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 Home Control International Limited (Stock Code: 1747) and two Former Directors

SANCTIONS AND DIRECTIONS

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

CENSURES:

(1) **Home Control International Limited** (**Company**);
(2) **Mr Gao Yu**, former Chairman and non-executive director of the Company (**Mr Gao**); and
(3) **Mr Chan Kwok King Kingsley**, former non-executive director of the Company (**Mr Chan**).

(The directors identified at (2) to (3) above are collectively referred to as the **Relevant Directors**.)

AND FURTHER DIRECTS:

Each of the Relevant Directors to attend 20 hours of training on regulatory and legal topics and Listing Rule compliance, including (i) directors' duties; (ii) the Corporate Governance Code; and (iii) Rule 2.13 and Chapter 14 of the Listing Rules.

SUMMARY OF FACTS

1. The Company was listed on 14 November 2019, raising net proceeds of about HK$84.9 million. AMTD Global Markets Limited (now known as oOo Securities (HK) Group Limited) was a sub-underwriter that raised HK$38.1 million (**AMTD IPO Proceeds**), accounting for around 44.9% of the IPO proceeds.

2. One day before listing, the Company entered into:

   2.1. a custodian service letter (**CSA**) with AMTD Wealth Management Solutions Group Limited (**AMTD Wealth**, now known as Fortis, Sheriffs & Browns Asia Co. Limited), under which the Company engaged AMTD Wealth as the custodian of all assets deposited at the Company's cash and securities accounts maintained with AMTD Wealth (**AMTD Account**). The appointment could only be terminated by mutual agreement; and

   2.2. a subscription letter (**Subscription Agreement**), under which the Company would subscribe for an investment product (**Investment Product**) to be issued by a private entity (**Investment Product Issuer**), with the principal amount of up to HK$50 million for a term of 1.5 years. The Subscription Agreement stated that the Investment Product would be rolled over automatically upon its expiry unless the Investment Product Issuer and Company mutually agreed otherwise. It also stated that the Investment Product Issuer could redeem the Investment Product unilaterally, but did not provide the Company with a similar corresponding right (**Lock-up Clause**).

3. On the day of listing, the AMTD IPO Proceeds were deposited into the AMTD Account. The AMTD IPO Proceeds were then used to subscribe the Investment Product in the principal amount of HK$38 million (**Subscription**). On 18 December 2019, the Company paid custodian and service fees of about HK$1.1 million to AMTD Wealth under the CSA.

4. The use of the Company's IPO proceeds on the Subscription did not adhere to the intended use of proceeds as detailed in the prospectus, constituting a change in use of IPO proceeds. However, the Company did not disclose the Subscription Agreement in its listing document or by way of an announcement in a timely manner. Nor did the Company disclose the change in use of IPO proceeds in its annual reports. The Company also did not inform the IPO sponsor of the Subscription Agreement or consult its compliance adviser in respect of the Subscription.

5. The roll-over of the Subscription when the Investment Product was automatically renewed at the end of each term constituted a discloseable transaction, but the Company did not comply with the announcement requirement under the Listing Rules.

6. According to the Company's annual report for the year ended 31 December 2024, the Company made a provision for the outstanding balance (around HK$25.2 million) as there was uncertainty as to when and whether the investment would be redeemed in full.

Involvement of Mr Gao and Mr Chan

7. Mr Gao signed the CSA and Subscription Agreement on behalf of the Company, without reporting to or seeking approval from its board of directors. Nor did he procure sufficient due diligence and risk assessments to be conducted on AMTD Wealth, the Investment Product Issuer and the agreements. He also did not properly assess whether the Subscription Agreement (including the Lock-up Clause) was fair and reasonable and in the Company's interests.

8. Mr Chan reviewed the draft Subscription Agreement without making sufficient independent enquiries and relied on Mr Gao and AMTD Wealth. In addition, he approved the wire transfer instructions for the Company's payment of the custodian and service fee.

SETTLEMENT

9. The Company and the Relevant Directors did not contest their respective breaches and agreed to accept the sanctions and directions as set out in this statement.

LISTING COMMITTEE'S FINDINGS

10. The Listing Committee found as follows:

Company

11. The Company breached Rules 2.13, 3A.05, 3A.23, 11.13, 14.34 and paragraph 11(8) of the then Appendix 16 of the Listing Rules (Notes 1 to 5) by failing to:

    11.1. disclose the Subscription in a listing document;

    11.2. inform the sponsor of the Subscription Agreement and Subscription;

    11.3. consult its compliance adviser in respect of the Subscription;

    11.4. announce the Subscription in a timely manner; and

    11.5. disclose the change in use of IPO proceeds in the FY2019, FY2020, FY2021, FY2022 and FY2023 annual reports.

Mr Gao

12. Mr Gao has breached Rules 3.08 and 3.09B (Notes 6 and 7) by failing to:

    12.1. apply reasonable skill, care and diligence to safeguard the Company's assets and interests in respect of the CSA and Subscription Agreement; and

    12.2. use his best endeavours to procure the Company's compliance with the Listing Rules.

Mr Chan

13. Mr Chan has breached Rules 3.08 and 3.09B (Notes 6 and 7) by failing to:

    13.1. apply reasonable skill, care and diligence to safeguard the Company's assets and interests in respect of the CSA, Subscription Agreement and the custodian and service fee made thereunder; and

    13.2. use his best endeavours to procure the Company's compliance with the Listing Rules.

CONCLUSION

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

15. 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, 8 September 2026

Notes:

1. Rule 2.13(2) provides that the information contained in any announcement or corporate communication must be accurate and complete in all material respects and not be misleading or deceptive. Paragraph 11(8) of the then Appendix 16 requires a listed issuer to disclose, among others, whether the proceeds were used according to the intentions previously disclosed by the issuer and the reason(s) for any material change in the use of proceeds.

2. Rule 3A.05 provides that a new listing applicant and its directors must assist the sponsor to perform its role. In particular, Rule 3A.05(5) provides that the applicant must keep the sponsor informed of any material change of any information previously given to or accessed by the sponsor.

3. Rule 3A.23 provides that a listed issuer must consult with and, if necessary, seek advice from its compliance adviser on a timely basis where, inter alia, (a) a transaction, which might be a notifiable transaction, is contemplated, or (b) the listed issuer proposes to use the proceeds of the initial public offering in a manner different from that detailed in the listing document or where the business activities or developments deviate from any forecast, estimate, or other information in the listing document.

4. Rule 11.13 provides that if, at any time after the issue of the listing document and before the commencement of dealings in securities, the issuer becomes aware that there has been a significant change affecting any matter contained in the listing document, the issuer shall, as soon as practicable, submit to the Exchange for its review and issue a supplementary listing document giving details of the change.

5. Rules 14.34 provides that a listed issuer must publish an announcement as soon as possible after the terms of a discloseable transaction have been finalised.

6. 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 a duty 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.

7. Under Rule 3.09B(2), a director has obligations to use his/her best endeavours to procure the issuer to comply with the Listing Rules.