

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.*



**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 2018**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized 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.**

**Given that the companies listed on GEM are generally small and mid-sized companies, 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.**

*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 aspects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## SUMMARY

- Revenue for the nine months ended 30 September 2018 amounted to approximately HK\$22.8 million while revenue for the nine months ended 30 September 2017 amounted to approximately HK\$47.1 million.
- Profit and total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2018 amounted to approximately HK\$3.9 million while profit and total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2017 amounted to approximately HK\$20.3 million.
- Basic earnings per share for the nine months ended 30 September 2018 amounted to approximately HK0.49 cent while basic earnings per share for the nine months ended 30 September 2017 amounted to approximately HK2.54 cents.
- At a board meeting of the Company held on 7 May 2018, the Board declared an interim dividend (“**Q1 Dividend**”) of HK\$0.005 per share (three months ended 31 March 2017: HK\$0.005 per share) for the three months ended 31 March 2018, amounting to HK\$4.0 million (three months ended 31 March 2017: HK\$4.0 million). Such declared Q1 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 13 June 2018.
- At a board meeting of the Company held on 2 August 2018, the Board declared an interim dividend (“**Q2 Dividend**”) of HK\$0.005 per share (three months ended 30 June 2017: Nil) for the three months ended 30 June 2018, amounting to HK\$4.0 million (three months ended 30 June 2017: Nil). Such declared Q2 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 10 September 2018.
- At a board meeting of the Company held on 6 November 2018, the Board declared an interim dividend (“**Q3 Dividend**”) of HK\$0.005 per share (three months ended 30 September 2017: HK\$0.005 per share) for the three months ended 30 September 2018, amounting to HK\$4.0 million (three months ended 30 September 2017: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$4.0 million has not been recognised as a liability as at 30 September 2018.

## UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2018

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 2018 together with the comparative unaudited figures for the corresponding periods in 2017 as follows:

### CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months and nine months ended 30 September 2018*

		Three months ended 30 September		Nine months ended 30 September	
		2018	2017	2018	2017
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	3	<b>9,811</b>	8,506	<b>22,791</b>	47,138
Other income	4	<b>70</b>	485	<b>314</b>	1,672
Administrative and other operating expenses		<b>(5,575)</b>	(6,512)	<b>(18,411)</b>	(24,043)
Finance costs		<b>(18)</b>	(35)	<b>(272)</b>	(224)
Profit before tax	5	<b>4,288</b>	2,444	<b>4,422</b>	24,543
Income tax expense	6	<b>(395)</b>	(428)	<b>(495)</b>	(4,198)
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>		<b>3,893</b>	2,016	<b>3,927</b>	20,345
<b>Earnings per share</b>					
– Basic and diluted ( <i>HK cents</i> )	8	<b>0.49</b>	0.25	<b>0.49</b>	2.54

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2018

	Attributable to owners of the Company				Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Retained profits HK\$'000	
<b>Nine months ended 30 September 2017</b>					
Balance at 1 January 2017 (Audited)	8,000	77,179	38,401	34,601	158,181
Profit and total comprehensive income for the period	–	–	–	20,345	20,345
Dividends recognised as distribution during the period (Note 7)	–	–	–	(4,000)	(4,000)
Balance at 30 September 2017 (Unaudited)	<u>8,000</u>	<u>77,179</u>	<u>38,401</u>	<u>50,946</u>	<u>174,526</u>
<b>Nine months ended 30 September 2018</b>					
Balance at 1 January 2018 (Audited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	<b>49,466</b>	<b>173,046</b>
Profit and total comprehensive income for the period	–	–	–	<b>3,927</b>	<b>3,927</b>
Dividends recognised as distribution during the period (Note 7)	–	–	–	<b>(8,000)</b>	<b>(8,000)</b>
Balance at 30 September 2018 (Unaudited)	<u><b>8,000</b></u>	<u><b>77,179</b></u>	<u><b>38,401</b></u>	<u><b>45,393</b></u>	<u><b>168,973</b></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2018*

## 1. GENERAL INFORMATION

Astrum Financial Holdings Limited (the “**Company**”) was incorporated in the Cayman Islands on 13 January 2015 as an exempted company with limited liability. The shares of the Company are listed on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its parent and ultimate holding company is Autumn Ocean Limited, a company incorporated in British Virgin Islands (the “**BVI**”) and wholly-owned by Mr. Pan Chik (“**Mr. Pan**”), the controlling shareholder, an executive director and the chairman of the Company.

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

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering financing and asset management services.

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 nine months ended 30 September 2018 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. These unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2017.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2018 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2017, 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 2018.

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.

## **HKFRS 9 *Financial instruments***

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit loss are recognised.

In current period, the Group has applied HKFRS 9 and it has no material effect on the amounts reported in the financial statements as the credit quality of the financial assets of the Group did not change significantly during the nine months ended 30 September 2018.

## **HKFRS 15 *Revenue from Contracts with Customers***

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

In current period, the Group has applied HKFRS 15 and it has no material impact on the revenue recognised during the nine months ended 30 September 2018.

## New and Revised HKFRSs that have been issued but are not yet effective

The Group has not early adopted the following New and Revised HKFRSs that have been issued but are not yet effective.

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments <sup>2</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle <sup>1</sup>

<sup>1</sup> *Effective for annual periods beginning on or after 1 January 2019.*

<sup>2</sup> *Effective for annual periods beginning on or after 1 January 2021.*

<sup>3</sup> *Effective for annual periods beginning on or after a date to be determined.*

The Group is in the process of making an assessment of the impact for those New and Revised HKFRSs, which are not yet effective, 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 operation 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 by the Board for publication on 6 November 2018.

### 3. REVENUE

The Group's revenue from its major services for the three months and nine months ended 30 September 2018 and 2017 are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Commission from brokerage services	4,282	2,397	6,211	9,829
Placing and underwriting commission	3,285	1,842	7,999	25,759
Corporate finance advisory services fee	1,330	860	4,680	2,130
Interest income from securities and initial public offering financing	602	2,421	2,217	7,888
Asset management services fee – Fund management and performance fee	312	986	1,684	1,532
	<u>9,811</u>	<u>8,506</u>	<u>22,791</u>	<u>47,138</u>

### 4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)	2017 <i>HK\$'000</i> (Unaudited)
Interest income from				
– banks	–	–	3	2
– others	1	–	3	1
Administrative services income	2	203	31	654
Management fee income	9	9	25	27
Handling fee income	58	273	252	988
	<u>70</u>	<u>485</u>	<u>314</u>	<u>1,672</u>



## 5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Three months ended		Nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditors' remuneration	175	150	525	450
Commission expenses	26	247	48	4,118
Depreciation of property, plant and equipment	263	261	789	732
Interest expense on bank overdrafts and borrowings	18	35	272	87
Interest expense on other borrowings	–	–	–	137
Net foreign exchange loss	58	–	28	–
Operating lease payments in respect of rented premises	510	510	1,530	1,530
	<u>510</u>	<u>510</u>	<u>1,530</u>	<u>1,530</u>
Employee benefits expense:				
Salaries and other benefits in kind	3,084	3,560	10,329	11,041
Commission to accounts executives	90	295	335	968
Contributions to retirement benefit scheme	78	83	233	244
	<u>3,252</u>	<u>3,938</u>	<u>10,897</u>	<u>12,253</u>
Total employee benefits expense, including directors' emoluments	<u>3,252</u>	<u>3,938</u>	<u>10,897</u>	<u>12,253</u>

## 6. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong Profits Tax:				
– Current period	395	428	495	4,198
	<u>395</u>	<u>428</u>	<u>495</u>	<u>4,198</u>

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.

## 7. DIVIDENDS

	Three months ended		Nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Dividends recognised as distribution during the period				
– Q1 Dividend of HK\$0.005 per ordinary share	–	–	4,000	4,000
– Q2 Dividend of HK\$0.005 per ordinary share	4,000	–	4,000	–
	<u>4,000</u>	<u>–</u>	<u>8,000</u>	<u>4,000</u>

At a board meeting of the Company held on 7 May 2018, the Board declared an interim dividend (“**Q1 Dividend**”) of HK\$0.005 per share (three months ended 31 March 2017: HK\$0.005 per share) for the three months ended 31 March 2018, amounting to HK\$4.0 million (three months ended 31 March 2017: HK\$4.0 million). Such declared Q1 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 13 June 2018.

At a board meeting of the Company held on 2 August 2018, the Board declared an interim dividend (“**Q2 Dividend**”) of HK\$0.005 per share (three months ended 30 June 2017: Nil) for the three months ended 30 June 2018, amounting to HK\$4.0 million (three months ended 30 June 2017: Nil). Such declared Q2 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 10 September 2018.

At a board meeting of the Company held on 6 November 2018, the Board declared an interim dividend (“**Q3 Dividend**”) of HK\$0.005 per share (three months ended 30 September 2017: HK\$0.005 per share) for the three months ended 30 September 2018, amounting to HK\$4.0 million (three months ended 30 September 2017: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$4.0 million has not been recognised as a liability as at 30 September 2018.



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering (“**IPO**”) financing 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 financial results for the first nine months of 2018 were unsatisfactory as the placing and underwriting business of the Group tumbled down with only eight new listing underwriting engagements completed. The inactive placing and underwriting business also brought negative impact to the brokerage services and securities and IPO financing business. However, the corporate finance advisory business recorded a promising result with a growing sign in terms of number of engagements and average revenue per engagement. Asset management service also denoted a slight growth.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group for the nine months ended 30 September 2018 (the “**Current Period**”) was approximately HK\$22.8 million as compared to approximately HK\$47.1 million for the nine months ended 30 September 2017 (the “**Corresponding Period**”), representing a decrease of approximately 51.6%. Such decrease was attributable to (i) the decrease in commission from brokerage services; (ii) the decrease in the number of placing and underwriting engagements secured and completed by the Group; and (iii) the decrease in interest income derived from securities and IPO financing services.

Commission from brokerage services decreased from approximately HK\$9.8 million for the Corresponding Period to approximately HK\$6.2 million for the Current Period, representing a decrease of approximately 36.7%. Such decrease was due to the decrease in the transaction amount of customers’ securities trading.

Revenue derived from placing and underwriting services decreased from approximately HK\$25.8 million for the Corresponding Period to approximately HK\$8.0 million for the Current Period, representing a decrease of approximately 69.0%. Such decrease was mainly due to the decrease in the number of placing and underwriting engagements completed by the Group from 14 engagements for the Corresponding Period to 8 engagements for the Current Period.

Corporate finance advisory services fee increased from approximately HK\$2.1 million for the Corresponding Period to approximately HK\$4.7 million for the Current Period, representing an increase of approximately 123.8%. Such increase was mainly due to the increase in the number of financial advisory engagements charged by the Group from 12 engagements for the Corresponding Period to 15 engagements for the Current Period.

Interest income from securities and IPO financing decreased from approximately HK\$7.9 million for the Corresponding Period to approximately HK\$2.2 million for the Current Period, representing a decrease of approximately 72.2%. Such decrease was attributable to the weak demand for margin financing service from customers.

Asset management services fee increased from approximately HK\$1.5 million for the Corresponding Period to approximately HK\$1.7 million for the Current Period, representing an increase of approximately 13.3%. For the Current Period, the Group recognised a management fee of approximately HK\$1.0 million (Corresponding Period: HK\$0.8 million) and a performance fee of approximately HK\$0.7 million (Corresponding Period: HK\$0.7 million) was charged as the net asset value per share of Astrum Absolute Return China Fund surpassed the high water mark achieved in 2017.

### **Other income**

Other income decreased from approximately HK\$1.7 million for the Corresponding Period to approximately HK\$0.3 million for the Current Period. Such decrease was mainly due to (i) the decrease in the transaction amount of customers' securities trading which in turn resulted in the decrease in handling fees income, such as CCASS charges and scrip fees received from customers; and (ii) the decrease in administrative services income received from customers.

### **Administrative and other operating expenses**

Administrative and other operating expenses decreased from approximately HK\$24.0 million for the Corresponding Period to approximately HK\$18.4 million for the Current Period, representing a decrease of approximately 23.3%. Such decrease was mainly due to (i) the decrease in commission expenses from approximately HK\$4.1 million for the Corresponding Period to approximately HK\$48,000 for the Current Period; and (ii) the decrease in the total employee benefits expense from approximately HK\$12.3 million for the Corresponding Period to approximately HK\$10.9 million for the Current Period.

### **Finance costs**

The finance costs increased from approximately HK\$224,000 for the Corresponding Period to approximately HK\$272,000 for the Current Period.

### **PROFIT FOR THE PERIOD**

As a result of the foregoing, profit and total comprehensive income attributable to owners of the Company decreased by approximately HK\$16.4 million, or approximately 80.8%, from approximately HK\$20.3 million for the Corresponding Period to approximately HK\$3.9 million for the Current Period.

## **PROSPECTS**

The financial market sentiment is cautious and pessimistic after the recent plunge in major stock markets. Concerns are escalating over interest rates hike, intensification of trade tensions between United States and China and associated rise in policy uncertainty. In early October 2018, the International Monetary Fund cut its 2019 growth forecasts for United States and China, citing the recent waves of tariffs the world's top two economies have imposed on each other.

While brokerage service, margin financing service and asset management service are expected to be affected by the market environment, the management of the Group will continue to spend their effort in sustaining existing clients while reaching out to broaden the client base for the placing and underwriting business and corporate finance advisory business.

Subsequent to 30 September 2018 and up to the date of this announcement, the Group completed one corporate finance advisory engagement and had one placing and underwriting engagement and five corporate finance advisory engagements in progress.

## **EVENT AFTER THE REPORTING PERIOD**

After the Current Period and up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

## **INTERIM DIVIDEND**

At a board meeting of the Company held on 6 November 2018, the Board declared an interim dividend (“**Q3 Dividend**”) of HK\$0.005 per share (three months ended 30 September 2017: HK\$0.005 per share) for the three months ended 30 September 2018, amounting to HK\$4.0 million (three months ended 30 September 2017: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$4.0 million has not been recognised as a liability as at 30 September 2018.

## **USE OF PROCEEDS**

In respect of the net proceeds of approximately HK\$68.4 million raised from the Share Offer in July 2016, up to the date of this announcement, (i) approximately HK\$61.6 million has been deployed for the expansion of financing services; (ii) approximately HK\$6.1 million has been used as general working capital for payment of rent and management fee and compliance adviser fee; and (iii) approximately HK\$0.7 million has been kept at bank for future use as general working capital as stated in the Prospectus.

## 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 2018, 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“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 Director	Capacity/Nature of interests	Number of shares held	Approximate percentage of shareholding (Note 2)
Mr. Pan (Note 1)	Interest of a controlled corporation	532,685,000	66.59%

#### Notes:

1. These 532,685,000 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 2018.

Save as disclosed above, as at 30 September 2018, 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 2018, 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 shares held/ interested in	Approximate percentage of shareholding (Note 2)
Ms. Liu Ming Lai Lorna (Note 1)	Interest of spouse	532,685,000	66.59%
Autumn Ocean Limited	Beneficial interest	532,685,000	66.59%

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. The percentage is calculated on the basis of 800,000,000 shares in issue as at 30 September 2018.

Save as disclosed above, as at 30 September 2018, the Directors were not aware of any 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, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

## SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company on 23 June 2016. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years. Under the Scheme, the Board shall be entitled to offer to grant a share option to any eligible participant whom the Board may select at its absolute discretion. No share options have been granted under the Scheme since its effective date and up to 30 September 2018.



## **DIRECTOR’S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraph 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” in this announcement, at no time during the Current Period and as at 30 September 2018 was the Company or any of its subsidiaries was a party to any arrangements to enable the Directors and Chief Executives (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporation.

## **COMPETING INTERESTS**

As at 30 September 2018, 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.

## **NON-COMPETITION UNDERTAKING**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in October 2018 on their compliance of the non-competition undertaking under the Deed of Non-competition (“**Pan’s Undertaking**”) for the period from 1 July 2018 to 30 September 2018. The independent non-executive Directors reviewed the compliance of Pan’s Undertaking and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that Mr. Pan and Autumn Ocean Limited have complied with Pan’s Undertaking during the period from 1 July 2018 to 30 September 2018.

## **COMPLIANCE ADVISER’S INTERESTS**

As at 30 September 2018, 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 Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Director’s securities transaction. Having made specific enquiries of all Directors, all of them confirmed that they have complied with the required standard of dealings throughout the Current Period. The Company has not been notified of any incident of non-compliance during the Current 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 during the Current Period.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company is committed to achieving 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 Current Period, 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.

## **DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES**

As at 30 September 2018, 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.

## **AUDIT COMMITTEE**

The chairman of the Audit Committee is Mr. Lau Hon Kee, being an independent non-executive Director, and other members include Mr. Chan Chun Hong and Mr. Lee Tak Cheung Vincent, both being independent non-executive Directors.

The primary duties of the Audit Committee are to (i) to review and monitor the Company's external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (ii) monitor integrity of the Company's financial statements, review annual report and accounts, half-year report and quarterly reports, and review significant financial reporting judgements contained in them; and (iii) review the Company's financial reporting, financial controls, risk management and internal control systems.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

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

## **INTERIM DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

At a board meeting of the Company held on 6 November 2018, the Board declared Q3 Dividend of HK\$0.005 in cash per share for the three months ended 30 September 2018. The Q3 Dividend will be paid on or about Thursday, 13 December 2018 to shareholders whose names appear on the register of members of the Company on Wednesday, 28 November 2018.

The register of members of the Company will be closed from Monday, 26 November 2018 to Wednesday, 28 November 2018 (both dates inclusive), for the purpose of determining shareholders' entitlement to the interim dividend, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms 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 not later than 4:30 p.m. on Friday, 23 November 2018.

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

Hong Kong, 6 November 2018

*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

*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](http://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](http://www.astrum-capital.com)).*