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Astrum Financial Holdings Limited

阿仕特朗金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8333)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

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.

*This announcement, 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 announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

SUMMARY

- Revenue for the nine months ended 30 September 2023 amounted to approximately HK\$10,793,000 (nine months ended 30 September 2022: approximately HK\$5,925,000).
- Loss and total comprehensive expense attributable to owners of the Company for the nine months ended 30 September 2023 amounted to approximately HK\$13,962,000 (nine months ended 30 September 2022: approximately HK\$21,460,000).
- Basic loss per share for the nine months ended 30 September 2023 amounted to approximately HK14.54 cents (nine months ended 30 September 2022: approximately HK18.20 cents (restated)).
- The Board did not recommend the payment of any dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2023 together with the comparative unaudited figures for the corresponding periods in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2023

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	2,800	1,994	10,793	5,925
Other income	4	1,092	1,092	2,084	2,411
Fair value changes on financial assets at fair value through profit or loss		(926)	5,527	(4,119)	(6,775)
Administrative and other operating expenses		(6,818)	(7,311)	(22,253)	(22,847)
Finance costs		(204)	(40)	(467)	(80)
Share of result of an associate		–	–	–	(94)
(Loss)/profit before tax	5	(4,056)	1,262	(13,962)	(21,460)
Income tax expense	6	–	–	–	–
(Loss)/profit and total comprehensive (expense)/income for the period		(4,056)	1,262	(13,962)	(21,460)
			(Restated)		(Restated)
(Loss)/earnings per share	8				
– Basic (HK cents)		(4.22)	1.10	(14.54)	(18.20)
– Diluted (HK cents)		(4.22)	1.08	(14.54)	(18.20)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

	Attributable to owners of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Treasury shares HK\$'000	Special reserve HK\$'000	Share options reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	
Nine months ended 30 September 2022							
Balance at 1 January 2022 (Audited)	11,930	123,580	–	38,401	1,326	41,116	216,353
Loss and total comprehensive expense for the period	–	–	–	–	–	(21,460)	(21,460)
Repurchase of shares upon disposal of an associate	–	–	(33,785)	–	–	–	(33,785)
Cancellation of shares	(2,330)	(31,455)	33,785	–	–	–	–
Lapse of share options	–	–	–	–	(73)	73	–
Balance at 30 September 2022 (Unaudited)	<u>9,600</u>	<u>92,125</u>	<u>–</u>	<u>38,401</u>	<u>1,253</u>	<u>19,729</u>	<u>161,108</u>
Nine months ended 30 September 2023							
Balance at 1 January 2023 (Audited)	9,600	93,057	–	38,401	1,253	7,073	149,384
Loss and total comprehensive expense for the period	–	–	–	–	–	(13,962)	(13,962)
Balance at 30 September 2023 (Unaudited)	<u>9,600</u>	<u>93,057</u>	<u>–</u>	<u>38,401</u>	<u>1,253</u>	<u>(6,889)</u>	<u>135,422</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

1. GENERAL INFORMATION

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. 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 of the Company is Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering financing and asset management services.

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

2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements under Chapter 18 of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2023 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2022, except in relation to the application of the new and amendments to HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting beginning on 1 January 2023.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

2. BASIS OF PREPARATION (Continued)

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or on-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after 1 January 2025

The Group is in the process of making an assessment of the impact for those new and amendments to HKFRSs, which are not yet effective, upon initial application but is not yet in a position to state whether these new and amendments to 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.

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 10 November 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

3. REVENUE

The Group's revenue for the three months and nine months ended 30 September 2023 and 2022 are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue from contracts with customers				
Brokerage services				
– Commission and service fee	319	349	1,225	1,521
Placing and underwriting				
– Commission and service fee	34	–	2,722	540
Corporate finance advisory services fee	640	400	1,700	730
Asset management services				
– Fund management and performance fee	236	281	779	874
	1,229	1,030	6,426	3,665
Revenue from other sources				
Interest income from securities and initial public offering financing	1,571	964	4,367	2,260
Total revenue	2,800	1,994	10,793	5,925

Disaggregation of revenue from contracts with customers

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Timing of revenue recognition from contracts with customers				
– On a point in time basis	353	349	3,947	2,061
– Over time basis	876	681	2,479	1,604
	1,229	1,030	6,426	3,665

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest income from				
– banks	101	4	216	5
– debt securities	291	267	865	691
– others	3	1	9	3
Administrative services income	3	3	9	54
Dividends from equity investments	23	27	40	51
Gain on disposal of an associate	–	223	–	223
Management fee income	24	24	73	75
Handling fee income	647	237	872	627
Sundry income	–	306	–	682
	1,092	1,092	2,084	2,411

5. (LOSS)/PROFIT BEFORE TAX

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

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Auditors' remuneration	187	195	562	585
Commission expenses	–	–	18	–
Depreciation of property, plant and equipment	657	621	1,923	1,852
Depreciation of right-of-use assets	–	600	800	1,800
Expense relating to a short-term lease not included in the measurement of lease liabilities	589	–	981	–
Interest expense on borrowings	171	27	383	27
Interest expense on lease liabilities	–	13	3	53
Interest paid to margin/cash clients	33	–	81	–
Net foreign exchange loss	–	89	40	134
Reversal of write-off of trade receivables	(346)	–	(356)	(268)
Employee benefits expense:				
Salaries and other benefits	3,981	3,786	12,604	12,485
Commission to account executives	27	55	203	219
Contributions to retirement benefit scheme	92	96	278	293
Total employee benefits expense, including directors' emoluments	4,100	3,937	13,085	12,997

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Hong Kong Profits Tax: – Current period	–	–	–	–

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or arising in Hong Kong during the three months and nine months ended 30 September 2023 and 2022.

7. DIVIDENDS

The Board did not recommend the payment of any dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

8. (LOSS)/EARNINGS PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
(Loss)/earnings				
(Loss)/earnings for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share	<u>(4,056)</u>	<u>1,262</u>	<u>(13,962)</u>	<u>(21,460)</u>
	Three months ended 30 September		Nine months ended 30 September	
	2023 (Unaudited)	2022 (Unaudited) (Restated)	2023 (Unaudited)	2022 (Unaudited) (Restated)
Number of shares				
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<u>96,000,000</u>	115,247,826	<u>96,000,000</u>	117,934,432
Effect of dilutive potential ordinary shares in respect of share options	<u>—</u>	<u>1,843,280</u>	<u>—</u>	<u>—</u>
Weighted average number of ordinary shares for the purpose of diluted (loss)/earnings per share	<u>96,000,000</u>	<u>117,091,106</u>	<u>96,000,000</u>	<u>117,934,432</u>

The weighted average number of ordinary shares in issue for the three months and nine months ended 30 September 2022 has been adjusted retrospectively for the effect of the share consolidation of every ten (10) existing shares in the share capital of the Company into one (1) consolidated share in the share capital of the Company effected on 21 December 2022 (the “Share Consolidation”).

The computation of diluted loss per share did not assume the exercise of the Company’s outstanding share options since their assumed exercise would have an anti-dilutive effect for the three months ended 30 September 2023 and nine months ended 30 September 2023 and 2022.

All the Company’s outstanding share options have been included in the computation of diluted earnings per share for the three months ended 30 September 2022 because the exercise price of the Company’s outstanding share options were lower than the average market prices of the shares of the Company during the three months ended 30 September 2022 and their assumed exercise would have a dilutive effect.

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 Group’s revenue increased substantially from approximately HK\$5,925,000 for the nine months ended 30 September 2022 (the “**Corresponding Period**”) to approximately HK\$10,793,000 for the nine months ended 30 September 2023 (the “**Current Period**”), representing a period-on-period increase of approximately 82.2%. Due to the increase in revenue, coupled with the absence of the recognition of fair value loss of the Put and Repurchase Option (as defined in the announcement of the Company dated 16 June 2022) for the Current Period (Corresponding Period: approximately HK\$12,670,000) and the recognition of fair value loss of listed equity securities and an unlisted investment fund of approximately HK\$4,119,000 for the Current Period (Corresponding Period: gain of approximately HK\$5,895,000), the loss and total comprehensive expense attributable to owners of the Company dropped significantly by approximately 34.9% from approximately HK\$21,460,000 for the Corresponding Period to approximately HK\$13,962,000 for the Current Period.

FINANCIAL REVIEW

Revenue

Revenue of the Group increased significantly by approximately 82.2% from approximately HK\$5,925,000 for the Corresponding Period to approximately HK\$10,793,000 for the Current Period.

Commission and service fee from brokerage services decreased by approximately 19.5% from approximately HK\$1,521,000 for the Corresponding Period to approximately HK\$1,225,000 for the Current Period which was mainly attributable due to the decrease in the transaction amount of customers' securities dealing under the continual poor stock market sentiment during the Current Period. During the Current Period, the Group rendered brokerage-related services which included, among others, general offer arrangement and offer agent services, and recognised a service fee income of HK\$170,000 (Corresponding Period: Nil).

Commission and service fee from placing and underwriting increased significantly by approximately 4.0 times from approximately HK\$540,000 for the Corresponding Period to approximately HK\$2,722,000 for the Current Period. The Group completed three (Corresponding Period: four) placing and underwriting engagements during the Current Period, of which one (Corresponding Period: Nil) underwriting engagement contributed a total commission income of approximately HK\$2,560,000 (Corresponding Period: Nil) and two (Corresponding Period: four) placing engagements contributed a total commission income of approximately HK\$122,000 (Corresponding Period: approximately HK\$540,000). During the Current Period, the Group rendered services in relation to placing and underwriting engagements which included matching and settlement agent services, and recognised a service fee income of HK\$40,000 (Corresponding Period: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Revenue (Continued)

Corporate finance advisory services fee increased significantly by approximately 132.9% from HK\$730,000 for the Corresponding Period to HK\$1,700,000 for the Current Period. Such increase was mainly due to the increase in the number of corporate finance advisory engagements from five engagements in the Corresponding Period to seven engagements in the Current Period.

Interest income from securities and IPO financing increased significantly by approximately 93.2% from approximately HK\$2,260,000 for the Corresponding Period to approximately HK\$4,367,000 for the Current Period. Such increase was mainly attributable to the increasing demand from client for securities and IPO financing services and higher interest rates charged to clients during the Current Period.

Asset management services fee decreased slightly by approximately 10.9% from approximately HK\$874,000 for the Corresponding Period to approximately HK\$779,000 for the Current Period. Such decrease was due to the decrease in asset under management of Astrum Absolute Return China Fund during the Current Period, and no performance fee was recognised for the Current Period (Corresponding Period: Nil) as the net asset value per share of Astrum Absolute Return China Fund for the Current Period did not surpass the high water mark achieved in 2021.

Other income

Other income decreased by approximately 13.6% from approximately HK\$2,411,000 for the Corresponding Period to approximately HK\$2,084,000 for the Current Period. Such decrease was mainly due to the absence of receipt of subsidies from Hong Kong Government in relation to the 2022 Employment Support Scheme under the Anti-epidemic Fund during the Current Period (Corresponding Period: HK\$508,000).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW (Continued)

Fair value changes on financial assets at fair value through profit or loss (“FVTPL”)

The Company has invested a certain portion of the idle cash in equity securities listed on the Stock Exchange and one unlisted investment fund.

During the Current Period, the Group recorded a net loss arising from fair value changes on financial assets at FVTPL of approximately HK\$4,119,000 (Corresponding Period: approximately HK\$6,775,000), including (a) fair value loss of listed equity securities of approximately HK\$1,503,000 (Corresponding Period: approximately HK\$910,000); and (b) fair value loss of an unlisted investment fund of approximately HK\$2,616,000 (Corresponding Period: gain of approximately HK\$6,805,000).

The fair value loss of listed equity securities comprised unrealised loss of approximately HK\$1,486,000 and realised loss of approximately HK\$17,000, while the fair value loss of an unlisted investment fund comprised unrealised loss of approximately HK\$2,616,000. The aforesaid unrealised loss are non-cash in nature and will not have any material impact on the cash flows of the Group. In light of volatility in the Hong Kong and global financial markets and economic conditions, the Group will continue to adopt a conservative approach in managing the investment portfolio in respect of equity securities and fund investments.

During the Corresponding Period, the Group recorded a fair value loss of the Put and Repurchase Option of approximately HK\$12,670,000. Such fair value loss was a non-cash and extraordinary item and would not have any material impact on the Group’s cash flows and daily operation of business. Following completion of the termination of the option deed dated 30 September 2021 entered into between the Company and Raffaello Holdings Limited in relation to the Put and Repurchase Option on 7 September 2022, the Put and Repurchase Option was derecognised and therefore, no fair value change on the Put and Repurchase Option was recognised for the Current Period.

Administrative and other operating expenses

Administrative and other operating expenses decreased slightly by approximately 2.6% from approximately HK\$22,847,000 for the Corresponding Period to approximately HK\$22,253,000 for the Current Period. Such decrease was mainly due to the decrease in legal and professional fee by approximately HK\$760,000 for the Current Period.

Finance costs

Finance costs increased significantly by approximately 4.8 times from approximately HK\$80,000 for the Corresponding Period to approximately HK\$467,000 for the Current Period. Such increase was mainly due to the utilisation of the unsecured revolving loan borrowed from a licensed money lender on 2 September 2022 for financing for the Current Period.

Loss for the period

As a result of the foregoing, loss of approximately HK\$13,962,000 for the Current Period was recorded as compared to that of approximately HK\$21,460,000 for the Corresponding Period.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

The Hong Kong economy continued to revive in the third quarter of 2023, fuelled by inbound tourism and private consumption. According to the advance estimates announced by the Census and Statistics Department of Hong Kong, Hong Kong's real gross domestic product increased by 4.1% in the third quarter of 2023, reaching the highest quarterly growth since the first quarter of 2022. The average daily turnover of Hong Kong stock market was HK\$109.7 billion for the Current Period, representing a decrease of approximately 11.6% as compared to that for the Corresponding Period. Moreover, according to the 2023 Policy Address, the stamp duty on stock transfer will be reduced from 0.13% to 0.10% in order to boost the trading volume in Hong Kong stock market. It is expected that the legislative procedures will be completed by the end of November 2023.

Furthermore, the US Federal Reserve held the key federal funds rate in a target range between 5.25-5.50% since July 2023, while major banks in Hong Kong also have kept their prime rate unchanged during the same period. It is expected that the interest rate will remain high for a longer period.

In view of the above, coupled with factors such as geopolitical risks (in particular, the outbreak of Israel-Hamas conflict in October 2023 and the ongoing Russian-Ukrainian conflict), the global and Hong Kong stock markets are expected to face continuous risks and uncertainties. The management of the Group will 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.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group did not have any material acquisition or disposal of subsidiaries and affiliated companies during the Current Period.

EVENT AFTER THE REPORTING PERIOD

Up to the date of this announcement, there was no 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 September 2023, 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 the shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interests	Number of shares held	Number of underlying shares held (Note 2)	Total	Approximate percentage of shareholding (Note 3)
Mr. Pan	Interest of a controlled corporation/ Beneficial owner	53,268,500 (Note 1)	800,000	54,068,500	56.32%
Mr. Kwan Chun Yee Hidulf (“Mr. Kwan”)	Beneficial owner	–	800,000	800,000	0.83%

Notes:

1. These 53,268,500 shares are held by Autumn Ocean Limited which is wholly owned by Mr. Pan and hence, Mr. Pan is deemed, or taken to be, interested in all the shares held by Autumn Ocean Limited for the purposes of the SFO.
2. Each of Mr. Pan and Mr. Kwan, the executive Directors, was granted on 4 January 2021 800,000 share options (after adjustment for the Share Consolidation) under the Share Option Scheme (as defined below) at an exercise price of HK\$0.96 per share (after adjustment for the Share Consolidation) with a validity period of five years from the date of grant. All the share options were immediately vested at the date of grant.
3. The percentage is calculated on the basis of 96,000,000 shares of the Company in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to Section 352 of the SFO, which would have to be recorded in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, which would have to be notified to the Company and the Stock Exchange.

OTHER INFORMATION

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

So far as the Directors and the Chief Executives are aware, as at 30 September 2023, other than the Directors and Chief Executives, the following persons had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under Section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Long position in the shares and underlying shares of the Company

Names	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	53,268,500	800,000	54,068,500	56.32%
Autumn Ocean Limited	Beneficial interest	53,268,500	–	53,268,500	55.49%

Notes:

1. Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all the shares and underlying shares in which Mr. Pan is interested for the purposes of the SFO.
2. The percentage is calculated on the basis of 96,000,000 shares of the Company in issue as at 30 September 2023.

Save as disclosed above, as at 30 September 2023, 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.

OTHER INFORMATION

SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted by the shareholders of the Company on 23 June 2016. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years. Under the Share Option Scheme, the Board shall be entitled to grant a share option to any eligible participant whom the Board may select at its absolute discretion.

8,000,000 share options (after adjustment for the Share Consolidation) were granted by the Company to 11 eligible participants on 4 January 2021 with a validity period of five years from the date of grant and immediately vested at the date of grant, which entitle the holders of the share options to subscribe for shares at an exercise price of HK\$0.96 per share (after adjustment for the Share Consolidation). The closing price of the shares of the Company immediately before the date on which share options were granted was HK\$1.01 per share (after adjustment for the Share Consolidation).

Details of the movements of share options during the Current Period are set out below:

	Outstanding at 1 January 2023	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at 30 September 2023
Directors and Chief Executives					
Mr. Pan	800,000	–	–	–	800,000
Mr. Kwan	800,000	–	–	–	800,000
Employees	2,800,000	–	–	–	2,800,000
Clients (Note (a))					
Ms. Cai Cuiying	800,000	–	–	–	800,000
Ms. Ho Oi Kwan	800,000	–	–	–	800,000
Business partner					
Irregular Consulting Limited (“Irregular”) (Note (b))	800,000	–	–	–	800,000
Total	6,800,000	–	–	–	6,800,000

Notes:

- (a) The rationale of making the grant to such clients was to maintain a long-term client relationship with a view to retaining these valuable securities dealing clients and, in turn, generating sustainable income stream in future.
- (b) The rationale of making the grant to Irregular was to settle the service fee in relation to the provision of investor and media relation services such as corporate image positioning, media promotion, media reports consolidation, maintaining investors and analysts relationship by Irregular to the Group for the year ended 31 December 2021 pursuant to the service agreement entered into between the Company and Irregular.

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 announcement, at no time during the Current Period and as at 30 September 2023 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

None of the Directors, the substantial shareholders of the Company nor 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 during the Current Period.

NON-COMPETITION UNDERTAKING

Confirmation from Mr. Pan and Autumn Ocean Limited

The Company received from Mr. Pan and Autumn Ocean Limited confirmations in April 2023, July 2023 and October 2023 on their compliance of the non-competition undertaking ("**Pan's Undertaking**") under the deed of non-competition dated 23 June 2016 given by them in favour of the Company (the "**Pan's Deed of Non-Competition**") for the respective period from 1 January 2023 to 31 March 2023, 1 April 2023 to 30 June 2023 and 1 July 2023 to 30 September 2023 respectively. The audit committee of the Company (the "**Audit Committee**"), being all the independent non-executive Directors, reviewed the compliance of Pan's Undertaking and evaluated the effectiveness of the implementation of the Pan's Deed of Non-competition, and were satisfied that Mr. Pan and Autumn Ocean Limited have complied with Pan's Undertaking during the Current Period.

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 and its code of conduct throughout the Current Period. The Company has not been notified of any incident of non-compliance during the Current Period.

PURCHASE, SALE OR REDEMPTION OF SHARES

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

OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

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

Pursuant to C.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. Mr. Pan has been managing the Group's business and supervising the overall operations of the Group since 2007. 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 C.2.1 of the CG Code.

DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES

On 6 September 2022, Astrum Capital Management Limited ("**Astrum Capital**"), an indirect wholly-owned subsidiary of the Company, has made an advance of approximately HK\$31,796,000 (the "**Advance**") to Profit Gold Global Limited ("**Profit Gold**"), to subscribe for 122,199,000 rights shares of Progressive Path Group Holdings Limited ("**Progressive Path**"), shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1581), by way of provisional allotment. Profit Gold is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Wu Wing Hang ("**Mr. Wu**"). Profit Gold is principally engaged in investment holding and is the controlling shareholder of Progressive Path holding approximately 58.89% of its equity interest. Mr. Wu is the chairman of the board and an executive director of Progressive Path. Details of the Advance were disclosed in the announcement of the Company dated 6 September 2022.

The Advance to Profit Gold was made in the ordinary and usual course of business of Astrum Capital. The Advance bears an annual interest rate of 12% per annum and is repayable in full on demand. All the securities under the margin securities account of Profit Gold maintained with Astrum Capital (including those 122,199,000 rights shares of Progressive Path subscribed by it) have been pledged as collateral in favour of Astrum Capital.

As at 30 September 2023, the outstanding amount of the Advance to Profit Gold of approximately HK\$17,014,000, representing approximately 8.97% and 12.20% of the latest published consolidated total assets and net assets of the Group as at 30 June 2023, respectively.

Save as disclosed above, as at 30 September 2023, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

OTHER INFORMATION

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 Ms. Yue Chung Sze Joyce, 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 third quarterly 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.

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

Hong Kong, 10 November 2023

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

Executive Directors

Mr. Pan Chik (Chairman and Chief Executive Officer)

Mr. Kwan Chun Yee Hidulf

Ms. Yu Hoi Ling

Independent Non-executive Directors

Mr. Sum Loong

Mr. Lau Hon Kee

Ms. Yue Chung Sze Joyce

This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange (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).