
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:
2019 MR. PAN FINANCING SERVICES AGREEMENT
AND
RENEWAL OF ANNUAL CAPS**

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



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 15 of this circular. The letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 16 to 17 of this circular. A letter of advice from Lego Corporate Finance Limited to the Independent Board Committee and the Independent Shareholders is set out on pages 18 to 31 of this circular.

A notice convening the EGM to be held at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Thursday, 20 June 2019 at 11:15 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 37 to 39 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.

4 June 2019

CHARACTERISTICS OF GEM

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.

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DEFINITIONS

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

“2019 Mr. Pan Financing Services Agreement”	the new financing services agreement entered into between Astrum Capital and Mr. Pan dated 7 May 2019, pursuant to which the Group may, upon request, provide IPO Financing Service and/or Margin Financing Service to the Pan’s Family
“Announcement”	the announcement of the Company dated 7 May 2019 in relation to, among others, the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Annual Caps”	the IPO Annual Caps, the Margin Annual Caps and the Interest Annual Caps under the 2019 Mr. Pan Financing Services Agreement
“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
“Commencement Date”	the date on which the conditions precedent of the 2019 Mr. Pan Financing Services Agreement having been fulfilled
“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

DEFINITIONS

“Controlling Shareholder(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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps)
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps)
“Independent Financial Adviser” or “Lego”	Lego Corporate Finance 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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the 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

DEFINITIONS

“Interest Annual Cap(s)”	the annual cap(s) of the interest to be received from the provision of IPO Financing Service and Margin Financing Service from Mr. Pan and his associates under the 2019 Mr. Pan Financing Services Agreement
“IPO”	initial public offering
“IPO Annual Cap(s)”	the annual cap(s) of the daily maximum amounts of IPO Financing Service to be advanced to Mr. Pan and his associates under the 2019 Mr. Pan Financing Services Agreement
“IPO Financing Service”	provision of financial accommodation in order to facilitate the acquisition of securities in accordance with the term of a prospectus registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance
“Latest Practicable Date”	29 May 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“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 Cap(s)”	the annual cap(s) of the daily maximum amounts of Margin Financing Service to be advanced to Mr. Pan and his associates under the 2019 Mr. Pan Financing Services Agreement
“Margin Financing Service”	provision of financial accommodation in order to facilitate the acquisition of securities listed on any stock market, and where applicable, the continued holding of those securities
“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 of the Company 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 IPO Financing Service and/or Margin Financing Service to the Pan’s Family

DEFINITIONS

“Mr. Pan Second Supplemental Financing Services Agreement”	the second supplemental agreement entered into between Astrum Capital and Mr. Pan dated 9 August 2018, pursuant to which Astrum Capital and Mr. Pan agreed to amend certain terms of the Mr. Pan Financing Services Agreement (including the interest annual caps)
“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 amend certain terms of the Mr. Pan Financing Services Agreement (including the annual caps)
“Service Fee(s)”	the amount of interests agreed to be charged by the Astrum Capital and payable by Mr. Pan (and/or his associates) in respect of the Services
“Services”	IPO Financing Service and Margin Financing Service
“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 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

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

4 June 2019

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION:
2019 MR. PAN FINANCING SERVICES AGREEMENT
AND
RENEWAL OF ANNUAL CAPS**

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the 2019 Mr. Pan Financing Services Agreement.

On 23 June 2016, 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

LETTER FROM THE BOARD

Group may, upon request, provide IPO Financing Service and/or Margin Financing Service to the Pan's Family. The Mr. Pan Financing Services Agreement was for a term commencing on the Listing Date and ended on 31 December 2018.

On 30 March 2017, Mr. Pan entered into the Mr. Pan Supplemental Financing Services Agreement with Astrum Capital to increase the annual caps for the transactions under the Mr. Pan Financing Services Agreement and extend the term of the Mr. Pan Financing Services Agreement to 31 December 2019, details of which were set out in the announcement dated 30 March 2017 and the circular dated 10 May 2017.

On 9 August 2018, Mr. Pan entered into the Second Supplemental Financing Services Agreement with Astrum Capital to increase the annual caps of the interest to be received from the provision of IPO Financing Service and Margin Financing Service from the Pan's Family, details of which are set out in the announcement dated 9 August 2018.

The purpose of this circular is to provide the Shareholders with, among other things, (i) details of the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps); (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps); (iii) the letter from Lego to the Independent Board Committee and the Independent Shareholders in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps); (iv) the general information of the Group; and (v) the notice of the EGM.

THE 2019 MR. PAN FINANCING SERVICES AGREEMENT

The principal terms of the 2019 Mr. Pan Financing Services Agreement are summarized as below:

Date: 7 May 2019

Parties: (i) Astrum Capital, an indirect 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 period commencing from the Commencement Date and ending on 31 December 2021 (both dates inclusive)

LETTER FROM THE BOARD

Services:

The provision of the IPO Financing Service and the Margin Financing Service by Astrum Capital to the Pan's Family from time to time on a non-exclusive basis during the term of the 2019 Mr. Pan Financing Services Agreement and subject to the terms and conditions of the standard client agreement of Astrum Capital from time to time.

Service Fee:

The amount of interests agreed to be charged by the Group and payable by the Pan's Family in respect of the Services shall be at the interest rate:

- (a) on normal commercial terms or on terms no less favourable to the Group than those offered to other customers of the Group who are Independent Third Parties for comparable Services; and
- (b) in accordance with the relevant pricing policy of the Group which may be adjusted from time to time, and the provision of the Services shall be subject to the terms and conditions of the standard client agreement of Astrum Capital which may be revised from time to time.

Historical figures:

The annual caps for the transactions contemplated under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement and the Mr. Pan Second Supplemental Financing Services Agreement) are set out below:

	For the year ended 31 December			For the year ending
	2016	2017	2018	31 December
	HK\$'000	HK\$'000	HK\$'000	2019
				HK\$'000
IPO annual cap (<i>Note</i>)	30,480	47,000	47,000	47,000
Margin annual Cap (<i>Note</i>)	5,938	10,000	10,000	10,000
Interest annual cap	177	500	1,200	1,200

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 Service and Margin Financing Service respectively on a daily basis for each of the four years ending 31 December 2019 respectively.

LETTER FROM THE BOARD

The historical daily maximum amounts of IPO Financing Service and Margin Financing Service advanced by the Group to the Pan's Family and the amounts of the interest income received by the Group for the three years ended 31 December 2018 and the three months ended 31 March 2019 are set out below:

	For the year ended 31 December			For the three months ended 31 March
	2016	2017	2018	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Daily maximum amounts of IPO financing (<i>Note</i>)	12,727	44,653	39,676	2,818
Daily maximum amounts of margin financing (<i>Note</i>)	5,698	9,593	9,983	9,924
Total interest income received	126	280	785	198

Note: The daily maximum amounts of IPO financing and margin financing 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 Service and Margin Financing Service respectively on a daily basis for each of the three years ended 31 December 2018 and the three months ended 31 March 2019 respectively.

The proposed Annual Caps:

The proposed daily maximum amounts of IPO Financing Service and Margin Financing Service to be advanced by the Group to the Pan's Family and the proposed amounts of the interest income to be received for the three years ending 31 December 2021 are set out below:

	For the year ending 31 December		
	2019	2020	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
IPO Annual Cap (<i>Note</i>)	47,000	47,000	47,000
Margin Annual Cap (<i>Note</i>)	20,000	20,000	20,000
Interest Annual Cap	2,000	2,000	2,000

Note: The proposed IPO Annual Cap and the proposed 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 Service and Margin Financing Service respectively on a daily basis for each of the three years ending 31 December 2021 respectively.

LETTER FROM THE BOARD

Basis of determination of the proposed annual caps

The proposed IPO Annual Caps under the 2019 Mr. Pan Financing Services Agreement are determined by the Group and Mr. Pan after taking into account: (i) the historical daily maximum amount of IPO Financing Service advanced to the Pan's Family by the Group; (ii) the maximum amount permitted to be subscribed for in each IPO in the Stock Exchange in 2018 and the first quarter of 2019; and (iii) the prevailing securities market condition of Hong Kong.

The proposed Margin Annual Caps under the 2019 Mr. Pan Financing Services Agreement are determined by the Group and Mr. Pan after taking into account: (i) the historical daily maximum amount of Margin Financing Service advanced to the Pan's Family by the Group and an external stockbroker in 2018 and the first quarter of 2019; and (ii) the prevailing securities market condition of Hong Kong. In particular, the Directors noted that (i) throughout all of the trading days in the first quarter of 2019, the existing margin annual cap of the Pan's Family for the year ending 31 December 2019 under the Mr. Pan Financing Services Agreement (as supplemented by the Mr. Pan Supplemental Financing Services Agreement and the Mr. Pan Second Supplemental Financing Services Agreement) has been utilized as to more than 95% (i.e. HK\$10,000,000 x 95% = HK\$9,500,000); and (ii) the average amount of margin financing service advanced to the Pan's Family by an external stockbroker for the three months ended 31 March 2019 amounted to approximately HK\$9,800,000. In view of (i) the constant high demand for Margin Financing Service from the Pan's Family; and (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 Group to closely monitor staff dealings on a daily basis, the Directors consider that it is reasonable and necessary to increase the Margin Annual Caps for the three years ending 31 December 2021 under the 2019 Mr. Pan Financing Services Agreement to HK\$20,000,000.

The proposed Interest Annual Caps under the 2019 Mr. Pan Financing Services Agreement are determined by the Group and Mr. Pan after taking into account: (i) the proposed IPO Annual Caps and the proposed 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 Service and Margin Financing Service; and (iii) the expected average number of days of advance for IPO Financing Service and Margin Financing Service, with the assumption that the interest rate in Hong Kong will remain relatively stable for the three years ending 31 December 2021.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) are of the view that the proposed IPO Annual Caps, the proposed Margin Annual Caps and the proposed Interest Annual Caps under the 2019 Mr. Pan Financing Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent:

The 2019 Mr. Pan 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 2019 Mr. Pan Financing Services Agreement.

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

STANDARD MARGIN CLIENT AGREEMENT

The principal terms of the standard margin client agreement are summarized below:

Operation and margin term of account:

The account holder shall at all times maintain sufficient deposits, securities collateral and margin (including without limitation initial margin and additional margin from time to time required) in the account as collateral for payments, liabilities and indebtedness that may from time to time be due or owed to Astrum Capital, in such form, amount and market value to comply with the margin requirement in respect thereof as determined by Astrum Capital in its absolute discretion or which may be required by the rules of any exchange or market of which Astrum Capital is a member or through which Astrum Capital is trading.

Astrum Capital shall be entitled to revise margin requirements from time to time in its absolute discretion, including without limitation additional margin exceeding the requirements of the relevant exchange.

Payment term:

The account holder shall on demand (whether verbally or in writing) from Astrum Capital promptly make payments of deposits or margins in cash, securities or otherwise, and in any event, within the time specified by Astrum Capital (whether verbally or in writing).

LETTER FROM THE BOARD

Default in payment:

If the account holder commits a default in payment on demand of the deposits or margins or any other sums payable on the due date, or otherwise fails to comply with any of the terms, without prejudice to any other rights of Astrum Capital, Astrum Capital shall have the right to close all or any of the account(s) without notice to the account holder and to dispose of any or all securities held for or on behalf of the account holder and to apply the proceeds thereof and any cash deposit(s) to pay all outstanding balances owing to Astrum Capital. Any monies remaining after such application shall be refunded to the account holder.

Given that the principal terms of the standard margin client agreement are applicable to all margin clients of Astrum Capital (including the Pan's Family), the Directors consider that the terms of margin client agreement applicable to the Pan's Family are no less favourable to the Group than those applicable to other customers of the Group who are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE 2019 MR. PAN FINANCING SERVICES AGREEMENT

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

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 Group to closely monitor staff dealings on a daily basis. Against this background, Mr. Pan and his associates have been dealing in securities through their securities trading accounts maintained with the Group for a long time. According to their investment decision, they may utilise the IPO Financing Service and Margin Financing Service to facilitate their acquisition of securities from time to time.

The IPO Financing Service and Margin Financing Service are in the ordinary and normal course of business of the Group. The provision of IPO Financing Service and Margin Financing Service to Mr. Pan and his respective associates could retain them to trade through the Group and in turn increase the interest income of the Group and facilitate the monitoring of their securities dealing.

The Group determines the interest rate for IPO Financing Service with reference to a number of factors, including, amongst others, the demand for IPO Financing Service in each IPO, the internal resources of the Group, the availability of external staging facilities provided by banks and the then market interest rate. The interest rate charged on Mr. Pan and his associates for each IPO are the same as other comparable clients of the Group with similar investment characteristics such as size of IPO subscription and leverage ratio.

LETTER FROM THE BOARD

The Group generally determines the interest rate for Margin Financing Service with reference to the prevailing Hong Kong Dollar Best Lending rate quoted by Hongkong and Shanghai Banking Corporation (“**Based Rate**”). The Group charges most of its clients (including the Pan’s Family) at Based Rate plus 3% per annum (“**Standard Interest Rate**”). The Group may, on a case-by-case basis, deviate from the Standard Interest Rate (for example, the Group will charge a lower interest rate for its staff and selective clients; and a higher interest rate for certain customers with particular financing needs).

The Directors (including the independent non-executive Directors who have expressed their views in the letter from the Independent Board Committee after considering the advice from the Independent Financial Adviser) are of the view that the terms of the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the proposed 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 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 2019 Mr. Pan 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 IPO financing and margin financing will not exceed the IPO Annual Cap and the Margin Annual Cap respectively. After trading hours of the Stock Exchange on each trading day, the operation department will review the amount of IPO financing and margin financing of securities trading accounts held by the Pan’s Family;

LETTER FROM THE BOARD

- (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 2019 Mr. Pan 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 2019 Mr. Pan 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 2019 Mr. Pan Financing Services Agreement have been approved by the Board; (b) whether the transactions contemplated under the 2019 Mr. Pan Financing Services Agreement are in accordance with the pricing policies of the Group; (c) whether the transactions have been entered into in accordance with the 2019 Mr. Pan Financing Services Agreement; and (d) whether the Annual Caps have been exceeded.

The Board is of the view that the above measures can ensure that the transactions contemplated under the 2019 Mr. Pan 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 2019 Mr. Pan Financing Services Agreement constitutes continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As all 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 Annual Caps under the 2019 Mr. Pan Financing Services Agreement exceeds 25% and the aggregate amount of the proposed Annual Caps is more than HK\$10 million, the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) 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 2019 Mr. Pan Financing Services Agreement, Mr. Pan has abstained from voting in respect of the relevant board resolution regarding the 2019 Mr. Pan 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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof).

LETTER FROM THE BOARD

By virtue of Mr. Pan's interest in the 2019 Mr. Pan Financing Services Agreement, Mr. Pan and his associates are required to abstain from voting on the ordinary resolution in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the 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 532,685,000 Shares, representing 66.59% of the entire issued share capital of the Company.

To the best of the Directors' knowledge and information, no Shareholders other than Mr. Pan and his associates have a material interest in the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) and accordingly, no other Shareholders shall have to abstain from voting on the ordinary resolution in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) 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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof). 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 Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Thursday, 20 June 2019 at 11:15 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 37 to 39 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 16 to 17 of this circular which contains its recommendation to the Independent Shareholders in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the annual caps thereof), and the letter from Lego set out on pages 18 to 31 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

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 2019 Mr. Pan Financing Services Agreement are in the ordinary and usual course of business, the 2019 Mr. Pan Financing Services Agreement has been entered into on normal commercial terms, the terms thereof are fair and reasonable, and the entering into of the 2019 Mr. Pan 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 Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the annual caps thereof).

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



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)

4 June 2019

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION:
2019 MR. PAN FINANCING SERVICES AGREEMENT
AND
RENEWAL OF ANNUAL CAPS**

We have been appointed to form an Independent Board Committee to consider and advise you on the terms of the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the annual caps thereof), details of which are set out in the circular issued by the Company to the Shareholders dated 4 June 2019 (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 15 and pages 18 to 31 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 entering into of the 2019 Mr. Pan Financing Services Agreement is in the ordinary and usual course of business of the Company and is in the interests of the Company and the Independent Shareholders as a whole. We also consider that the terms of the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the annual caps thereof).

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 LEGO

The following is the full text of the letter of advice from Lego Corporate Finance Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, in respect of the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder, which has been prepared for the purpose of inclusion in this circular.



4 June 2019

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

**CONTINUING CONNECTED TRANSACTION:
2019 MR. PAN FINANCING SERVICES AGREEMENT
AND
RENEWAL OF ANNUAL CAPS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the terms of the 2019 Mr. Pan Financing Services Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 4 June 2019 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 7 May 2019, Astrum Capital entered into the 2019 Mr. Pan Financing Services Agreement with Mr. Pan for the provision of the IPO Financing Service and the Margin Financing Service by the Group to the Pan’s Family from time to time on a non-exclusive basis for the period commencing from the Commencement Date and ending on 31 December 2021 (both dates inclusive).

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 2019 Mr. Pan Financing Services Agreement constitutes continuing connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As all 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 Annual Caps under the 2019 Mr. Pan Financing Services Agreement exceeds 25% and the aggregate amount of the proposed Annual

LETTER FROM LEGO

Caps is more than HK\$10 million, the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements under 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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof). By virtue of Mr. Pan's interest in the 2019 Mr. Pan Financing Services Agreement, Mr. Pan and his associates are required to abstain from voting on the relevant resolution in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) to be proposed at the EGM. As at the Latest Practicable Date, Mr. Pan, through his wholly-owned company namely, Autumn Ocean Limited, held 532,685,000 Shares, representing 66.59% of the entire issued share capital of the Company. To the best of the Directors' knowledge and information, no Shareholders other than Mr. Pan and his associates have a material interest in the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) and accordingly, no other Shareholders shall have to abstain from voting on the ordinary resolution in relation to the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) 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 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof) and to make a recommendation as to (i) whether the entering into of the 2019 Mr. Pan Financing Services Agreement is in the ordinary and usual course of business of the Group; (ii) whether the terms of the 2019 Mr. Pan Financing Services Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how to vote with respect to the relevant resolution(s) at the EGM. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships with or interests in the Company that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, there was no engagement between the Group and Lego Corporate Finance Limited. Apart from normal professional fees paid or payable to us in connection with our appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Company. Accordingly, we are qualified to give independent advice in relation to the 2019 Mr. Pan Financing Services Agreement.

LETTER FROM LEGO

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information provided by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the date of the EGM and all such statements of belief, opinions and intention of the Directors and the management of the Group and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors, the management of the Group, and/or the advisers of the Company. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and/or the management of the Group are true, accurate, complete and not misleading in all material respects at the time they were made and continue to be so until the date of the EGM. The Company shall inform the Independent Shareholders as soon as possible if there is any material change to such information in accordance with the Listing Rules on or before the date of the EGM.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendations, we have taken into account the following principal factors and reasons:

1. Background information of the Group

The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services (including securities and IPO financing) and asset management services. Set out in Table 1 below are certain consolidated financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 as extracted from the annual report of the Company for the year ended 31 December 2017 (the “**Annual Report 2017**”) and for the year ended 31 December 2018 (the “**Annual Report 2018**”), respectively.

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For the year ended 31 December 2017

For the year ended 31 December 2017, the Group recorded revenue of approximately HK\$58.12 million, representing a slight increase of approximately 0.052% as compared to approximately HK\$58.09 million for the previous year. Based on the Annual Report 2017 and the respective revenue generated from the business segments of the Group, we noted that (i) commission from brokerage services was relatively stable as compared to the previous year; (ii) revenue from placing and underwriting commission decreased which was mainly due to the decrease in average income derived from the top 5 placing and underwriting engagements for the year; (iii) corporate finance advisory services fee increased as a result of the increase in average revenue for each corporate finance advisory engagement charged and undertaken by the Group; (iv) interest income from securities and IPO financing increased which was resulted from the keen demand for financing services from customers and the expansion of funds available for provision of financing services from the net proceeds of the share offer of the Company; and (v) asset management fee increased significantly as a performance fee of HK\$1.5 million was recognised for achieving the high water mark, while no performance fee was recognised in the previous year.

For the year ended 31 December 2017, the Group recorded profit and total comprehensive income for the year attributable to owners of the Company of approximately HK\$22.87 million, which has increased by approximately 35.17% from approximately HK\$16.92 million for the previous year. With reference to the Annual Report 2017, we noted that such increase in profit attributable to owners of the Company was primarily resulted from the decrease in administrative and other operating expenses due to (i) the decrease in commission expenses in respect of placing and underwriting services; (ii) the absence of listing expenses for the year, as partially offset by (i) the increase in salaries and other benefits; and (ii) the impairment loss on trade receivables from a margin client recognised for the year.

As at 31 December 2017, the net current assets and net assets of the Group amounted to approximately HK\$157.54 million and approximately HK\$173.05 million, respectively.

For the year ended 31 December 2018

For the year ended 31 December 2018, the Group recorded revenue of approximately HK\$49.96 million, representing a decrease of approximately 14.04% as compared to approximately HK\$58.12 million for the previous year. With reference to the Annual Report 2018, we noted that such decrease in revenue was mainly attributable to (i) the decrease in securities trading transactions amount of customers; (ii) the decrease in number of placing and underwriting engagements secured and completed by the Group; (iii) the decrease in interest income from securities and IPO

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financing; and (iv) the decrease in asset management fee derived from asset management services of Astrum China Fund.

For the year ended 31 December 2018, the Group recorded profit and total comprehensive income for the year attributable to owners of the Company of approximately HK\$22.49 million, representing a decrease of approximately 1.66% from approximately HK\$22.87 million as recorded for the previous year. With reference to the Annual Report 2018 and as advised by management of the Company, we noted that the decrease in profit for the year ended 31 December 2018 was mainly due to the sharp decrease in administrative services income received from customers which resulted in an overall stable profit for the year ended 31 December 2018.

As at 31 December 2018, the net current assets and net assets of the Company amounted to approximately HK\$168.76 million and approximately HK\$183.53 million, respectively.

2. Reasons for and benefits of the entering into of the 2019 Mr. Pan Financing Services Agreement and the revision of annual cap

As noted from the Letter from the Board, 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 Group to closely monitor staff dealings on a daily basis. Against this backdrop, majority members of the Pan's Family have been dealing in securities through their securities trading accounts maintained with the Group for more than 8 years. According to their respective investment decision, they may utilise the IPO Financing Service and the Margin Financing Service to facilitate their acquisition of securities from time to time.

Further, in view of that the margin annual cap for the year ended 31 December 2018 has been utilised as to approximately 99.83%, and the growing demand for financing service from the Pan's Family and the prevailing securities market condition, it is expected that the existing margin annual cap as well as the existing interest annual cap for the year ending 31 December 2019 may not be sufficient to meet the demand for IPO Financing Service and Margin Financing Service of Mr. Pan and his associates.

Having considered that (i) it is the Group's policy to encourage its employees to trade through their securities accounts maintained with the Group to facilitate close monitoring of their securities dealing; (ii) Mr. Pan and his associates have been dealing in securities through their securities accounts maintained with the Group; (iii) the provision of IPO Financing Service and the Margin Financing Service under the 2019 Mr. Pan Financing Services Agreement are in the ordinary and usual course of business of the Group, the interest income from which accounted for approximately 0.22%, 0.48% and 1.57% of the Group's revenues for the year ended 31 December 2016, 2017 and 2018, respectively; (iv) the provision of IPO Financing Service and Margin Financing Service to Mr. Pan and his associates would enable the Group to earn a stable interest income and therefore enhance

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its earnings; and (v) the revision of the existing annual caps would provide greater financing flexibility to Mr. Pan and his associates for any potential growth of financing needs for securities investments and accordingly allow the Group to earn more interest income, we are of the view that the entering into of the 2019 Mr. Pan Financing Services Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the 2019 Mr. Pan Financing Services Agreement

Pursuant to the 2019 Mr. Pan Financing Services Agreement, Astrum Capital shall provide IPO Financing Service and Margin Financing Service to the Pan's Family from time to time on a non-exclusive basis during the term of the 2019 Mr. Pan Financing Services Agreement and subject to the terms and conditions of the standard client agreement of Astrum Capital from time to time. The amount of interests agreed to be charged by the Group and payable by the Pan's Family in respect of the Services shall be at the interest rate (i) on normal commercial terms or on terms no less favourable to the Group than those offered to other customers of the Group who are Independent Third Parties for comparable Services; and (ii) in accordance with the relevant pricing policy of the Group which may be adjusted from time to time, and the provision of the Services shall be subject to the terms and conditions of the standard client agreement of Astrum Capital which may be revised from time to time.

In assessing the fairness and reasonableness of the interest rates charged by the Group to the Pan's Family for IPO Financing Service, we have reviewed the interest rates charged by the Group to (i) the Pan's Family and (ii) other customers of the Group who are Independent Third Parties, for all IPO financing during the two years ended 31 December 2017 and 2018, as well as during the three months ended 31 March 2019. We noted that Astrum Capital offered IPO Financing Service to the Pan's Family for 24 IPOs in 2017, 45 IPOs in 2018 and 3 IPOs in the first quarter of 2019. Based on our review, we noted that the interest rates offered to the Pan's Family were equivalent to those offered to Independent Third Parties under the same IPOs during our period of review.

In assessing the fairness and reasonableness of the interest rates charged by the Group to the Pan's Family for Margin Financing Service, we have reviewed the interest rates charged by the Group for margin financing to all of its customers who maintained their margin accounts with the Group as at 31 March 2019 (the "**Margin List**"), being (i) the Pan's Family; (ii) Mr. Kwan Chun Yee, Hidulf, an Executive Director; (iii) individuals who are staff of the Group; and (iv) other customers of the Group who are Independent Third Parties. With reference to the Letter from the Board, the Group generally determines the interest rate for Margin Financing Service with reference to the prevailing Hong Kong Dollar Best Lending rate quoted by Hongkong and Shanghai Banking Corporation ("**Based Rate**"). Further, we noted that the interest rate for margin financing charged to the Pan's Family is the Based Rate plus 3% per annum ("**Standard Interest Rate**"), which applies to over 80% of the total number of customers of the Group on the Margin List. However, the Group may, on a case-by-case basis, deviate from the Standard Interest Rate (for example,

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the Group will charge a lower interest rate for its staff and selective clients; and a higher interest rate for certain customers with particular financing needs).

Based on the Margin List, we noted that there are a total of 11 Independent Third Parties who are being charged at a rate higher than the Standard Interest Rate (“**Excluded Customers**”). According to the management of the Group, the Group determined the interest rate of the Excluded Customers according to their individual circumstances and based on the commercial negotiation between the Group and each of the Excluded Customers upon account opening. We have discussed with the management on each of the Excluded Customers and reviewed their monthly statements for the years ended 31 December 2017 and 2018 and the three months ended 31 March 2019. We noted that (i) 7 Excluded Customers did not trade or did not utilise margin financing for their trading since 2017; and (ii) 4 Excluded Customers are considered by the Group as having specific financing needs for their investment, which are considered not comparable to the account status or investment portfolio of the Pan’s Family. Having reviewed and compared the statements of the Pan’s Family and the Sample Customers (as defined below) with that of the Excluded Customers, we are of the view that it is reasonable for the Group to charge the Excluded Customers, in particular for the 4 Excluded Customers considered by the Group as having specific financing needs for their investment, a rate higher than the Standard Interest Rate.

We have randomly selected a sample of 20 customers who are Independent Third Parties of the Group (the “**Sample Customers**”) from the Margin List (excluding the Excluded Customers) and we considered such sample size is fair and representative. We have then obtained and reviewed the corresponding monthly statements of margin accounts of the Sample Customers and members of the Pan’s Family which were issued for the months of December 2017, December 2018 and March 2019, respectively. Based on our review, we noted that the interest rates charged to the Pan’s Family were no less favourable to the Group than those offered to the Sample Customers at the relevant periods.

Moreover, we have reviewed the latest margin securities account agreement of Astrum Capital (“**Client Agreement**”), being a standard margin client agreement (as amended from time to time in accordance with the relevant rules and regulations) entered between the margin clients and Astrum Capital. We noted that the operation and margin term of account, payment term and default in payment as set out in the Client Agreement are the same as those set out in the Letter from the Board. We were also advised by the Company that all margin clients who maintained their accounts with Astrum Capital, including the Sample Customers, are subject to the same set of terms and conditions as set out in the Client Agreement. Therefore, we consider that the terms of the 2019 Mr. Pan Financing Services Agreement, under which the provision of the Services by the Company to the Pan’s Family shall also be subject to the same set of terms and conditions of the Client Agreement from time to time, are no less favourable to the Group than those offered to other customers of the Group which are Independent Third Parties.

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Based on the above and taking into consideration that the interest rates charged to the Pan's Family in respect of IPO Financing Service and Margin Financing Service during the review period are (i) no less favourable to the Group than those offered to the other customers of the Group which are Independent Third Parties with similar nature of investment portfolios; and (ii) consistent with the pricing policy of the Group, we are of the view that the terms of the 2019 Mr. Pan Financing Services Agreement are fair and reasonable.

4. Proposed annual caps under the 2019 Mr. Pan Financing Services Agreement

Table 2 below sets out (i) the historical daily maximum amounts of IPO Financing Service and Margin Financing Service advanced by the Group to the Pan's Family and the amounts of interest income received for the three years ended 31 December 2018 and for the three months ended 31 March 2019; and (ii) the proposed daily maximum amounts of IPO Financing Service and Margin Financing Service to be advanced by the Group to the Pan's Family and the proposed amounts of interest income to be received for the three years ending 31 December 2021.

Table 2: Historical daily maximum amounts of IPO Financing Service and Margin Financing Service and amounts of interest income received, and the proposed Annual Caps

	For the year ended 31 December			For the three months ended 31 March
	2016	2017	2018	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Daily maximum amounts of IPO financing	12,727	44,653	39,676	2,818
Daily maximum amounts of margin financing	5,698	9,593	9,983	9,924
Total interest income received	126	280	785	198
	For the year ending 31 December			
	2019	2020	2021	
	HK\$'000	HK\$'000	HK\$'000	
IPO Annual Cap	47,000	47,000	47,000	
Margin Annual Cap	20,000	20,000	20,000	
Interest Annual Cap	2,000	2,000	2,000	

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Proposed IPO Annual Caps

As disclosed in the Letter from the Board, the proposed IPO Annual Cap are determined by the Group and Mr. Pan after taking into account (i) the historical daily maximum amount of IPO Financing Service advanced to the Pan's Family by the Group and an external stockbroker; (ii) the maximum amount permitted to be subscribed for in each IPO in the Stock Exchange in 2018 and the first quarter of 2019; and (iii) the prevailing securities market condition in Hong Kong.

Based on the daily maximum amounts of IPO financing of approximately HK\$12.73 million, HK\$44.65 million and HK\$39.68 million for the three years ended 31 December 2016, 2017 and 2018 as set out in Table 2, it is noted that the daily maximum amounts of IPO financing had reached approximately 41.76%, 95.01% and 84.42% of the then IPO annual cap during the respective years. Moreover, we have also reviewed the respective ranges of maximum subscription amounts of all IPOs in the Stock Exchange which serves as an indicator of the maximum amount of margin financing allowed to be provided to each account by Astrum Capital for each of those IPOs and noted that there is a significant increase in the median of the maximum subscription amount of the IPOs in the first quarter of 2019 than that in 2018. After considering the factors of (i) the historical maximum daily utilisation rate of the then IPO annual cap in 2016, 2017 and 2018; (ii) the growth in the IPO financing amounts offered based on the maximum amounts permitted to be subscribed for in each IPO (Main Board or GEM) on the Stock Exchange in the first quarter of 2019; and (iii) that the Group may provide IPO Financing Service to one or more than one member of the Pan's Family on a single day in the event that members of the Pan's Family subscribe for the same IPO, we consider that the proposed IPO Annual Caps are fair and reasonable.

Proposed Margin Annual Caps

As disclosed in the Letter from the Board, the proposed Margin Annual Caps are determined by the Group and Mr. Pan after taking into account (i) the historical daily maximum amount of Margin Financing Service advanced to the Pan's Family by the Group and an external stockbroker in 2018 and the first quarter of 2019; and (ii) the prevailing securities market condition in Hong Kong.

Based on Table 2, it is noted that the daily maximum amounts of margin financing demonstrated year-on-year growths from 2016 to 2018 which increased by approximately 68.36% and approximately 4.07% from the respective previous year. As a result, the margin annual cap of HK\$10 million for each of the year ended 31 December 2017 and 2018 had been utilised as to approximately 95.93% and approximately 99.83%, respectively. Furthermore, the daily maximum amount of margin financing for the three months ended 31 March 2019 amounted to approximately HK\$9.92 million, which represents more than 99% utilisation of the existing margin annual cap of HK\$10 million for the year ending 31 December 2019. We have reviewed the Margin Financing Service provided by the Group to the Pan's Family in 2018 and noted that the margin annual cap for the year had been utilised by more than 90% on a daily basis for almost 85% of the total number of trading

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days in 2018. Moreover, we have also reviewed the Margin Financing Service provided by the Group to the Pan's Family in the first quarter of 2019 and noted that the existing margin annual cap for the year ending 31 December 2019 had been utilised as to more than 95% for all of the trading days in the first quarter of 2019. Accordingly, in view of the constant high demand of margin financing by the Pan's Family in the past years, the revision of the existing margin annual cap for the year ending 31 December 2019 would provide sufficient buffer and therefore allow the Group to provide Margin Financing Service to the Pan's Family to better satisfy their financing needs in the coming years. In respect of the expected demand for financing needs of the Pan's Family, we have further enquired into the management of the Company in respect of any margin accounts of the Pan's Family currently maintained with external stockbrokers other than with Astrum Capital. We have obtained and reviewed the monthly statements during the period from November 2018 to March 2019 of a margin account maintained by a member of the Pan's Family with an external broker, and noted that the outstanding balances thereof are comparable to the amount of the existing Margin Annual Cap. Therefore, in view of the demand for margin financing of the Pan's Family, it is expected that the proposed Margin Annual Cap could substantially satisfy the financing needs of the Pan's Family in addition to the existing Margin Financing Service currently provided by the Group to the Pan's Family.

Taking into consideration (i) the existing margin annual cap for the year ending 31 December 2019 may not be able to cater the financing needs of the Pan's Family as seen from the daily maximum amount of Margin Financing Service for the three months ended 31 March 2019, and the constantly high utilisation rate of the then margin annual caps for the two years ended 31 December 2017 and 2018; and (ii) the proposed Margin Annual Cap could provide more flexibility to the Group to provide Margin Financing Service to meet the financing needs of the Pan's Family, we consider that the proposed Margin Annual Caps are fair and reasonable.

Proposed Interest Annual Caps

As disclosed in the Letter from the Board, the proposed Interest Annual Caps are determined by the Group and Mr. Pan after taking into account (i) the proposed IPO Annual Caps and the proposed Margin Annual Caps; (ii) the existing interest rates offered by the Group to the Pan's Family in respect of the IPO Financing Service and Margin Financing Service; and (iii) the expected average number of days of advance for IPO Financing Service and Margin Financing Service, with the assumption that the interest rate in Hong Kong will remain relatively stable for the three years ending 31 December 2021.

Based on Table 2, we noted that (i) the historical annual interest incomes received by the Group from IPO financing and margin financing from 2016 to 2018 showed respective year-on-year increments of approximately 122.22% and 180.36% from the previous years; and (ii) the existing interest annual cap of HK\$177,000, HK\$500,000 and HK\$1,200,000 for each of the three years ended 31 December 2016, 2017 and 2018 had been utilised as to approximately 71.19%, 56% and 65.42%, respectively. Further, we have obtained and reviewed the monthly interest income received by the Group from the Pan's Family for the

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first quarter of 2019 and based on the annualised amount computed therefrom, the existing interest annual cap shall be utilised by more than 65% by the accumulated interest income to be received by the Group for the year ending 31 December 2019. Given the proposed revision of the margin annual cap for the year ending 31 December 2019, the total interest amount to be generated to the Group shall also be increased accordingly.

We understand that the total annual interest income expected to be received by the Group is equivalent to the aggregate of the estimated IPO financing interest and the estimated margin financing interest, which will be determined by (i) the interest rate offered to the Pan's Family in respect of the IPO Financing Service and the Margin Financing Service; (ii) the respective amounts of IPO financing and margin financing provided to the Pan's Family during the year; and (iii) the number of days of advance for the financing services. In this connection, we have obtained and reviewed the breakdown of the expected total annual interest income to be received by the Group for the coming years.

In arriving at the IPO financing interest, it is assumed that an average of 50% of the proposed IPO Annual Cap will be utilised and 70% of the IPO financing will be utilised by the Pan's Family in a year. We have reviewed the historical average utilisation rate of IPO financing provided by the Group to the Pan's Family and the average number of days of such IPO Financing advanced to the Pan's Family with reference to the daily breakdown of IPO financing provided by the Group to each member of the Pan's Family in 2018, and noted that such assumptions are in line with the historical IPO financing provided by the Group to the Pan's Family. The average IPO interest rate is assumed at 2%. We have therefore reviewed the IPO financing offered by the Group to all of its customers in 2017, 2018 and the first quarter of 2019 and noted that the expected IPO interest rate of 2% falls within the range of IPO interest rate of 1.25% to 3% offered by the Group in recent years/period, which we consider is fair and reasonable. Furthermore, in view of the narrow range of IPO interest rates over the previous years, it is expected that such interest rate will remain relatively stable in the coming years and therefore the determination of the IPO interest rate of 2% over the three years ending 31 December 2019, 2020 and 2021 is fair and reasonable.

In arriving at the Margin financing interest, it is assumed that the proposed Margin Annual Cap will be fully utilised for the whole year. Based on the Margin Financing Service provided by the Group to the Pan's Family in 2018 and the first quarter of 2019, we noted that the Group has been providing margin financing to the Pan's Family for all of the trading days in 2018 and the first quarter of 2019 and that the existing margin annual cap was utilised by more than 95% for all of the trading days in the first quarter of 2019. As such, we consider that the assumptions underlying the determination of the expected interest income from margin financing is fair and reasonable. On the other hand, we noted that the margin interest rate used was based on the existing interest rate charged to the Pan's Family for margin financing, which we consider fair and reasonable based on our analysis in the above section headed "3. Principal terms of the 2019 Mr. Pan Financing Services Agreement". In addition, given that the margin interest rate charged by the Group is determined based on the prime rate which is floating with the market, we have inquired into management of the Company on any movement of margin interest rate in the past and

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the extent thereof and were advised that such margin interest rate has only been revised for once during the three years ended 31 December 2016 to 2018, for a minimal 12.5 basis points with reference to the then movement of prime rate. Therefore, given the insignificant fluctuation of margin interest rate in the previous years, we consider that the determination of the expected margin interest rate for the three years ending 31 December 2019, 2020 and 2021 based on the existing margin interest rate charged to the Pan's Family is fair and reasonable.

Based on the above, we consider that the determination of each of the proposed IPO Annual Caps, proposed Margin Annual Caps and the proposed Interest Annual Caps for the three years ending 31 December 2019, 2020 and 2021 is fair and reasonable.

5. Annual review of the continuing connected transactions

According to the Letter from the Board, the Company has adopted and will continue to adopt various internal control and risk management control measures in order to ensure that the transactions under the 2019 Mr. Pan Financing Services Agreement are in accordance with the pricing policies and the terms of the 2019 Mr. Pan Financing Services Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Details of the relevant internal control and risk management control measures are set out as follows.

- (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 IPO financing and margin financing will not exceed the IPO Annual Cap and the Margin Annual Cap respectively. After trading hours of the Stock Exchange on each trading day, the operation department will review the amount of IPO financing and margin financing of securities trading accounts held by the Pan's Family;

LETTER FROM LEGO

- (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 2019 Mr. Pan 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 2019 Mr. Pan 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 2019 Mr. Pan Financing Services Agreement have been approved by the Board; (b) whether the transactions contemplated under the 2019 Mr. Pan Financing Services Agreement are in accordance with the pricing policies of the Group; (c) whether the transactions have been entered into in accordance with the 2019 Mr. Pan Financing Services Agreement; and (d) whether the Annual Caps have been exceeded.

In view of the above measures and in particular, the continuing connected transactions under the 2019 Mr. Pan Financing Services Agreement will be subject to annual review of the independent non-executive Directors and the auditors of the Company, we are of the view that appropriate measures are in place to govern the conduct of the continuing connected transactions and to safeguard the interests of the Shareholders.

RECOMMENDATIONS

Taking into consideration of the principal factors and reasons as set out in this letter, we are of the view that the 2019 Mr. Pan Financing Services Agreement has been entered into in the ordinary and usual course of the Group's business based on normal commercial terms, and the terms thereof including the proposed Annual Caps are fair and reasonable so far as the Company and the Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM to approve the 2019 Mr. Pan Financing Services Agreement and the transactions contemplated thereunder (including the Annual Caps thereof).

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Billy Tang
Managing Director

Mr. Billy Tang is a licensed person registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 17 years of experience in the corporate finance advisory profession.

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) Interests and short positions of the Directors and chief executives of the Company the Shares, underlying shares and debentures of the Company or any of its associated corporations

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

Long position in the Shares

Name	Capacity/Nature of interests	Number of Shares held/ interested in	Approximate percentage of shareholding (Note 2)
Mr. Pan (Note 1)	Interest in a controlled corporation	532,685,000	66.59%

Notes:

- 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.
- 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 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.

(II) Interests and short positions of substantial Shareholders in the Shares and underlying shares of the Company

So far as the Directors and the Chief Executives are aware, as at the Latest Practicable Date, 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:

Long position in the Shares

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 the shares in which Mr. Pan is interested for the purposes of the SFO.
2. 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, 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.

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 2018 (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 2018, 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, substantial Shareholders 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
Lego	A corporation licensed 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 2018 (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 Mr. Pan Second Supplemental Financing Services Agreement;
- (v) the 2019 Mr. Pan Financing Services Agreement;
- (vi) the letter of recommendation from the Independent Board Committee to the Independent Shareholder, the text of which is set out on pages 16 to 17 of this circular;
- (vii) the letter of advice from Lego to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 18 to 31 of this circular;
- (viii) the written consent as referred to under the section headed “*EXPERT’S QUALIFICATION AND CONSENT*” in this appendix; and
- (ix) 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 THAT the extraordinary general meeting (the “**EGM**”) of Astrum Financial Holdings Limited (the “**Company**”) to be held at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong on Thursday, 20 June 2019 at 11:15 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 agreement entered into between Astrum Capital Management Limited (“**Astrum Capital**”) and Mr. Pan Chik (“**Mr. Pan**”) dated 7 May 2019 (the “**2019 Mr. Pan 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), pursuant to which Astrum Financial Holdings Limited and its subsidiaries may provide IPO financing services and/or margin 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 the Group) upon request and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (ii) the Annual Caps (as defined and detailed in the circular of the Company dated 4 June 2019) as contemplated under the 2019 Mr. Pan 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 2019 Mr. Pan 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 by 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 17 June 2019 (Monday) to 20 June 2019 (Thursday), 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 14 June 2019 (Friday).
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

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 notice 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 notice 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 notice will also be published on the website of the Company (www.astrum-capital.com).