

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



**Astrum Financial Holdings Limited**

**阿仕特朗金融控股有限公司**

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

**(Stock Code: 8333)**

## **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 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.*

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

## **SUMMARY**

- Revenue for the six months ended 30 June 2023 amounted to approximately HK\$7,993,000 (six months ended 30 June 2022: approximately HK\$3,931,000).
- Loss and total comprehensive expense attributable to owners of the Company for the six months ended 30 June 2023 amounted to approximately HK\$9,906,000 (six months ended 30 June 2022: approximately HK\$22,722,000).
- Basic loss per share for the six months ended 30 June 2023 amounted to approximately HK10.32 cents (six months ended 30 June 2022: approximately HK19.05 cents (restated)).
- The Board did not recommend the payment of any dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## UNAUDITED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 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 six months ended 30 June 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 six months ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	5,718	2,033	7,993	3,931
Other income	4	591	970	992	1,319
Fair value changes on financial assets at fair value through profit or loss		(1,458)	1,798	(3,193)	(12,302)
Administrative and other operating expenses		(8,540)	(7,678)	(15,435)	(15,536)
Finance costs		(143)	(18)	(263)	(40)
Share of result of an associate		—	—	—	(94)
Loss before tax	5	(3,832)	(2,895)	(9,906)	(22,722)
Income tax expense	6	—	—	—	—
<b>Loss and total comprehensive expense for the period attributable to owners of the Company</b>		<b>(3,832)</b>	<b>(2,895)</b>	<b>(9,906)</b>	<b>(22,722)</b>
			(Restated)		(Restated)
<b>Loss per share</b>					
– Basic and diluted (HK cents)	8	(3.99)	(2.43)	(10.32)	(19.05)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	9	4,529	5,195
Right-of-use assets		—	800
Intangible assets		950	950
Financial assets at fair value through profit or loss	11	7,947	9,956
Debt securities at amortised cost		17,800	17,800
Other assets		1,921	1,982
		<b>33,147</b>	<b>36,683</b>
<b>Current assets</b>			
Trade receivables	10	93,331	91,986
Deposits, prepayments and other receivables		916	1,091
Debt securities at amortised cost		817	620
Financial assets at fair value through profit or loss	11	6,461	7,784
Bank balances and cash			
– General accounts and cash		16,655	22,290
– Trust accounts		38,435	33,063
		<b>156,615</b>	<b>156,834</b>
<b>Total assets</b>		<b>189,762</b>	<b>193,517</b>
<b>Current liabilities</b>			
Trade payables	12	40,359	35,526
Other payables and accruals		1,779	1,646
Borrowing		8,007	6,005
Lease liabilities		—	817
		<b>50,145</b>	<b>43,994</b>
<b>Net current assets</b>		<b>106,470</b>	<b>112,840</b>
<b>Total assets less current liabilities</b>		<b>139,617</b>	<b>149,523</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		139	139
<b>Net assets</b>		<b>139,478</b>	<b>149,384</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

		As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
<b>Capital and reserves</b>			
Equity attributable to owners of the Company			
Share capital	13	9,600	9,600
Reserves		129,878	139,784
<b>Total equity</b>		<b>139,478</b>	<b>149,384</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to owners of the Company					Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Share options reserve HK\$'000	Retained profits/ (accumulated losses) HK\$'000	
<b>Six months ended 30 June 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	—	—	—	—	(22,722)	(22,722)
Lapse of share options	—	—	—	(73)	73	—
Balance at 30 June 2022 (Unaudited)	11,930	123,580	38,401	1,253	18,467	193,631
<b>Six months ended 30 June 2023</b>						
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	—	—	—	—	(9,906)	(9,906)
Balance at 30 June 2023 (Unaudited)	9,600	93,057	38,401	1,253	(2,833)	139,478

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash used in operating activities	(6,401)	(15,223)
Net cash (used in)/generated from investing activities	(206)	25
Net cash generated from/(used in) financing activities	970	(1,230)
Net decrease in cash and cash equivalents	(5,637)	(16,428)
Cash and cash equivalents at the beginning of period	22,180	66,311
Cash and cash equivalents at the end of period	16,543	49,883
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash, excluding trust accounts	16,655	49,992
Less:		
Fixed deposit with original maturity over three months	(112)	(109)
	16,543	49,883

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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 Company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering financing and asset management services.

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

### 2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. These unaudited condensed consolidated financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) and 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 six months ended 30 June 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 amended 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 amended HKFRSs in the current period has had no material impact on the Group’s financial performance and position for the current and prior periods and/or disclosure set out in these unaudited condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 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>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <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 amended HKFRSs, which are not yet effective, upon initial application but is not yet in a position to state whether these new and amended 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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 2. BASIS OF PREPARATION (Continued)

The preparation of the unaudited condensed consolidated financial statements in conformity with the HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company. The unaudited condensed financial statements were approved by the Board for publication on 10 August 2023.

### 3. REVENUE AND SEGMENT INFORMATION

Based on the information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment, the Group has determined that it only has one operating segment which is the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering financing and asset management services. Since this is the only operating segment of the Group, no further analysis for segment information is presented.

#### Revenue from major services

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

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>				
Commission from brokerage services	608	493	906	1,172
Placing and underwriting				
– Commission and service fee	2,688	540	2,688	540
Corporate finance advisory services fee	760	65	1,060	330
Asset management services				
– Fund management and performance fee	263	284	543	593
	<b>4,319</b>	<b>1,382</b>	<b>5,197</b>	<b>2,635</b>
<b>Revenue from other sources</b>				
Interest income from securities and initial public offering financing	1,399	651	2,796	1,296
<b>Total revenue</b>	<b>5,718</b>	<b>2,033</b>	<b>7,993</b>	<b>3,931</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 3. REVENUE AND SEGMENT INFORMATION (Continued)

#### Disaggregation of revenue from contracts with customers

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
<b>Timing of revenue recognition from contracts with customers</b>				
– On a point in time basis	3,296	1,033	3,594	1,712
– Over time basis	1,023	349	1,603	923
	<b>4,319</b>	<b>1,382</b>	<b>5,197</b>	<b>2,635</b>

### 4. OTHER INCOME

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest income from				
– banks	69	1	115	1
– debt securities	289	247	574	424
– others	3	1	6	2
Administrative services income	3	3	6	51
Dividends from equity investments	12	22	17	24
Management fee income	24	25	49	51
Handling fee income	191	295	225	390
Sundry income	—	376	—	376
	<b>591</b>	<b>970</b>	<b>992</b>	<b>1,319</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 5. LOSS BEFORE TAX

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

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Auditors' remuneration	188	195	375	390
Commission expenses	18	—	18	—
Depreciation of property, plant and equipment	646	615	1,266	1,231
Depreciation of right-of-use assets	200	600	800	1,200
Expense relating to a short-term lease not included in the measurement of lease liabilities	392	—	392	—
Interest expense on borrowing	116	—	212	—
Interest expense on lease liabilities	—	18	3	40
Interest paid to margin/cash clients	27	—	48	—
Net foreign exchange loss	67	45	40	45
Reversal of write off of trade receivables	—	—	(10)	(268)
Employee benefits expense:				
Salaries and other benefits	4,754	3,949	8,623	8,699
Commission to accounts executives	163	56	176	164
Contributions to retirement benefit scheme	95	100	186	197
Total employee benefits expense, including directors' emoluments	5,012	4,105	8,985	9,060

### 6. INCOME TAX EXPENSE

	Three months ended 30 June		Six months ended 30 June	
	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 six months ended 30 June 2023 and 2022.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2023, the Group acquired property, plant and equipment of HK\$600,000 (six months ended 30 June 2022: Nil).

### 10. TRADE RECEIVABLES

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade receivables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	600	1,418
Clients – margin	91,722	89,739
	<b>92,322</b>	<b>91,157</b>
Dealing in futures contracts		
Clearing house	450	453
Corporate finance advisory services	470	195
Asset management services	89	181
	<b>93,331</b>	<b>91,986</b>

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

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

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

Margin clients are required to pledge securities collateral to the Group in order to obtain the margin facilities for securities trading. At 30 June 2023, loans to margin clients are secured by clients' securities pledged as collateral with market value of approximately HK\$274,108,000 (31 December 2022: approximately HK\$253,663,000). Management has assessed the market value of the pledged securities of each individual client who has margin shortfall at the end of each reporting period. The margin loans are repayable on demand and bear variable interest at commercial rates. No aged analysis of margin loans is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of this business.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 10. TRADE RECEIVABLES (Continued)

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

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
0 – 30 days	<u>1,050</u>	<u>1,871</u>

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

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
0 – 30 days	559	225
31 – 60 days	—	151
Total	<u>559</u>	<u>376</u>

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

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Equity securities listed in Hong Kong	6,461	7,784
Units in unlisted investment fund outside Hong Kong	7,947	9,956
	<u>14,408</u>	<u>17,740</u>
Analysed for reporting purposes as:		
Current assets	6,461	7,784
Non-current assets	7,947	9,956
	<u>14,408</u>	<u>17,740</u>

Details of disclosure for fair value measurement are set out in Note 15.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 12. TRADE PAYABLES

	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Trade payables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	23,476	18,540
Clients – margin	14,731	13,749
Clearing house	1,041	1,596
	<b>39,248</b>	<b>33,885</b>
Dealing in futures contracts		
Clients	1,111	1,641
	<b>40,359</b>	<b>35,526</b>

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

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

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

At 30 June 2023, the trade payables amounting to approximately HK\$38,435,000 (31 December 2022: approximately HK\$33,063,000) was payable to clients in respect of the trust and segregated bank balances received which were held for clients in the course of conducting the regulated activities. However, the Group currently does not have an enforceable right to offset these payables with the deposits placed.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 13. SHARE CAPITAL

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

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.1 each		
<b>Authorised:</b>		
At 1 January 2023 and 30 June 2023	<u>200,000,000</u>	<u>20,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2023 and 30 June 2023	<u>96,000,000</u>	<u>9,600</u>

### 14. SIGNIFICANT RELATED PARTY TRANSACTIONS

#### (i) Transactions with related parties

During the six months ended 30 June 2023 and 2022, the Group entered into the following significant transactions with its related parties:

Related party	Nature of transaction	Notes	Six months ended 30 June	
			2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Mr. Pan	Commission income	(a)	1	11
	Interest income	(b)	28	22
Close family members of Mr. Pan	Commission income	(a)	11	20
	Interest income	(b)	242	193
Shine Clear Investments Limited (Note (c))	Commission income	(a)	—	2
	Interest income	(b)	—	7
Mr. Kwan Chun Yee, Hidulf ("Mr. Kwan")	Commission income	(a)	—	2
Close family members of Mr. Kwan	Interest income	(b)	<u>—</u>	<u>1</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 14. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

#### (i) Transactions with related parties (Continued)

Notes:

- (a) The commission income from brokerage services for (i) dealing in securities was calculated at rates ranging from 0.1% to 0.2% (subject to minimum charge of HK\$80); and (ii) dealing in futures contracts was based on the rates which were substantially in line with those normally received by the Group from third parties.
- (b) The interest income received from (i) securities financing was based on rates ranging from 3.125% to 11.75% per annum (six months ended 30 June 2022: 2.5% to 11.0% per annum); and (ii) initial public offering financing was based on the rates which were substantially in line with those normally received by the Group from third parties.
- (c) Shine Clear Investments Limited was wholly-owned by a close family member of Mr. Pan and a related party of the Group.

On 10 June 2022, a close family member of Mr. Pan disposed all equity interests in Shine Clear Investments Limited to an independent third party and ceased to be a director of Shine Clear Investments Limited, and thereafter, Shine Clear Investments Limited was no longer a related party of the Group and all transactions between the Group and Shine Clear Investments Limited do not constitute related party transactions of the Group.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 14. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

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

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

Related party	Nature of account	Notes	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)
Mr. Pan	Margin account	(a)	1,579	1,586
	Futures account		(203)	(445)
Mr. Kwan	Margin account		(1)	—
Close family members of Mr. Pan	Margin account	(b)	14,875	14,237
	Cash account	(c)	(32)	(43)
Mr. Fung Tat Hung Ricky, a member of the key management personnel	Margin account		(51)	(85)
	Futures account		(1)	(1)
Mr. Lam Wing Tai, a member of the key management personnel	Margin account		(261)	(1,045)
	Futures account		—	(301)

#### Notes:

- The maximum outstanding balance during the six months ended 30 June 2023 was approximately HK\$1,784,000.
- The maximum outstanding balance during the six months ended 30 June 2023 was approximately HK\$15,378,000.
- The outstanding balance of cash account represents the net balance of the account at the end of the reporting period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 14. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

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

Key management includes executive directors and senior management of the Group. The remuneration of key management during the six months ended 30 June 2023 and 2022 are as follows:

	Six months ended 30 June	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Salaries and other benefits in kind	3,209	3,617
Contributions to retirement benefit scheme	45	49
	<b>3,254</b>	<b>3,666</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2023

### 15. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

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

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

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

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

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

The following table presents the Group's financial assets that are measured at fair value at 30 June 2023 and 31 December 2022:

Financial assets	Fair value		Fair value hierarchy	Valuation technique
	As at 30 June 2023 HK\$'000 (Unaudited)	As at 31 December 2022 HK\$'000 (Audited)		
<i>Financial assets at fair value through profit or loss</i>				
Listed equity securities	6,461	7,784	Level 1	Quoted market price in an active market
Units in unlisted investment fund	7,947	9,956	Level 2	Net assets value of the fund

There were no transfers between the different levels of the fair value hierarchy during the six months ended 30 June 2023.

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is principally engaged in the provision of brokerage services, placing and underwriting services, corporate finance advisory services, financing services including securities and initial public offering (“IPO”) financing, and asset management services.

The Group’s revenue increased substantially from approximately HK\$3,931,000 for the six months ended 30 June 2022 (the “**Corresponding Period**”) to approximately HK\$7,993,000 for the six months ended 30 June 2023 (the “**Current Period**”), representing a period-on-period increase of approximately 103.3%. 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), the loss and total comprehensive expense attributable to owners of the Company dropped significantly by approximately 56.4% from approximately HK\$22,722,000 for the Corresponding Period to approximately HK\$9,906,000 for the Current Period.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group increased significantly by approximately 103.3% from approximately HK\$3,931,000 for the Corresponding Period to approximately HK\$7,993,000 for the Current Period.

Commission from brokerage services decreased by approximately 22.7% from approximately HK\$1,172,000 for the Corresponding Period to approximately HK\$906,000 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 half of 2023.

Placing and underwriting commission and service fee increased significantly by approximately 397.8% from approximately HK\$540,000 for the Corresponding Period to approximately HK\$2,688,000 for the Current Period. The Group completed two (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 one (Corresponding Period: four) placing engagement contributed a total commission income of approximately HK\$88,000 (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).

Corporate finance advisory services fee increased significantly by approximately 221.2% from HK\$330,000 for the Corresponding Period to HK\$1,060,000 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 seven engagements in the Current Period.

Interest income from securities and IPO financing increased significantly by approximately 115.7% from approximately HK\$1,296,000 for the Corresponding Period to approximately HK\$2,796,000 for the Current Period. Such increase was mainly attributable to the increasing demand from client for securities and IPO financing services.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Revenue (Continued)

Asset management services fee decreased slightly by approximately 8.4% from approximately HK\$593,000 for the Corresponding Period to approximately HK\$543,000 for the Current Period. The management fee dropped slightly from approximately HK\$593,000 for the Corresponding Period to approximately HK\$543,000 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 2021.

#### Other income

Other income decreased by approximately 24.8% from approximately HK\$1,319,000 for the Corresponding Period to approximately HK\$992,000 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\$376,000).

#### 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\$3,193,000 (Corresponding Period: approximately HK\$12,302,000), including (a) fair value loss of listed equity securities of approximately HK\$1,184,000 (Corresponding Period: gain of approximately HK\$187,000); and (b) fair value loss of an unlisted investment fund of approximately HK\$2,009,000 (Corresponding Period: gain of approximately HK\$181,000).

The fair value loss of listed equity securities comprised unrealised loss of approximately HK\$1,167,000 and realised loss of approximately HK\$17,000, while the fair value loss of an unlisted investment fund comprised unrealised loss of approximately HK\$2,009,000. 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

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

Administrative and other operating expenses decreased slightly by approximately 0.7% from approximately HK\$15,536,000 for the Corresponding Period to approximately HK\$15,435,000 for the Current Period. Such decrease was mainly due to the decrease in total employee benefits expense by approximately HK\$75,000 for the Current Period.

#### **Finance costs**

Finance costs increased significantly by approximately 5.6 times from approximately HK\$40,000 for the Corresponding Period to approximately HK\$263,000 for the Current Period. Such increase was mainly due to the utilisation of the unsecured revolving loan for financing for the Current Period.

#### **Loss for the period**

As a result of the foregoing, loss of approximately HK\$9,906,000 for the Current Period was recorded as compared to that of approximately HK\$22,722,000 for the Corresponding Period.

### **PROSPECTS**

As the market expects interest rates in developed economies to remain high for some time, with a host of factors (such as tightened financial conditions, geopolitics, and the global and Mainland economic situations) have put Hong Kong's financial market performance under pressure. According to the advance estimates announced by the Census and Statistics Department of Hong Kong on 31 July 2023, Hong Kong's economic growth slowed to 1.5% in the second quarter of 2023 over a year earlier, compared with the increase of 2.9% in the first quarter of 2023. The average daily turnover of the Hong Kong stock market was HK\$102.8 billion in the second quarter of 2023, representing approximately 20% lower than that in the first quarter of 2023. Following the 25-basis point upward adjustment in the target range for the US federal funds rate on 26 July 2023, major banks in Hong Kong further raised their prime rates and the deposit rates by 0.125% on 27 July 2023. It is expected that the further increase in the interest rates will put more pressure on the Hong Kong stock markets.

In view of the above, 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.

Subsequent to 30 June 2023 and up to the date of this announcement, the Group had two placing and underwriting engagements and three corporate finance advisory engagements in progress.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEE INFORMATION

As at 30 June 2023, the Group had 26 employees (31 December 2022: 26 employees) and 10 account executives (31 December 2022: 8 account executives). Total staff costs (including directors' remuneration) were approximately HK\$8,985,000 for the Current Period (Corresponding Period: approximately HK\$9,060,000).

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

The Group also has a share option scheme in place to reward and motivate employees. Details of which please refer to the paragraph headed "SHARE OPTION SCHEME".

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### LIQUIDITY AND FINANCIAL RESOURCES

During the Current Period, the Group mainly financed its operations, capital expenditures and other capital requirements by internal resources.

As at 30 June 2023,

- (i) the total assets of the Group amounted to approximately HK\$189,762,000 (31 December 2022: approximately HK\$193,517,000). Such decrease in total assets was mainly attributable to (a) the decrease in financial assets at FVTPL by approximately HK\$3,332,000 due to the recognition of fair value loss of listed equity securities and an unlisted investment fund of approximately HK\$3,193,000; and (b) the depreciation of right-of-use assets of approximately HK\$800,000 during the Current Period;
- (ii) the total equity attributable to owners of the Company amounted to approximately HK\$139,478,000 (31 December 2022: approximately HK\$149,384,000). Such decrease in total equity attributable to owners of the Company was mainly attributable to the loss and total comprehensive expense attributable to owners of the Company of approximately HK\$9,906,000 recorded for the Current Period;
- (iii) the net current assets of the Group amounted to approximately HK\$106,470,000 (31 December 2022: approximately HK\$112,840,000) and the current ratio of the Group, being the ratio of current assets to current liabilities, decreased to approximately 3.1 times (31 December 2022: approximately 3.6 times);
- (iv) the total bank balances and cash of the Group, which were substantially denominated in Hong Kong Dollars, amounted to approximately HK\$55,090,000 (31 December 2022: approximately HK\$55,353,000). Such decrease was mainly due to the net cash used in operating activities of approximately HK\$6,401,000 which was partially offset by the net cash deposits by the Group's client of approximately HK\$5,372,000 during the Current Period.
- (v) the Group had unsecured revolving loan of approximately HK\$8,007,000 (31 December 2022: approximately HK\$6,005,000) and the gearing ratio of the Group, as calculated by the total debt divided by the total equity, was approximately 5.7% (31 December 2022: approximately 4.0%).

### CHARGES ON THE GROUP'S ASSETS

The Group did not have any charges of assets as at 30 June 2023 (31 December 2022: Nil).

### FOREIGN EXCHANGE EXPOSURE

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **SIGNIFICANT INVESTMENTS**

The Group did not hold any significant investments as at 30 June 2023.

### **MATERIAL ACQUISITIONS OR DISPOSALS**

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

### **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

As at the date of this announcement, there was no plan authorised by the Board for any material investments or additions of capital assets.

### **COMMITMENTS**

As at 30 June 2023, the Group had commitment for future minimum lease payments under a non-cancellable operating lease in respect of rented office premises of HK\$1,962,000 (31 December 2022: Nil). Operating lease relates to office premises with a lease term of one year.

As at 30 June 2023, the Group did not have any capital commitments (31 December 2022: Nil).

### **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 30 June 2023 (31 December 2022: Nil).

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

Subsequent to 30 June 2023 and up to the date of this announcement, there was no other significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

## OTHER INFORMATION

### INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS

As at 30 June 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	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 June 2023.

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

Save as disclosed above, as at 30 June 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 June 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 (“Irregular”) (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" in this announcement, at no time during the Current Period and as at 30 June 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 and July 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 and 1 April 2023 to 30 June 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.

## **OTHER INFORMATION**

### **SHARE CAPITAL**

The Company did not issue any equity securities (including securities convertible into equity securities) for cash during the Current Period as set out in Rule 18.32 of the GEM Listing Rules. Details of movements in the share capital of the Company during the Current Period are set out in Note 13 to the unaudited condensed consolidated financial statements.

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

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

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

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

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

## OTHER INFORMATION

### 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 30 June 2023, the outstanding amount of the Advance to Profit Gold of approximately HK\$17,042,000 represented approximately 9.0% and 12.2% of the consolidated total assets and net assets of the Group as at 30 June 2023, respectively.

Save as disclosed above, as at 30 June 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.

### THE BOARD

The Board currently consists of six members including three executive Directors (being Mr. Pan, Mr. Kwan and Ms. Yu Hoi Ling) and three independent non-executive Directors (being Mr. Lau Hon Kee, Mr. Sum Loong and Ms. Yue Chung Sze Joyce). In compliance with Rules 5.05(1) & (2) and Rule 5.05A of the GEM Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board and at least one of them has appropriate professional qualifications, or accounting or related financial management expertise. The Board is of the view that the Board comprises members with diversified background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of various stakeholders of the Company.

### CHANGES IN THE INFORMATION OF THE DIRECTORS

The following sets out the changes in the information of the Directors that are subject to disclosure pursuant to Rule 17.50A(1) of the GEM Listing Rules during the Current Period:

- with effect from 1 July 2023, the monthly remuneration of Ms. Yu Hoi Ling, an executive Director, has been increased to HK\$33,000.

The above increment has been reviewed and approved by the remuneration committee of the Company and the Board respectively.

## **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 interim results of the Group for the Current Period and is of the opinion that such results have complied with applicable accounting standards and GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 10 August 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