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## **RaffAello-Astrum Financial Holdings Limited**

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

**(Stock Code: 8333)**

- (I) DISCLOSEABLE AND CONNECTED TRANSACTION IN  
RELATION TO THE SETTLEMENT DEED INVOLVING  
THE EQUITY DISPOSAL, OFF-MARKET SHARE BUY-BACK AND  
THE TERMINATION;  
(II) APPLICATION FOR WHITEWASH WAIVER;  
(III) RESIGNATION OF EXECUTIVE DIRECTOR AND  
WITHDRAWAL OF RESOLUTION NUMBERED 3(a)(ii) AT THE AGM;  
(IV) PROPOSED CHANGE OF COMPANY NAME;  
AND  
(V) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

### **BACKGROUND**

On 6 July 2021, the Company entered into the Sale and Purchase Agreement (as amended and supplemented by a supplemental agreement thereto dated 15 July 2021) with the Vendor and RS BVI, pursuant to which the Company had agreed to acquire and the Vendor had agreed to sell the Sale Shares, representing 25% of the issued share capital of RS BVI, for a consideration of HK\$32,853,000, which was satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendor, credited as fully paid at the issue price of HK\$0.141 per Consideration Share upon completion of the Acquisition. Completion of the Sale and Purchase Agreement took place on 30 September 2021 in accordance with the terms and conditions thereof.

### **THE SETTLEMENT DEED**

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has guaranteed in favour of the Company that the Audited Profit After Tax of RSL shall be not less than the Guaranteed Profit.

Based on the unaudited management accounts of RSL made up to 31 March 2022 provided by the Vendor to the Company, the Unaudited Profit before and after Tax of RSL was less than HK\$1.0 million. Based on such management accounts, the Guaranteed Profit was unlikely to be achieved. In view of the foregoing, the Company and the Vendor have negotiated in good faith towards each other with a view to settling the matter amicably and as a result of such negotiation, the Company, the Vendor and RS BVI entered into the Settlement Deed.

Pursuant to the terms and conditions of the Settlement Deed, it is agreed among the parties thereto that (i) the Company shall sell and the Vendor shall purchase the Sale Shares at the Disposal Price (i.e. the Equity Disposal); (ii) the Vendor shall through the Escrow Agent sell the Buy-back Shares and the Company shall purchase the Buy-back Shares for cancellation at the Buy-back Price (i.e. the Share Buy-back); (iii) the Option Deed be terminated with effect from the Completion Date; and (iv) the Shareholders' Agreement be terminated with effect from the Completion Date.

### **RESIGNATION OF EXECUTIVE DIRECTOR AND WITHDRAWAL OF RESOLUTION NUMBERED 3(a)(ii) AT THE AGM**

It was the intention of the Company to appoint Mr. Tsang as the executive Director and also the intention of Mr. Tsang to act as the executive Director upon completion of the Acquisition so as to enhance the communication between Mr. Tsang and the Board and to bring in the expertise and business network of Mr. Tsang to the Company. Unfortunately, as the financial performance of RSL for the year ended 31 March 2022 did not meet the Profit Guarantee, and the Company and the Vendor have resolved to enter into the Settlement Deed to unwind the Acquisition, Mr. Tsang believes that it is an appropriate time for him to step down as an executive Director and focus on his other personal pursuits and business commitments. Therefore, Mr. Tsang has tendered his resignation as an executive Director and the vice chairman of the Company, which shall take effect from 16 June 2022. Mr. Tsang has confirmed to the Company that he has no disagreement with the Board and that he is not aware of any matter relating to his resignation that need to be brought to the attention of the Shareholders.

Due to the resignation of Mr. Tsang, the Board hereby withdraws ordinary resolution numbered 3(a)(ii) "To re-elect Mr. Tsang Kin Hung as an executive Director" from voting at the AGM. Accordingly, the Board hereby announces that ordinary resolution numbered 3(a)(ii) in respect of the re-election of Mr. Tsang as an executive Director as set out in the notice of AGM and the related proxy form of the Company both despatched to the Shareholders on 31 March 2022 are no longer applicable and will not be put forward for consideration and approval by the Shareholders at the AGM. The sequence of the other resolutions and matters in relation to the AGM will remain unchanged.

## **PROPOSED CHANGE OF COMPANY NAME**

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

## **REGULATORY REQUIREMENTS**

### **Buy-backs Code**

The Share Buy-back constitutes an off-market share buy-back by the Company under the Buy-backs Code. The Company has made an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Buy-backs Code. The Executive’s approval, if granted, will normally be conditional upon, among other things, the approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes.

### **Takeovers Code**

As at the date of this announcement, the Autumn Ocean Concert Group is interested in a total of 532,685,000 Shares, representing approximately 44.65% of the issued share capital of the Company. Assuming there are no changes in the shareholdings of the Autumn Ocean Concert Group and the issued share capital of the Company from the date of this announcement to Completion (other than the cancellation of the Consideration Shares), immediately upon Completion, the percentage shareholding of the Autumn Ocean Concert Group will be increased to approximately 55.49% of the reduced issued share capital of the Company upon Completion as a result of the Share Buy-back. In such circumstances, there is an obligation on the part of Autumn Ocean to make a general offer for all the Shares and all the outstanding Share Options not already owned by the Autumn Ocean Concert Group as a result of the Share Buy-back. An application has been made by Autumn Ocean to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will also be subject to, among other things, (i) the approval of the Whitewash Waiver by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes; and (ii) the approval of the Transactions (other than the Whitewash Waiver) by a simple majority of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes.

Pursuant to Rule 7 of the Takeovers Code, once a bona fide offer has been communicated to the Board or the Board has reason to believe that a bona fide offer is imminent, except with the consent of the Executive, the Directors should not resign until the first closing date of the offer, or the date when the offer becomes or is declared unconditional, or shareholders have voted on the waiver of a general offer obligation under Note 1 on Dispensations from Rule 26 of the Takeovers Code, whichever is the later. The Company has applied to the Executive for its consent to Mr. Tsang's resignation pursuant to Rule 7 of the Takeovers Code and the Executive has indicated that it is minded to grant its consent under Rule 7 of the Takeovers Code.

Pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the Unaudited Profit before and after Tax of RSL constitutes a profit forecast and would need to be reported on by the Company's financial advisers and auditors or accountants, and their reports must be included in the next document sent to the Shareholders under Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of this announcement which constitutes an inside information under Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Unaudited Profit before and after Tax of RSL has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Under Rule 10.4 of the Takeovers Code, if the Unaudited Profit before and after Tax of RSL is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Unaudited Profit before and after Tax of RSL will be reported on by the Company's financial adviser and its auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the Shareholders' Document. However, if the Audited Profit after Tax of RSL is available prior to the next Shareholders' Document and is included in the next Shareholders' Document, the requirements to report on the Unaudited Profit before and after Tax of RSL under Rule 10.4 of the Takeovers Code will no longer apply.

## **WARNING**

**Shareholders and potential investors of the Company should note that the Unaudited Profit before and after Tax of RSL has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Unaudited Profit before and after Tax of RSL in assessing the merits and demerits of the Transactions. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **GEM Listing Rules**

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Transactions under the Settlement Deed is more than 5% but less than 25%, the Transactions constitute discloseable transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

Further, the Vendor is wholly-owned by Captain Expert Limited, 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. As Mr. Tsang was an executive Director in the past 12 months, the Transactions constitute connected transactions on the part of the Company pursuant to Chapter 20 of the GEM Listing Rules. As such, the Transactions are subject to the notification, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

## **EGM**

The EGM will be held to consider and if thought fit approve, among other matters, the Settlement Deed and the transactions contemplated thereunder (including but not limited to the Equity Disposal, the Share Buy-back, the Whitewash Waiver and the Termination) and the Change of Company Name.

## **Voting**

As at the date of this announcement, the Autumn Ocean Concert Group is interested in a total of 532,685,000 Shares, representing approximately 44.65% of the issued share capital of the Company and the Vendor is interested in 233,000,000 Shares, representing approximately 19.53% of the issued share capital of the Company. Save for these holdings, none of the members of the Autumn Ocean Concert Group or the Vendor, its ultimate beneficial owners or parties acting in concert with any of them held any Shares as at the date of this announcement. By reason of the requirements of the Buy-backs Code, the Takeovers Code and the GEM Listing Rules, (i) in respect of the Transactions (including the Whitewash Waiver), the Autumn Ocean Concert Group, the Vendor, its ultimate beneficial owners and parties acting in concert with any of them and those who are involved in, or are interested in, the Transactions, will abstain from voting in the EGM; (ii) in respect of the Share Buy-back, the Vendor, its ultimate beneficial owners and parties acting in concert with any of them and those Shareholders who have a material interest in the Transactions which is different from the interests of all other Shareholders will abstain from voting in the EGM; and (iii) in respect of the Change of Company Name, only Shareholders who are involved in or interested in the Change of Company Name are required to abstain from voting in the EGM. Save for these parties, no other Shareholder is required to abstain from voting on the resolution(s) approving the Transactions and the Change of Company Name.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to consider the Transactions and to give recommendation to the Independent Shareholders as to how to vote on the resolutions to be proposed at the EGM in relation thereof. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Transactions. The appointment of Lego Corporate Finance Limited has been approved by the Independent Board Committee.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Transactions and the Change of Company Name; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Transactions; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee containing its recommendation in respect of the Transactions; and (iv) the notice of the EGM, is expected to be despatched to the Shareholders on or before 7 July 2022 in accordance with the GEM Listing Rules, the Takeovers Code and the Buy-backs Code.

## **GENERAL**

**Shareholders and potential investors of the Company should be aware that the Transactions are subject to a number of conditions being satisfied, including but not limited to the granting of the Whitewash Waiver and the approval of the Share Buy-back by the Executive, and consequently the Transactions may or may not proceed. Accordingly, they are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.**

Reference is made to the Circular and the announcement of the Company dated 30 September 2021 in relation to the completion of the Acquisition.

## **BACKGROUND**

On 6 July 2021, the Company entered into the Sale and Purchase Agreement (as amended and supplemented by a supplemental agreement thereto dated 15 July 2021) with the Vendor and RS BVI, pursuant to which the Company had agreed to acquire and the Vendor had agreed to sell the Sale Shares, representing 25% of the issued share capital of RS BVI, for a consideration of HK\$32,853,000, which was satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendor, credited as fully paid at the issue price of HK\$0.141 per Consideration Share upon completion of the Acquisition. Completion of the Sale and Purchase Agreement took place on 30 September 2021 in accordance with the terms and conditions thereof.

## **THE SETTLEMENT DEED**

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has guaranteed in favour of the Company that the Audited Profit After Tax of RSL shall be not less than the Guaranteed Profit.

Based on the unaudited management accounts of RSL made up to 31 March 2022, the Unaudited Profit before and after Tax of RSL was less than HK\$1.0 million. Based on such management accounts, the Guaranteed Profit was unlikely to be achieved. In view of the foregoing, the Company and the Vendor have negotiated in good faith towards each other with a view to settling the matter amicably and as a result of such negotiation, the Company, the Vendor and RS BVI entered into the Settlement Deed.



## **Principal terms of the Settlement Deed**

Pursuant to the terms and conditions of the Settlement Deed, it is agreed among the parties thereto that (i) the Company shall sell and the Vendor shall purchase the Sale Shares at the Disposal Price (i.e. the Equity Disposal); (ii) the Vendor shall through the Escrow Agent sell the Buy-back Shares and the Company shall purchase the Buy-back Shares for cancellation at the Buy-back Price (i.e. the Share Buy-back); (iii) the Option Deed be terminated with effect from the Completion Date; and (iv) the Shareholders' Agreement be terminated with effect from the Completion Date.

The principal terms of the Settlement Deed are set out as follows:

Date: 16 June 2022

Parties: (i) the Company;  
(ii) the Vendor; and  
(ii) RS BVI

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, the Vendor is interested in 233,000,000 Shares, representing approximately 19.53% of the issued share capital of the Company, and is therefore a substantial Shareholder. Mr. Tsang is the controlling shareholder and a director of the Vendor, and was also an executive Director in the past 12 months.

### **The Equity Disposal and the Share Buy-back**

#### ***Subject to be disposed***

Pursuant to the terms and conditions of the Settlement Deed, the Company shall sell and the Vendor shall purchase the Sale Shares at the Disposal Price.

#### ***Consideration***

Under the terms of the Settlement Deed, the Disposal Price is HK\$32,853,000, which is equivalent to the consideration for the acquisition of the Sale Shares by the Company under the Sale and Purchase Agreement. The Disposal Price shall be satisfied by the Vendor at Completion by delivering the Consideration Shares from the Escrow Agent to the Company for buy-back and cancellation at the Buy-back Price upon Completion.

As at the date of this announcement, the Consideration Shares are being held in escrow by the Escrow Agent jointly appointed by the Company and the Vendor in accordance with the terms and conditions of the Sale and Purchase Agreement.



Under the terms of the Settlement Deed, the Buy-back Price is HK\$32,853,000 (i.e. HK\$0.141 per Buy-back Share, which is equivalent to the issue price per Consideration Share under the Sale and Purchase Agreement).

The Buy-back Price per Buy-back Share represents:

- (1) a premium of approximately 9.30% over the closing price of HK\$0.129 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a premium of approximately 9.30% over the average closing price of approximately HK\$0.129 per Share for the last five trading days up to and including the Last Trading Day;
- (3) a premium of approximately 8.46% over the average closing price of approximately HK\$0.130 per Share for the last ten trading days up to and including the Last Trading Day;
- (4) a premium of approximately 13.71% over the average closing price of approximately HK\$0.124 per Share for the last 30 trading days up to and including the Last Trading Day;
- (5) a discount of approximately 22.10% to the audited net asset value per Share attributable to Shareholders as at 31 December 2021 of approximately HK\$0.181; and
- (6) a discount of approximately 14.55% to the unaudited net asset value per Share attributable to Shareholders as at 31 March 2022 of approximately HK\$0.165.

As the Settlement Deed aims to unwind the Acquisition (by way of the Equity Disposal, the Share Buy-back and the Termination), the Board is of the view that each of the Disposal Price (being equivalent to the consideration for the acquisition of the Sale Shares by the Company under the Sale and Purchase Agreement) and the Buy-back Price (i.e. HK\$0.141 per Buy-back Share, being equivalent to the issue price per Consideration Share under the Sale and Purchase Agreement) is fair and reasonable and in the interests of the Shareholders as a whole.

### **Termination of the Option Deed**

In accordance with the terms of the Sale and Purchase Agreement as disclosed in the Circular, the Company and the Vendor entered into the Option Deed in relation to the Put and Repurchase Option upon completion of the Sale and Purchase Agreement on 30 September 2021.

Pursuant to the terms and conditions of the Settlement Deed, the Option Deed shall be terminated with effect from the Completion Date, whereupon the Option Deed shall be terminated and ceased to have effect and each of the Company and the Vendor shall release and discharge the other from all past, present and future duties, obligations and liabilities under the Option Deed absolutely, notwithstanding any clauses of the Option Deed providing otherwise.

### **Termination of the Shareholders' Agreement**

In accordance with the terms of the Sale and Purchase Agreement as disclosed in the Circular, the Company, the Vendor and RS BVI entered into the Shareholders' Agreement which set out the terms and conditions regulating the relationship between RS BVI and its shareholders and the manner in which the affairs of the Target Group are to be regulated after completion of the Sale and Purchase Agreement.

Pursuant to the terms and conditions of the Settlement Deed, the Shareholders' Agreement shall be terminated with effect from the Completion Date, whereupon the Shareholders' Agreement shall be terminated and ceased to have effect and each of the Company, the Vendor and RS BVI shall release and discharge the other from all past, present and future duties, obligations and liabilities under the Shareholders' Agreement absolutely, notwithstanding any clauses of the Shareholders' Agreement providing otherwise.

### **Conditions precedent**

Completion will be conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (1) all necessary consents and approvals required to be obtained from any government or regulator authority, including the Stock Exchange and the SFC, on the part of the Vendor in respect of the Settlement Deed and the transactions contemplated hereunder (including but not limited to the Equity Disposal, the Share Buy-back and the Termination) having been obtained;
- (2) all necessary consents and approvals required to be obtained from any government or regulator authority, including the Stock Exchange and the SFC, on the part of the Company in respect of the Settlement Deed and the transactions contemplated hereunder (including but not limited to the Equity Disposal, the Share Buy-back and the Termination) having been obtained;
- (3) the Executive having granted and not having withdrawn his approval of the Share Buy-back pursuant to Rule 2 of the Buy-backs Code and the condition(s) of such approval (if any) having been satisfied;

- (4) the Executive having granted and not having withdrawn the Whitewash Waiver and all conditions (if any) of such approval and/or waiver having been satisfied;
- (5) the approval of
  - (i) the Share Buy-back by at least three-fourths of the Independent Shareholders present at the extraordinary general meeting by way of poll, in accordance with the applicable requirements of the Buy-backs Code and other applicable laws and regulations;
  - (ii) (a) as regards the Whitewash Waiver, by at least three-fourths of the Independent Shareholders present at the extraordinary general meeting by way of poll, in accordance with the applicable requirements of the Takeovers Code and other applicable laws and regulations;  
  
(b) as regards the Transactions (other than the Whitewash Waiver) by more than 50% of the Independent Shareholders present at the extraordinary general meeting by way of poll in accordance with the Takeovers Code;
  - (iii) the Transactions (other than the Whitewash Waiver) by more than 50% of the Independent Shareholders present at the extraordinary general meeting by way of poll in accordance with the GEM Listing Rules;
- (6) the Company having sufficient reserves in the form of share capital and/or share premium in its accounts to effect the Share Buy-back;
- (7) the warranties provided by the Vendor remaining true and accurate in all material respects at Completion; and
- (8) the warranties provided by the Company remaining true and accurate in all material respects at Completion.

As at the date of this announcement, the Company has sufficient reserves in the form of share capital and/or share premium in its accounts to effect the Share Buy-back. Save for conditions (7) and (8) stated above which can be waived by the Company and the Vendor respectively, all the other conditions above are incapable of being waived by the Company or the Vendor (as the case may be). Save for the conditions (3) to (5) stated above, as at the date hereof, there is no other regulatory consent or approval required for the Settlement Deed, the Equity Disposal, the Whitewash Waiver, the Share Buy-back or the Termination. Should there be any other consent or approval required, the Company will update the Shareholders accordingly as and when appropriate.

### ***Completion***

Completion shall take place on the third business day after fulfillment or waiver (as the case may be) of the conditions as set out in the paragraph headed “Conditions precedent” above.

## INFORMATION ON THE GROUP

The Company is an investment holding company and 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 Group's strategy after the Transactions is to focus on its existing businesses.

## INFORMATION ON THE TARGET GROUP

RS BVI is an investment holding company incorporated in the British Virgin Islands with limited liability. As at the date of this announcement, RS BVI is wholly-owned as to 75% by the Vendor and as to 25% by the Company.

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

The Company acquired 25% equity interests of RS BVI from the Vendor at a consideration of HK\$32,853,000, which was satisfied wholly by way of allotment and issue of 233,000,000 Consideration Shares to the Vendor at the issue price of HK\$0.141 per Consideration Share on 30 September 2021. The Vendor has become a substantial Shareholder upon completion of the Sale and Purchase Agreement. Details of the Target Group are disclosed in the Circular.

RS BVI does not carry out any business activities since its incorporation save as acting as an investment holding company for RSL. The following is a summary of the financial information of RSL based on the audited financial statements for the two years ended 31 March 2021 and the unaudited financial statements for the year ended 31 March 2022:

	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2022</b>
	(audited) <i>HK\$'000</i>	(audited) <i>HK\$'000</i>	(unaudited) <i>HK\$'000</i>
Revenue	13,567	522	2,939
Loss before tax	9,281	(3,116)	722
Loss after tax	7,993	(3,116)	722
	<b>As at 31 March</b>		
	<b>2020</b>	<b>2021</b>	<b>2022</b>
	(audited) <i>HK\$'000</i>	(audited) <i>HK\$'000</i>	(unaudited) <i>HK\$'000</i>
Total assets	34,550	20,692	19,588
Net assets	19,597	16,480	17,202

## REASONS FOR THE TRANSACTIONS

Pursuant to the terms and conditions of the Sale and Purchase Agreement, the Vendor has guaranteed in favour of the Company that the Audited Profit after Tax of RSL shall be not less than the Guaranteed Profit. Based on the unaudited management accounts of RSL made up to 31 March 2022 provided by the Vendor to the Company, the Unaudited Profit before and after Tax of RSL was less than HK\$1.0 million, which fell short of the Guaranteed Profit of HK\$15.5 million. As advised by the management of RSL, the project pipeline of RSL was continuously impacted by the unfavorable operating environment as a result of the development of the fifth wave of COVID-19 in Hong Kong and hence, those previously engaged underwriting projects and other potential projects were all delayed, leading to the short-fall of the Guaranteed Profit.

Given that the Guaranteed Profit could unlikely be achieved, the Company had considered different possibilities to deal with the Sale Shares and the Consideration Shares, including a disposal of the Consideration Shares. However, given the size of the Consideration Shares (which represents approximately 19.53% of the issued share capital of the Company), the Company considers that it may be difficult to dispose of the Consideration Shares without a substantial discount which may create a negative effect on the Share price. For the above reasons, the Company considered that the Share Buy-back would be a suitable method to deal with the Consideration Shares. The Share Buy-back is expected to have a positive effect on the net assets per Share of the Company.

Based on the aforementioned management accounts of RSL for the year ended 31 March 2022, in view of the substantial shortfall of the Guaranteed Profit, the Guaranteed Profit was unlikely to be achieved. In such circumstances, instead of exercising the Put and Repurchase Option under the Option Deed after the issue of audited financial statements of RSL for the year ended 31 March 2022, which is only expected to be available in or around the end of June 2022, the Company and the Vendor have negotiated in good faith towards each other with a view to settling the matter amicably and as a result of such negotiation, the Company, the Vendor and RS BVI entered into the Settlement Deed.

As the Settlement Deed aims to unwind the Acquisition (by way of the Equity Disposal, the Share Buy-back and the Termination) and resolve the issues therefrom which associate with the non-fulfillment of the Profit Guarantee and could protect the interests of the Company and the Shareholders as a whole, the Board (excluding the members of the Independent Board Committee whose views will be formed after taking into account the advice of the Independent Financial Adviser) considers that the terms of the Settlement Deed are fair and reasonable and the Transactions are in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL IMPLICATION**

It is expected that the Group will recognise a gain on the Transactions of approximately HK\$223,000. Such gain is estimated based on the fair value of the Buy-back Shares of HK\$33,785,000 as at 31 March 2022 less the carrying values of the investment in an associate of approximately HK\$21,909,000 and the related Put and Repurchase Option of HK\$11,653,000 as at 31 March 2022. There will be no cash proceed generated from the Transactions.

It should be noted that the actual gain or loss on the Transactions may be different from the amount mentioned above, and will be subject to review and final audit by the auditors of the Company.

Upon Completion, RS BVI will cease to be an associate company of the Company.

### **Share Buy-back**

Under the Companies Act, a redemption of shares by a Cayman company is subject to compliance with the requirements of the Companies Act, the memorandum of association and the articles of association of the Company. The redemption or repurchase may only be effected if: (a) the par value of the shares to be redeemed or repurchased is paid out of the profits of the company or the share premium account of the company or out of the proceeds of a fresh issue of shares made for the purpose, or, subject to the statutory solvency test set out in the Companies Act being satisfied; and (b) any premium payable on the redemption or repurchase is paid out of the share premium account, or out of profits of the company or out of the company's share premium account, or, subject to the statutory solvency test set out in the Companies Act being satisfied, out of share capital.

Unless otherwise determined by the directors of a company, redeemed or purchased shares shall be treated as cancelled and the amount of such company's issued share capital shall be diminished by the nominal value of those shares accordingly; but a redemption or purchase of shares of such company is not to be taken as reducing the amount of the company's authorised share capital. In accordance with the Companies Act, the Consideration Shares will be repurchased by the Company out of the share capital and share premium accounts of the Company. This means that the Company will need to have sufficient reserves in the form of share capital and/or share premium in its accounts to effect the Share Buy-back, and the Directors will need to be satisfied that there are no reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due. Upon Completion, the Consideration Shares shall be transferred to the Company for cancellation without any cash outflow from the Company, whereupon the carrying values of the Company's 25% equity interests in RS BVI and the related Put and Repurchase Option in the Company's account will be credited whilst the share capital and share premium accounts of the Company will be debited. The Directors are satisfied that the Company will be able to pay its debts as they fall due in the ordinary course of business. The Consideration Shares will be cancelled after buy-back.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after Completion assuming that no Share Options have been exercised and the number of Shares owned by each of the Shareholders (other than the Vendor) between the date of this announcement and the date of Completion remain unchanged:

	As at the date of this announcement		Immediately after Completion assuming that no Share Options have been exercised and the number of Shares owned by each of the Shareholders (other than the Vendor) between the date of this announcement and the date of Completion remain unchanged	
	Shares	%	Shares	%
Autumn Ocean <i>(Note 1)</i>	532,685,000	44.65	532,685,000	55.49
Vendor <i>(Note 2)</i>	233,000,000	19.53	–	–
Public Shareholders	427,315,000	35.82	427,315,000	44.51
<b>Total</b>	<b><u>1,193,000,000</u></b>	<b><u>100.00</u></b>	<b><u>960,000,000</u></b>	<b><u>100.00</u></b>

### Notes:

1. Autumn Ocean is a company wholly-owned by Mr. Pan. Mr. Pan is therefore deemed to be interested in all the Shares held by Autumn Ocean by virtue of the SFO.
2. These Shares represented the Consideration Shares which were allotted and issued to the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement.
3. Assuming Completion having occurred and no Share Options having been exercised and the number of Shares owned by each of the Shareholders (other than the Vendor) between the date of this announcement and the date of Completion remain unchanged.
4. 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.



Following Completion, the Consideration Shares will be cancelled and the number of Shares in issue following the Share Buy-back will be reduced from 1,193,000,000 (being the number of issued Shares as at the date of this announcement) to 960,000,000. The Vendor will cease to hold any Shares, and that not less than 25% of the issued Shares will remain in public hands.

As at the date of this announcement, there are 68,000,000 outstanding Share Options granted under the share option scheme adopted by the Company on 23 June 2016 which entitle the holders thereof to subscribe for an aggregate of 68,000,000 Shares at an exercise price of HK\$0.096 per Share Option. Among the 68,000,000 outstanding Share Options, the following person of the Autumn Ocean Concert Group is a holder of the outstanding Share Options:

<b>Name of holder under the Autumn Ocean Concert Group</b>	<b>No. of outstanding Share Options</b>
Mr. Pan	<u>8,000,000</u>
Total:	<u><u>8,000,000</u></u>

Save as disclosed above, the Group has no outstanding warrants, options, convertible securities or other derivatives convertible into Shares, and no share or loan capital of the Group has been put under option or agreed conditionally or unconditionally to be put under option and no other conversion right affecting the Shares or other derivatives in respect of securities which are being offered for or which carry voting rights have been issued or granted or agreed conditionally or unconditionally to be issued or granted.

## **RESIGNATION OF EXECUTIVE DIRECTOR**

It was the intention of the Company to appoint Mr. Tsang, and the intention of Mr. Tsang to act, as the executive Director upon completion of the Acquisition so as to enhance the communication between Mr. Tsang and the Board and to bring in the expertise and business network of Mr. Tsang to the Company. Unfortunately, as the financial performance of RSL for the year ended 31 March 2022 did not meet the Profit Guarantee, and the Company and the Vendor have resolved to enter into the Settlement Deed to unwind the Acquisition, Mr. Tsang believes that it is an appropriate time for him to step down as an executive Director and focus on his other personal pursuits and business commitments. Therefore, Mr. Tsang has tendered his resignation as an executive Director and the vice chairman of the Company which shall take effect from 16 June 2022.

Mr. Tsang has confirmed to the Company that he has no disagreement with the Board and that he is not aware of any matter relating to his resignation that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its sincere gratitude to Mr. Tsang for his invaluable contribution to the Company and its subsidiaries during his tenure of services.

### **WITHDRAWAL OF RESOLUTION NUMBERED 3(a)(ii) AT THE AGM**

Due to the resignation of Mr. Tsang, the Board hereby withdraws ordinary resolution numbered 3(a)(ii) “To re-elect Mr. Tsang Kin Hung as an executive Director” from voting at the AGM. Accordingly, the Board hereby announces that ordinary resolution numbered 3(a)(ii) in respect of the re-election of Mr. Tsang as an executive Director as set out in the notice of AGM and the related proxy form of the Company both despatched to the Shareholders on 31 March 2022 are no longer applicable and will not be put forward for consideration and approval by the Shareholders at the AGM. The sequence of the other resolutions and matters in relation to the AGM will remain unchanged.

Proxy forms in respect of the AGM lodged by Shareholders will remain valid except that no poll will be conducted or counted for ordinary resolution numbered 3(a)(ii).

Shareholders are reminded to read the notice of AGM, including its notes, for details in respect of other resolutions which remain scheduled for consideration and approval at the AGM, eligibility for attending the AGM, appointment of proxy and other relevant matters.

### **PROPOSED CHANGE OF COMPANY NAME**

In connection with the Transactions, the Board proposes to change the existing English name of the Company from “RaffAello-Astrum Financial Holdings Limited” to “Astrum Financial Holdings Limited” and to adopt a dual foreign name in Chinese of the Company “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 of a special resolution by the Independent Shareholders to approve the Change of Company Name at the EGM; and
- (ii) the issuance by the Registrar of Companies in the Cayman Islands of a certificate of incorporation on change of name with respect to 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.

## **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. The Board believes that the new name (being the original name of the Company prior to the Acquisition) will maintain the Company's corporate image and identity which will benefit the Group's continuous 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.

## **REGULATORY REQUIREMENTS**

### **Buy-backs Code**

The Share Buy-back constitutes an off-market share buy-back by the Company under the Buy-backs Code. The Company has made an application to the Executive for approval of the Share Buy-back pursuant to Rule 2 of the Buy-backs Code. The Executive's approval, if granted, will normally be conditional upon, among other things, the approval of the Share Buy-back by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes.

As disclosed in the paragraph headed “Conditions Precedent” above, Completion is subject to, among other things, the condition precedent that the Share Buy-back having been approved by the Executive. Therefore, the Company will not proceed with the Share Buy-back unless the Share Buy-back is approved by the Executive pursuant to Rule 2 of the Buy-backs Code. However, there is no assurance that such approval will be granted or that all other conditions precedent to the Settlement Deed will be fulfilled.

## **Takeovers Code**

### ***Application for Whitewash Waiver***

As at the date of this announcement, the Autumn Ocean Concert Group is interested in a total of 532,685,000 Shares, representing approximately 44.65% of the issued share capital of the Company. Assuming there are no changes in the shareholdings of the Autumn Ocean Concert Group and the issued share capital of the Company from the date of this announcement to Completion (other than the cancellation of the Consideration Shares), immediately upon Completion, the percentage shareholding of the Autumn Ocean Concert Group will be increased to approximately 55.49% of the reduced issued share capital of the Company upon Completion as a result of the Share Buy-back. In such circumstances, there is an obligation on the part of Autumn Ocean to make a general offer for all the Shares and all the outstanding Share Options not already owned by the Autumn Ocean Concert Group as a result of the Share Buy-back. An application has been made by Autumn Ocean to the Executive for the Whitewash Waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted by the Executive, will also be subject to, among other things, (i) the approval of the Whitewash Waiver by at least three-fourths of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes; and (ii) the approval of the Transactions (other than the Whitewash Waiver) by a simple majority of the votes cast on a poll by the Independent Shareholders present in person or by proxy at the EGM to be held for such purposes.

Paragraph 3 of Schedule VI of the Takeovers Code provides that the Executive will normally not grant a whitewash waiver if there occurs any disqualifying transaction for such waiver. Disqualifying transactions include, among others, a situation where the person seeking a whitewash waiver or any person acting in concert with him has acquired voting rights in a company in the six months immediately prior to the announcement of the proposal but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of such company in relation to the proposal. The Company has received a confirmation from Autumn Ocean confirming that the Autumn Ocean Concert Group has not dealt in the Shares during the six-month period prior to and including the date of this announcement.

As at the date of this announcement, the Company does not believe that the Transactions give rise to any concern in relation to compliance with other applicable rules or regulations (including the GEM Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavor to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular to be issued in relation to the Transactions. The Company notes that the Executive may not grant the Whitewash Waiver if the Transactions do not comply with other applicable rules and regulations.

As at the date of this announcement:

- (1) save as disclosed in the paragraphs headed “Effects on Shareholding Structure of the Company” in this announcement, each of the Autumn Ocean Concert Group, the Directors and any parties acting in concert with the Company does not own or has control and/or direction over any other Shares, Share Options, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares and no outstanding derivatives in respect of securities in the Company has been entered into by the Autumn Ocean Concert Group, the Directors and/or any parties acting in concert with the Company;
- (2) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or, where applicable, the shares of any member of the Autumn Ocean Concert Group and which might be material to the Whitewash Waiver or the other Transactions;
- (3) there is no agreement or arrangement to which the Company and the Autumn Ocean Concert Group or any member of the Autumn Ocean Concert Group is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Whitewash Waiver or the other Transactions;
- (4) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Autumn Ocean Concert Group, the Directors or any parties acting in concert with the Company has borrowed or lent; and
- (5) the Company or the Autumn Ocean Concert Group or other parties acting in concert with the Company has not received any irrevocable commitment from any Independent Shareholders as to whether they will vote for or against the resolutions approving the Transactions (including the Whitewash Waiver) to be proposed at the EGM.

Save as disclosed in this announcement, (i) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Autumn Ocean Concert Group to the Vendor, its ultimate beneficial owners or any party acting in concert with any of them in connection with the Transactions; (ii) there is no understanding, arrangement, agreement or special deal between the Autumn Ocean Concert Group on the one hand, and the Vendor, its ultimate beneficial owners and any party acting in concert with any of them on the other hand; and (iii) there is no understanding, arrangement or agreement or special deal between (1) any Shareholder; and (2) the Autumn Ocean Concert Group, or the Company, its subsidiaries or associated companies.

As disclosed in the paragraph headed “Conditions Precedent” above, Completion is subject to, among other things, the condition precedent that the Whitewash Waiver having been granted by the Executive. Therefore, the Company will not proceed with the Transactions unless the Whitewash Waiver is granted by the Executive. However, there is no assurance that such approval will be granted or that all other conditions precedent to the Settlement Deed will be fulfilled.

#### ***Executive’s consent to Mr. Tsang’s resignation***

Pursuant to Rule 7 of the Takeovers Code, once a bona fide offer has been communicated to the Board or the Board has reason to believe that a bona fide offer is imminent, except with the consent of the Executive, the Directors should not resign until the first closing date of the offer, or the date when the offer becomes or is declared unconditional, or shareholders have voted on the waiver of a general offer obligation under Note 1 on Dispensations from Rule 26 of the Takeovers Code, whichever is the later.

The Company has applied to the Executive for its consent to Mr. Tsang’s resignation pursuant to Rule 7 of the Takeovers Code and the Executive has indicated that it is minded to grant its consent under Rule 7 of the Takeovers Code.

#### **The Unaudited Profit before and after Tax of RSL**

Pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, the Unaudited Profit before and after Tax of RSL constitutes a profit forecast and would need to be reported on by the Company’s financial advisers and auditors or accountants, and their reports must be included in the next document sent to the Shareholders under Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of this announcement which constitutes an inside information under Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules), the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the reporting requirements set out in the said Rule 10.4 of the Takeovers Code.

The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Unaudited Profit before and after Tax of RSL has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Under Rule 10.4 of the Takeovers Code, if the Unaudited Profit before and after Tax of RSL is published first in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors or accountants on the said profit forecast, in the next document to be sent to the Shareholders. The Unaudited Profit before and after Tax of RSL will be reported on by the Company’s financial adviser and its auditors or accountants as soon as possible in compliance with the Takeovers Code and such reports will be contained in the Shareholders’ Document. However, if the Audited Profit after Tax of RSL is available prior to the next Shareholders’ Document and is included in the next Shareholders’ Document, the requirements to report on the Unaudited Profit before and after Tax of RSL under Rule 10.4 of the Takeovers Code will no longer apply.



## **WARNING**

**Shareholders and potential investors of the Company should note that the Unaudited Profit before and after Tax of RSL has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the Unaudited Profit before and after Tax of RSL in assessing the merits and demerits of the Transactions. Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **GEM Listing Rules**

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in respect of the Transactions under the Settlement Deed is more than 5% but less than 25%, the Transactions constitute discloseable transactions on the part of the Company under Chapter 19 of the GEM Listing Rules.

Further, the Vendor is wholly-owned by Captain Expert Limited, 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. As Mr. Tsang was an executive Director in the past 12 months, the Transactions constitute connected transactions on the part of the Company pursuant to Chapter 20 of the GEM Listing Rules. As such, the Transactions are subject to the notification, announcement and Independent Shareholders' approval requirements under the GEM Listing Rules.

## **EGM**

The EGM will be held to consider and if thought fit approve, among other matters, the Settlement Deed and the transactions contemplated thereunder (including but not limited to the Equity Disposal, the Share Buy-back, the Whitewash Waiver and the Termination) and the Change of Company Name.

## **Voting**

As at the date of this announcement, the Autumn Ocean Concert Group is interested in a total of 532,685,000 Shares, representing approximately 44.65% of the issued share capital of the Company and the Vendor is interested in 233,000,000 Shares, representing approximately 19.53% of the issued share capital of the Company. Save for these holdings, none of the members of the Autumn Ocean Concert Group or the Vendor, its ultimate beneficial owners or parties acting in concert with any of them held any Shares as at the date of this announcement.



By reason of the requirements of the Buy-backs Code, the Takeovers Code and the GEM Listing Rules, (i) in respect of the Transactions (including the Whitewash Waiver), the Autumn Ocean Concert Group, the Vendor, its ultimate beneficial owners and parties acting in concert with any of them and those who are involved in, or are interested in, the Transactions, will abstain from voting in the EGM; (ii) in respect of the Share Buy-back, the Vendor, its ultimate beneficial owners and parties acting in concert with any of them and those Shareholders who have a material interest in the Transactions which is different from the interests of all other Shareholders will abstain from voting in the EGM; and (iii) in respect of the Change of Company Name, only Shareholders who are involved in or interested in the Change of Company Name are required to abstain from voting in the EGM. Save for these parties, no other Shareholder is required to abstain from voting on the resolution(s) approving the Transactions and the Change of Company Name.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee (comprising all the independent non-executive Directors) has been established to consider the Transactions and to give recommendation to the Independent Shareholders as to how to vote on the resolutions to be proposed at the EGM in relation thereof. Lego Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Transactions. The appointment of Lego Corporate Finance Limited has been approved by the Independent Board Committee.

#### **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further information on the Transactions and the Change of Company Name; (ii) a letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Transactions; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee containing its recommendation in respect of the Transactions; and (iv) the notice of the EGM, is expected to be despatched to the Shareholders on or before 7 July 2022.

#### **GENERAL**

**Shareholders and potential investors of the Company should be aware that the Transactions are subject to a number of conditions being satisfied, including but not limited to the granting of the Whitewash Waiver and the approval of the Share Buy-back by the Executive, and consequently the Transactions may or may not proceed. Accordingly, they are advised to exercise caution when they deal or contemplate dealing in the Shares or other securities (if any) of the Company.**

## DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Acquisition”	acquisition of the Sale Shares by the Company pursuant to the terms and conditions of the Sale and Purchase Agreement
“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“AGM”	the annual general meeting of the Company to be held on 17 June 2022
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Audited Profit after Tax of RSL”	the audited profit after tax of RSL for the year ended 31 March 2022 as shown in its audited accounts made up to 31 March 2022, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL
“Autumn Ocean”	Autumn Ocean Limited, being a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. Pan, a controlling Shareholder as at the date of this announcement and the applicant of the Whitewash Waiver
“Autumn Ocean Concert Group”	Autumn Ocean, Mr. Pan and Ms. Liu Ming Lai Lorna (being the spouse of Mr. Pan) together with their respective associates and parties acting in concert with any of them
“Board”	the board of Directors
“business day”	a day (other than a Saturday or Sunday) on which licenced banks in Hong Kong are generally open for business throughout their normal business hours
“Buy-backs Code”	the Hong Kong Code on Share Buy-backs

“Buy-back Price”	HK\$32,853,000 (i.e. HK\$0.141 per Buy-back Share), being the consideration payable by the Company to the Vendor in respect of the sale and purchase of the Consideration Shares pursuant to the terms and conditions of the Settlement Deed, which shall be satisfied by the Company by way of transfer of the Sale Shares to the Vendor at the Disposal Price
“Buy-back Shares”	the entirety of the Consideration Shares
“Change of Company Name”	proposed change of the existing English name of the Company from “RaffAello-Astrum Financial Holdings Limited” to “Astrum Financial Holdings Limited” and the adoption of the dual foreign name in Chinese of the Company, being “阿仕特朗金融控股有限公司”
“Circular”	the circular of the Company dated 7 September 2021 in relation to, among other matters, the Acquisition
“Companies Act”	the Companies Act (As Revised), Cap 22 of the Cayman Islands
“Company”	RaffAello-Astrum Financial Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8333)
“Completion”	completion of the Transactions pursuant to the terms and conditions of the Settlement Deed
“Completion Date”	the date falling on the third business day after all the conditions precedent under the Settlement Deed have been fulfilled or as the case may be, waived, or such other date as the Company and the Vendor may agree in writing
“Consideration Shares”	the 233,000,000 Shares issued by the Company to the Vendor as consideration for the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“controlling shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company

“Disposal Price”	HK\$32,853,000, being equivalent to the consideration for the acquisition of the Sale Shares by the Company under the Sale and Purchase Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Settlement Deed and the transactions contemplated thereunder (including but not limited to the Equity Disposal, the Whitewash Waiver, the Share Buy-back and the Termination) and the Change of Company Name
“Equity Disposal”	the disposal of the Sale Shares by the Company to the Vendor
“Escrow Agent”	Astrum Capital Management Limited, being an escrow agent appointed jointly by the Company and the Vendor in relation to the holding, deposit and escrow of the Consideration Shares
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Guaranteed Profit”	HK\$15,500,000, being the minimum amount of the profit after tax of RSL to be reported in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants as shown in its audited financial statements for the year ended 31 March 2022, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board comprising all the independent non-executive Directors, established for the purpose of advising and giving recommendations to the Independent Shareholders as to whether the Transactions are fair and reasonable or not and as to voting

“Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Transactions
“Independent Shareholder(s)”	shall mean: <ul style="list-style-type: none"> <li>(i) in respect of the Transactions (including the Whitewash Waiver), Shareholder(s) other than (a) the Autumn Ocean Concert Group; (b) the Vendor, its ultimate beneficial owners and parties acting in concert with any of them; and (c) those who are involved in, or are interested in, the Transactions;</li> <li>(ii) in respect of the Share Buy-back, Shareholders other than the Vendor, its ultimate beneficial owners and parties acting in concert with any of them and those Shareholders who have a material interest in the Transactions which is different from the interests of all other Shareholders; and</li> <li>(iii) in respect of the Change of Company Name, Shareholders other than those who are involved in or interested in the Change of Company Name</li> </ul>
“Last Trading Day”	16 June 2022, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement
“Mr. Pan”	Mr. Pan Chik, the Chairman, Chief Executive Officer, an executive Director and a controlling Shareholder
“Mr. Tsang”	Mr. Tsang Kin Hung, the controlling shareholder and a director of the Vendor and a former executive Director
“Option Deed”	the option deed dated 30 September 2021 entered into between the Company and the Vendor in relation to the Put and Repurchase Option
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Profit Guarantee”	the profit guarantee given by the Vendor in respect of the Guaranteed Profit of HK\$15,500,000 for the year ended 31 March 2022 under the Sale and Purchase Agreement
“Put and Repurchase Option”	an option granted by the Vendor to the Company to (i) sell all the Sale Shares to the Vendor and require the Vendor to purchase all the Sale Shares from the Company (or its nominee, as the case may be) at the Put Option Price; and (ii) repurchase all the Consideration Shares from the Vendor and require the Vendor to sell all the Consideration Shares at the Repurchase Price within the Put Option Exercise Period
“Put Option Exercise Period”	the period commencing from the date of issue of the audited financial statements of RSL for the year ended 31 March 2022 and ending on a date falling 60 calendar days from such issue date
“Put Option Price”	HK\$32,853,000, being the consideration payable by the Vendor to the Company in respect of the sale and purchase of the Sale Shares upon the exercise of the Put and Repurchase Option, which shall be satisfied by the Vendor by way of transfer of the Consideration Shares to the Company at the Repurchase Price
“Repurchase Price”	HK\$32,853,000, being the consideration payable by the Company to the Vendor in respect of the sale and purchase of the Consideration Shares upon the exercise of the Put and Repurchase Option, which shall be satisfied by the Company by way of transfer of the Sale Shares to the Vendor at the Put Option Price
“RSL”	RaffAello Securities (HK) Limited, a company incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of RS BVI and a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“RS BVI”	RS (BVI) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to 75% by the Vendor and 25% by the Company as at the date of this announcement

“Sale and Purchase Agreement”	the sale and purchase agreement dated 6 July 2021 (as amended and supplemented by the supplemental agreement dated 15 July 2021) entered into amongst the Company, the Vendor and RS BVI in respect of the Acquisition
“Sale Shares”	25 issued shares of RS BVI, representing 25% of the issued share capital of RS BVI
“Settlement Deed”	the settlement deed dated 16 June 2022 and entered into amongst the Company, the Vendor and RS BVI in relation to the Transactions
“SFC”	the 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 issued share capital of the Company
“Shareholder(s)”	the holder of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement dated 30 September 2021 entered into amongst the Company, the Vendor and RS BVI regulating the relationship between RS BVI and its shareholders
“Shareholders’ Document”	the next document to be issued by the Company to the Shareholders pursuant to Rule 10 and Practice Note 2 of the Takeovers Code, which is envisaged to be the circular to be despatched by the Company to the Shareholders in relation to, among other things, the Transactions
“Share Buy-back”	the buy-back of the Buy-back Shares by the Company from the Vendor for cancellation pursuant to the terms of the Settlement Deed, which constitutes an off-market share buy-back by the Company pursuant to Rule 2 of the Buy-backs Code
“Share Option(s)”	the option(s) granted under the share option scheme adopted by the Company on 23 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code of Takeovers and Mergers



“Target Group”	collectively, RS BVI and RSL
“Termination”	the termination of each of the Option Deed and the Shareholders’ Agreement
“Transactions”	collectively, the Settlement Deed, the Equity Disposal, the Share Buy-back, the Whitewash Waiver and the Termination
“Unaudited Profit before and after Tax of RSL”	the unaudited profit before and after tax of RSL for the year ended 31 March 2022 as shown in its unaudited management accounts made up to 31 March 2022, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL
“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”	a waiver of the obligation of Autumn Ocean to make a mandatory general offer to the Shareholders in respect of all the issued Shares and all the outstanding Share Options (other than those already owned by the Autumn Ocean Concert Group) which will arise as a result of the deemed acquisition of voting rights caused by the Share Buy-back, application for which has been made to the Executive in accordance with Note 1 on Dispensations from Rule 26 of the Takeovers Code
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 16 June 2022

*As at the date of this announcement, the Directors are:*

***Executive Directors***

Mr. Pan Chik (*Chairman and Chief Executive Officer*)

Mr. Tsang Kin Hung (*Vice chairman*)

Mr. Kwan Chun Yee (*Director*)

Ms. Yu Hoi Ling (*Director*)

***Independent Non-executive Directors***

Mr. Sum Loong (*Director*)

Mr. Lau Hon Kee (*Director*)

Ms. Yue Chung Sze Joyce (*Director*)

*As at the date of this announcement, Mr. Pan Chik is the sole director of Autumn Ocean.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Autumn Ocean Concert Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the sole director of Autumn Ocean) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement herein misleading.*

*The sole director of Autumn Ocean accepts full responsibility for the accuracy of the information contained in this announcement (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited ([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/raffaello-astrum/](http://www.astrum-capital.com/raffaello-astrum/)).*