



**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*

# **FIRST QUARTERLY REPORT 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.**

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

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

## **SUMMARY**

- Revenue for the three months ended 31 March 2023 amounted to approximately HK\$2,275,000 (three months ended 31 March 2022: approximately HK\$1,898,000).
- Loss and total comprehensive expense attributable to owners of the Company for the three months ended 31 March 2023 amounted to approximately HK\$6,074,000 (three months ended 31 March 2022: approximately HK\$19,827,000).
- Basic loss per share for the three months ended 31 March 2023 amounted to approximately HK6.33 cents (three months ended 31 March 2022: approximately HK16.62 cents (restated)).
- At a board meeting of the Company held on 11 May 2023, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

**UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 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 ended 31 March 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 ended 31 March 2023*

	<i>Notes</i>	<b>Three months ended</b>	
		<b>31 March</b>	
		<b>2023</b>	2022
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	2,275	1,898
Other income	4	401	349
Fair value changes on financial assets at fair value through profit or loss		(1,735)	(14,100)
Administrative and other operating expenses		(6,895)	(7,858)
Finance costs		(120)	(22)
Share of result of an associate		–	(94)
Loss before tax	5	(6,074)	(19,827)
Income tax expense	6	–	–
<b>Loss and total comprehensive expense for the period attributable to owners of the Company</b>		<b>(6,074)</b>	<b>(19,827)</b>
			(Restated)
<b>Loss per share</b>			
– Basic and diluted (HK cents)	8	<b>(6.33)</b>	<b>(16.62)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the three months ended 31 March 2023*

	<b>Attributable to owners of the Company</b>					<b>Total</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Special reserve</b>	<b>Share options reserve</b>	<b>Retained profits</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Three months ended 31 March 2022</b>						
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	–	–	–	–	(19,827)	(19,827)
Lapse of share options	–	–	–	(73)	73	–
Balance at 31 March 2022 (Unaudited)	<u>11,930</u>	<u>123,580</u>	<u>38,401</u>	<u>1,253</u>	<u>21,362</u>	<u>196,526</u>
<b>Three months ended 31 March 2023</b>						
Balance at 1 January 2023 (Audited)	<b>9,600</b>	<b>93,057</b>	<b>38,401</b>	<b>1,253</b>	<b>7,073</b>	<b>149,384</b>
Loss and total comprehensive expense for the period	–	–	–	–	<b>(6,074)</b>	<b>(6,074)</b>
Balance at 31 March 2023 (Unaudited)	<u><b>9,600</b></u>	<u><b>93,057</b></u>	<u><b>38,401</b></u>	<u><b>1,253</b></u>	<u><b>999</b></u>	<u><b>143,310</b></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2023*

### 1. GENERAL INFORMATION

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

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the address of the principal place of business is Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong.

The Company is an investment holding company. The 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 three months ended 31 March 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 three months ended 31 March 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 period 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 three months ended 31 March 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 <sup>1</sup>
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or on-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

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 on 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 consolidated financial statements were approved by the Board for publication on 11 May 2023.

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the three months ended 31 March 2023***3. REVENUE**

The Group's revenue for the three months ended 31 March 2023 and 2022 are as follows:

	<b>Three months ended 31 March</b>	
	<b>2023</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>
<b>Revenue from contracts with customers</b>		
Commission from brokerage services	298	679
Corporate finance advisory services fee	300	265
Asset management services		
– Fund management and performance fee	280	309
	<b>878</b>	1,253
<b>Revenue from other sources</b>		
Interest income from securities and initial public offering financing	1,397	645
<b>Total revenue</b>	<b>2,275</b>	1,898

**Disaggregation of revenue from contracts with customers**

	<b>Three months ended 31 March</b>	
	<b>2023</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2022</b> <i>HK\$'000</i> <b>(Unaudited)</b>
<b>Timing of revenue recognition from contracts with customers</b>		
– On a point in time basis	298	679
– Over time basis	580	574
	<b>878</b>	1,253

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the three months ended 31 March 2023***4. OTHER INCOME**

	<b>Three months ended 31 March</b>	
	<b>2023 HK\$'000 (Unaudited)</b>	<b>2022 HK\$'000 (Unaudited)</b>
Interest income from		
– banks	46	–
– debt securities	285	177
– others	3	1
Administrative services income	3	48
Dividends from equity investments	5	2
Management fee income	25	26
Handling fee income	34	56
Sundry income	–	39
	<b>401</b>	<b>349</b>

**5. LOSS BEFORE TAX**

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

	<b>Three months ended 31 March</b>	
	<b>2023 HK\$'000 (Unaudited)</b>	<b>2022 HK\$'000 (Unaudited)</b>
Auditors' remuneration	187	195
Depreciation of property, plant and equipment	620	616
Depreciation of right-of-use assets	600	600
Interest expense on other borrowing	96	–
Interest expense on lease liabilities	3	22
Interest paid to margin/cash clients	21	–
Net foreign exchange gain	(27)	(4)
Reversal of write-off of trade receivables	(10)	(268)
Employee benefits expense:		
Salaries and other benefits	3,869	4,750
Commission to accounts executives	13	108
Contributions to retirement benefit scheme	91	97
Total employee benefits expense, including directors' emoluments	<b>3,973</b>	<b>4,955</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the three months ended 31 March 2023

**6. INCOME TAX EXPENSE**

	Three months ended 31 March	
	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 ended 31 March 2023 and 2022.

**7. DIVIDENDS**

At a board meeting of the Company held on 11 May 2023, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: Nil).

**8. LOSS PER SHARE**

	Three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of basic and diluted loss per share	(6,074)	(19,827)

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	96,000,000	119,300,000

The weighted average number of ordinary shares in issue for the three months ended 31 March 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 31 March 2023 and 2022.

## 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.

Despite the slight improvement in revenue from approximately HK\$1,898,000 for the three months ended 31 March 2022 (the “**Corresponding Period**”) to approximately HK\$2,275,000 for the three months ended 31 March 2023 (the “**Current Period**”) and 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), the financial results of the Group were unsatisfactory for the Current Period and the Group recorded a loss and total comprehensive expense attributable to owners of the Company of approximately HK\$6,074,000 for the Current Period (Corresponding Period: approximately HK\$19,827,000).

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group increased slightly by approximately 19.9% from approximately HK\$1,898,000 for the Corresponding Period to approximately HK\$2,275,000 for the Current Period.

Commission from brokerage services decreased significantly by approximately 56.1% from approximately HK\$679,000 for the Corresponding Period to approximately HK\$298,000 for the Current Period. Such decrease was mainly attributable to the decrease in the transaction amount of customers' securities dealing under the continual poor stock market sentiment in the first quarter of 2023.

No placing and underwriting commission was recognised for the Current Period (Corresponding Period: Nil).

Corporate finance advisory services fee increased by approximately 13.2% from approximately HK\$265,000 for the Corresponding Period to approximately HK\$300,000 for the Current Period. Such increase was mainly due to the increase in the number of corporate finance advisory engagements from two engagements in the Corresponding Period to four engagements in the Current Period.

Interest income from securities and IPO financing increased significantly by approximately 116.6% from approximately HK\$645,000 for the Corresponding Period to approximately HK\$1,397,000 for the Current Period. Such increase was mainly attributable to the increasing demand from client for securities and IPO financing services.

Asset management services fee decreased slightly by approximately 9.4% from approximately HK\$309,000 for the Corresponding Period to approximately HK\$280,000 for the Current Period. The management fee dropped slightly from approximately HK\$309,000 for the Corresponding Period to approximately HK\$280,000 for 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 did not surpass the high water mark achieved in 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Other income

Other income increased slightly by approximately 14.9% from approximately HK\$349,000 for the Corresponding Period to approximately HK\$401,000 for the Current Period. Such increase was mainly due to the increase in interest income from unlisted debt securities from approximately HK\$177,000 for the Corresponding Period to approximately HK\$285,000 for the Current Period.

#### 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\$1,735,000 (Corresponding Period: approximately HK\$14,100,000), including (a) fair value loss of equity securities of approximately HK\$629,000 (Corresponding Period: gain of approximately HK\$22,000); and (b) fair value loss of an unlisted investment fund of approximately HK\$1,106,000 (Corresponding Period: approximately HK\$1,452,000).

The fair value loss of equity securities comprised unrealised loss of approximately HK\$612,000 and realised loss of approximately HK\$17,000, while the fair value loss of an unlisted investment fund comprised unrealised loss of approximately HK\$1,106,000. The aforesaid unrealised loss are non-cash in nature and will not have any 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 by approximately 12.3% from approximately HK\$7,858,000 for the Corresponding Period to approximately HK\$6,895,000 for the Current Period. Such decrease was mainly due to the decrease in total employee benefits expense by approximately HK\$982,000 for the Current Period.

#### Finance costs

Finance costs increased significantly by approximately 4.5 times from approximately HK\$22,000 for the Corresponding Period to approximately HK\$120,000 for the Current Period. Such increase was mainly due to the utilisation of the unsecured revolving loan for financing for the Current Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Loss for the period**

As a result of the foregoing, loss of approximately HK\$6,074,000 for the Current Period was recorded as compared to that of approximately HK\$19,827,000 for the Corresponding Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **PROSPECTS**

The Hong Kong economy improved visibly in the first quarter of 2023, led by the strong recovery of inbound tourism and domestic demand. According to the advance estimates, Hong Kong's real gross domestic product (“**GDP**”) grew by approximately 2.7% in the first quarter of 2023 over a year earlier, ending four consecutive quarters of declines. On a seasonally adjusted quarter-to-quarter basis, Hong Kong's real GDP surged by approximately 5.3%.

Looking ahead, inbound tourism and domestic demand will remain the major drivers of Hong Kong's economic growth in 2023. Visitor arrivals should recover further as transportation and handling capacity continue to catch up. During the five-day “Labour Day Golden Week” from 29 April 2023 to 3 May 2023 (being the first long holiday after full resumption of normal travel between Hong Kong and Mainland), approximately 1.7 million tourists entered into Hong Kong, of which approximately 625,000 were from Mainland China.

On the other hand, both economy growth of US and euro area in the first quarter of 2023 of 1.1% and 0.1%, respectively, were below the market estimation. Given the further weakening of growth momentum in advanced economies, the global markets are expected to face continuous risks and uncertainties.

The management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation.

### **EVENT AFTER THE REPORTING PERIOD**

Subsequent to 31 March 2023 and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

### **INTERIM DIVIDEND**

At a board meeting of the Company held on 11 May 2023, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2023 (Corresponding Period: Nil).

**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 31 March 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**

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

*Notes:*

- 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.
- 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.
- The percentage is calculated on the basis of 96,000,000 shares of the Company in issue as at 31 March 2023.

Save as disclosed above, as at 31 March 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 31 March 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**

<b>Names</b>	<b>Capacity/ Nature of interests</b>	<b>Number of shares held/ interested in</b>	<b>Number of underlying shares held</b>	<b>Total</b>	<b>Approximate percentage of shareholding (Note 2)</b>
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:*

- 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.
- The percentage is calculated on the basis of 96,000,000 shares of the Company in issue as at 31 March 2023.

Save as disclosed above, as at 31 March 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 31 March 2023
<b>Directors and Chief Executives</b>					
Mr. Pan	800,000	–	–	–	800,000
Mr. Kwan	800,000	–	–	–	800,000
<b>Employees</b>	2,800,000	–	–	–	2,800,000
<b>Clients (Note (a))</b>					
Ms. Cai Cuiying	800,000	–	–	–	800,000
Ms. Ho Oi Kwan	800,000	–	–	–	800,000
<b>Business partner</b>					
Irregular Consulting Limited (“ <b>Irregular</b> ”) (Note (b))	800,000	–	–	–	800,000
<b>Total</b>	<b>6,800,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6,800,000</b>

*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” of this report, at no time during the Current Period and as at 31 March 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**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in April 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 period from 1 January 2023 to 31 March 2023. 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 period from 1 January 2023 to 31 March 2023.

## **OTHER INFORMATION**

### **DIRECTORS' SECURITIES TRANSACTIONS**

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

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

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

### **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 10% 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 31 March 2023, the outstanding amount of the Advance to Profit Gold of approximately HK\$20,684,000 represented approximately 10.69% and 13.85% of the latest published consolidated total assets and net assets of the Group as at 31 December 2022, respectively.

Save as disclosed above, as at 31 March 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 and the 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 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, 11 May 2023

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

#### ***Executive Directors***

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

*Mr. Kwan Chun Yee Hidulf*

*Ms. Yu Hoi Ling*

#### ***Independent Non-executive Directors***

*Mr. Sum Loong*

*Mr. Lau Hon Kee*

*Ms. Yue Chung Sze Joyce*