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Astrum Financial Holdings Limited

阿仕特朗金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8333)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Astrum Financial Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement, in both English and Chinese version, is available on the Company’s website at www.astrum-capital.com.

SUMMARY

- Revenue for the nine months ended 30 September 2016 amounted to approximately HK\$46.7 million while revenue for the nine months ended 30 September 2015 amounted to approximately HK\$75.8 million.
- Profit attributable to owners of the Company for the nine months ended 30 September 2016 amounted to approximately HK\$12.4 million while profit attributable to owners of the Company for the nine months ended 30 September 2015 amounted to approximately HK\$32.8 million.
- Basic earnings per share for the nine months ended 30 September 2016 amounted to approximately HK1.77 cents while basic earnings per share for the nine months ended 30 September 2015 amounted to approximately HK4.98 cents.
- The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2016.

UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2016

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 30 September 2016 together with the comparative unaudited figures for the corresponding period in 2015 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2016

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)
Revenue	3	16,009	33,980	46,664	75,754
Other income	4	622	426	1,093	1,643
Administrative and other operating expenses		(13,249)	(16,944)	(31,850)	(36,594)
Finance costs		(14)	(5)	(72)	(207)
Profit before tax	5	3,368	17,457	15,835	40,596
Income tax expense	6	(1,400)	(3,150)	(3,450)	(7,750)
Profit and total comprehensive income for the period attributable to owners of the Company		1,968	14,307	12,385	32,846
		HK cents	HK cents	HK cents	HK cents
Earnings per share – Basic and diluted	8	0.25	2.17	1.77	4.98

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2016

	Share capital HK\$'000	Special reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Nine months ended 30 September 2015				
Balance at 1 January 2015 (Audited)	45,001	–	6,786	51,787
Profit and total comprehensive income for the period	–	–	32,846	32,846
Reorganisation	(44,999)	44,999	–	–
Dividends recognised as distribution during the period (Note 7)	–	–	(4,950)	(4,950)
Balance at 30 September 2015 (Unaudited)	<u>2</u>	<u>44,999</u>	<u>34,682</u>	<u>79,683</u>
Nine months ended 30 September 2016				
Balance at 1 January 2016 (Audited)	2	44,999	17,683	62,684
Profit and total comprehensive income for the period	–	–	12,385	12,385
Reorganisation	6,598	(6,598)	–	–
Issue of shares by share offer	1,400	82,600	–	84,000
Transaction costs attributable to issue of shares	–	(5,421)	–	(5,421)
Balance at 30 September 2016 (Unaudited)	<u>8,000</u>	<u>115,580</u>	<u>30,068</u>	<u>153,648</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2016

1. GENERAL INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 13 January 2015 under the Companies Law of the Cayman Islands. The shares of the Company have been listed on the GEM of the Stock Exchange on 14 July 2016.

The Company's registered office is PO Box 1350 Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and the principal place of business of the Company is Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of securities dealing and brokerage services, placing and underwriting services, corporate finance advisory services, financing services and asset management services.

In the opinion of the Directors, the parent and ultimate holding company of the Company is Autumn Ocean Limited, a company incorporated in the British Virgin Islands.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The Group's unaudited condensed consolidated financial statements for the three months and nine months ended 30 September 2016 have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Chapter 18 to the GEM Listing Rules. This unaudited condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2015.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the GEM of the Stock Exchange (the "Reorganisation"), the group entities were under the control of Mr. Pan Chik ("Mr. Pan"). Details of the Reorganisation are set out in the section headed "History, reorganisation and corporate structure" in the prospectus of the Company dated 30 June 2016 (the "Prospectus"). Through the Reorganisation, the Company became the holding company of the companies now comprising the Group on 23 June 2016. Accordingly, for the purpose of the preparation of the unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 30 September 2016, the Company has been considered as the holding company of the companies now comprising the Group throughout the periods presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Mr. Pan prior to and after the Reorganisation.

2. BASIS OF PREPARATION (Continued)

The unaudited condensed consolidated financial statements have been prepared as if the Company had been the holding company of the Group throughout the periods presented in accordance with Accounting Guideline 5 “*Merger Accounting for Common Control Combinations*” issued by the HKICPA. The condensed consolidated statement of profit or loss and other comprehensive income and condensed consolidated statement of changes in equity for the periods presented, which include the results and changes in equity of the companies now comprising the Group, have been prepared as if the current group structure had been in existence throughout the periods presented, or since their respective dates of incorporation, where this is a shorter period.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months and nine months ended 30 September 2016 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2015, except in relation to the adoption of the new and revised HKFRSs (the “New and Revised HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting beginning on 1 January 2016. The effect of the adoption of these New and Revised HKFRSs in the current period has had no material impact on the Group’s financial performance and position for the current and prior periods and/or disclosure set out in these unaudited condensed consolidated financial statements.

The Group has not early applied the New and Revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the impact of the New and Revised HKFRSs upon initial application but is not yet in a position to state whether these New and Revised HKFRSs would have a significant impact on the Group’s results of operations and financial position.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of the unaudited condensed consolidated financial statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company. The unaudited condensed financial statements were approved for issue on 8 November 2016.

3. REVENUE

The Group's revenue from major services for the three months and nine months ended 30 September 2016 and 2015 are as follows:

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Commission from securities dealing and brokerage services	2,666	6,019	8,437	16,695
Placing and underwriting commission	11,364	26,612	32,620	52,742
Corporate finance advisory services fee	350	425	1,550	1,925
Interest income from securities and initial public offering financing	1,380	700	3,338	1,964
Asset management services				
– Fund management and performance fee	249	224	719	2,428
	<u>16,009</u>	<u>33,980</u>	<u>46,664</u>	<u>75,754</u>

4. OTHER INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income from				
– authorised financial institutions	2	1	3	2
– others	–	1	2	1
Administrative income	303	154	440	413
Management fee income	5	5	17	72
Handling fee income	312	265	631	1,155
	<u>622</u>	<u>426</u>	<u>1,093</u>	<u>1,643</u>

5. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditors' remuneration	50	50	150	150
Commission expenses	4,192	9,934	12,088	14,467
Depreciation of property, plant and equipment	224	41	670	107
Interest expense on bank overdrafts and borrowings	14	5	72	207
Net foreign exchange losses	-	8	-	9
Operating lease payments in respect of rented premises	510	263	1,530	789
Listing expenses	2,399	-	3,202	4,669
Employee benefits expense:				
Salaries and other benefits in kind	3,674	2,895	9,003	9,108
Commission to accounts executives	143	400	459	1,636
Contributions to retirement benefit scheme	82	57	207	171
Total employee benefits expense, including directors' emoluments	3,899	3,352	9,669	10,915

6. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax:				
– Hong Kong Profits Tax	1,400	3,150	3,450	7,750

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits arising in or derived from Hong Kong for each of the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of securities dealing and brokerage services, placing and underwriting services, corporate finance advisory services, financing services and asset management services. The Company was successfully listed on GEM of the Stock Exchange by way of share offer (the “Share Offer”) on 14 July 2016 (the “Listing”).

It has been a challenging first nine months of 2016. With amid bouts of uncertainty surrounding China, the Hong Kong market had since been volatile. The unsettling instability in China has dampened the overall sentiment and confidence in investors, and has placed a negative impact on the Hong Kong stock market. The deceleration in the market has been reflected in the substantial decrease in the Group’s turnover and commission income from its brokerage services. In addition, as stated in the Prospectus, the Directors have expected that the net profit of the Group for the year ending 31 December 2016 would probably decrease significantly in view of the out-performed market sentiments of securities market in Hong Kong in 2015 as compared with previous years.

PROSPECTS

In spite of the slowdown in China and the unpredictable long term effects surrounding the referendum outcome of the British exit (“Brexit”) from the European Union, the Group and the Directors shall continue to strive and achieve the business objectives as stated in the Prospectus.

FINANCIAL REVIEW

Revenue

Total revenue of the Group for the nine months ended 30 September 2016 (the “Current Period”) was approximately HK\$46.7 million as compared to approximately HK\$75.8 million for the nine months ended 30 September 2015 (the “Corresponding Period”), representing a decrease of approximately 38.4%. Such decrease was attributable to (i) the decrease in the securities trading transaction amount of customers; (ii) the decrease in the number of placing and underwriting engagements secured and completed by the Group; (iii) the decrease in financial advisory projects charged and undertaken by the Group; and (iv) the decrease in asset management fee derived from asset management of Astrum Absolute Return China Fund (the “Astrum China Fund”).

Commission from securities dealing and brokerage services decreased from approximately HK\$16.7 million for the Corresponding Period to approximately HK\$8.4 million for the Current Period, representing a decrease of approximately 49.5%. Such decrease was in line with the decrease in average daily turnover of Hong Kong securities market. According to HKEx Monthly Market Highlights – September 2016, the average daily turnover of Hong Kong securities market for the Current Period dropped approximately 42.2% to approximately HK\$67.8 billion when compared with the Corresponding Period.

FINANCIAL REVIEW (Continued)

Revenue (Continued)

Revenue derived from placing and underwriting services decreased from approximately HK\$52.7 million for the Corresponding Period to approximately HK\$32.6 million for the Current Period, representing a decrease of approximately 38.2%. Such decrease was mainly due to the decrease in the number of placing and underwriting transactions completed by the Group from 25 for the Corresponding Period to 16 for the Current Period.

Corporate finance advisory services fee decreased from approximately HK\$1.9 million for the Corresponding Period to approximately HK\$1.6 million for the Current Period, representing a decrease of approximately 19.5%. Such decrease was mainly due to the decrease in financial advisory projects charged and undertaken by the Group from 10 for the Corresponding Period to 8 for the Current Period.

Interest income from securities and initial public offering financing increased from approximately HK\$2.0 million for the Corresponding Period to approximately HK\$3.3 million for the Current Period, representing an increase of approximately 70.0%. Such increase was triggered by the keen demand of margin financing from customers and the expansion of funds available for margin financing services by approximately HK\$61.6 million from the net proceeds of Share Offer.

Asset management fee decreased from approximately HK\$2.4 million for the Corresponding Period to approximately HK\$0.7 million for the Current Period, representing a decrease of approximately 70.4%. Astrum China Fund was launched on 1 April 2015 with an initial asset under management of USD6 million. For the Corresponding Period, a management fee and a performance fee of approximately HK\$0.5 million and HK\$1.9 million were recognised. For the Current Period, the Group only recognised a management fee of approximately HK\$0.7 million and no performance fee was charged as the net asset value of Astrum China Fund did not surpass the high water mark achieved in 2015.

Other income

Other income decreased from approximately HK\$1.6 million for the Corresponding Period to approximately HK\$1.1 million for the Current Period, representing a decrease of approximately HK\$0.5 million. Such decrease was mainly due to the decrease in the securities trading transaction amount of customers which in turn leading to the decrease in handling fees income such as CCASS charges and scrip fees received from customers.

FINANCIAL REVIEW (Continued)

Administrative and other operating expenses

Administrative and other operating expenses decreased from approximately HK\$36.6 million for the Corresponding Period to approximately HK\$31.9 million for the Current Period, representing a decrease of approximately 13.0%. Such decrease was mainly due to (i) the decrease in the listing expenses from approximately HK\$4.7 million for the Corresponding Period to approximately HK\$3.2 million for the Current Period; (ii) the decrease in commission expenses in respect of the placing and underwriting services from approximately HK\$14.5 million for the Corresponding Period to approximately HK\$12.1 million for the Current Period; and (iii) the decrease in total employee benefits expense from approximately HK\$10.9 million for the Corresponding Period to approximately HK\$9.7 million for the Current Period.

Finance costs

The decrease in the finance costs from approximately HK\$207,000 for the Corresponding Period to approximately HK\$72,000 for the Current Period was mainly due to decrease in initial public offering financing which in turn leading to the decrease in utilisation of initial public offering loan borrowed from an authorised institution.

Profit For The Period

As a result of the foregoing, profit decreased by approximately HK\$20.5 million, or approximately 62.3% from approximately HK\$32.8 million for the Corresponding Period to approximately HK\$12.4 million for the Current Period.

USE OF PROCEEDS

In respect of the net proceeds of approximately HK\$68.4 million raised from the Share Offer of the Company in July 2016, the Company intends to apply (i) approximately 90% of the net proceeds, or approximately HK\$61.6 million, for enhancing the capital resources for the Group's financing services of the Group including securities and initial public offering financing; and (ii) the balance of approximately 10% of the net proceeds, or approximately HK\$6.8 million, for using as general working capital of the Group. Up to the date of this announcement, (i) approximately HK\$61.6 million has been deployed for the expansion of margin financing services; (ii) approximately HK\$0.7 million has been used as general working capital for payment of rent and management fee and compliance adviser fee; and (iii) approximately HK\$6.1 million is kept at bank for future use as general working capital as stated in the Prospectus.

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

As at 30 September 2016, the Group had no circumstances which would give rise to a disclosure obligation under rules 17.22 to 17.24 of the GEM Listing Rules.

INTERIM DIVIDEND

The Directors do not recommend the payment of any interim dividend for the nine months ended 30 September 2016.

OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 September 2016, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company (the “Chief Executives”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in ordinary shares of HK\$0.01 each of the Company

Name of Directors	Capacity/Nature of interests	Number of share held	Percentage of shareholding (Note 2)
Mr. Pan (Note 1)	Interest of a controlled corporation	528,000,000	66%

Notes:

1. These 528,000,000 shares are held by Autumn Ocean Limited which is wholly owned by Mr. Pan and hence, Mr. Pan is deemed, or taken to be, interested in all the shares held by Autumn Ocean Limited for the purposes of the SFO.
2. The percentage is calculated on the basis of 800,000,000 shares in issue as at 30 September 2016.

Save as disclosed above, as at 30 September 2016, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, which would have to be recorded in the register referred to therein, or pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, which would have to be notified to the Company and the Stock Exchange.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors and the Chief Executives are aware, as at 30 September 2016, other than the Directors and Chief Executives, the following persons had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Capacity/Nature of interests	Number of share held	Percentage of shareholding (Note 4)
Ms. Liu Ming Lai Lorna (Note 1)	Interest of spouse	528,000,000	66%
Autumn Ocean Limited	Beneficial interest	528,000,000	66%
Mr. Ng Yau Sing (Note 2)	Interest in controlled corporation	72,000,000	9%
Ms. Leung Yuet Kwan Belinda (Note 3)	Interest of spouse	72,000,000	9%
Ample Honesty Limited	Beneficial interest	72,000,000	9%

Notes:

1. Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all shares in which Mr. Pan is interested in for the purposes of the SFO.
2. These 72,000,000 shares are held by Ample Honesty Limited which is wholly owned by Mr. Ng Yau Sing and hence, Mr. Ng Yau Sing is deemed, or taken to be, interested in all the shares held by Ample Honesty Limited for the purposes of the SFO.
3. Ms. Leung Yuet Kwan Belinda is the spouse of Mr. Ng Yau Sing. She is deemed, or taken to be, interested in all shares in which Mr. Ng Yau Sing is interested in for the purposes of the SFO.
4. The percentage is calculated on the basis of 800,000,000 Shares in issue as at 30 September 2016.

Save as disclosed above, as at 30 September 2016, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted by the shareholders of the Company and was effective on 23 June 2016. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. No share option has been granted since the adoption of the Share Option Scheme and there was no share option outstanding as at 30 September 2016.

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the paragraphs headed “INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS” and “SHARE OPTION SCHEME” in this announcement, at no time during the Current Period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

COMPETING INTERESTS

As at 30 September 2016, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

COMPLIANCE ADVISER’S INTERESTS

As at 30 September 2016, save and except for the compliance adviser’s agreement entered into between the Company and Messis Capital Limited (the “Compliance Adviser”) dated 4 February 2016, neither the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company which is required to be notified to the Group pursuant to rule 6A.32 of the GEM Listing Rules.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “Required Standard of Dealing”) set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries of all the Directors, each of them have confirmed that they have complied with the Required Standard of Dealings throughout the period from the date of Listing (the “Listing Date”) to the date of this announcement. No incident of non-compliance was noted by the Company during such period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities after the Listing Date and up to the end of this reporting period, being 30 September 2016.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to achieve high standards of corporate governance to safeguard the interests of the shareholders of the Company and enhance its corporate value. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code in Appendix 15 to the GEM Listing Rules (the "CG Code").

During the period from the Listing Date and up to 30 September 2016, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code, save for the deviation from the code provision A.2.1 as explained below:

Pursuant to A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Given the current corporate structure, there is no separation between the roles of the chairman and the chief executive officer. Since May 2007, Mr. Pan has been managing the Group's business and supervising the overall operations of the Group. The Directors believe that the vesting of the roles of chairman of the Board and chief executive officer in Mr. Pan is beneficial to the business operations and management of the Group and will provide a strong and consistent leadership to the Group. Accordingly, the Company has not segregated the roles of the chairman and the chief executive officer as required by A.2.1 of the CG Code.

AUDIT COMMITTEE

The audit committee (the "Audit Committee") has been established with written terms of reference in compliance with rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Lau Hon Kee. The other members are Mr. Chan Chun Hong and Mr. Lee Tak Cheung Vincent. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the internal control systems of the Group and the monitoring of continuing connected transactions. All members of the Audit Committee are appointed by the Board.

AUDIT COMMITTEE (Continued)

The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Current Period and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board of
ASTRUM FINANCIAL HOLDINGS LIMITED
Pan Chik
Chairman and Executive Director

Hong Kong, 8 November 2016

As at the date of this announcement, the directors of the Company are:

Executive Directors

Mr. Pan Chik (*Chairman and Chief Executive Officer*)

Mr. Kwan Chun Yee Hidulf

Mr. Cheung Hon Fai Bosco (*Compliance Officer*)

Independent Non-executive Directors

Mr. Chan Chun Hong

Mr. Lee Tak Cheung Vincent

Mr. Lau Hon Kee

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.astrum-capital.com).