING

Mr Zhang has given a written Undertaking to the Exchange, amongst other things, to cooperate in investigations conducted by the Listing Department and/or the Listing Committee, including answering promptly and openly any questions addressed to him.

LISTING COMMITTEE'S FINDINGS OF BREACH

The Listing Department submitted that Mr Zhang (a) was taken to have received the Listing Department's letters by virtue of the deemed service provision in his Undertaking; (b) failed to respond to the Listing Department's enquiries without any reasonable grounds; and (c) therefore failed to comply with his Undertaking to cooperate in the Exchange's investigation.

The Listing Committee considered the written and oral submissions of the Listing Department, and concluded that Mr Zhang breached his Undertaking by failing to cooperate with the Listing Department in its enquiries.

REGULATORY CONCERN

A director's compliance with his Undertaking to cooperate in the Exchange's investigation into possible breaches of the Exchange Listing Rules is of utmost importance in enabling the Exchange to discharge its function to ensure, so far as reasonably practicable, an orderly, informed and fair market in securities that are traded on the Exchange. The Listing Committee regards Mr Zhang's breach in this matter serious, as it has adverse impact on the Listing Department's ability to conduct an efficient and thorough Investigation.

SANCTION

Having made the findings of breach stated above, and having concluded that the breach is serious, the Listing Committee decided to censure Mr Zhang for his breach of the Undertaking for failing to cooperate in the Exchange's investigation. The Listing Committee further stated that Mr Zhang's conduct in this matter will be taken into account in assessing his suitability under Rule 3.09 of the Exchange Listing Rules (and its equivalent under the GEM Listing Rules) in the event that he should wish to become a director of any issuer listed or to be listed on the Exchange in the future.

Hong Kong, 3 May 2018