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)

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against RMH Holdings Limited (Stock Code: 8437) and Six Former Directors

SANCTIONS AND DIRECTIONS

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

CENSURES:

(1) **RMH Holdings Limited** (**Company**);

IMPOSES:

A PREJUDICE TO INVESTORS' INTERESTS STATEMENT and **CENSURE** against:

(2) **Dr Loh Teck Hiong**, former executive director (**ED**), chairman and compliance officer of the Company (**Dr Loh**);

(3) **Mr He Weiqing**, former ED, chairman, chief executive officer and compliance officer of the Company (**Mr He**);

CENSURES:

(4) **Dr Seow Swee How**, former ED of the Company (**Dr Seow**);

(5) **Mr Yang Zhangxin**, former independent non-executive director (**INED**) and member of the Audit Committee of the Company (**Mr Yang**);

(6) **Mr Loke Wai Ming**, former INED and member of the Audit Committee of the Company (**Mr Loke**); and

(7) **Ms Wu Xiaoxia**, former INED and chair of the Audit Committee of the Company (**Ms Wu**).

(The directors identified at (2) to (7) above are collectively referred to as the **Relevant Directors**.)

AND FURTHER DIRECTS:

Each of the Relevant Directors (except Dr Loh and Mr He) to attend 15 hours of training on regulatory and legal topics and Listing Rule compliance, including (i) directors' duties; and (ii) the Corporate Governance Code.

HEARINGS

On 24 March 2026, the GEM Listing Committee conducted a hearing into the conduct of the Company and the Relevant Directors in relation to the obligations under the GEM Listing Rules (**GLR**).

On 23 July 2026, the GEM Listing Review Committee conducted a hearing of the review application of Dr Loh in respect of the sanctions imposed against him by the GEM Listing Committee.

SUMMARY OF FACTS

This disciplinary action arose from the following transactions or matters conducted by the Company in 2021 and 2022. During this relevant period, either Dr Loh or Mr He was the compliance officer of the Company (Note 7).

Securities Investment

In October 2021, the Company established an investment department to invest in listed securities, which was different from its principal business. It initially allocated approximately HK$5.7 million for securities investment.

The Company's board of directors (**Board**) appointed the director of one of its subsidiaries, Mr Wu Jie (**Mr Wu**), to be the Head of Investment. Mr Wu had little experience in securities investment. Other than simple guidelines (**Investment Guidelines**) which were only recorded in the Board minutes or resolutions and not communicated to the Head of Investment or the investment department, the Company had no internal controls to govern its securities investments. There was no agreement amongst the Board as to who would be responsible for monitoring and overseeing the securities investment.

In March 2022, the Board approved Mr He's proposal to allocate an additional HK$10 million for securities investment. Subsequently, in April 2022, Dr Loh authorised a change of the Company's investment account from a cash account to a margin account without the Board's approval or knowledge.

The Board did not exercise management oversight or monitor the securities investment. From the establishment of the investment department until at least March 2022, the Board was not provided with, and did not request, any updates on the securities investments or monthly statements of the securities account. It had no knowledge of the securities that the Company invested in, the amounts involved, the gains or losses, or that its securities investments had breached the Investment Guidelines, until the Company received a margin call in July 2022. The Company's investments in the securities of a listed company in March and May 2022 constituted a discloseable transaction, but the Company only announced such transactions in May 2024.

The Company eventually unwound all its securities investments and suffered a net loss of approximately HK$12.9 million out of the total investment amount of HK$15.7 million.

Rights Issue and Proceeds Deferral

In March 2022, the Company conducted a rights issue, which was under-subscribed. The underwriter procured five individual subscribers, one of whom was Mr Wu. As Mr Wu was a connected person of the Company, his subscription constituted a connected transaction.

Mr He, without the Board's approval or knowledge, allowed the five individual subscribers to defer payment of their subscription consideration totalling approximately HK$19.4 million (approximately 47.2% of the Company's net proceeds from the rights issue) to one month after completion of the rights issue (**Proceeds Deferral**). The Company did not obtain any collateral in respect of the Proceeds Deferral or charge any interest in the event of default, nor impose any restriction on the five individual subscribers' disposal of the shares before full payment.

On 18 and 21 March 2022, the Company published announcements of the results of the rights issue (**Rights Issue Announcements**). These announcements stated that all the subscribers were independent third parties, without disclosing Mr Wu's subscription or the Proceeds Deferral. Dr Loh and Mr He knew or should have known that Mr Wu was a subscriber. Mr He had knowledge of and was involved in the Proceeds Deferral. Despite their involvement and/or knowledge, they caused and/or allowed the Company to publish the Rights Issue Announcements. The Company did not announce that Mr Wu's subscription in the rights issue constituted a connected transaction until more than two years later.

None of the five individual subscribers paid their subscription consideration by the extended deadline. The Company only received all subscription consideration in September 2022.

Service Agreement

In May 2022, without the Board's approval or knowledge, Mr He procured a wholly-owned subsidiary of the Company to enter into a service agreement (**Service Agreement**) with Apple Tree International Holding Limited (**Apple Tree**). Apple Tree was a connected person of the Company as Mr Wu was its sole director and shareholder.

Under the Service Agreement, Apple Tree agreed to arrange financing for the Company and in return receive commission. The Company was required to make an upfront HK$3 million prepayment (**Prepayment**) upon signing of the Service Agreement to prove its sincerity. Mr He procured the Prepayment to Apple Tree without the Board's approval or knowledge, and before any services were delivered. The Service Agreement constituted a connected transaction which involved financial assistance in the form of the Prepayment.

The Company did not have any prior business dealings with Apple Tree. Mr He conducted minimal due diligence on Apple Tree, and relied primarily on Mr Wu's verbal representations. There was no assessment of risks or the financial capability of Apple Tree. Mr He did not take any steps to protect the Company's interests in the Prepayment, and to manage the potential conflict of interest or duty concerning Mr Wu.

The Service Agreement was terminated by mutual agreement as Apple Tree failed to arrange financing for the Company. However, Apple Tree failed to refund the Prepayment to the Company within three business days of the date of termination in accordance with the contract terms. The Company eventually received the full refund of the Prepayment eight months later with a small amount of interest.

Internal control deficiencies

There were material and persistent deficiencies in the Company's risk management and internal control systems since at least 2020.

These deficiencies included the absence of (1) a formal monthly management reporting system; (2) a list of matters reserved for the Board; and (3) effective procedures and controls to identify and monitor notifiable and connected transactions.

Dr Loh joined the Board in September 2013 and the other Relevant Directors joined the Board after the Company's listing in October 2017. They failed to proactively gain an understanding of the Company's internal controls and apply their independent judgement and expertise to assess the effectiveness of the Company's internal controls when they became a director and during their directorship.

Dr Loh failed to procure the Company to conduct internal control reviews for the financial years 2017 to 2019.

Although annual internal control reviews were conducted for the financial years 2020 to 2022, the Relevant Directors did not critically assess the scope and sufficiency of the reviews and/or procure the implementation of remedial actions after material deficiencies were identified.

For 2022 when a majority of the above transactions and matters took place, the Company was unable to produce any written risk management and internal control policies. The Company admitted that its risk management and internal control systems at that time were not effective and adequate.

EXCHANGE'S FINDINGS

The Exchange found as follows:

(1) The Company breached GLR 17.56(2), 19.34, 20.33, 20.34, 20.42 and 20.44 (Notes 2 to 4).

In respect of the Securities Investment:

(a) It failed to announce the discloseable transaction in respect of its investments in the securities of a listed company in a timely manner.

In respect of the Rights Issue:

(b) The Rights Issue Announcements were not accurate and complete in all material respects, and were misleading, as they stated that all subscribers were independent third parties and there was no mention of Mr Wu's subscription or the Proceeds Deferral.

(c) It failed to announce in a timely manner, seek independent shareholders' approval, seek independent financial adviser recommendation and despatch a circular in respect of Mr Wu's subscription, which constituted a connected transaction.

In respect of the Service Agreement:

(d) It failed to announce the Service Agreement with Apple Tree with the Prepayment, which constituted a connected transaction.

(2) Dr Loh breached GLR 5.01, his obligation now set out in GLR 5.02B(2) and the then GLR 5.20 (Notes 5 to 7).

In respect of the Securities Investment, he failed to:

(a) Take sufficient steps to ensure the Company established and implemented appropriate and effective internal controls, including ensuring that the Investment Guidelines agreed upon by the Board were properly implemented with appropriate reporting mechanisms in place, and procure the Company's compliance with the GLR for notifiable transactions.

(b) Meaningfully assess the capability and suitability of Mr Wu as the Head of Investment and consider whether the delegation of the management of the Investment Department to Mr Wu was reasonable.

(c) Exercise oversight, supervision and monitoring in respect of the Securities Investment, including requesting information and updates when none were provided.

(d) Inform and consult the Board, and assess and manage the risks, in respect of changing the investment account from a cash account to a margin account.

In respect of the Rights Issue:

(e) He knowingly and/or recklessly approved and/or allowed the publication of the Rights Issue Announcements which were not accurate and complete in all material respects, and misleading.

(f) He failed to procure the Company's compliance with connected transaction requirements.

In respect of the Company's internal controls:

(g) He failed to take sufficient steps to ensure the Company's risk management and internal control systems were appropriate and effective.

By reason of Dr Loh's conduct, the occupying of the position of director or senior management of the Company or any of its subsidiaries by Dr Loh may cause prejudice to the interests of investors.

(3) Mr He – breached GLR 5.01, his obligation now set out in GLR 5.02B(2) and the then GLR 5.20 (Notes 5 to 7).

In respect of the Securities Investment:

(a) He committed the same failings as set out in (2)(a) to (c) above.

In respect of the Rights Issue and Proceeds Deferral:

(b) He failed to ensure the Company's interests in respect of the Proceeds Deferral were safeguarded.

(c) In addition, he committed the same failings as set out in (2)(e) to (f) above.

In respect of the Service Agreement, he failed to:

(d) Act in the interests of the Company and exercise reasonable skill, care and diligence in respect of the Prepayment.

(e) Procure the Company's compliance with connected transaction requirements.

In respect of the Company's internal controls:

(f) He failed to take sufficient steps to ensure the Company's risk management and internal control systems were appropriate and effective.

By reason of Mr He's conduct, the occupying of the position of director or senior management of the Company or any of its subsidiaries by Mr He may cause prejudice to the interests of investors.

(4) Dr Seow, Mr Yang, Mr Loke and Ms Wu – breached GLR 5.01 and their obligations now set out in GLR 5.02B(2) (Notes 5, 6 and 8).

In respect of the Securities Investment:

(a) They committed the same failings as set out in (2)(a) to (c) above.

In respect of the Company's internal controls:

(b) They failed to take sufficient steps to ensure the Company's risk management and internal control systems were appropriate and effective.

Dr Loh, Dr Seow and Mr Loke asserted that they had delegated to others matters in respect of the Securities Investment, Rights Issue and/or the Company's internal controls, relied on these other persons to carry out, monitor and supervise the delegated matters, and therefore had discharged their director's duties. The Exchange found that after such delegation, each of Dr Loh, Dr Seow and Mr Loke failed to actively supervise the discharge of the delegated functions by continuing to take an active interest in, seek updates and acquire and maintain sufficient knowledge of the delegated matters.

CONCLUSION

The Exchange decided to impose the sanctions and directions set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanctions and directions apply only to the Company and the Relevant Directors, and not to any other past or present directors of the Company.

Hong Kong, 13 October 2026

Notes:

1. 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 Dr Loh and Mr He may cause prejudice to the interests of investors.

2. Under GLR 17.56(2), the information contained in any announcement or corporate communication of an issuer must be accurate and complete in all material respects and not be misleading or deceptive.

3. GLR 19.34 requires an issuer to announce a discloseable transaction as soon as possible after the terms have been finalised.

4. GLRs 20.33, 20.34, 20.42 and 20.44 require an issuer to publish an announcement as soon as practicable after the terms of a connected transaction have been agreed, seek shareholders' approval, seek independent financial adviser recommendation and publish a circular containing all information necessary to allow its shareholders to make a properly informed decision.

5. GLR 5.01 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 a duty to act honestly and in good faith in the interests of the company as a whole, and to apply such degree of skill, care and diligence as may reasonably be expected of a person of his/her knowledge and experience and holding his/her office within the issuer.

6. Under GLR 5.02B(2), a director has an obligation to use his/her best endeavors to procure the issuer's compliance with the GLRs.

7. Under the then GLR 5.20 (in effect before 1 January 2024), a compliance officer's responsibilities include, at a minimum, to advise and assist the Board of the issuer in implementing procedures to ensure the issuer's compliance with the GLRs and other relevant laws and regulations applicable to the issuer.

8. In addition to being directors of the Company, each of Mr Yang, Mr Loke and Ms Wu were members of the Company's Audit Committee and had specific responsibilities under their Terms of Reference regarding the Company's risk management and internal control systems.