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## **Kiu Hung International Holdings Limited**

**僑雄國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability and continued in Bermuda with limited liability)*

**(Stock Code: 00381)**

### **NON-COMPLIANCE WITH THE LISTING RULES**

#### **NON-COMPLIANCE WITH RULES 3.10, 3.21 AND 3.25 OF THE LISTING RULES**

Reference is made to the announcements of the Company dated 1 April 2019, 28 June 2019, 8 July 2019, 19 June 2023, 20 June 2023, 7 July 2023 and 3 August 2023 (the “Announcements”) in relation to amongst others, poll results of the annual general meeting and list of directors and their role and function.

The Company has, since 28 June 2019, not been in compliance with Rule 3.25 of the Listing Rules, which stipulates, amongst others, that an issuer must establish a remuneration committee chaired by an independent non-executive director.

The Company has, since 8 July 2019, following the resignation and appointment of several Directors, had four remuneration committee members but the position of chairman was sat by an executive director and was not comprised of a majority of independent non-executive Directors, which is not in compliance with the requirements under Rule 3.25 of the Listing Rules. Subsequently, the Company had taken practicable steps to identify suitable candidates to act as independent non-executive Director for the purpose of complying with the abovementioned Listing Rules requirements, including but not limited to, identifying and shortlisting several individuals as potential candidates to act as independent non-executive Director in accordance with the Company’s Director nomination policy.

## **REMEDIAL ACTIONS**

The Company deeply regrets its non-compliance with the Listing Rules as disclosed in this announcement, but it would like to stress that such non-compliances were inadvertent and the Company had no intention to withhold any information relating to the composition of the remuneration committee.

The following remedial actions has been taken by the Company to ensure compliance with Rules 3.10, 3.21 and 3.25 in the future:

1. Review the composition of the Board to ensure that it has a balance of skills, experience, and independence. The Company should consider the minimum requirement, qualifications and independence of each director and assess whether the board as a whole meets the requirements of Rules 3.10 and 3.21.
2. If necessary, appoint additional independent non-executive directors to the Board to achieve a balance of skills, experience, and independence. These individuals should be carefully vetted to ensure that they meet the requirements of Rules 3.10 and 3.21 and are independent of the Company and its management.
3. Review the composition of the remuneration committee to ensure that it has an appropriate balance of skills, experience, and independence. The committee should be composed of independent non-executive directors with expertise in matters related to remuneration.
4. Nominate an independent non-executive director as the chairman of the remuneration committee, in accordance with the requirements of rule 3.25.
5. Establish clear procedures and guidelines for the selection and appointment of Board members and committee members, to ensure that the Company complies with the requirements of rules 3.21 and 3.25 in the future.
6. Provide regular training and education to Board members and committee members on the requirements of the Listing Rules and the importance of good corporate governance.
7. Monitor compliance with the Listing Rules on an ongoing basis and take corrective action as needed to ensure that the Company continues to comply with the requirements of rules 3.21 and 3.25.

## **COMPLIANCE WITH THE LISTING RULES**

Pursuant to Rule 3.10 of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. Pursuant to Rule 3.21 of the Listing Rules, every listed issuer must establish an audit committee comprising non-executive directors only and the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the

Listing Rules. Pursuant to Rule 3.25 of the Listing Rules, an issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

Following the appointment of Ms. Wei,

- (i) the Board includes three independent non-executive Directors, representing one-third of the Board, and one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, which meet the requirement under Rule 3.10 and 3.10A of the Listing Rules;
- (ii) the Audit Committee is chaired by an independent non-executive Director and comprises three independent non-executive Directors, one of whom is an independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules, which meet the requirement under Rule 3.21 of the Listing Rules; and
- (iii) the Remuneration Committee is chaired by an independent non-executive Director and comprises three independent non-executive Directors which form a majority of independent non-executive Directors, and meets the requirement on 3 August 2023 under Rule 3.25 of the Listing Rules.

By order of the Board  
**Kiu Hung International Holdings Limited**  
**Zhang Qijun**  
*Chairman and Executive Director*

Hong Kong, 18 August 2023

*As at the date of this announcement, the Board comprises two executive Directors, Mr. Zhang Qijun and Mr. Liu Mingqing and three independent non-executive Directors, Ms. Wei Yu, Mr. Wang Xiao Ning and Ms. Chen Yuxin.*