



**Astrum Financial Holdings Limited**

**阿仕特朗金融控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

*Stock Code: 8333*

# **THIRD QUARTERLY REPORT 2020**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

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

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

*This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for at least 7 days from the date of its publication and on the website of the Company ([www.astrum-capital.com](http://www.astrum-capital.com)).*

## SUMMARY

- Revenue for the nine months ended 30 September 2020 amounted to approximately HK\$40.9 million while revenue for the nine months ended 30 September 2019 amounted to approximately HK\$40.6 million.
- Loss and total comprehensive expense attributable to owners of the Company for the nine months ended 30 September 2020 amounted to approximately HK\$1.1 million while profit and total comprehensive income attributable to owners of the Company for the nine months ended 30 September 2019 amounted to approximately HK\$12.7 million.
- Basic loss per share for the nine months ended 30 September 2020 amounted to approximately HK0.14 cents while basic earnings per share for the nine months ended 30 September 2019 amounted to approximately HK1.59 cents.
- At a board meeting of the Company held on 7 May 2020, the Board declared an interim dividend ("**Q1 Dividend**") of HK\$0.005 per share for the three months ended 31 March 2020 (three months ended 31 March 2019: HK\$0.005 per share), amounting to HK\$4.0 million (three months ended 31 March 2019: HK\$4.0 million). Such declared Q1 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 12 June 2020.
- At a board meeting of the Company held on 6 August 2020, the Board declared an interim dividend ("**Q2 Dividend**") of HK\$0.0025 per share for the three months ended 30 June 2020 (three months ended 30 June 2019: HK\$0.005 per share), amounting to HK\$2.0 million (three months ended 30 June 2019: HK\$4.0 million). Such declared Q2 Dividend in the total amount of HK\$2.0 million was paid to the shareholders of the Company on 9 September 2020.
- At a board meeting of the Company held on 6 November 2020, the Board declared an interim dividend ("**Q3 Dividend**") of HK\$0.0025 per share for the three months ended 30 September 2020 (three months ended 30 September 2019: HK\$0.005 per share), amounting to HK\$2.0 million (three months ended 30 September 2019: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$2.0 million has not been recognised as a liability as at 30 September 2020.

## UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2020 together with the comparative unaudited figures for the corresponding periods in 2019 as follows:

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

For the three months and nine months ended 30 September 2020

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	5,021	8,066	40,868	40,649
Other income	4	1,426	238	2,427	614
Net realised gain arising from financial assets at fair value through profit or loss		30	–	65	–
Net unrealised gain arising from financial assets at fair value through profit or loss		40	–	118	–
Impairment losses		–	(268)	–	(268)
Administrative and other operating expenses		(6,183)	(6,073)	(42,962)	(26,033)
Finance costs		(1,055)	(79)	(1,648)	(255)
(Loss)/profit before tax	5	(721)	1,884	(1,132)	14,707
Income tax expense	6	–	(300)	–	(2,000)
<b>(Loss)/profit and total comprehensive (expense)/income for the period</b>		<b>(721)</b>	<b>1,584</b>	<b>(1,132)</b>	<b>12,707</b>
<b>(Loss)/profit and total comprehensive (expense)/income for the period attributable to</b>					
– Owners of the Company		(721)	1,584	(1,132)	12,725
– Non-controlling interests		–	–	–	(18)
		<b>(721)</b>	<b>1,584</b>	<b>(1,132)</b>	<b>12,707</b>
<b>(Loss)/earnings per share</b>					
– Basic and diluted (HK cents)	8	<b>(0.09)</b>	0.20	<b>(0.14)</b>	1.59

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the nine months ended 30 September 2020*

	<b>Attributable to owners of the Company</b>					<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Special reserve</b>	<b>Retained profits</b>	<b>Total</b>		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>		
<b>Nine months ended 30 September 2019</b>							
Balance at 1 January 2019 (Audited)	8,000	77,179	38,401	59,951	183,531	–	183,531
Profit and total comprehensive income for the period	–	–	–	12,725	12,725	(18)	12,707
Capital contribution from non-controlling interests	–	–	–	–	–	1	1
Dividends recognised as distribution during the period (Note 7)	–	–	–	(8,000)	(8,000)	–	(8,000)
Balance at 30 September 2019 (Unaudited)	8,000	77,179	38,401	64,676	188,256	(17)	188,239
<b>Nine months ended 30 September 2020</b>							
Balance at 1 January 2020 (Audited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	<b>59,964</b>	<b>183,544</b>	–	<b>183,544</b>
Loss and total comprehensive expense for the period	–	–	–	(1,132)	(1,132)	–	(1,132)
Dividends recognised as distribution during the period (Note 7)	–	–	–	(6,000)	(6,000)	–	(6,000)
Balance at 30 September 2020 (Unaudited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	<b>52,832</b>	<b>176,412</b>	–	<b>176,412</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2020*

### 1. GENERAL INFORMATION

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

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

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

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

### 2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated financial statements for the nine months ended 30 September 2020 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements under Chapter 18 of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2019.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2020 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2019, except in relation to the adoption of the new and revised HKFRSs (the “**New and Revised HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting beginning on 1 January 2020.

The adoption of these New and Revised HKFRSs in the current period has had no material impact on the Group’s financial performance and position for the current and prior periods and/or disclosure set out in the unaudited condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2020

### 2. BASIS OF PREPARATION (Continued)

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

HKFRS 17	Insurance Contracts <sup>1</sup>
Amendments to HKFRS 3	Reference to Conceptual Framework <sup>4</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Covid-19 Related Rent Concession <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>5</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>4</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>4</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS 2018-2020 <sup>4</sup>

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

<sup>2</sup> *Effective for annual periods beginning on or after a date to be determined*

<sup>3</sup> *Effective for annual periods beginning on or after 1 June 2020*

<sup>4</sup> *Effective for annual periods beginning on or after 1 January 2022*

<sup>5</sup> *Effective for annual periods beginning on or after 1 January 2023*

The Group is in the process of making an assessment of the impact for those New and Revised HKFRSs, which are not yet effective, upon initial application but is not yet in a position to state whether these New and Revised HKFRSs would have a significant impact on the Group's results of operation and financial position.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company. The unaudited condensed financial statements were approved by the Board for publication on 6 November 2020.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the nine months ended 30 September 2020***3. REVENUE**

The Group's revenue for the three months and nine months ended 30 September 2020 and 2019 are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>				
Commission from brokerage services	660	772	1,891	2,615
Placing and underwriting commission	107	5,935	30,507	30,578
Corporate finance advisory services fee	750	150	1,765	3,980
Asset management services				
– Fund management and performance fee	1,096	324	1,742	965
	<b>2,613</b>	<b>7,181</b>	<b>35,905</b>	<b>38,138</b>
<b>Revenue from other sources</b>				
Interest income from securities and initial public offering financing	2,408	885	4,963	2,511
<b>Total revenue</b>	<b>5,021</b>	<b>8,066</b>	<b>40,868</b>	<b>40,649</b>

**Disaggregation of revenue from contracts with customers**

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>Timing of revenue recognition from contracts with customers</b>				
– At a point in time	767	6,707	32,398	33,193
– Over time	1,846	474	3,507	4,945
	<b>2,613</b>	<b>7,181</b>	<b>35,905</b>	<b>38,138</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2020

**4. OTHER INCOME**

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Interest income from				
– banks	40	54	559	232
– others	2	11	4	23
Dividend income	20	–	34	–
Administrative services income	1	2	5	6
Management fee income	9	10	24	28
Handling fee income	131	161	528	325
Sundry income	1,223	–	1,273	–
	<b>1,426</b>	<b>238</b>	<b>2,427</b>	<b>614</b>

**5. (LOSS)/PROFIT BEFORE TAX**

(Loss)/profit before tax has been arrived at after (crediting)/charging:

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Auditors' remuneration	158	163	473	488
Commission expenses	5	3	23,813	6,559
Depreciation of property, plant and equipment	124	127	341	344
Depreciation of right-of-use assets	703	673	2,108	1,122
Impairment losses on trade receivables	–	268	–	268
Interest expense on bank overdrafts and borrowings	1,044	–	1,600	117
Interest expense on lease liabilities	11	79	48	138
Net foreign exchange (gain)/loss	(43)	53	(16)	53
Expense relating to short-term leases not included in the measurement of lease liabilities	–	–	–	773
Employee benefits expense:				
Salaries and other benefits	4,049	3,623	12,144	11,362
Commission to accounts executives	78	170	176	639
Contributions to retirement benefit scheme	91	87	267	263
Total employee benefits expense, including directors' emoluments	<b>4,218</b>	<b>3,880</b>	<b>12,587</b>	<b>12,264</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the nine months ended 30 September 2020***6. INCOME TAX EXPENSE**

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Hong Kong Profits Tax:				
– Current period	–	300	–	2,000

Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000 for the three months and nine months ended 30 September 2020 and 2019.

**7. DIVIDENDS**

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Dividends recognised as distribution during the period				
– Q1 Dividend	–	–	4,000	4,000
– Q2 Dividend	2,000	4,000	2,000	4,000
	<b>2,000</b>	<b>4,000</b>	<b>6,000</b>	<b>8,000</b>

At a board meeting of the Company held on 7 May 2020, the Board declared an interim dividend (“**Q1 Dividend**”) of HK\$0.005 per share for the three months ended 31 March 2020 (three months ended 31 March 2019: HK\$0.005 per share), amounting to HK\$4.0 million (three months ended 31 March 2019: HK\$4.0 million). Such declared Q1 Dividend in the total amount of HK\$4.0 million was paid to the shareholders of the Company on 12 June 2020.

At a board meeting of the Company held on 6 August 2020, the Board declared an interim dividend (“**Q2 Dividend**”) of HK\$0.0025 per share for the three months ended 30 June 2020 (three months ended 30 June 2019: HK\$0.005 per share), amounting to HK\$2.0 million (three months ended 30 June 2019: HK\$4.0 million). Such declared Q2 Dividend in the total amount of HK\$2.0 million was paid to the shareholders of the Company on 9 September 2020.

At a board meeting of the Company held on 6 November 2020, the Board declared an interim dividend (“**Q3 Dividend**”) of HK\$0.0025 per share for the three months ended 30 September 2020 (three months ended 30 September 2019: HK\$0.005 per share), amounting to HK\$2.0 million (three months ended 30 September 2019: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$2.0 million has not been recognised as a liability as at 30 September 2020.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the nine months ended 30 September 2020***8. (LOSS)/EARNINGS PER SHARE**

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
<b>(Loss)/earnings</b>				
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic (loss)/earnings per share	<u>(721)</u>	<u>1,584</u>	<u>(1,132)</u>	<u>12,725</u>
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there were no dilutive potential ordinary share in issue during the three months and nine months ended 30 September 2020 and 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering (“**IPO**”) financing, and asset management services.

The financial results of the Group for the nine months ended 30 September 2020 (the “**Current Period**”) were unsatisfactory due to the significant increase in commission expenses and hence, the Group recorded a loss and total comprehensive expense attributable to owners of the Company of approximately HK\$1.1 million for the Current Period as compared to the profit and total comprehensive income attributable to owners of the Company of approximately HK\$12.7 million for the nine months ended 30 September 2019 (the “**Corresponding Period**”).

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group for the Current Period was approximately HK\$40.9 million, which remained stable as compared to the revenue of approximately HK\$40.6 million for the Corresponding Period.

Commission from brokerage services decreased from approximately HK\$2.6 million for the Corresponding Period to approximately HK\$1.9 million for the Current Period, representing a decrease of approximately 26.9%.

Revenue derived from placing and underwriting services was approximately HK\$30.5 million for the Current Period, which remained stable as compared to approximately HK\$30.6 million for the Corresponding Period. During the Current Period, the Group completed 8 placing and underwriting engagements as compared to 10 placing and underwriting engagements during the Corresponding Period.

Corporate finance advisory services fee decreased significantly from approximately HK\$4.0 million for the Corresponding Period to approximately HK\$1.8 million for the Current Period, representing a decrease of approximately 55.0%. Such decrease was mainly due to the decrease in the average advisory fee of the corporate finance advisory engagements charged by the Group during the Current Period. During the Current Period, the Group charged 14 corporate finance advisory engagements as compared to 8 corporate finance advisory engagements in the Corresponding Period.

Interest income from securities and IPO financing increased from approximately HK\$2.5 million for the Corresponding Period to approximately HK\$5.0 million for the Current Period, representing an increase of approximately 100.0%. Such increase was attributable to the rebound demand for margin financing service from customers.

Asset management services fee increased from approximately HK\$1.0 million for the Corresponding Period to approximately HK\$1.7 million for the Current Period, representing an increase of approximately 70.0%. The management fee remained stable at approximately HK\$1.0 million for the Corresponding Period and the Current Period. For the Current Period, the Group recognised a performance fee of approximately HK\$0.7 million (Corresponding Period: Nil) as the net asset value per share of Astrum Absolute Return China Fund surpassed the high water mark achieved in 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL REVIEW (Continued)**

#### **Other income**

Other income increased from approximately HK\$0.6 million for the Corresponding Period to approximately HK\$2.4 million for the Current Period, representing an increase of approximately 300.0%. Such increase was mainly due to (i) the increase in interest income from banks, (ii) the increase in handling fee income, such as CCASS charges and scrip fees received from customers; and (iii) the receipt of subsidies of approximately HK\$1.3 million (Corresponding Period: Nil) from the Employment Support Scheme and the subsidy scheme for the securities industry under the Anti-epidemic Fund.

#### **Financial assets at fair value through profit or loss**

During the Current Period, the Company has invested a certain portion of the idle cash in high quality industry leaders listed on the Stock Exchange.

Net realised gain arising from financial assets at fair value through profit or loss amounted to approximately HK\$65,000 during the Current Period (Corresponding Period: Nil). Net unrealised gain arising from financial assets at fair value through profit or loss amounted to approximately HK\$118,000 during the Current Period (Corresponding Period: Nil).

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

Administrative and other operating expenses increased from approximately HK\$26.0 million for the Corresponding Period to approximately HK\$43.0 million for the Current Period, representing an increase of approximately 65.4%. Such increase was mainly due to the significant increase in commission expenses in respect of the placing and underwriting services from approximately HK\$6.6 million for the Corresponding Period to approximately HK\$23.8 million for the Current Period.

#### **Finance costs**

Finance costs increased significantly from approximately HK\$0.3 million for the Corresponding Period to approximately HK\$1.6 million for the Current Period, representing an increase of approximately 433.3%. The finance costs were mainly incurred for the utilisation of IPO loans borrowed from a bank.

#### **(LOSS)/PROFIT FOR THE PERIOD**

As a result of the foregoing, loss of approximately HK\$1.1 million for the Current Period was recorded as compared to a profit of approximately HK\$12.7 million for the Corresponding Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

In the views of the International Monetary Fund (“**IMF**”), global growth is projected at –4.4 percent in 2020, a less severe contraction than the forecast in June 2020. The revision reflects better-than anticipated second quarter GDP outturns, mostly in advanced economies, where economic activities began to improve sooner than expected after lockdowns were scaled back.

The global economy is climbing out from the depths to which it had plummeted in April 2020. But with the Coronavirus 2019 (the “**COVID-19**”) pandemic continuing to spread, many countries have slowed reopening and some are reinstating partial lockdowns to protect susceptible populations. While recovery in China has been faster than expected, the global economy’s long ascent back to pre-pandemic levels of activities remains prone to setbacks. The global and Hong Kong stock markets face continuous risks and uncertainties. The management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation.

### EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 September 2020 and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

### INTERIM DIVIDEND

At a board meeting of the Company held on 6 November 2020, the Board declared an interim dividend (“**Q3 Dividend**”) of HK\$0.0025 per share for the three months ended 30 September 2020 (three months ended 30 September 2019: HK\$0.005 per share), amounting to HK\$2.0 million (three months ended 30 September 2019: HK\$4.0 million). Such declared Q3 Dividend in the total amount of HK\$2.0 million has not been recognised as a liability as at 30 September 2020.

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

As at 30 September 2020, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) held by the Directors and chief executives of the Company (the “**Chief Executives**”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

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

<b>Name of Director</b>	<b>Capacity/Nature of interests</b>	<b>Number of shares held</b>	<b>Approximate percentage of shareholding (Note 2)</b>
Mr. Pan (Note 1)	Interest of a controlled corporation	532,685,000	66.59%

*Notes:*

1. These 532,685,000 shares are held by Autumn Ocean Limited which is wholly owned by Mr. Pan and hence, Mr. Pan is deemed, or taken to be, interested in all the shares held by Autumn Ocean Limited for the purposes of the SFO.
2. The percentage is calculated on the basis of 800,000,000 shares in issue as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, 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.

## OTHER INFORMATION

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

So far as the Directors and the Chief Executives are aware, as at 30 September 2020, other than the Directors and Chief Executives, the following persons had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Name	Capacity/Nature of interests	Number of shares held/interested in	Approximate percentage of shareholding (Note 2)
Ms. Liu Ming Lai Lorna (Note 1)	Interest of spouse	532,685,000	66.59%
Autumn Ocean Limited	Beneficial interest	532,685,000	66.59%

*Notes:*

- Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all shares in which Mr. Pan is interested for the purposes of the SFO.
- The percentage is calculated on the basis of 800,000,000 shares in issue as at 30 September 2020.

Save as disclosed above, as at 30 September 2020, the Directors were not aware of any person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

### SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company on 23 June 2016. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years. Under the Scheme, the Board shall be entitled to offer or grant a share option to any eligible participant whom the Board may select at its absolute discretion. No share options have been granted under the Scheme since its effective date and up to 30 September 2020.

## **OTHER INFORMATION**

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

Save as disclosed under the paragraph headed "INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS" in this report, at no time during the Current Period and as at 30 September 2020 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and Chief Executives (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporation.

### **COMPETING INTERESTS**

As at 30 September 2020, none of the Directors, the substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

### **NON-COMPETITION UNDERTAKING**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in October 2020 on their compliance of the non-competition undertaking ("**Pan's Undertaking**") under the deed of non-competition dated 23 June 2016 given by them in favour of the Company (the "**Deed of Non-Competition**") for the period from 1 July 2020 to 30 September 2020. The independent non-executive Directors reviewed the compliance of Pan's Undertaking and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that Mr. Pan and Autumn Ocean Limited have complied with Pan's Undertaking during the period from 1 July 2020 to 30 September 2020.

### **DIRECTORS' SECURITIES TRANSACTIONS**

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

### **PURCHASE, SALE OR REDEMPTION OF SHARES**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Current Period.

## **OTHER INFORMATION**

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

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

During the Current Period, to the best knowledge of the Board, the Company had complied with the code provisions in the CG Code, save for the deviation from the code provision A.2.1 as explained below.

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

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

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

As at 30 September 2020, the Group had no circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

### **AUDIT COMMITTEE**

The chairman of the Audit Committee is Mr. Lau Hon Kee, being an independent non-executive Director, and other members include Mr. Sum Loong (effective from 1 November 2020) and Mr. Lee Tak Cheung Vincent, both being independent non-executive Directors.

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

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

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

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

At a board meeting of the Company held on 6 November 2020, the Board declared the Q3 Dividend of HK\$0.0025 in cash per share for the three months ended 30 September 2020. The Q3 Dividend will be paid on or about Friday, 11 December 2020 to shareholders whose names appear on the register of members of the Company on Friday, 27 November 2020.

The register of members of the Company will be closed from Wednesday, 25 November 2020 to Friday, 27 November 2020 (both dates inclusive), for the purpose of determining shareholders' entitlement to the interim dividend, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 November 2020.

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

Hong Kong, 6 November 2020

As at the date of this report, the Directors are:

*Executive Directors*

Mr. Pan Chik (Chairman and Chief Executive Officer)

Mr. Kwan Chun Yee Hidulf

*Independent Non-executive Directors*

Mr. Sum Loong

Mr. Lee Tak Cheung Vincent

Mr. Lau Hon Kee