



**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*

# **INTERIM REPORT**

# **2021**

## **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.**

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

*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 six months ended 30 June 2021 amounted to approximately HK\$7.7 million while revenue for the six months ended 30 June 2020 amounted to approximately HK\$35.8 million.
- Loss and total comprehensive expense attributable to owners of the Company for the six months ended 30 June 2021 amounted to approximately HK\$8.4 million while loss and total comprehensive expense attributable to owners of the Company for the six months ended 30 June 2020 amounted to approximately HK\$0.4 million.
- Basic loss per share for the six months ended 30 June 2021 amounted to approximately HK0.92 cents while basic loss per share for the six months ended 30 June 2020 amounted to approximately HK0.05 cents.
- At a board meeting of the Company held on 7 May 2021, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: HK\$0.005 per share).
- At a board meeting of the Company held on 6 August 2021, the Board did not recommend the payment of interim dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: HK\$0.0025 per share).

**UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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 six months ended 30 June 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

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

*For the three months and six months ended 30 June 2021*

	Notes	Three months ended 30 June		Six months ended 30 June	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	3,279	26,869	7,718	35,847
Other income	4	163	362	1,169	1,001
Net realised gain arising from financial assets at fair value through profit or loss		28	10	300	35
Net unrealised (loss) / gain arising from financial assets at fair value through profit or loss		(39)	60	(270)	78
Administrative and other operating expenses		(7,502)	(28,467)	(16,109)	(36,779)
Finance costs		(256)	(424)	(1,201)	(593)
Loss before tax	5	(4,327)	(1,590)	(8,393)	(411)
Income tax credit	6	–	100	–	–
<b>Loss and total comprehensive expense for the period attributable to owners of the Company</b>		<b>(4,327)</b>	<b>(1,490)</b>	<b>(8,393)</b>	<b>(411)</b>
<b>Loss per share</b>					
– Basic and diluted (HK cents)	8	(0.45)	(0.19)	(0.92)	(0.05)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 30 June 2021*

	<i>Notes</i>	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	9	7,683	3,696
Right-of-use assets		–	937
Intangible assets		950	950
Other assets		2,045	2,080
Deferred tax assets		54	54
		<b>10,732</b>	<b>7,717</b>
<b>Current assets</b>			
Trade receivables	10	573,014	73,546
Deposits, prepayments and other receivables		1,153	1,250
Tax recoverable		517	517
Financial assets at fair value through profit or loss	11	2,976	2,922
Bank balances and cash			
– General accounts and cash		46,371	94,829
– Trust accounts		60,678	101,797
		<b>684,709</b>	<b>274,861</b>
<b>Total assets</b>		<b>695,441</b>	<b>282,578</b>
<b>Current liabilities</b>			
Trade payables	12	65,459	106,934
Other payables and accruals		952	1,265
Borrowings		449,662	–
Lease liabilities		–	956
		<b>516,073</b>	<b>109,155</b>
<b>Net current assets</b>		<b>168,636</b>	<b>165,706</b>
<b>Net assets</b>		<b>179,368</b>	<b>173,423</b>
<b>Capital and reserves</b>			
Equity attributable to owners of the Company			
Share capital	13	9,600	8,000
Reserves		169,768	165,423
<b>Total equity</b>		<b>179,368</b>	<b>173,423</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the six months ended 30 June 2021*

	<b>Attributable to owners of the Company</b>					<b>Total equity</b> HK\$'000
	<b>Share capital</b>	<b>Share premium</b>	<b>Special reserve</b>	<b>Share options reserve</b>	<b>Retained profits</b>	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
<b>Six months ended 30 June 2020</b>						
Balance at 1 January 2020 (Audited)	8,000	77,179	38,401	–	59,964	183,544
Loss and total comprehensive expense for the period	–	–	–	–	(411)	(411)
Dividends recognised as distribution during the period (Note 7)	–	–	–	–	(4,000)	(4,000)
Balance at 30 June 2020 (Unaudited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	<b>–</b>	<b>55,553</b>	<b>179,133</b>
<b>Six months ended 30 June 2021</b>						
Balance at 1 January 2021 (Audited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	<b>–</b>	<b>49,843</b>	<b>173,423</b>
Loss and total comprehensive expense for the period	–	–	–	–	(8,393)	(8,393)
Issue of new shares under placing (Note 13)	<b>1,600</b>	<b>11,680</b>	–	–	–	<b>13,280</b>
Transaction costs attributable to issue of shares under placing	–	(204)	–	–	–	(204)
Recognition of equity-settled share-based payments	–	–	–	<b>1,262</b>	–	<b>1,262</b>
Balance at 30 June 2021 (Unaudited)	<b>9,600</b>	<b>88,655</b>	<b>38,401</b>	<b>1,262</b>	<b>41,450</b>	<b>179,368</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 June 2021*

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Net cash used in operating activities</b>	<b>(505,171)</b>	(73,659)
<b>Net cash used in investing activities</b>	<b>(5,083)</b>	(2,009)
<b>Net cash generated from/(used in) financing activities</b>	<b>461,797</b>	(5,439)
<b>Net decrease in cash and cash equivalents</b>	<b>(48,457)</b>	(81,107)
<b>Cash and cash equivalents at the beginning of period</b>	<b>94,720</b>	143,304
<b>Cash and cash equivalents at the end of period</b>	<b>46,263</b>	62,197
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash, excluding trust accounts	<b>46,371</b>	62,304
Less:		
Fixed deposit with original maturity over three months	<b>(108)</b>	(107)
	<b>46,263</b>	62,197

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 June 2021*

**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 Windward 3, Regatta Office Park, PO Box 1350, 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 six months ended 30 June 2021 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 to the GEM Listing Rules. These unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the six months ended 30 June 2021 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2020, 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 2021.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2021

### 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 and the related Amendments <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

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

<sup>4</sup> Effective for annual periods beginning on or after 1 April 2021

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.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2021

**2. BASIS OF PREPARATION (Continued)**

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 August 2021.

**3. REVENUE AND SEGMENT INFORMATION**

Based on the information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group has determined that it only has one operating segment which is 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. Since this is the only operating segment of the Group, no further analysis for segment information is presented.

**Revenue from major services**

The Group's revenue for the three months and six months ended 30 June 2021 and 2020 are as follows:

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>				
Commission from brokerage services	514	784	1,597	1,231
Placing and underwriting commission	884	23,746	1,229	30,400
Corporate finance advisory services fee	355	565	1,078	1,015
Asset management services				
– Fund management and performance fee	653	318	1,055	646
	<b>2,406</b>	<b>25,413</b>	<b>4,959</b>	<b>33,292</b>
<b>Revenue from other sources</b>				
Interest income from securities and initial public offering financing	873	1,456	2,759	2,555
<b>Total revenue</b>	<b>3,279</b>	<b>26,869</b>	<b>7,718</b>	<b>35,847</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***3. REVENUE AND SEGMENT INFORMATION (Continued)****Disaggregation of revenue from contracts with customers**

	Three months ended 30 June		Six months ended 30 June	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
<b>Timing of revenue recognition from contracts with customers</b>				
– At a point in time	1,398	24,530	2,826	31,631
– Over time	1,008	883	2,133	1,661
	<b>2,406</b>	<b>25,413</b>	<b>4,959</b>	<b>33,292</b>

**4. OTHER INCOME**

	Three months ended 30 June		Six months ended 30 June	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Interest income from				
– banks	2	215	2	519
– others	1	1	2	2
Dividend income	15	14	18	14
Administrative services income	3	2	7	4
Management fee income	28	7	52	15
Handling fee income	114	73	1,085	397
Sundry income	–	50	3	50
	<b>163</b>	<b>362</b>	<b>1,169</b>	<b>1,001</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2021

**5. LOSS BEFORE TAX**

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

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Auditors' remuneration	157	157	315	315
Commission expenses	124	22,746	146	23,808
Depreciation of property, plant and equipment	631	108	1,074	217
Depreciation of right-of-use assets	234	703	937	1,405
Interest expense on bank overdrafts and borrowings	256	408	1,198	556
Interest expense on lease liabilities	–	16	3	37
Net foreign exchange (gain)/loss	(22)	–	(22)	27
Employee benefits expense:				
Salaries and other benefits	3,874	3,458	8,162	8,095
Equity-settled share-based payments	–	–	969	–
Commission to accounts executives	118	47	384	98
Contributions to retirement benefit scheme	100	86	205	176
Total employee benefits expense, including directors' emoluments	4,092	3,591	9,720	8,369

**6. INCOME TAX CREDIT**

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Hong Kong Profits Tax:				
– Current period	–	100	–	–

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 six months ended 30 June 2021 and 2020.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2021

**7. DIVIDENDS**

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Dividends recognised as distribution during the period				
- Interim dividend of HK\$0.005 per ordinary share	–	4,000	–	4,000

At a board meeting of the Company held on 7 May 2021, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: HK\$0.005 per share).

At a board meeting of the Company held on 6 August 2021, the Board did not recommend the payment of interim dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: HK\$0.0025 per share).

**8. LOSS PER SHARE**

	Three months ended 30 June		Six months ended 30 June	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Loss</b>				
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	<b>(4,327)</b>	(1,490)	<b>(8,393)</b>	(411)

  

	Three months ended 30 June		Six months ended 30 June	
	2021	2020	2021	2020
<b>Number of shares</b>				
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>960,000,000</b>	800,000,000	<b>913,591,160</b>	800,000,000

The calculation of the diluted loss per share for the three months and the six months ended 30 June 2021 did not assume the exercise of the Company's outstanding share options at each of the period ends as the exercise of which by the holders of share options would have an anti-dilutive effect.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary share in issue during the three months and six months ended 30 June 2020.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***9. PROPERTY, PLANT AND EQUIPMENT**

During the six months ended 30 June 2021, the Group acquired property, plant and equipment of approximately HK\$5.1 million (six months ended 30 June 2020: approximately HK\$7,000).

**10. TRADE RECEIVABLES**

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
Trade receivables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	<b>1,219</b>	1,379
Clients – margin	<b>48,326</b>	44,895
Clearing house	<b>906</b>	3,882
Broker	<b>88</b>	–
Subscriptions of new shares in initial public offering	<b>521,766</b>	22,862
	<b>572,305</b>	73,018
Dealing in futures contracts		
Clearing house	<b>467</b>	75
Corporate finance advisory services	<b>120</b>	130
Asset management services	<b>122</b>	323
	<b>573,014</b>	73,546

The settlement terms of trade receivables arising from the ordinary course of business of (i) dealing in securities from cash clients, clearing house and a broker are two days after trade date; and (ii) dealing in futures contracts are one day after trade date.

The credit terms of trade receivables arising from the ordinary course of business of (i) corporate finance advisory services are 7 days or due upon issuance of invoice; and (ii) asset management services are 30 days.

The Group seeks to maintain strict control over its outstanding receivables in order to minimise credit risk and the overdue balances are regularly reviewed by senior management.

Margin clients are required to pledge securities collateral to the Group in order to obtain the margin facilities for securities trading. At 30 June 2021, loans to margin clients are secured by clients' securities pledged as collateral with market value of approximately HK\$208,050,000 (31 December 2020: approximately HK\$160,018,000). Management has assessed the market value of the pledged securities of each individual client who has margin shortfall at the end of each reporting period. The margin loans are repayable on demand and bear variable interest at commercial rates. No aged analysis of margin loans and subscriptions of new shares in initial public offering is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of this business.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***10. TRADE RECEIVABLES (Continued)**

The ageing analysis of the trade receivables arising from cash clients, clearing houses and a broker presented based on the trade date is as follows:

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
0 – 30 days	<b>2,680</b>	<b>5,336</b>

The ageing analysis of the trade receivables arising from corporate finance advisory services and asset management services presented based on invoice date are as follows:

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
0 – 30 days	<b>242</b>	403
31 – 60 days	–	50
Total	<b>242</b>	<b>453</b>

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
Listed equity securities in Hong Kong	<b>2,976</b>	<b>2,922</b>

The fair value of listed equity securities are based on quoted market prices.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***12. TRADE PAYABLES**

	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
Trade payables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	<b>28,892</b>	53,175
Clients – margin	<b>34,597</b>	51,523
Clearing house	<b>8</b>	288
	<b>63,497</b>	104,986
Dealing in futures contracts		
Clients	<b>1,962</b>	1,948
	<b>65,459</b>	106,934

The settlement terms of trade payables arising from the ordinary course of business of (i) dealing in securities are two days after trade date; and (ii) dealing in futures contracts are one day after trade date.

Trade payables to clients are interest-free, and are repayable on demand subsequent to settlement date except where certain trade payables to clients represent margin deposits received from clients for their trading in futures contracts under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of business.

At 30 June 2021, the trade payables amounting to approximately HK\$60,678,000 (31 December 2020: approximately HK\$101,797,000) was payable to clients in respect of the trust and segregated bank balances received which were held for clients in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six months ended 30 June 2021

**13. SHARE CAPITAL**

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
<b>Authorised:</b>		
At 1 January 2021 and 30 June 2021	<u>2,000,000,000</u>	<u>20,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2021	800,000,000	8,000
Issue of new shares under placing (Note)	<u>160,000,000</u>	<u>1,600</u>
At 30 June 2021	<u>960,000,000</u>	<u>9,600</u>

Note:

On 24 February 2021, 160,000,000 ordinary shares of HK\$0.01 each of the Company were issued at a price of HK\$0.083 per ordinary share by way of placing. The gross proceeds from the placing amounted to HK\$13,280,000, among which, HK\$1,600,000 were credited to the share capital account of the Company and HK\$11,680,000 (before issuing expenses) were credited to share premium account of the Company. The new shares issued under the placing rank *pari passu* with all the existing shares in all respects.

**14. SIGNIFICANT RELATED PARTY TRANSACTIONS****(i) Transactions with related parties**

During the six months ended 30 June 2021 and 2020, the Group entered into the following significant transactions with its related parties:

Related party	Nature of transaction	Notes	Six months ended 30 June	
			2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Mr. Pan	Commission income	(a)	42	28
	Interest income	(b)	64	107
Close family members of Mr. Pan	Commission income	(a)	35	19
	Interest income	(b)	308	675
Shine Clear Investments Limited, a company wholly-owned by a close family member of Mr. Pan	Commission income	(a)	22	16
	Interest income	(b)	21	42
Mr. Kwan Chun Yee, Hidulf ("Mr. Kwan")	Commission income	(a)	2	3
	Interest income	(b)	40	18
Close family members of Mr. Kwan	Interest income	(b)	<u>6</u>	<u>—</u>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***14. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)****(i) Transactions with related parties (Continued)***Notes:*

- (a) The commission income from brokerage services for (i) dealing in securities was calculated at rates ranging from 0.1% to 0.2% (subject to minimum charge of HK\$80); and (ii) dealing in futures contracts was based on the rates which were substantially in line with those normally received by the Group from third parties.
- (b) The interest income received from (i) securities financing was based on rates ranging from 2.5% to 8.0% per annum; and (ii) initial public offering financing was based on the rates which were substantially in line with those normally received by the Group from third parties.

**(ii) Outstanding balances with related parties**

Included in trade receivables and trade payables arising from the ordinary course of business of dealing in securities and futures contracts are amounts due from and (to) certain related parties. Details of which are as follows:

<b>Related party</b>	<b>Nature of account</b>	<b>Notes</b>	<b>As at 30 June 2021 HK\$'000 (Unaudited)</b>	<b>As at 31 December 2020 HK\$'000 (Audited)</b>
Mr. Pan	Margin account	(a)	<b>2,038</b>	1,658
	Futures account	(b)	<b>55</b>	(208)
Mr. Kwan	Margin account	(c)	<b>652</b>	263
Close family members of Mr. Pan	Margin account	(d)	<b>16,186</b>	15,992
	Cash account	(g)	<b>(26)</b>	(209)
Close family members of Mr. Kwan	Margin account	(e)	<b>28</b>	—
Shine Clear Investments Limited, a company wholly-owned by a close family member of Mr. Pan	Margin account	(f)	<b>908</b>	(17)
Mr. Fung Tat Hung Ricky, a member of the key management personnel	Margin account		<b>(1,029)</b>	(995)
	Futures account		<b>(1)</b>	(1)
Mr. Mak Yat Tang Anthony, a member of the key management personnel	Margin account		<b>(7)</b>	(59)

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***14. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)****(ii) Outstanding balances with related parties (Continued)***Notes:*

- (a) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$2,296,000.
- (b) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$55,000.
- (c) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$1,020,000.
- (d) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$16,376,000.
- (e) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$28,000.
- (f) The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$908,000.
- (g) The outstanding balance of cash account represents the net balance of the account at the end of the reporting period.

**(iii) Compensation of key management personnel**

Key management includes executive directors and senior management of the Group. The remuneration of key management during the six months ended 30 June 2021 and 2020 are as follows:

	<b>Six months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Salaries and other benefits in kind	<b>2,733</b>	3,042
Equity-settled share-based payments	<b>389</b>	—
Contributions to retirement benefit scheme	<b>36</b>	36
	<b>3,158</b>	3,078

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the six months ended 30 June 2021***15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS**

The fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: inputs are unobservable inputs for the asset or liability.

**Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis**

The following table presents the Group's financial assets that are measured at fair value at 30 June 2021:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b><i>Financial assets</i></b>				
Financial assets at fair value through profit or loss				
- Listed equity securities	<u>2,976</u>	<u>-</u>	<u>-</u>	<u>2,976</u>

The following table presents the Group's financial assets that are measured at fair value at 31 December 2020:

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b><i>Financial assets</i></b>				
Financial assets at fair value through profit or loss				
- Listed equity securities	<u>2,922</u>	<u>-</u>	<u>-</u>	<u>2,922</u>

The fair value of the Group's listed equity securities is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

## **NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

*For the six months ended 30 June 2021*

### **15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (Continued)**

There were no investments classified under Level 2 and Level 3 and there were no transfers of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 during the six months ended 30 June 2021 and the year ended 31 December 2020.

#### **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The directors of the Company consider that the carrying amounts of the Group's financial assets and financial liabilities as reflected in the unaudited condensed consolidated statement of financial position are not materially different from their fair values.

## 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 six months ended 30 June 2021 (the “**Current Period**”) were unsatisfactory due to i) the significant decrease in placing and underwriting commission income; and ii) the recognition of equity-settled share-based payments, which was partially offset by the significant decrease in commission expenses.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group for the Current Period was approximately HK\$7.7 million as compared to the revenue of approximately HK\$35.8 million for the six month ended 30 June 2020 (the “**Corresponding Period**”), representing a significant decrease of approximately 78.5%. Such decrease was mainly attributable to the significant decrease in commission income from placing and underwriting services.

Commission from brokerage services increased from approximately HK\$1.2 million for the Corresponding Period to approximately HK\$1.6 million for the Current Period, representing an increase of approximately 33.3%. Such increase was attributable to the active market.

Revenue derived from placing and underwriting services significant decreased from approximately HK\$30.4 million for the Corresponding Period to approximately HK\$1.2 million for the Current Period, representing a decrease of approximately 96.1%. During the Current Period, the Group completed six placing and underwriting engagements as compared to seven placing and underwriting engagements in the Corresponding Period.

Corporate finance advisory services fee remained stable at approximately HK\$1.1 million for the Current Period and approximately HK\$1.0 million for the Corresponding Period. During the Current Period, the Group charged nine financial advisory engagements as compared to seven financial advisory engagements in the Corresponding Period.

Interest income from securities and IPO financing increased from approximately HK\$2.6 million for the Corresponding Period to approximately HK\$2.8 million for the Current Period, representing an increase of approximately 7.7%. Such increase was attributable to the increased demand for margin financing service from customers and active IPO market.

Asset management services fee increased from approximately HK\$0.6 million for the Corresponding Period to approximately HK\$1.1 million for the Current Period, representing an increase of approximately 83.3%. The management fee increased from approximately HK\$646,000 for the Corresponding Period to approximately HK\$730,000 for the Current Period, representing an increase of approximately 13.0%. For the Current Period, the Group recognised a performance fee of approximately HK\$325,000 (Corresponding Period: Nil) as the net asset value per share of Astrum Absolute Return China Fund surpassed the high water mark achieved in 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **Other income**

Other income increased from approximately HK\$1.0 million for the Corresponding Period to approximately HK\$1.2 million for the Current Period, representing an increase of approximately 20.0%. Such increase was mainly due to the increase in handling fee income.

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

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\$300,000 during the Current Period (Corresponding Period: approximately HK\$35,000). Net unrealised loss arising from financial assets at fair value through profit or loss amounted to approximately HK\$270,000 during the Current Period as compared to the net unrealised gain arising from financial assets at fair value through profit or loss of approximately HK\$78,000 for the Corresponding Period.

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

Administrative and other operating expenses significant decreased from approximately HK\$36.8 million for the Corresponding Period to approximately HK\$16.1 million for the Current Period, representing a decrease of approximately 56.3%. Such decrease was mainly due to significant decrease in commission expenses in respect of the placing and underwriting services from approximately HK\$23.8 million for the Corresponding Period to approximately HK\$0.1 million for the Current Period, which was partially offset by the recognition of equity-settled share-based payments of approximately HK\$1.3 million for the Current Period (Corresponding Period: Nil).

#### **Finance costs**

Finance costs increased significantly from approximately HK\$0.6 million for the Corresponding Period to approximately HK\$1.2 million for the Current Period, representing an increase of approximately 100%. The finance costs were mainly incurred for the utilisation of IPO loans borrowed from a bank.

#### **LOSS FOR THE PERIOD**

As a result of the foregoing, loss of approximately HK\$0.4 million for the Corresponding Period significant increased to approximately HK\$8.4 million for the Current Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROSPECTS

In the views of the International Monetary Fund (“IMF”), global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than last year projection. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

Global prospects remain highly uncertain. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. 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.

### EMPLOYEE INFORMATION

As at 30 June 2021, the Group had 27 employees (31 December 2020: 27 employees) and 6 account executives (31 December 2020: 6 account executives). Total staff costs (including directors’ remuneration) increased from approximately HK\$8.4 million for the Corresponding Period to approximately HK\$9.7 million for the Current Period, representing an increase of approximately 15.5%. Such increase was mainly due to recognition of equity-settled share-based payments for the staff cost of approximately HK\$1.0 million for the Current Period (Corresponding Period: Nil).

Employees’ remuneration was determined based on the employees’ qualification, experience, position and seniority. Review of employee remuneration is conducted annually to determine whether any bonus or salary adjustments are required to be made.

A share option scheme (the “Scheme”) was adopted by the Company on 23 June 2016. On 4 January 2021, share options were granted to 11 eligible persons under the Scheme to subscribe for an aggregate of 80,000,000 shares at an exercise price of HK\$0.096 per share with a validity period of five years from the date of grant. During the six months ended 30 June 2021, no share options were lapsed, exercised or cancelled. As at 30 June 2021, there were 80,000,000 share options outstanding.

Most of the employees are licensed with the Securities and Futures Commission of Hong Kong as responsible officers or licensed representatives and therefore are required to comply with the continuous professional training requirements. From time to time, the Group provides in-house continuous professional training and updates on changes or development in the financial industry including the revisions on rules and regulations to update the employees’ knowledge and skills so as to maintain their professional competence and keep them remaining fit and proper.

## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES

During the Current Period, the Group mainly financed its operations, capital expenditure and other capital requirements by internal resources and occasionally financed its financing services by IPO staging bank loan facility.

As at 30 June 2021,

- (i) the total assets of the Group amounted to approximately HK\$695.4 million (31 December 2020: approximately HK\$282.6 million). Such increase in total assets was mainly attributable to the existence of trade receivables relating to the subscription of new shares in IPO in the amount of approximately HK\$521.8 million as at 30 June 2021;
- (ii) the total equity attributable to owners of the Company amounted to approximately HK\$179.4 million (31 December 2020: approximately HK\$173.4 million). Such increase in total equity attributable to owners of the Company was mainly due to i) the placing of new shares during the Current Period in the amount of approximately HK\$13.1 million net of issuing expenses; and ii) the recognition of equity-settled share-based payments of approximately HK\$1.3 million in the share options reserve during the Current Period, which is partially offset by the sufferance of the loss and total comprehensive expense for the Current Period in the amount of approximately HK\$8.4 million;
- (iii) the net current assets of the Group amounted to approximately HK\$168.6 million (31 December 2020: approximately HK\$165.7 million) and the current ratio of the Group, being the ratio of current assets to current liabilities, was approximately 1.3 times (31 December 2020: approximately 2.5 times). The net current assets of the Group as at 30 June 2021 and 31 December 2020 remained relatively stable. As the increasing rate of the current liabilities (approximately 372.6%) was greater than that of the current assets (approximately 149.1%), the current ratio of the Group decreased from approximately 2.5 times as at 31 December 2020 to 1.3 times as at 30 June 2021;
- (iv) the total bank balances and cash of the Group, which were substantially denominated in Hong Kong Dollars, amounted to approximately HK\$107.0 million (31 December 2020: approximately HK\$196.6 million). Such decrease was mainly due to the decrease in bank balances in i) general accounts of approximately HK\$48.4 million and ii) trust accounts of approximately HK\$41.1 million; and
- (v) the borrowings of the Group amounted to approximately HK\$449.7 million (31 December 2020: Nil), which was IPO staging bank loan for the subscription of new shares in IPO by clients of the Group. Such amount of IPO staging bank loan was fully repaid on or before 7 July 2021. The Group did not have any long-term debt (31 December 2020: Nil) and therefore gearing ratio was not applicable.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CHARGES ON THE GROUP'S ASSETS

The Group did not have any charges of assets as at 30 June 2021 (31 December 2020: Nil).

### FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Hong Kong dollars. Therefore, the exposure to the risk of foreign exchange rate fluctuations for the Group was minimal and no financial instrument for hedging was employed during the Current Period.

### SIGNIFICANT INVESTMENTS

The Group did not hold any significant investments during the Current Period.

### MATERIAL ACQUISITIONS OR DISPOSALS

During the Current Period, the Group did not conduct any material acquisition or disposal of subsidiaries, associates and joint ventures.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

On 6 July 2021 and 15 July 2021, the Company, RaffAello Holdings Limited (the “**Vendor**”) and RS (BVI) Holdings Limited (the “**Target Company**”) entered into a sales and purchase agreement (the “**Sales and Purchase Agreement**”) and a supplemental agreement (the “**Supplemental Agreement**”), respectively, pursuant to which the Company has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell 25% of the issued share capital of the Target Company for the consideration of HK\$32,853,000, which shall be satisfied by way of allotment and issue of an aggregate of 233,000,000 consideration shares at HK\$0.141 per consideration share, credited as fully paid, to the Vendor. As at the date of this report, none of the conditions as set out in the Sales and Purchase Agreement has been fulfilled. For further information, please refer to the announcements of the Company dated 6 July 2021 and 15 July 2021.

### COMMITMENTS

The Group did not have any capital commitments as at 30 June 2021 (31 December 2020: Nil).

### CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2021 (31 December 2020: Nil.)

### EVENT AFTER THE REPORTING PERIOD

Save as disclosed in the paragraph headed “**FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**”, subsequent to 30 June 2021 and up to the date of this report, there was no other significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

**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 June 2021, 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>Number of underlying shares held (Note 2)</b>	<b>Total</b>	<b>Approximate percentage of shareholding (Note 3)</b>
Mr. Pan Chik	Interest of a controlled corporation/Beneficial owner	532,685,000 (Note 1)	8,000,000	540,685,000	56.32%
Mr. Kwan Chun Yee Hidulf	Beneficial owner	-	8,000,000	8,000,000	0.83%

*Notes:*

1. These 532,685,000 shares are held by Autumn Ocean Limited which is wholly owned by Mr. Pan Chik and hence, Mr. Pan Chik is deemed, or taken to be, interested in all the shares held by Autumn Ocean Limited for the purposes of the SFO.
2. Each of Mr. Pan Chik and Mr. Kwan Chun Yee Hidulf, the executive Directors, was granted on 4 January 2021 8,000,000 share options under the Scheme at an exercise price of HK\$0.096 per share with a validity period of five years from the date of grant.
3. The percentage is calculated on the basis of 960,000,000 shares in issue as at 30 June 2021.

Save as disclosed above, as at 30 June 2021, 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 June 2021, 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	Number of Underlying shares held	Total	Approximate percentage of shareholding (Note 2)
Ms. Liu Ming Lai Lorna (Note 1)	Interest of spouse	532,685,000	8,000,000	540,685,000	56.32%
Autumn Ocean Limited	Beneficial interest	532,685,000	-	532,685,000	55.49%

#### Notes:

- Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all Shares and underlying Shares in which Mr. Pan is interested in for the purposes of the SFO.
- The percentage is calculated on the basis of 960,000,000 Shares in issue as at 30 June 2021.

Save as disclosed above, as at 30 June 2021, 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

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.

On 4 January 2021, share options were granted to 11 eligible persons under the Scheme to subscribe for an aggregate of 80,000,000 shares at an exercise price of HK\$0.096 per share with a validity period of five years from the date of grant. During the six months ended 30 June 2021, no share options were lapsed, exercised or cancelled. As at 30 June 2021, there were 80,000,000 share options outstanding.

**OTHER INFORMATION****SHARE OPTION SCHEME (Continued)****(i) Outstanding share options**

Details of the share options granted by the Company pursuant to the Scheme and the movement of the share options are as follows:

	Outstanding at 1 January 2021	Number of share options granted	Number of share options exercised	Number of share options cancelled/ lapsed	Outstanding at 30 June 2021
<b>Directors and Chief Executive</b>					
Mr. Pan Chik	-	8,000,000	-	-	8,000,000
Mr. Kwan Chun Yee Hidulf	-	8,000,000	-	-	8,000,000
<b>Others</b>					
Employees	-	40,000,000	-	-	40,000,000
Clients and business partners	-	24,000,000	-	-	24,000,000
<b>Total</b>	<b>-</b>	<b>80,000,000</b>	<b>-</b>	<b>-</b>	<b>80,000,000</b>

The share options were granted by the Company on 4 January 2021 with a validity period of five years from the date of grant, which entitle the holders of the share options to subscribe for shares at an exercise price of HK\$0.096 per share. All the share options were immediately vested at the date of grant. The closing price of the shares on the date of grant was HK\$0.094 per share.

**(ii) Valuation of share options**

The assessed fair value of the share options granted during the Current Period as at the date of grant (i.e. 4 January 2021) ranged from HK\$0.013 to HK\$0.018 per share option. The fair value at the date of grant was independently determined using the polynomial valuation model. The significant inputs into the model were the closing price of HK\$0.094 per share at the date of grant, exercise price of HK\$0.096 per share option, volatility of 43.66%, dividend yield of 9.74%, an expected option life of five years, and an annual risk-free interest rate of 0.27%.

## **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 June 2021 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 June 2021, 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**

#### **Confirmation from Mr. Pan and Autumn Ocean Limited**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in July 2021 on their compliance of the non-competition undertaking under the Deed of Non-competition ("**Pan's Undertaking**") for the period from 1 April 2021 to 30 June 2021. 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 April 2021 to 30 June 2021.

### **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.

## **OTHER INFORMATION**

### **SHARE CAPITAL**

On 24 February 2021, the Company completed the placing of 160,000,000 placing shares to not less than six independent places at the placing price of HK\$0.083 per placing share, representing (i) 20.00% of the issued share capital of the Company immediately before completion of the placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the 160,000,000 placing shares. For further information, please refer to the announcements of the Company dated 2 February 2021 and 24 February 2021. Details of movements in the share capital of the Company during the Current Period are set out in Note 13 to the unaudited condensed consolidated financial statements.

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

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

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

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

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

Pursuant to A.2.1 of the CG Code, the roles of chairman and chief executive officer should be 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.

## **OTHER INFORMATION**

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

As at 30 June 2021, 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.

### **THE BOARD**

The Board currently consists of five members including two executive Directors and three independent non-executive Directors. In compliance with Rules 5.05(1)&(2) and Rule 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. The Board is of the view that the Board comprises members with diversified background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of various stakeholders of the Company.

### **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 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.

## **OTHER INFORMATION**

### **INTERIM DIVIDEND**

At a board meeting of the Company held on 6 August 2021, the Board did not recommend the payment of interim dividend for the three months ended 30 June 2021 (three months ended 30 June 2020: HK\$0.0025 per share).

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

Hong Kong, 6 August 2021

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