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Astrum Financial Holdings Limited

阿仕特朗金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8333)

DISCLOSEABLE AND CONNECTED TRANSACTION

- (1) ACQUISITION OF 27% ISSUED SHARE CAPITAL OF
RS (BVI) HOLDINGS LIMITED
INVOLVING ISSUE OF CONSIDERATION SHARES UNDER
SPECIFIC MANDATE;
(2) PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR;
AND
(3) PROPOSED CHANGE OF COMPANY NAME**

THE ACQUISITION

The Board is pleased to announce that on 6 July 2021 (after trading hours of the Stock Exchange), the Company, the Vendor and the Target Company entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 27% of the issued share capital of the Target Company for a Consideration of HK\$33,558,000.

The Consideration shall be satisfied by the Company by way of allotment and issue of a total of 238,000,000 Consideration Shares at the Issue Price, credited as fully paid, to the Vendor (and/or its nominee(s)).

As at the date of this announcement, the Target Company is wholly-owned by the Vendor. Upon Completion, the Target Company shall be owned as to 73% and 27% by the Vendor and the Company, respectively. As such, the Target Company will be accounted for as an associate company of the Company.

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

It is proposed that upon Completion, Mr. Tsang Kin Hung, who is the controlling shareholder and sole director of the Target Company, will be appointed as an executive Director.

PROPOSED CHANGE OF COMPANY NAME

In connection with the Acquisition, the Board proposes to change the existing English name of the Company from “Astrum Financial Holdings Limited” to “RaffAello-Astrum Financial Holdings Limited” and to dispense with the existing dual foreign name in Chinese of the Company, being “阿仕特朗金融控股有限公司”.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Further, as Mr. Tsang, who is controlling shareholder and sole director of the Target Company, will be nominated as an executive Director and may become a controller of the Company (as defined under the GEM Listing Rules) as a result of the Acquisition (subject to the Independent Shareholder’s approval at the EGM), the Acquisition constitutes a connected transaction on the part of the Company pursuant to Rule 20.26 of the GEM Listing Rules. As such, the Acquisition is subject to the notification, announcement and Independent Shareholders’ approval requirements under the GEM Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate. The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the grant of the Specific Mandate for the allotment and issue of the Consideration Shares.

None of the Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate), the Appointment and the Change of Company Name, and therefore no Director is required to abstain from voting on the relevant resolutions of the Board.

GENERAL

The EGM will be convened and held by the Independent Shareholders to consider and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate); and (ii) the Change of Company Name.

The Independent Board Committee comprising Mr. Sum Loong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, being all the independent non-executive Directors, has been established to give a recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. The Independent Financial Advisor shall be appointed with approval of the Independent Board Committee to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

The voting in respect of the Acquisition and the Change of Company Name at the EGM will be conducted by way of poll. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate) and the Change of Company Name, and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder and the Change of Company Name; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in the same regard; (iv) financial information of the Group; (v) financial information of the Target Group; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 16 August 2021 as additional time is required for the preparation of the relevant information to be included in the circular.

Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 6 July 2021 (after trading hours of the Stock Exchange), the Company, the Vendor and the Target Company entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 27% of the issued share capital of the Target Company for a Consideration of HK\$33,558,000. The Consideration shall be satisfied by the Company by way of allotment and issue of a total of 238,000,000 Consideration Shares at the Issue Price, credited as fully paid, to the Vendor (and/or its nominee(s)).

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

- Date:** 6 July 2021
- Parties:** (i) the Company, as the purchaser;
- (ii) the Vendor, as the vendor; and
- (iii) the Target Company

The Vendor is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the date of this announcement, Mr. Tsang is a controlling shareholder and a director of the Vendor. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) (including Mr. Tsang) is an Independent Third Party.

Asset to be acquired

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Company has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares, representing 27% of the issued share capital of the Target Company.

As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

Consideration

The Consideration is HK\$33,558,000, which shall be satisfied by the Company by way of the allotment and issue of 238,000,000 Consideration Shares to the Vendor (and/or its nominee(s)), credited as fully paid, at the Issue Price upon Completion, and to be delivered to the Vendor subject to the provisions set out in the paragraph headed "Profit Guarantee" and the section headed "The Option Deed" in this announcement.

The Consideration was determined after arm's length negotiations between the Company and the Vendor on normal commercial terms, after taking into account, among others, (i) the profit guarantee provided by the Vendor in respect of the guaranteed profit of HK\$15,500,000 for the year ending 31 March 2022; (ii) the Put and Repurchase Option which may be exercised by the Company, subject to the terms of the Option Deed, in the event that the Target Group fails to achieve the agreed Guaranteed Profit; (iii) the preliminary valuation of 27% equity interest in RSL of HK\$35,500,000 as at 30 June 2021 prepared by an independent professional valuer based on market approach; and (iv) other factors as set out in the section headed "Reasons for and benefits of the Acquisition" in this announcement.

Consideration Shares

Subject to fulfillment or waiver (as the case may be) of the conditions precedent as set out in the paragraph headed "Conditions precedent" below, the Company shall allot and issue 238,000,000 Consideration Shares to the Vendor (and/or its nominee(s)) at the Issue Price to satisfy the Consideration on Completion.

The Issue Price of HK\$0.141 per Consideration Share represents:

- (i) a premium of approximately 0.71% over the closing price of HK\$0.140 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement; and
- (ii) a premium of approximately 0.71% over the average closing price of HK\$0.140 per Share as quoted on the Stock Exchange for the five trading days immediately prior to the date of the Sale and Purchase Agreement.

The 238,000,000 Consideration Shares represent (i) approximately 24.79% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 19.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming no change in number of issued Shares from the date of this announcement and up to the Completion Date).

The Consideration Shares are to be issued by the Company under the Specific Mandate to be sought from the Independent Shareholders at the EGM. The Consideration Shares, when allotted and issued, will rank *pari passu* in all respects with all the Shares then in issue.

The Issue Price was determined after arm's length negotiation between the Company and the Vendor after taking into account the prevailing market price of the Shares. The Directors consider that the Issue Price is fair and reasonable.

The Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Conditions precedent

Completion is conditional upon and subject to the following conditions having been fulfilled or waived (as the case may be):

- (i) the Company being satisfied with the results of the due diligence review on the Target Group to be conducted in accordance with the terms and conditions of the Sale and Purchase Agreement;
- (ii) the Vendor being satisfied with the results of the due diligence review on the Group to be conducted in accordance with the terms and conditions of the Sale and Purchase Agreement;
- (iii) all necessary consents, licences and approvals required to be obtained on the part of the Vendor, the Target Company and RSL (if applicable) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (iv) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (v) the passing by the Independent Shareholders at the EGM to be convened and held in accordance with the requirements of the GEM Listing Rules, of an ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate, as applicable;
- (vi) the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Consideration Shares;
- (vii) the warranties provided by the Vendor remaining true and accurate and not misleading in all material respects; and
- (viii) the warranties provided by the Company remaining true and accurate and not misleading in all material respects.

The Company may at its absolute discretion at any time waive in writing any of the conditions (i) and (vii) above and such waiver may be made subject to such terms and conditions as are determined by the Company. The Vendor may at its absolute discretion at any time waive in writing any of the conditions (ii) and (viii) above and such waiver may be made subject to such terms and conditions as are determined by the Vendor. All other conditions are incapable of being waived.

The Vendor shall procure RSL, as assisted by the Company, to notify the SFC, in relation to the change of substantial shareholder of RSL contemplated under the Sale and Purchase Agreement within seven (7) Business Days from Completion at the costs and expenses of RSL. If the conditions above have not been satisfied (or as the case may be, waived by the Company or the Vendor (as the case may be)) at or before 4:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement shall cease and be terminated, and thereafter neither parties to the Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Profit Guarantee

The Vendor irrevocably and unconditionally warrants and guarantees to the Company (or its nominee) that the profit after tax of RSL to be reported in accordance with HKFRS as shown in its audited financial statements for the year ending 31 March 2022 (the “**Guaranteed Period**”), excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, issued by the Auditors will not be less than HK\$15,500,000 (the “**Guaranteed Profits**”).

The amount of the Guaranteed Profits was determined after arm’s length negotiations between the Company and the Vendor with reference to, among other things, (i) the prospects and development potential of the Target Group; and (ii) the current economic environment.

As security for the performance of the obligations of the Vendor, the Vendor and the Company shall jointly appoint the Escrow Agent to act as the escrow agent and to hold the share certificate(s) in relation to the Consideration Shares on and subject to the terms and conditions under the Escrow Letter and the Option Deed.

Period-end Profits

If the Unaudited Period-end Profits as shown in any Period-end Management Accounts excluding extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, shall exceed the amount of the Guaranteed Profits Plus Estimated Operating Expenses, the Vendor shall have the right (but not the obligation) to request the Auditors to prepare an audit on such Period-end Management Accounts, and to certify the Audited Period-end Profits as shown in such audited financial statements of RSL for the Reporting Period (the “**Audited Period-end Financial Statements**”).

“**Guaranteed Profits Plus Estimated Operating Expenses**” mean the aggregate sum of (i) the amount of the Guaranteed Profits, and (ii) the Estimated Monthly Operating Expenses in respect of RSL for the Remaining Guaranteed Period, which is equivalent to “A” below and shall be calculated as follows:

$$A = B + (C \times D)$$

Where B = HK\$15,500,000, being the amount of the Guaranteed Profits

C = the Estimated Monthly Operating Expenses

D = the number of calendar months within the Remaining Guaranteed Period

If the actual Audited Period-end Profits reported in accordance with HKFRS, excluding extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, shall be equal to or exceed the amount of the Guaranteed Profits Plus Estimated Operating Expenses, the Guaranteed Profits will be deemed to have been fulfilled, and the Vendor and the Company shall jointly procure the Escrow Agent to release the share certificate(s) for the 238,000,000 Consideration Shares which are held in escrow by the Escrow Agent to the Vendor within three (3) Business Days from the date of receipt by the Escrow Agent of such audited financial statements of RSL for the Reporting Period from the Auditors. If the Audited Period-end Profits as shown in the Audited Period-end Financial Statements is less than the amount of the Guaranteed Profits Plus Estimated Operating Expenses, the share certificate(s) for the 238,000,000 Consideration Shares shall continue to be held in escrow by the Escrow Agent, and the Put and Repurchase Option under the Option Deed is not exercisable unless and until the Audited Full-Year Profits are ascertained.

Full-Year Profits

Provided that no share certificate(s) has/have been released by the Escrow Agent to the Vendor as disclosed above, if the profit after tax of RSL reported in accordance with HKFRS for the Guaranteed Period (the “**Audited Full-Year Profits**”) as shown in the audited financial statements of RSL for the Guaranteed Period (the “**Audited Full-Year Financial Statements**”) prepared, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, shall be equal to or exceed the amount of the Guaranteed Profits, the Vendor and the Company shall jointly procure the Escrow Agent to release the share certificate(s) for the 238,000,000 Consideration Shares, which are held in escrow by the Escrow Agent to the Vendor within three (3) Business Days from the date of receipt by the Escrow Agent of such audited financial statements from the Auditors.

If the Audited Full-Year Profits, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, is less than the Guaranteed Profits, the Put and Repurchase Option may be exercised by the Purchaser, subject to and upon the terms of the Option Deed.

Completion

Completion shall take place on the date falling on the third Business Day after the fulfillment (or waiver) of the conditions precedent set out above, or such other date as the Vendor and the Company may agree in writing.

Upon Completion, the Target Company shall be owned as to 73% and 27% by the Vendor and the Company, respectively. As such, the Target Company will be accounted for as an associate company of the Company.

THE OPTION DEED

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Company (or its nominee) and the Vendor shall upon Completion enter into the Option Deed in relation to the Put and Repurchase Option. Set out below is a summary of some of the proposed principal terms of the Option Deed:

Put and Repurchase Option

The Vendor irrevocably grants the Company (or its nominee, as the case may be) the option (the “**Put and Repurchase Option**”) to (i) sell all the Option Shares to the Vendor and require the Vendor to purchase all the Option Shares from the Company (or its nominee, as the case may be) at the Put Option Price; and (ii) repurchase all the Repurchase Shares from the Vendor and require the Vendor to sell all the Repurchase Shares at the Repurchase Price within the period commencing from the issue date of the Audited Full-Year Financial Statements (the “**Put Option Designated Date**”) and ending on a date falling 60 calendar days from the Put Option Designated Date (the “**Put Option Exercise Period**”) if the Audited Full-Year Profits, excluding extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, as shown in the Audited Full-Year Financial Statements is less than the Guaranteed Profits (the “**Triggering Event**”), subject to the fulfillment of the conditions precedent set out in the paragraph headed “Conditions precedent to the Option Deed” below.

Upon the occurrence of the Triggering Event, the Company (or its nominee, as the case may be) may exercise the Put and Repurchase Option by serving a notice in writing on the Vendor and the Escrow Agent (the “**Put and Repurchase Option Notice**”) at any time during the Put Option Exercise Period. The Put and Repurchase Option Notice served by the Company (or its nominee, as the case may be) shall be in respect of all the Option Shares issued to the Company (or its nominee, as the case may be) and not part only, otherwise the Put and Repurchase Option Notice is void ab initio.

Consideration of the Option Shares and Repurchase Shares

The aggregate consideration payable by the Vendor to the Company in respect of the sale and purchase of the Option Shares shall be HK\$33,558,000 (the “**Put Option Price**”), which shall be satisfied by the Vendor at Option Completion by way of transfer of the Repurchase Shares to the Purchaser at the Repurchase Price.

The aggregate consideration payable by the Company to the Vendor for the sale and repurchase of the Repurchase Shares shall be HK\$33,558,000 (the “**Repurchase Price**”), which shall be satisfied by the Company at Option Completion by way of transfer of the Option Shares to the Vendor at the Put Option Price.

The consideration for the sale and purchase of the Option Shares and that for the sale and repurchase of the Repurchase Shares shall be set off against each other at Option Completion.

Conditions precedent to the Option Deed

Option Completion is conditional upon the following:

- (i) the Company having sufficient distributable profits to effect the Share Repurchase;
- (ii) all necessary consents and approvals required to be obtained on the part of each of the Company and the Vendor under applicable laws and regulations, including the GEM Listing Rules, the Repurchase Code and the Takeovers Code, in respect of the exercise of the Put and Repurchase Option, the Share Repurchase and the transactions contemplated hereunder having been obtained;
- (iii) if applicable, the passing by the Independent Shareholders at the EGM to be convened and held of the necessary resolution(s), including the ordinary resolution to approve the Whitewash Waiver, by way of poll in accordance with the requirements of the Takeovers Code, the GEM Listing Rules and other applicable laws and regulations; and
- (iv) if applicable, the grant of a waiver (the “**Whitewash Waiver**”) in respect of the obligation of the Concert Parties to make a mandatory general offer to the Shareholders in respect of the Shares not already owned or agreed to be acquired by the Concert Parties as a result of the deemed acquisition in voting rights caused by the Share Repurchase in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code.

All of the conditions above are incapable of being waived. If the conditions set out above have not been satisfied on or before 4:00 p.m. on the date falling on the expiry of six months after the date of service of the Put and Repurchase Option Notice by the Purchaser on the Vendor, or such later date as the Vendor and the Company may agree in writing, the Option Deed shall cease and be terminated, and the Company and the

Vendor shall negotiate in good faith towards one another in ensuring that a settlement agreement be entered into as soon as possible and thereafter, neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms hereof.

Option Completion

Upon compliance with or fulfillment of all the conditions to the Option Deed, the Option Completion shall take place on the date falling five Business Days after the fulfillment of the conditions precedent to the Option Deed (or such other date as the parties thereto may agree).

Immediately after Option Completion, the Company shall cancel the Repurchase Shares and any rights attached thereto shall cease with effect from the date of Option Completion. By delivering the certificate(s) of the Repurchase Shares to the Company on Option Completion, the Vendor agrees and confirms that it irrevocably authorises the Company to take any actions as are necessary, desirable or expedient for the cancellation of the Repurchase Shares and acknowledges that it will cease to have any rights to or interests in the Repurchase Shares with effect from the date of Option Completion.

In the event of the occurrence of the Triggering Event but that the Company does not exercise its rights to exercise the Put and Repurchase Option during the Put Option Exercise Period, the Option Deed shall cease and be terminated, and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

THE SHAREHOLDERS' AGREEMENT

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Company (or its nominee), the Vendor and the Target Company shall upon Completion enter into the Shareholders' Agreement setting out terms and conditions regulating the relationship between the Target Company and its shareholders and the manner in which the affairs of the Target Group are to be regulated after Completion. Set out below is a summary of some of the proposed principal terms of the Shareholders' Agreement:

Board composition and board resolutions

Unless otherwise agreed in writing by all the shareholders of the Target Company, the board of directors of the Target Company shall comprise three (3) directors, of whom (i) two (2) directors shall be appointed or removed at the request of the Vendor by written notice to the Target Company; and (ii) one (1) director shall be appointed or removed at the request of the Company by written notice to the Target Company.

No business shall be transacted at any board meeting unless a quorum of directors is present at the commencement of and throughout the meeting. The quorum for a meeting of the board of directors of the Target Company shall be two (2) directors present in person in which at least one (1) of them must be the director nominated by the Company or his/her alternate for the time being.

Save for matters requiring unanimous consent (including but not limited to, the creation or issue of shares or grant of options of the Target Company; the capitalisation, repayment or other form of distribution; participating in or agreeing to propose in any action of closure, termination or dissolution of the Target Company; and the material change in the nature or the scope of business of the Target Company) matters arising in any board meeting shall be decided by a majority of votes. In the event of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

Restriction on transfer

If any shareholder of the Target Company proposes to transfer any shares of the Target Company to a third party, the other shareholder(s) of the Target Company shall have the right of first refusal to purchase such shares. Notwithstanding the aforementioned, the shareholders of the Target Company shall be permitted at any time to make a transfer of all (but not part) of the shares of the Target Company held by them to their associates.

Pre-emption on issue of shares

The Target Company grants to each of its shareholders a right to purchase up to a pro rata share of any new shares that the Target Company may, from time to time, propose to sell and issue. In the event that none of its shareholders has exercised its pre-emptive right, the Target Company may sell any new shares at a price and upon terms no more favourable to the purchasers thereof than that offered to its existing shareholders.

PROPOSED APPOINTMENT OF EXECUTIVE DIRECTOR

It is proposed that upon Completion, Mr. Tsang Kin Hung, who is the controlling shareholder and sole director of the Target Company, will be appointed as an executive Director.

Mr. Tsang Kin Hung, aged 57, has over 20 years of experience working and participating in finance market in Hong Kong. He is the controlling shareholder of the Vendor, namely RaffAello Holdings Limited, being an investment holding company with its subsidiaries principally engaged in the provision of (i) corporate finance advisory services; (ii) placing and underwriting services; (iii) securities dealing and brokerage services, and (iv) assets management services. He has been a responsible officer of Type 6 (advising on corporate finance) regulated activity under the SFO since 2003, and was admitted as an associate of the Chartered Institute of Arbitrators in March 1994.

The Company will make further announcement(s) upon formal appointment of Mr. Tsang as an executive Director.

PROPOSED CHANGE OF COMPANY NAME

In connection with the Acquisition, the Board proposes to change the existing English name of the Company from “Astrum Financial Holdings Limited” to “RaffAello-Astrum Financial Holdings Limited” and to dispense with the existing dual foreign name in Chinese of the Company, being “阿仕特朗金融控股有限公司”.

Conditions for the Change of Company Name

The Change of Company Name is subject to the following conditions:

- (i) the passing by the Independent Shareholders at the EGM to be convened and held in accordance with the requirements of the GEM Listing Rules, of an ordinary resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Consideration Shares;
- (ii) the passing of a special resolution by the Independent Shareholders to approve the Change of Company Name at the EGM; and
- (iii) the Registrar of Companies in the Cayman Islands granting approval for the Change of Company Name.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect from the date on which the certificate of incorporation on change of name is issued by the Registrar of Companies in the Cayman Islands. Thereafter, the Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong and the Registrar of Companies in the Cayman Islands.

Reasons for the Change of Company Name

The Board considers that the Change of Company Name will better reflect the business nature of the Group upon completion of the Acquisition. The Board believes that the new name will better reflect the identity of the Group which will benefit the Group's future business development and is in the interest of the Company and the Shareholders as a whole.

Effect of the Change of Company Name

The Change of Company Name will not affect any of the rights of the Shareholders and the trading of the Shares on the Stock Exchange. After the Change of Company Name has become effective, any new issue of share certificates of the Company will be issued in the new English name of the Company. All existing share certificates of the Company in issue bearing the existing name of the Company will, after the Change of Company Name

has become effective, continue to be valid evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangements for free exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company.

Subject to the confirmation of the Stock Exchange, the English and Chinese stock short name of the Company for trading of the Shares on the Stock Exchange will also be changed after the Change of Company Name has become effective.

The Company will make further announcement(s) to inform the Shareholders of the poll results of the special resolution, the effective date of the Change of Company Name and other relevant changes as and when appropriate.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there being no other changes in the share capital of the Company from the date of this announcement and up to Completion, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion.

Shareholders	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Autumn Ocean Limited ("Autumn Ocean") <i>(Note 1)</i>	532,685,000	55.49%	532,685,000	44.46%
Vendor <i>(Note 2)</i>	—	—	238,000,000	19.87%
Public Shareholders	<u>427,315,000</u>	<u>44.51%</u>	<u>427,315,000</u>	<u>35.67%</u>
Total	<u>960,000,000</u>	<u>100%</u>	<u>1,198,000,000</u>	<u>100%</u>

Notes:

- Autumn Ocean is a company wholly-owned by Mr. Pan Chik ("Mr. Pan"), being the Chairman, Chief Executive Officer and an executive Director. Mr. Pan is therefore deemed to be interested in all the Shares held by Autumn Ocean by virtue of the SFO.
- As security for the performance of the obligations of the Vendor in respect of the Profit Guarantee, the Vendor and the Company shall jointly appoint the Escrow Agent to act as the escrow agent and to hold the share certificates in relation to the Consideration Shares on and subject to the terms and conditions under the Escrow Letter. For details of the arrangement, please refer to the section headed "The Sale and Purchase Agreement — Profit Guarantee" in this announcement.
- Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION OF THE TARGET GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

RSL is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Target Company. It is a corporation licensed to carry out Type 1(dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO.

Financial information of the Target Group

Set out below is the financial information of the Target Group:

Financial information of the Target Company based on unaudited financial statements for the two years ended 31 March 2020:

	For the year ended	
	31 March	
	2019	2020
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	—	—
Loss before taxation	—(Note)	—(Note)
Loss after taxation	—(Note)	—(Note)
	As at year ended	
	31 March	
	2019	2020
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Total assets	—(Note)	—(Note)
Net assets	—(Note)	—(Note)

Note: the amount is less than HK\$1,000.

Financial information of RSL based on audited financial statements for the two years ended 31 March 2020:

	For the year ended	
	31 March	
	2019	2020
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	10,819	13,567
Profit before taxation	3,234	9,281
Profit after taxation	2,757	7,993
	As at year ended	
	31 March	
	2019	2020
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Total assets	19,537	34,550
Net assets	11,604	19,597

REASONS FOR AND BENEFITS OF THE ACQUISITION

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 Board considers that the Acquisition offers the Group an invaluable opportunity to closely collaborate with RSL in the placing and underwriting business. Being a fellow subsidiary of RaffAello Capital Limited, a licensed corporation principally engaged in new listing sponsorship, RSL takes part in the underwriting business of those IPO projects sponsored by RaffAello Capital Limited. The Directors believe that the Group could leverage on the IPO project partnership arrangement between RSL and RaffAello Capital Limited to further expand the IPO underwriting business carried on by the Group.

In addition, the Consideration is satisfied by way of allotment and issue of the Consideration Shares and therefore does not create any cashflow burden on the Group.

In light of the above, the Directors (excluding the independent non-executive Directors whose view will be expressed after considering the advice of the Independent Financial Adviser) consider that the terms of the Acquisition (including the Consideration and the Issue Price) are fair and reasonable and the entering into of the Sale and Purchase Agreement is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Further, as Mr. Tsang, who is a controlling shareholder and sole director of the Target Company, will be nominated as an executive Director and may become a controller of the Company (as defined under the GEM Listing Rules) as a result of the Acquisition (subject to the Independent Shareholders' approval at the EGM), the Acquisition constitutes a connected transaction on the part of the Company pursuant to Rule 20.26 of the GEM Listing Rules. As such, the Acquisition is subject to the notification, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate. The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the grant of the Specific Mandate for the allotment and issue of the Consideration Shares.

None of the Directors has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate), the Appointment and the Change of Company Name, and therefore no Director is required to abstain from voting on the relevant resolutions of the Board.

GENERAL

The EGM will be convened and held by the Independent Shareholders to consider and, if thought fit, to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate); and (ii) the Change of Company Name.

The Independent Board Committee comprising Mr. Sum Loong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, being all the independent non-executive Directors, has been established to give a recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder. The Independent Financial Advisor shall be appointed with approval of the Independent Board Committee to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard.

The voting in respect of the Acquisition and the Change of Company Name at the EGM will be conducted by way of poll. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders or any of their associates have any material interest in the Sale and Purchase Agreement and the

transactions contemplated thereunder (including the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate) and the Change of Company Name, and therefore no Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further information on the Sale and Purchase Agreement and the transactions contemplated thereunder and the Change of Company Name; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in the same regard; (iv) financial information of the Group; (v) financial information of the Target Group; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 16 August 2021 as additional time is required for the preparation of the relevant information to be included in the circular.

Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Sale and Purchase Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Acquisition”	acquisition of the Sale Shares by the Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“Appointment”	proposed appointment of Mr. Tsang as an executive Director
“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Audited Full-Year Financial Statements”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement
“Audited Full-Year Profits”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement
“Audited Period-end Financial Statements”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement

“Audited Period-end Profits”	the profit after tax of RSL reported in accordance with HKFRS for the Reporting Period in the Audited Period-end Financial Statements
“Auditors”	auditors of the Target Company
“Board”	board of Directors from time to time
“Business Day”	any day (excluding Saturday, Sunday or public or statutory holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Change of Company Name”	proposed change of the existing English name of the Company from “Astrum Financial Holdings Limited” to “RaffAello-Astrum Financial Holdings Limited” and dispensation with the existing dual foreign name in Chinese of the Company, being “阿仕特朗金融控股有限公司”
“Company”	Astrum Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8333)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date falling on the third Business Day after the fulfillment (or waiver) of the conditions precedent under the Sale and Purchase Agreement or such other date as the Vendor and the Company may agree in writing
“Concert Parties”	Autumn Ocean Limited, Ms. Liu Ming Lai Lorna and Mr. Pan Chik and parties acting in concert with any of them
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	an amount of HK\$33,558,000, being the purchase price for the Sale Shares
“Consideration Shares”	an aggregate of 238,000,000 new Shares to be allotted and issued to the Vendor (and/or its nominee(s)), subject to the terms and conditions in relation to the Profit Guarantee under the Sale and Purchase Agreement, at the Issue Price credited as fully paid to satisfy the Consideration
“Director(s)”	director(s) of the Company

“EGM”	extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Consideration Shares under the Specific Mandate) and the Change of Company Name
“Escrow Agent”	Astrum Capital Management Limited, or such other escrow agent to be jointly appointed by the Company and the Vendor
“Escrow Letter”	escrow letter (in the agreed form) to be made between the Vendor, the Company and the Escrow Agent in relation to the holding of 238,000,000 Consideration Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“Estimated Monthly Operating Expenses”	the aggregate amount of the administrative expenses and the other operating expenses reported in the Audited Period-end Financial Statements, divided by the number of calendar months in the Reporting Period
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guaranteed Period”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement
“Guaranteed Profits”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement
“Guaranteed Profits Plus Estimated Operating Expenses”	has the meaning ascribed thereto in the section headed “The Sale and Purchase Agreement — Profit Guarantee” in this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Independent Board Committee”	independent board committee of the Board, comprising all the independent non-executive Directors, namely Mr. Sum Loong, Mr. Lee Tak Cheung Vincent and Mr. Lau Hon Kee, established to give a recommendation to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholder who are not required to abstain from voting on the resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder (including the Acquisition and the allotment and issue of the Consideration Shares under the Specific Mandate) and the Change of Company Name
“Independent Third Party”	any person or company and its ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected person(s) of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“Issue Price”	HK\$0.141 per Consideration Share
“Long Stop Date”	31 December 2021, or such later date as the Vendor and the Company may agree in writing
“Mr. Tsang”	Mr. Tsang Kin Hung, a controlling shareholder and a director of the Vendor as at the date of this announcement
“Option Completion”	completion of the sale and purchase of the Option Shares and the sale and repurchase of the Repurchase Shares in accordance with the terms and conditions of the Option Deed
“Option Deed”	the option deed to be entered into between the Company and the Vendor upon Completion in relation to the Put and Repurchase Option

“Option Shares”	the Sale Shares to be sold by the Company to the Vendor upon the exercise of the Put and Repurchase Option as provided in the Option Deed
“Period-end Management Accounts”	the unaudited financial statements of RSL for the Reporting Period
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Put and Repurchase Option”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Put and Repurchase Option Notice”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Put Option Designated Date”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Put Option Exercise Period”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Put Option Price”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“RSL”	RaffAello Securities (HK) Limited, a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of the Target Company and a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Remaining Guaranteed Period”	remaining period within the Guaranteed Period after excluding the Reporting Period, which for the avoidance of doubt, the aggregate sum of the number of calendar months within the Reporting Period and the number of calendar months within the Remaining Guaranteed Period shall be equal to twelve (12) calendar months
“Reporting Period”	the period commencing from 1 April 2021 and up to any such month within the Guaranteed Period, which for the avoidance of doubt, any Reporting Period would not exceed twelve (12) calendar months

“Repurchase Price”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Repurchase Code”	the Hong Kong Code on Share Buy-backs
“Repurchase Shares”	the 238,000,000 Shares issued to the Vendor upon Completion
“Sale and Purchase Agreement”	conditional sale and purchase agreement dated 6 July 2021 and entered into between the Vendor, the Company and the Target Company in respect of the Acquisition
“Sale Shares”	27 shares, representing 27% of the issued share capital of the Target Company, which are legally and beneficially owned by the Vendor as at the date of this announcement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	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 issued Shares
“Shareholders’ Agreement”	shareholders’ agreement in the agreed form to be made amongst the Vendor, the Company (or its nominee) and the Target Company
“Share Repurchase”	the repurchase by the Company of the Repurchase Shares from the Vendor by means of an off-market share repurchase on the terms and conditions of the Option Deed
“Specific Mandate”	specific mandate to allot, issue or otherwise deal in additional Shares to be sought from the Shareholders who are entitled to vote and not required to be abstained from voting under the GEM Listing Rules at the EGM to satisfy the allotment and issue of the Consideration Shares upon Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	RS (BVI) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by the Vendor
“Target Group”	collectively, the Target Company and RSL

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Triggering Event”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“Unaudited Period-end Profits”	the profit after tax reported in the unaudited financial statements of RSL for the Reporting Period in the Period-end Management Accounts
“Vendor”	RaffAello Holdings Limited, a company incorporated in the Cayman Islands with limited liability, which is wholly-owned by Captain Expert Limited, a company incorporated in the British Virgin Islands, which in turn is owned as to 70% by Mr. Tsang and 30% by Ms. Qin Siu Kiu Michelle, who is the spouse of Mr. Tsang
“Whitewash Waiver”	has the meaning ascribed thereto in the section headed “The Option Deed” in this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 6 July 2021

As at the date of this announcement, 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

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

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