
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Astrum Financial Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser, the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.



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)

**CONTINUING CONNECTED TRANSACTION:
SUPPLEMENTAL AGREEMENT TO
THE FINANCING SERVICES AGREEMENT
AND
REVISION OF ANNUAL CAPS**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



红日资本有限公司

RED SUN CAPITAL LIMITED

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 5 to 14 of this circular. The letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 15 to 16 of this circular. A letter of advice from Red Sun Capital Limited to the Independent Board Committee and the Independent Shareholders is set out on pages 17 to 30 of this circular.

A notice convening the EGM to be held at 5/F, Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on Friday, 26 May 2017 at 11:10 a.m. (or at such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) is set out on pages 35 to 37 of this circular.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the Company’s website at www.astrum-capital.com.

10 May 2017

CHARACTERISTICS OF GEM

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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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

| | |
|------------------------|--|
| “Announcement” | the announcement of the Company dated 30 March 2017 in relation to, among others, the Mr. Pan Supplemental Financing Services Agreement and the Revised Annual Caps |
| “associate(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Astrum Capital” | Astrum Capital Management Limited (阿仕特朗資本管理有限公司), a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and an indirect wholly-owned subsidiary of the Company |
| “Board” | the board of Directors |
| “Company” | Astrum Financial Holdings Limited (阿仕特朗金融控股有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued Shares of which are listed on the GEM (stock code: 8333) |
| “connected person(s)” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) |
| “Existing Annual Caps” | the original annual caps for the continuing connected transactions contemplated under the Mr. Pan Financing Services Agreement for the three years ending 31 December 2018 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |

DEFINITIONS

| | |
|---|--|
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | the independent board committee, comprising all the independent non-executive Directors, namely Mr. Chan Chun Hong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, established to make recommendations to the Independent Shareholders in respect of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) |
| “Independent Financial Adviser” or “Red Sun” | Red Sun Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) |
| “Independent Shareholder(s)” | Shareholder(s) other than Mr. Pan and his associates |
| “Independent Third Party(ies)” | individual(s) or company(ies) who is/are not connected with (as defined under the GEM Listing Rules) any Directors, chief executive or substantial Shareholders of the Company, or any of its subsidiaries or their respective associates |
| “Interest Annual Caps” | the annual caps of the interest to be received from the provision of margin financing and IPO financing services to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement |
| “IPO” | initial public offering |
| “IPO Annual Caps” | the annual caps of the daily maximum amounts of IPO financing to be advanced to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement |
| “Latest Practicable Date” | 4 May 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |

DEFINITIONS

| | |
|---|---|
| “Listing Date” | 14 July 2016, being the date on which the Shares are listed and dealing in the Shares first commenced on GEM |
| “Margin Annual Caps” | the annual caps of the daily maximum amounts of margin financing to be advanced to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement |
| “Mr. Pan” | Mr. Pan Chik, an executive Director, the chairman of the Board, the chief executive officer of the Company, one of the controlling Shareholders and a director of Astrum Capital |
| “Mr. Pan Financing Services Agreement” | the financing services agreement entered into between Astrum Capital and Mr. Pan dated 23 June 2016, pursuant to which Astrum Capital may, upon request, provide margin financing and/or IPO financing services to the Pan’s Family |
| “Mr. Pan Supplemental Financing Services Agreement” | the supplemental agreement entered into between Astrum Capital and Mr. Pan dated 30 March 2017, pursuant to which Astrum Capital and Mr. Pan agreed to renew the term of the Mr. Pan Financing Services Agreement (including the Existing Annual Caps) |
| “Revised Annual Caps” | collectively, the Revised Interest Annual Caps, the Revised IPO Annual Caps and the Revised Margin Annual Caps |
| “Revised Interest Annual Caps” | the proposed revised annual caps of the interest to be received from the provision of margin financing and IPO financing services to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) |
| “Revised IPO Annual Caps” | the proposed revised annual caps of the daily maximum amounts of IPO financing to be advanced to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) |
| “Revised Margin Annual Caps” | the proposed revised annual caps of the daily maximum amounts of margin financing to be advanced to Mr. Pan and his associates under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) |

DEFINITIONS

| | |
|--------------------|--|
| “Prospectus” | the prospectus of the Company dated 30 June 2016 |
| “SFC” | The Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “the Pan’s Family” | collectively referred to as Mr. Pan and his associates (including his family members and certain private companies controlled by Mr. Pan and his family members but excluding Astrum Absolute Return China Fund and the Group) |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent. |

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Pan Chik *(Chairman and chief executive officer)*

Mr. Kwan Chun Yee Hidulf

Mr. Cheung Hon Fai Bosco

Independent non-executive Directors:

Mr. Chan Chun Hong

Mr. Lee Tak Cheung Vincent

Mr. Lau Hon Kee

Registered office:

Estera Trust (Cayman) Limited

PO Box 1350

Clifton House

75 Fort Street

Grand Cayman KY1-1108

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Room 2704, 27/F

Tower 1, Admiralty Centre

18 Harcourt Road

Hong Kong

10 May 2017

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION:
SUPPLEMENTAL AGREEMENT TO
THE FINANCING SERVICES AGREEMENT
AND
REVISION OF ANNUAL CAPS**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Mr. Pan Supplemental Financing Services Agreement.

On 23 June 2016, Astrum Capital, an indirect wholly-owned subsidiary of the Company, entered into Mr. Pan Financing Services Agreement with Mr. Pan, pursuant to which the Group may, upon request, provide IPO financing and/or margin financing services to the Pan's Family, from time to time on normal commercial terms and at the interest rate

LETTER FROM THE BOARD

no less favourable to the Group than the rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time. The Mr. Pan Financing Services Agreement is for a term commencing on the Listing Date and ending on 31 December 2018.

In view of the higher-than-expected demand for financing and the prevailing securities market condition, Mr. Pan expects that the Existing Annual Caps for the transactions under the Mr. Pan Financing Services Agreement may not be sufficient to meet the Pan's Family's demand for IPO financing and margin financing.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps); (iii) the letter from Red Sun to the Independent Board Committee and the Independent Shareholders in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps); (iv) the general information of the Group; and (v) the notice of the EGM.

MR. PAN SUPPLEMENTAL FINANCING SERVICES AGREEMENT

On 30 March 2017 (after trading hours), Astrum Capital entered into the Mr. Pan Supplemental Financing Services Agreement with Mr. Pan to revise the Existing Annual Caps and renew the term of the Mr. Pan Financing Services Agreement to 31 December 2019. The principal terms of the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) are summarized as below:

- Date:** 30 March 2017
- Parties:**
- (i) Astrum Capital, a wholly-owned subsidiary of the Company, as the service provider; and
 - (ii) Mr. Pan, being an executive Director, the chairman of the Board, the chief executive officer of the Company, one of the controlling Shareholders and a director of Astrum Capital, as the service recipient

Term:

The original term under the Mr. Pan Financing Services Agreement commenced on the Listing Date and will end on 31 December 2018 (both dates inclusive). In accordance with the Mr. Pan Supplemental Financing Services Agreement, the term of the Mr. Pan Financing Services Agreement will be renewed to the three years commencing from 1 January 2017 to 31 December 2019 (both days inclusive).

LETTER FROM THE BOARD

Revised Annual Caps:

The annual caps for the transactions contemplated under the Mr. Pan Financing Services Agreement will be revised as follows:

Existing Annual Caps:

| | For the year ended 31 December 2016 HK\$'000 | For the year ending 31 December 2017 HK\$'000 | 2018 HK\$'000 |
|-----------------------------------|---|--|--------------------------|
| IPO Annual Cap (<i>Note</i>) | 30,480 | 30,480 | 30,480 |
| Margin Annual Cap (<i>Note</i>) | 5,938 | 5,938 | 5,938 |
| Interest Annual Cap | 177 | 177 | 177 |

Note: The IPO Annual Cap and the Margin Annual Cap of the Pan's Family represent the total maximum amount of loans to be advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing services respectively on a daily basis for each of the three years ending 31 December 2018 respectively.

Revised Annual Caps:

| | For the year ending 31 December | | |
|---|--|--------------------------|--------------------------|
| | 2017 HK\$'000 | 2018 HK\$'000 | 2019 HK\$'000 |
| Revised IPO Annual Cap (<i>Note</i>) | 47,000 | 47,000 | 47,000 |
| Revised Margin Annual Cap (<i>Note</i>) | 10,000 | 10,000 | 10,000 |
| Revised Interest Annual Cap | 500 | 500 | 500 |

Note: The Revised IPO Annual Cap and the Revised Margin Annual Cap of the Pan's Family represent the total maximum amount of loans to be advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing services respectively on a daily basis for each of the three years ending 31 December 2019 respectively.

Basis of determination of the Revised IPO Annual Cap

The Revised IPO Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by the Company and Mr. Pan after taking into account (i) the historical daily maximum amount of IPO financing advanced to the Pan's Family by the Group and other external stockbrokers; (ii) the maximum amounts permitted to be subscribed for in each IPO in the Stock Exchange in 2016; and (iii) the prevailing securities markets sentiment in Hong Kong.

According to the information provided by Mr. Pan, the maximum IPO financing advanced to the Pan's Family by an external broker for the application of a hot and mega-sized IPO in 2015 amounted to approximately HK\$250.5 million. Based on the

LETTER FROM THE BOARD

IPO market information in 2016, it was noted that maximum amounts permitted to be subscribed for in each IPO ranged from approximately HK\$3.6 million to approximately HK\$1,583.6 million with a median of approximately HK\$17.3 million. Assuming three securities trading accounts of the Pan's Family will apply for 90% IPO financing on the same IPO, the aggregate IPO financing will amount to approximately HK\$46.7 million (HK\$17.3 million \times 90% \times 3).

Basis of determination of the Revised Margin Annual Cap

The Revised Margin Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by the Company and Mr. Pan after taking into account (i) the historical daily maximum amount of margin financing advanced to the Pan's Family by the Group and other external stockbrokers; and (ii) the prevailing securities market sentiment of Hong Kong.

According to the information provided by Mr. Pan, the historical daily maximum amount of margin financing advanced to the Pan's Family by the Group and other external stockbrokers in 2016 amounted to approximately HK\$13.5 million (the "**2016 Daily Max Margin Financing**"). The Revised Margin Annual Cap of HK\$10 million represents approximately 74.1% of the 2016 Daily Max Margin Financing.

Basis of determination of the Revised Interest Annual Cap

The Revised Interest Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by the Company and Mr. Pan after taking into account (i) the Revised IPO Annual Caps and the Revised Margin Annual Caps as mentioned above; (ii) the existing interest rates offered by the Group to the Pan's Family in respect of the IPO financing and margin financing; and (iii) the expected average number of days of advance for IPO financing and margin financing services, with the assumption that the interest rate will remain relatively stable in the next three years.

According to the transaction record between the Group and the Pan's Family, the Pan's Family applied 15 IPOs with IPO financing provided by the Group in 2016 and margin financing provided by the Group to the Pan's Family was utilised throughout 2016. Assuming the Pan's Family will apply 20 IPOs each year and 90 days of the Revised Margin Annual Caps will be utilised in full, the aggregate interests for IPO financing and margin financing would be approximately HK\$0.5 million.

Pursuant to the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement), the interest rate offered by the Group to the Pan's Family shall be no less favourable to the Group than those offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time. To ensure the interest rate offered to the Pan's Family would be no less favourable to the Group than those offered to other customers, the Group has adopted, and will continue to adopt, a number of internal control and risk management measures, including (i) when any member of the Pan's Family opens a margin account in Astrum Capital, the operation

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department will check whether the proposed interest rate for margin financing service to such member is no less favourable to the Group than the interest rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time; and (ii) in respect of each IPO financing, the interest rate charged by the Group on the securities trading accounts of the Pan's Family will be the same as other customers of the Group who are Independent Third Parties for the same IPO application. For further details, please refer to the section headed "*INTERNAL CONTROL AND RISK MANAGEMENT MEASURES*" below. There is no proposed range of interest rate offered to the Pan's Family.

The Directors (including all independent non-executive Directors) are of the view that the Revised IPO Annual Caps, the Revised Margin Annual Caps and the Revised Interest Annual Caps under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Mr. Pan Supplemental Financing Services Agreement shall be conditional upon:

- (i) the passing of the relevant resolution by the Independent Shareholders at the EGM; and
- (ii) the Company having fully complied with all other requirements under the GEM Listing Rules in relation to the Mr. Pan Supplemental Financing Services Agreement.

As at the Latest Practicable Date, none of the conditions as set out above had been fulfilled.

Save as disclosed above, all other terms and conditions of the Mr. Pan Financing Services Agreement remain unchanged and effective. Please refer to the section headed "*Connected Transactions*" in the Prospectus for further details of the Mr. Pan Financing Services Agreement.

LETTER FROM THE BOARD

Historical figures

The daily maximum amounts of IPO financing and margin financing advanced by the Group to the Pan's Family and the amounts of interest income received for the three years ended 31 December 2016 are set out as below:

| | | Year ended 31 December | | |
|------------------|---|------------------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | (Approximately) | (Approximately) | (Approximately) |
| The Pan's Family | Daily maximum amounts of IPO financing (<i>Note</i>) | 20,345 | 22,277 | 12,727 |
| | Daily maximum amounts of margin financing (<i>Note</i>) | 7,532 | 5,509 | 5,698 |
| | Total interest income received | 225 | 212 | 126 |

Note: The daily maximum amounts of IPO financing and margin financing of the Pan's Family represent the total maximum amount of loans advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing respectively on a daily basis for each of the three years ended 31 December 2016 respectively.

Reasons for and benefits of entering into the Mr. Pan Supplemental Financing Services Agreement

The Group is principally engaged in the provision of securities dealing and brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and IPO financing and asset management services.

In view of the higher-than-expected demand for financing and the prevailing securities market condition, Mr. Pan expects that the Existing Annual Caps for the continuing connected transactions under the Mr. Pan Financing Services Agreement may not be sufficient to meet the Pan's Family's demand for IPO financing and margin financing. The Directors consider that (i) it is the ordinary and normal course of business of the Group to provide IPO and margin financing services; (ii) it is the Group's policy to encourage its staff (including the Directors) to deal in securities through their securities trading accounts maintained with the Group, so as to facilitate the management of the Company to closely monitor staff dealings on a daily basis; (iii) in the absence of sufficient financing flexibility as bound by the Existing Annual Caps, Mr. Pan and his associates may deal in securities in other external stockbrokers; and (iv) the revision of the Existing Annual Caps could provide flexibility to the Pan's Family for any potential increment of financing needs for their securities investments.

In view of the above, the Directors (including all independent non-executive Directors) are of the view that the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are fair

LETTER FROM THE BOARD

and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

The Company has adopted and will continue to adopt the following internal control and risk management control measures in respect of the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement):

- (i) when any member of the Pan's Family opens a margin account in Astrum Capital, the account executive will propose an interest rate for margin financing service which should be comparable to the interest rate offered to other customers of the Group who are Independent Third Parties. The operation department will check whether the proposed interest rate for margin financing service to such member is no less favourable to the Group than the interest rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time;
- (ii) in respect of each IPO financing, the interest rate charged by the Group on the securities trading accounts of the Pan's Family will be the same as other customers of the Group who are Independent Third Parties for the same IPO application;
- (iii) the dealing department is responsible for the close monitoring of the trading transactions of the Pan's Family's securities trading accounts from time to time so as to ensure the amount of the margin financing and IPO financing will not exceed the Revised Margin Annual Cap and the Revised IPO Annual Cap respectively. After trading hours of the Stock Exchange on each trading day, the operation department will review the amount of margin financing and IPO financing of securities trading accounts held by the Pan's Family;
- (iv) the independent non-executive Directors will perform an annual review pursuant to Rule 20.53 of the GEM Listing Rules on whether the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) are conducted (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) according to the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and
- (v) pursuant to Rule 20.54 of the GEM Listing Rules, the auditor of the Company will confirm, amongst other thing, (a) whether the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) have been approved by the Board; (b) whether the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services

LETTER FROM THE BOARD

Agreement) are in accordance with the pricing policies of the Group; (c) whether the transactions have been entered into in accordance with the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement); and (d) whether the Revised Annual Caps have been exceeded.

The Board is of the view that the above measures can ensure that the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM Listing Rules implications

Mr. Pan is an executive Director, the chairman of the Board, the chief executive officer of the Company, one of the controlling Shareholders and a director of Astrum Capital, therefore, Mr. Pan is a connected person of the Company under Rule 20.07 of the GEM Listing Rules. Accordingly, the entering into of the Mr. Pan Supplemental Financing Services Agreement constitutes continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the aggregate amount of the proposed revised annual caps under the Mr. Pan Supplemental Financing Services Agreement exceeds 25% and the aggregate amount of the proposed revised annual caps is more than HK\$10 million, the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under the GEM Listing Rules.

GENERAL

In view of his interest in the Mr. Pan Supplemental Financing Services Agreement, Mr. Pan has abstained from voting in respect of the relevant board resolution regarding the Mr. Pan Supplemental Financing Services Agreement.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps).

By virtue of Mr. Pan's interest in the Mr. Pan Supplemental Financing Services Agreement, Mr. Pan and his associates are required to abstain from voting on the relevant resolution in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) to be proposed at the EGM. As at the Latest Practicable Date, Mr. Pan, through his wholly-owned company namely, Autumn Ocean Limited, held 528,000,000 Shares, representing 66% of the entire issued share capital of the Company.

LETTER FROM THE BOARD

To the best of the Directors' knowledge and information, no Shareholders other than Mr. Pan and his associates have a material interest in the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) and no other Shareholders shall have to abstain from voting on the ordinary resolution in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Chun Hong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, has been established to make recommendations to the Independent Shareholders in respect of the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps). The Independent Financial Adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

The notice convening the EGM to be held at 5/F, Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on Friday, 26 May 2017 at 11:10 a.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) is set out on pages 35 to 37 of this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so desire. In such event, the instrument appointing a proxy will be deemed to be revoked.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 15 to 16 of this circular which contains its recommendation to the Independent Shareholders in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps), and the letter from Red Sun set out on pages 17 to 30 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in this regard.

The Board (including the independent non-executive Directors whose recommendation is set out in the Letter from the Independent Board Committee) considers that the transactions contemplated under the Mr. Pan Supplemental Financing Services Agreement are in the ordinary and usual course of business, the Mr. Pan Supplemental Financing Services Agreement has been entered into on normal commercial terms, the terms thereof are fair and reasonable, and the entering into of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent

LETTER FROM THE BOARD

Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

10 May 2017

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION:
SUPPLEMENTAL AGREEMENT TO
THE FINANCING SERVICES AGREEMENT
AND
REVISION OF ANNUAL CAPS**

We have been appointed to form an Independent Board Committee to consider and advise you on the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps), details of which are set out in the circular issued by the Company to the Shareholders dated 10 May 2017 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from the Independent Financial Adviser set out on pages 5 to 14 and pages 17 to 30 of the Circular, respectively, and the additional information set out in the appendix to the Circular.

Having taken into account the advice and recommendations of the Independent Financial Adviser and reasons taken into consideration by them in arriving at their opinion, we consider that the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps).

Yours faithfully,
For and on behalf of the
Independent Board Committee

Mr. Chan Chun Hong
*Independent non-executive
Director*

Mr. Lee Tak Cheung Vincent
*Independent non-executive
Director*

Mr. Lau Hon Kee
*Independent non-executive
Director*

LETTER FROM RED SUN

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders in relation to the Mr. Pan Supplemental Financing Services Agreement set forth below for inclusion in this circular.



红日资本有限公司
RED SUN CAPITAL LIMITED

10 May 2017

*To: The Independent Board Committee and the Independent Shareholders of
Astrum Financial Holdings Limited*

Dear Sir/Madam,

**CONTINUING CONNECTED TRANSACTION:
SUPPLEMENTAL AGREEMENT TO
THE FINANCING SERVICES AGREEMENT
AND
REVISION OF ANNUAL CAPS**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser of the Independent Board Committee and the Independent Shareholders in respect of the Mr. Pan Supplemental Financing Services Agreement and transactions contemplated thereunder, details of which are set out in the letter from the board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 10 May 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the content requires otherwise.

References are made to the announcement of the Company dated 30 March 2017 in relation to, among other things, the Mr. Pan Supplemental Financing Services Agreement to the Mr. Pan Financing Services Agreement and revision of the Existing Annual Caps and the Circular of the Company dated 10 May 2017 in relation to, among other things, the Mr. Pan Supplemental Financing Services Agreement to the Mr. Pan Financing Services Agreement and the revision of the Existing Annual Caps.

On 23 June 2016, Astrum Capital Management Limited (“**Astrum Capital**”), an indirect wholly-owned subsidiary of the Company, entered into the Mr. Pan Financing Services Agreement with Mr. Pan, pursuant to which the Group may, upon request, provide IPO financing and/or margin financing services to the Pan’s Family, from time to time on normal commercial terms and at the interest rate no less favourable to the Group than the rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time. Mr. Pan Financing Services Agreement is for a term commencing from the Listing Date to 31 December 2018.

LETTER FROM RED SUN

As stated in the Letter from the Board, in view of the higher-than-expected demand for financing and the prevailing securities market condition, Mr. Pan expects that the Existing Annual Caps for the transactions under the Mr. Pan Financing Services Agreement may not be sufficient to meet the Pan's Family's demand for IPO financing and margin financing. Accordingly, on 30 March 2017 (after trading hours), Astrum Capital entered into the Mr. Pan Supplemental Financing Services Agreement with Mr. Pan to revise the Existing Annual Caps and extend the service period of the Mr. Pan Financing Services Agreement to 31 December 2019.

As Mr. Pan, being the executive Director, the chairman of the Board, the chief executive officer of the Company, one of the controlling Shareholders and a director of Astrum Capital, is a connected person of the Company under Rule 20.07 of the GEM Listing Rules, the transactions contemplated under the Mr. Pan Supplemental Financing Services Agreement constitutes continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios (as defined under Rule 19.07 of the GEM Listing Rules) in respect of the aggregate amount of the proposed Revised Annual Caps under the Mr. Pan Supplemental Financing Services Agreement exceeds 25% and the aggregate amount of the proposed Revised Annual Caps is more than HK\$10 million, the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are subject to the Independent Shareholders' approval requirement in addition to the reporting, annual review and announcement requirements pursuant to Chapter 20 of the GEM Listing Rules.

The EGM will be convened and held for the Independent Shareholders to consider, and if thought fit, to approve the ordinary resolution in respect of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps). By virtue of Mr. Pan's interest in the Mr. Pan Supplemental Financing Services Agreement, Mr. Pan and his associates are required to abstain from voting on the relevant resolution in relation to the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) to be proposed at the EGM. As at the Latest Practicable Date, Mr. Pan, through his wholly-owned company namely, Autumn Ocean Limited, held 528,000,000 Shares, representing 66% of the entire issued share capital of the Company.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Chun Hong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, has been established to advise to the Independent Shareholders in respect of the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps).

As the Independent Financial Adviser, our role is to give an independent opinion as to whether the terms of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole and whether the Independent Board Committee should recommend

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the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Mr. Pan Supplemental Financing Services Agreement, the transactions contemplated thereunder and the related proposed annual caps.

As at the Latest Practicable Date, we are not aware of any relationship with or interest in the Group that could reasonably be regarded as relevant to the independence of the Independent Financial Adviser. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in relation to this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information contained in the Circular, or the reasonableness of the opinions expressed by the Group, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Mr. Pan Supplemental Financing Services Agreement. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular 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 in the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Group, Astrum Capital, Mr. Pan or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the transactions contemplated under the Mr. Pan Supplemental Financing Services Agreement. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in

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market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Group.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of the Independent Financial Adviser to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS CONSIDERED

In formulating our opinions and recommendation to the Independent Board Committee and Independent Shareholders in respect of the Mr. Pan Supplemental Financing Services Agreement and the transactions contemplated thereunder, we have considered the principal factors and reasons set out below:

1. Reasons for and benefits of entering into the Mr. Pan Supplemental Financing Services Agreement

The Group is principally engaged in the provision of securities dealing and brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and IPO financing and asset management services.

As stated in the Letter from the Board, in view of the higher-than-expected demand for financing and the prevailing securities market condition, Mr. Pan expects that the Existing Annual Caps for the continuing connected transactions under the Mr. Pan Financing Services Agreement may not be sufficient to meet their demand for IPO financing and margin financing of himself and his associates.

Save for the extension of service period to 31 December 2019 and the proposed revision of the Existing Annual Caps for the three years ending 31 December 2019, we are not aware of any material changes made to the terms of the Mr. Pan Supplemental Financing Services Agreement from the Mr. Pan Financing Services Agreement.

As disclosed in the annual report of the Group for the year ended 31 December 2016, the interest income from securities and IPO financing services was approximately HK\$5,249,000 representing approximately 9.0% of the total revenue for the year ended 31 December 2016. Since it is the Group's policy to encourage its staff (including the Directors) to deal in securities through their securities trading accounts maintained with the Group, we are of the view that the margin and IPO financing services provided to Mr. Pan contributed and will continue to contribute to the commission from securities dealing and brokerage services segment which contributed approximately HK\$11,756,000 representing approximately 20.2% of the total revenue of the Group for the year ended 31 December 2016.

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Having considered that (i) it is the ordinary course of business of the Group to provide IPO and margin financing services; (ii) it is the Group's policy to encourage its staff (including the Directors) to deal in securities through their securities trading accounts maintained with the Group, so as to allow the management of the Group to closely monitor staff dealings on a daily basis; (iii) in the absence of sufficient financing flexibility as bound by the Existing Annual Caps, Mr. Pan and his associates may deal in securities in other external stockbrokers in the market which in substance affect the commission income and interest income potentially to be induced by the Pan's Family's trading accounts maintained with the Group; and (iv) the revision of the Existing Annual Caps could provide flexibility to the Pan's Family for any potential increment of financing needs for their securities investments, we concur with the Directors' view that the terms of the Mr. Pan Supplemental Financing Services Agreement (including the Revised Annual Caps) are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group, and are in the interests of the Group and the Shareholders as a whole.

2. Basis of the Revised Annual Caps

The Existing Annual Caps and Revised Annual Caps

The annual caps for the transactions contemplated under the Mr. Pan Financing Services Agreement will be revised as follows:

(a) *The Existing Annual Caps:*

| | For the year ended 31 December 2016 HK\$'000 | For the year ending 31 December 2017 2018 HK\$'000 HK\$'000 | |
|-----------------------------------|---|--|--------|
| IPO Annual Cap (<i>Note</i>) | 30,480 | 30,480 | 30,480 |
| Margin Annual Cap (<i>Note</i>) | 5,938 | 5,938 | 5,938 |
| Interest Annual Cap | 177 | 177 | 177 |

Note:

The IPO Annual Cap and the Margin Annual Cap of the Pan's Family represent the total maximum amount of loans to be advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing services respectively on a daily basis for each of the three years ending 31 December 2018 respectively.

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(b) *The Revised Annual Caps:*

| | For the year ending 31 December | | |
|--|---------------------------------|----------|----------|
| | 2017 | 2018 | 2019 |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| Revised IPO Annual Cap (<i>Note</i>) | 47,000 | 47,000 | 47,000 |
| Revised Margin Annual Cap (<i>Note</i>) | 10,000 | 10,000 | 10,000 |
| Revised Interest Annual Cap | 500 | 500 | 500 |

Note:

The Revised IPO Annual Cap and the Revised Margin Annual Cap of the Pan's Family represent the total maximum amount of loans to be advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing services respectively on a daily basis for each of the three years ending 31 December 2019 respectively.

Basis of determination of the Revised IPO Annual Caps, the Revised Margin Annual Caps and the Revised Interest Annual Caps

(a) *Basis of determination of the Revised IPO Annual Caps*

The Revised IPO Annual Caps have been increased to HK\$47.0 million, representing an increase of approximately 54.2% as compared to the IPO Annual Caps.

As disclosed in the Letter from the Board, the Revised IPO Annual Caps were determined based on the factors set forth below.

The Revised IPO Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by the Company and Mr. Pan after taking into account: (i) the historical daily maximum amount of IPO financing advanced to the Pan's Family by Astrum Capital and other external stockbrokers; (ii) the maximum amount permitted to be subscribed for in each IPO in the Stock Exchange in 2016; and (iii) the prevailing securities markets condition of Hong Kong.

According to the information provided by Mr. Pan, the maximum IPO financing advanced to the Pan's Family by an external broker in 2015 amounted to approximately HK\$250.5 million. Based on the IPO market information in 2016, it is noted that maximum amounts permitted to be subscribed for in each IPO ranged from approximately HK\$3.6 million to approximately HK\$1,583.6 million with a median of approximately HK\$17.3 million. Assuming three securities trading accounts of the Pan's Family will apply for 90% IPO financing on the same IPO, the aggregate IPO financing will amount to approximately HK\$46.7 million (HK\$17.3 million x 90% x 3).

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According to “HKEX Fact Book 2016” updated on 10 March 2017 by the Stock Exchange, we note that the IPO activities in Hong Kong have shown an upward trend during the five years from 2012 to 2016 as (i) the total number of new listed companies on the Stock Exchange of Hong Kong through IPO has increased from 64 in 2012 to 125 in 2016 with a compound annual growth rate (“CAGR”) of approximately 18.5%; and (ii) the amount of fund raised through IPO has increased from approximately HK\$90.04 billion in 2012 to approximately HK\$195.32 billion in 2016 with a CAGR of approximately 21.4%. Therefore, it is reasonable to expect that the IPO activities in Hong Kong will remain active in 2017.

(b) Basis of determination of the Revised Margin Annual Caps

The Revised Margin Annual Caps have been increased to HK\$10 million, representing an increase of approximately 68.4 % as compared to the Margin Annual Caps.

As disclosed in the Letter from the Board, the Revised Margin Annual Caps were determined based on the factors set forth below.

The Revised Margin Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by the Astrum Capital and Mr. Pan after taking into account: (i) the historical daily maximum amount of margin financing advanced to the Pan’s Family by Astrum Capital and other external stockbrokers; and (ii) the prevailing securities markets condition of Hong Kong.

According to the information provided by Mr. Pan, the historical daily maximum amount of margin financing advanced to the Pan’s Family by Astrum Capital and other external stockbrokers in 2016 amounted to approximately HK\$13.5 million (the “**2016 Daily Max Margin Financing**”). The Revised Margin Annual Caps of HK\$10 million represent approximately 74.1% of the 2016 Daily Max Margin Financing.

According to the “HKEX Fact Book 2016” updated on 10 March 2017 by the Stock Exchange, we also note that trading activities of the securities market in Hong Kong has shown a steady growth from 2012 to 2016 as (i) turnover value has increased from approximately HK\$13,301.05 billion in 2012 to approximately HK\$16,396.42 billion in 2016 with a CAGR of approximately 5.4%; and (ii) trading volume has increased from approximately 33,967.55 billion shares in 2012 to approximately 45,611.90 billion shares in 2016 with a CAGR of approximately 7.6%. Besides, the commencement of Shenzhen-Hong Kong Stock Connect on 5 December 2016 has broadened the investors base of Hong Kong Securities market. Therefore, it is reasonable to expect that the securities market in Hong Kong will remain active in 2017.

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(c) Basis of determination of the Revised Interest Annual Caps

The Revised Interest Annual Caps have been increased to HK\$0.5 million, representing an increase of approximately 182.5% as compared to the Interest Annual Caps.

As disclosed in the Letter from the Board, the Revised Interest Annual Caps were determined based on the factors set forth below.

The Revised Interest Annual Caps under the Mr. Pan Supplemental Financing Services Agreement are determined by Astrum Capital and Mr. Pan after taking into account: (i) the Revised IPO Annual Caps and the Revised Margin Annual Caps as mentioned above; (ii) the existing interest rates offered by Astrum Capital to the Pan's Family in respect of the IPO financing and margin financing; and (iii) the expected average number of days of advance for IPO financing and margin financing services, with the assumption that the interest rate will remain relatively stable in the next three years.

According to the transaction record between Astrum Capital and the Pan's Family, the Pan's Family applied 15 IPOs with IPO financing provided by Astrum Capital in 2016 and margin financing provided by Astrum Capital to the Pan's Family was utilised throughout 2016. Assuming the Pan's Family apply 20 IPOs each year and 90 days of the Revised Margin Annual Caps will be utilised in full, the aggregate interests for IPO financing and margin financing would be approximately HK\$0.5 million.

Pursuant to the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement), the interest rate offered by the Group to the Pan's Family shall be no less favourable to the Group than those offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time. To ensure the interest rate offered to the Pan's Family would be no less favourable to the Group than those offered to other customers, the Group has adopted, and will continue to adopt, a number of internal control and risk management measures, including (i) when any member of the Pan's Family opens a margin account in Astrum Capital, the operation department will check whether the proposed interest rate for margin financing service to such member is no less favourable to the Group than the interest rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group from time to time; and (ii) in respect of each IPO financing, the interest rate charged by the Group on the securities trading accounts of the Pan's Family will be the same as other customers of the Group who are Independent Third Parties for the same IPO application.

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Assessment of the reasonableness of the Revised Annual Caps

In assessing the proposed Revised Annual Caps of IPO financing and margin financing under the Mr. Pan Supplemental Financing Services Agreement, we have assessed the number of new listed companies on the Stock Exchange of Hong Kong through IPO, the amount of fund raised through IPO, turnover value and trading volume of the stock in Hong Kong, which we consider would reflect the overall market sentiment.

We have reviewed the stock market statistics in the past five years from 2012 to 2016 with reference to the “HKEX Fact Book” and “HKEX Securities and Derivatives Markets Quarterly Report” published by the Stock Exchange.

(a) IPO activities in Hong Kong

According to 2016 market statistics published by the Stock Exchange on 9 January 2017, Hong Kong is the world leader in terms of fund raising amount through IPO for the second consecutive year. According to the “HKEX Fact Book 2016” updated on 10 March 2017 by the Stock Exchange, the total number of new listed companies on the Stock Exchange of Hong Kong through IPO has increased from 64 in 2012 to 125 in 2016, representing a CAGR of approximately 18.5%. The amount of fund raised through IPO has increased from approximately HK\$90.04 billion in 2012 to approximately HK\$195.32 billion in 2016, representing a CAGR of approximately 21.4%.

According to a news release namely “Report on Initial Public Offering Applications, Delisting and Suspensions (As at 28 February 2017)” published by the Stock Exchange on 28 February 2017, there were 132 active applications for new listing (including those under processing and those granted with approval in principle) for the two months ended 28 February 2017.

Based on the above analysis, we note that both of the number of newly listed companies and the total funds raised through IPO in Hong Kong has shown an upward trend during the five years from 2012 to 2016 and Hong Kong is ranked the first globally in terms of IPO equity funds raised in 2016, thus, it is reasonable to expect that the IPO activities in Hong Kong will remain active in 2017.

(b) Securities market in Hong Kong

According to the “HKEX Fact Book 2016” updated on 10 March 2017 by the Stock Exchange, the total annual turnover value of the stock market in Hong Kong has increased from approximately HK\$13,301.05 billion in 2012 to approximately HK\$16,396.42 billion in 2016 with a CAGR of approximately 5.4%. Also, total annual trading volume in shares has increased from approximately 33,967.55 billion shares in 2012 to approximately 45,611.90 billion shares in 2016 with a CAGR of approximately 7.6%.

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We note that the trading activities of the securities market in Hong Kong has shown a steady growth from 2012 to 2016 in terms of turnover value and trading volume. It is reasonable to expect that the trading activities of the securities market in Hong Kong will remain active in 2017 given the statistics above and the commencement of Shenzhen-Hong Kong Stock Connect on 5 December 2016 which broadened the investors base of Hong Kong securities market.

(c) *Historical information*

The following table sets out the daily maximum amount of IPO financing and margin financing advanced by Astrum Capital to the Pan's Family and the amount of interest income received from the Pan's Family for the three years ended 31 December 2016.

| | Year ended 31 December | | |
|--|------------------------|-----------------|-----------------|
| | 2014 | 2015 | 2016 |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | (Approximately) | (Approximately) | (Approximately) |
| Daily maximum amount of IPO financing (<i>Note</i>) | 20,345 | 22,277 | 12,727 |
| Daily maximum amount of margin financing (<i>Note</i>) | 7,532 | 5,509 | 5,698 |
| Total interest income received | 225 | 212 | 126 |

Note:

The daily maximum amount of IPO financing and margin financing of the Pan's Family represent the total maximum amount of loans advanced to the securities trading accounts held by the Pan's Family for IPO financing and margin financing respectively on a daily basis for each of the three years ended 31 December 2016 respectively.

Based on our review of historical daily maximum amount of IPO financing advanced to the Pan's Family by Astrum Capital, we note that the maximum IPO financing amount was approximately HK\$12.73 million during the period from 14 July 2016 to 31 December 2016, which was accounted for approximately 41.8% of the IPO Annual Caps. We also reviewed the historical aggregate maximum daily amount of IPO financing advanced to the Pan's Family by Astrum Capital and other external stockbrokers, we note that the aggregate daily maximum IPO financing amount was approximately HK\$17.68 million, which was accounted for approximately 58.0% of the IPO Annual Caps during the period from 14 July 2016 to 31 December 2016.

Having reviewed the historical IPO financing advanced to the Pan's Family by Astrum Capital and other external stockbrokers for the three years ended 31 December 2016, we note that (i) the daily maximum amount of IPO financing advanced to the Pan's Family by Astrum Capital amounted to approximately HK\$22.28 million, which accounted for approximately 73.1% of the IPO Annual

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Caps; and (ii) the daily maximum amount of IPO financing advanced to the Pan's Family by other external stockbrokers amounted to approximately HK\$250.50 million, which accounted for approximately 821.8% of the IPO Annual Caps.

Having reviewed the historical record of margin financing advanced to the Pan's Family by Astrum Capital, we note that the daily maximum margin financing amount was approximately HK\$5.70 million during the period from 14 July 2016 to 31 December 2016, which accounted for approximately 96.0% of the Margin Annual Caps. We also reviewed the historical maximum daily amount of margin financing advanced to the Pan's Family by other external stockbrokers, we note that the maximum margin financing amount was approximately HK\$8.85 million, which amounted for approximately 149.1% of the Margin Annual Caps during the period from 14 July 2016 to 31 December 2016.

(d) Our view

Having considered the trading activities of Hong Kong securities market mentioned above, we are of the opinion that the Revised IPO Annual Caps and Revised Margin Annual Caps (i.e. HK\$47 million and HK\$10 million respectively) to be provided to the Pan's Family will provide a reasonable buffer and flexibility for the Pan's Family to adjust their investment plan and proportion with their IPO financing and margin financing activities with the Group and therefore allows the Group to benefit from any interest income to be received from the Pan's Family. Therefore, we are of the view that the Revised IPO Annual Caps and Revised Margin Annual Caps to be provided to the Pan's Family for the three years ending 31 December 2017, 2018 and 2019 are fair and reasonable.

Given the historical information, we concur with the Directors' view that the Existing Annual Caps may not be sufficient to meet the Pan's Family's demand for IPO financing and margin financing and in the absence of sufficient financing flexibility as bound by the Existing Annual Caps, Mr. Pan and his associates may have to deal in securities through their securities trading accounts with external stockbrokers which in substance affect the commission income and interest income potentially to be induced by the Pan's Family's trading accounts maintained with the Group. Accordingly, we are of the view that the revision of Existing Annual Caps is of revenue nature of the Group and therefore is fair and reasonable and is in the interest of the Group and the Shareholders as a whole.

Furthermore, members of the Pan's Family have no record of default in payment during the period of the Mr. Pan Financing Services Agreement. As such, we consider the default risk for the margin and IPO financings for the Pan's Family would be low.

Besides having considered that (i) the provision of IPO financing service is one of the principal business activities of the Group; (ii) the favourable environment of the Hong Kong IPO and securities market; (iii) the potential commission and interest income to be induced by the Mr. Pan Supplemental

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Financing Services Agreement; and (iv) there are no record of default in payment from the Pan's Family during the period of the Financial Services Agreement, we consider that the Mr. Pan Supplemental Financing Services Agreement is conducted in the ordinary and usual course of business of the Group, and is in the interest of the Group and the Shareholders as a whole. Accordingly, we are of the view that the Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

3. The pricing policy

As disclosed in the Prospectus, the interest rates charged to the relevant Connected Parties in relation to IPO financing and margin financing services were no less favourable to the Group than the rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group.

We have reviewed the interest rate charged by the Group to the Pan's Family for the IPO financing service provided during the period commencing from 14 July 2016 to 31 March 2017 (being the period term covering the Mr. Pan Financing Services Agreement). For our assessment purpose, we have selected all clients under the same IPO financing exercise as the samples, which we consider are the most appropriate comparison samples given the same market sentiment, to compare with the interest rate offered to the member of the Pan's Family. As such, we consider the samples selected for review are fair and representative. During our assessment, we note that Astrum Capital offered the same interest rate to the members of the Pan's Family and other customers of the Group who are Independent Third Parties for those selected IPOs.

For accessing the interest rate of margin financing offered to the Pan's Family, we have also reviewed the compliance and procedures manual of Astrum Capital. Accordingly, we note that the interest rates offered to the Pan's Family are no less favourable to the Group than that offered to other customers of the Group who are Independent Third Parties for margin accounts. We also reviewed the monthly statement of securities trading accounts of Astrum Capital for provision of the margin financing services to (i) the members of the Pan's Family; and (ii) other customers of the Group who are Independent Third Parties for a period commencing from 14 July 2016 to 31 March 2017 (being the period term covering the Mr. Pan Financing Services Agreement). We consider the samples reviewed are fair and representative, taking into account the samples under review covered the period under the Mr. Pan Financing Services Agreement. During our assessment, we are not aware of any abnormal commercial terms or any more favourable terms on the interest rates offered to the members of the Pan's Family for margin financing comparing to those offered to other customers of the Group who are Independent Third Parties.

During our above assessments, we are not aware of any inconsistencies in the practice of the pricing policy of Astrum Capital. We consider the interests rates offered to the member of the Pan's Family are on normal commercial terms and are no less favourable to the Group than the rates offered to other customers of the Group who are Independent Third Parties and in accordance with the pricing policy of the Group.

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Accordingly, we consider the terms of the Mr. Pan Supplemental Financing Services Agreement are fair and reasonable so far as the Group and the Independent Shareholders are concerned.

4. Internal control

As stated in the Letter from the Board, Astrum Capital has adopted and will continue to adopt several internal control and risk management control measures in respect of the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement).

We have reviewed the annual report for the year ended 31 December 2016 and noted that the Company's auditors have issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions under the Mr. Pan Financing Services Agreement. Further, we have also reviewed (i) the interest rate charged by Astrum Capital during the period from 14 July 2016 to 31 March 2017 to members of the Pan's Family and the other independent clients for provision of margin financing; and (ii) the interest rate charged for the IPO financing service provided to the members of the Pan's Family from 14 July 2016 to 31 March 2017 to members of the Pan's Family and other customers of the Group who are Independent Third Parties for provision of IPO financing. Based on our review, we note that the interest rates offered to the Pan's Family are no less favourable to the Group than that offered to other customers of the Group who are Independent Third Parties. Besides, we have reviewed internal control daily check records for the continuing connected transactions, which are conducted by Astrum Capital to ensure the amount of the margin financing and IPO financing do not exceed the Margin Annual Cap and IPO Annual Cap. We also note that the dealing department of Astrum Capital has been conducting the daily checking for the margin accounts of the Pan's Family and such daily checking records have been reviewing by the operations department of Astrum Capital.

In light of above review, we consider that Astrum Capital has adopted and acted in accordance with its internal control and risk management control measures. Besides, we also concur with the Directors' view that the internal control and risk management measures can ensure that the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having taken into consideration the principal factors and reasons discussed above, we are of the view that the Mr. Pan Supplemental Financing Services Agreement, the Continuing Connected Transactions for the three years ended 31 December 2019 and the Revised Annual Caps are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Group and the Shareholders as a whole. Accordingly, we would recommend the Independent Board

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Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to ratify and approve the Mr. Pan Supplemental Financing Services Agreement and approve the Revised Annual Caps.

Yours faithfully,
For and on behalf of
Red Sun Capital Limited
Felicia Tse
Executive Director

Note: Ms. Felicia Tse is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Red Sun Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(I) Directors' and chief executive's interests in Shares, underlying Shares or debentures

As at the Latest Practicable Date, the interests of the Directors and the chief executive 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) (the “**Associated Corporations**”) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise 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 provisions of the SFO) or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules or the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) were as follows:

Long position in the Shares

| Name | Capacity/Nature of interests | Number of Shares held/ interested in | Percentage of shareholding (Note 2) |
|------------------|--------------------------------------|---|--|
| Mr. Pan (Note 1) | Interest of a controlled corporation | 528,000,000 | 66% |

Notes:

- 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.
- The percentage is calculated on the basis of 800,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive had any other interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its Associated Corporations which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise 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 provisions of the SFO) or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules or the Model Code.

(II) Substantial interests in the share capital of the Company

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons had or were deemed or taken to have an interest and/or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Long position in the Shares

| Name | Capacity/Nature of interests | Number of Shares held/ interested in | Percentage of shareholding (Note 3) |
|---------------------------------|--------------------------------------|---|--|
| Mr. Pan (Note 1) | Interest of a controlled corporation | 528,000,000 | 66% |
| Ms. Liu Ming Lai Lorna (Note 2) | Interest of spouse | 528,000,000 | 66% |
| Autumn Ocean Limited | Beneficial interest | 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. Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all the shares in which Mr. Pan is interested for the purposes of the SFO.
3. The percentage is calculated on the basis of 800,000,000 shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors and the chief executive of the Company, no other person had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, beneficially interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or in any options in respect of such capital.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which is significant to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any interests, either direct or indirect, in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by or leased to, any member of the Group since 31 December 2016 (being the date of the latest published audited financial statements of the Company).

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective close associates (as defined in the GEM Listing Rules) had interests in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

7. EXPERT'S QUALIFICATION AND CONSENT

Set out below is the qualification of the expert who has given its opinion or letter of advice in this circular:

| Name | Qualification |
|-------------|--|
| Red Sun | a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or opinion or report or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interests, either direct or indirect, in any assets which had been, since 31 December 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong from the date of this circular up to and including the date of the EGM:

- (i) the memorandum and articles of association of the Company;
- (ii) the Mr. Pan Financing Services Agreement;
- (iii) the Mr. Pan Supplemental Financing Services Agreement;
- (iv) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 15 to 16 of this circular;
- (v) the letter of advice from Red Sun to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 17 to 30 of this circular;
- (vi) the written consent as referred to under the section headed “*EXPERT’S QUALIFICATION AND CONSENT*” in this appendix; and
- (vii) this circular.

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN the extraordinary general meeting (the “EGM”) of Astrum Financial Holdings Limited (the “**Company**”) to be held at 5/F, Euro Trade Centre, 13-14 Connaught Road Central, Hong Kong on Friday, 26 May 2017 at 11:10 a.m. (or at such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place, whichever is later) for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as resolutions of the Company:

ORDINARY RESOLUTION

“THAT

- (i) the supplemental agreement entered into between Astrum Capital Management Limited (“**Astrum Capital**”) and Mr. Pan Chik (“**Mr. Pan**”) dated 30 March 2017 (the “**Mr. Pan Supplemental Financing Services Agreement**”) (a copy of which is tabled at the EGM marked “**A**” and initialed by the chairman of the EGM for identification purpose) to the financing services agreement entered into between Astrum Capital and Mr. Pan dated 23 June 2016, pursuant to which Astrum Capital may provide margin financing and/or IPO financing services to Mr. Pan and his associates (including his family members and certain private companies controlled by Mr. Pan and his family members but excluding Astrum Absolute Return China Fund and the Group) upon request (a copy of which is tabled at the EGM marked “**B**” and initialed by the Chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (ii) the Revised Annual Caps (as defined and detailed in the circular of the Company dated 10 May 2017) as contemplated under the Mr. Pan Supplemental Financing Services Agreement be and are hereby approved, confirmed and ratified; and

NOTICE OF EGM

- (iii) any one director of the Company be and is hereby authorised to do all such acts and things and execute such documents (including the affixation of the common seal of the Company where execution under seal is required) and take all steps which, in his/her opinion deemed necessary, desirable or expedient to implement and/or effect the transactions contemplated under the Mr. Pan Supplemental Financing Services Agreement for and on behalf of the Company.”

By Order of the Board
Astrum Financial Holdings Limited
Pan Chik
Chairman and Chief Executive Officer

Notes:

- 1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company.*
- 2. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized on its behalf.*
- 3. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or any adjournment thereof), either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.*
- 4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.*
- 5. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.*
- 6. The transfer books and register of members of the Company will be closed from 23 May 2017 (Tuesday) to 26 May 2017 (Friday), both dates inclusive. During such period, no share transfers will be effected. In order to qualify for attending the EGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 22 May 2017 (Monday).*
- 7. A form of proxy for use by shareholders of the Company at the EGM is enclosed.*

NOTICE OF EGM

As at the date of this notice, 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

Independent Non-executive Directors

Mr. Chan Chun Hong

Mr. Lee Tak Cheung Vincent

Mr. Lau Hon Kee

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 notice 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. This announcement will also be published on the website of the Company (www.astrum-capital.com).