



## Excalibur Global Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8350



Third Quarterly Report **2019**

## 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

This report, for which the directors (the "**Directors**") of Excalibur Global 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.



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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Poon Kwok Wah Allan  
(*Chairman and Chief Executive Officer*)  
Mr. Chan Ying Leung  
Ms. Lee Mei Chun

#### Independent Non-executive Directors

Mr. Chin Kam Cheung  
Mr. Ang Wayne Wu-yee  
Mr. Siu Miu Man, M. H.

### COMPANY SECRETARY

Mr. Lo Wai Hang

### AUTHORISED REPRESENTATIVES

Mr. Poon Kwok Wah Allan  
Mr. Chan Ying Leung

### MEMBERS OF AUDIT COMMITTEE

Mr. Chin Kam Cheung (*Chairman*)  
Mr. Ang Wayne Wu-yee  
Mr. Siu Miu Man, M. H.

### MEMBERS OF REMUNERATION COMMITTEE

Mr. Ang Wayne Wu-yee (*Chairman*)  
Mr. Siu Miu Man, M. H.  
Mr. Chin Kam Cheung

### MEMBERS OF NOMINATION COMMITTEE

Mr. Poon Kwok Wah Allan (*Chairman*)  
Mr. Ang Wayne Wu-yee  
Mr. Siu Miu Man, M. H.

### COMPLIANCE ADVISER

Alliance Capital Partners Limited  
Room 1502-03A  
15/F Wing On House  
71 Des Voeux Road Central  
Hong Kong

### AUDITOR

KPMG  
*Certified Public Accountants*

### REGISTERED OFFICE

PO Box 1350, Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2512, Cosco Tower  
183 Queen's Road Central  
Hong Kong  
Tel: (852) 2526-0388  
Fax: (852) 2526-0618

### PRINCIPAL BANKERS

Hang Seng Bank Limited  
Bank of Communications  
Company Limited

## CORPORATE INFORMATION (CONTINUED)

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited  
PO Box 1350, Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 54, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2980-1333  
Fax: (852) 2810-8185

### STOCK CODE

8350

### WEBSITE

<http://www.excalibur.com.hk>

## MANAGEMENT DISCUSSION AND ANALYSIS

### GENERAL

During the nine months ended 30 September 2019 (the “**Period**”), the Company and its subsidiaries (collectively the “**Group**”) was principally engaged in brokerage business in futures and options products being traded in Hong Kong and overseas markets, together with the stock options and securities being traded in the Stock Exchange and margin financing business.

### OPERATION REVIEW

The brokerage commission income received during the Period decreased significantly from approximately HK\$37.6 million for nine months ended 30 September 2018 (the “**Corresponding Period**”) to approximately HK\$18.2 million for the Period. The decrease of approximately HK\$19.4 million was mainly resulted from the sudden drop of brokerage commission income in the third quarter of 2019. In this quarter alone, the commission income was approximately HK\$3.2 million, representing a decrease of approximately HK\$15.1 million as compared to commission income of approximately HK\$18.3 of million received in the third quarter of 2018.

Among the entire commission fee received during the Period, approximately HK\$12.9 million commission fee was derived from trading of index futures and options as compared to approximately HK\$22.1 million for the Corresponding Period.

### FINANCIAL REVIEW

During the Period, the Group recorded total revenue of approximately HK\$18.2 million, representing a decrease of approximately HK\$19.4 million as compared with the Corresponding Period. Loss for the Period of approximately HK\$5.6 million was recorded, as compared with the profit of approximately HK\$13.8 million for the Corresponding Period.

Salaries and other benefits increased by 15.6% mainly due to increase in salary level and manpower for business expansion of the Group starting from early 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Other operating and administrative expenses increased by approximately HK\$4.6 million or approximately 33.9% mainly due to (i) increase in marketing expenses by approximately HK\$3.0 million in order to promote the brand name of the Group in the People's Republic of China ("PRC"); and (ii) increase in depreciation expenses due to acquisition of computer equipment in order to improve the IT capacity of the Group.

### OUTLOOK

The uncertainties arised from the escalating US-China trade war and the worsening local political clashes in Hong Kong continued to affect the investment sentiments of the Group's customers in the third quarter, which severely impact the commission income from the brokerage business in futures and options. The management believes that these difficult periods may also affect the financial performance of the Group in the fourth quarter of 2019 or even in the first quarter of 2020.

Besides, China's slowing economy has a negative impact on the interests of speculative trading from the Group's customers from PRC as they are more interested in safer and more conservative investment products. As these customers are often willing to pay higher fees for premium services, their loss of interest in speculative trading hit the commission income of the Group. The management is trying every effort to minimise the impact to the Group's financial performance.

The board of Directors (the “**Board**”) of the Company presents the unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2019, together with the comparative unaudited figures for the corresponding periods in 2018, as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2019  
(Expressed in Hong Kong dollars)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
<b>Revenue</b>	3	<b>3,159</b>	18,294	<b>18,225</b>	37,636
Other net loss	4	<b>(4)</b>	(56)	<b>(160)</b>	(133)
Salaries and other benefits	5(a)	<b>(1,974)</b>	(1,729)	<b>(5,945)</b>	(5,141)
Other operating and administrative expenses	5(b)	<b>(7,692)</b>	(5,709)	<b>(18,276)</b>	(13,654)
Listing expenses		–	–	–	(1,337)
<b>(Loss)/profit before tax</b>	5	<b>(6,511)</b>	10,800	<b>(6,156)</b>	17,371
Income tax credit/(expenses)	6	<b>877</b>	(1,929)	<b>606</b>	(3,555)
<b>(Loss)/profit for the period and total comprehensive income for the period</b>		<b>(5,634)</b>	8,871	<b>(5,550)</b>	13,816
Attributable to:					
Equity shareholders of the Company		<b>(5,634)</b>	8,871	<b>(5,550)</b>	13,816
<b>Total comprehensive income for the period</b>		<b>(5,634)</b>	8,871	<b>(5,550)</b>	13,816
<b>(Losses)/earnings per share</b>					
Basic and diluted (cents)	7	<b>(0.70)</b>	1.11	<b>(0.69)</b>	1.75

The Group has no components of comprehensive income other than “(loss)/profit for the period” in either of the periods presented. Accordingly, the Group’s “total comprehensive income” was the same as the “(loss)/profit for the period” in both periods.



# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2019 (Expressed in Hong Kong dollars)

	Share capital HK\$'000	Share premium HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Other reserves HK\$'000	Total HK\$'000
<b>Balance at 31 December 2017</b>					
<b>(Audited)</b>	6,000	–	10,055	(2,799)	13,256
Impact on initial application of HKFRS 9	–	–	(14)	–	(14)
<b>Balance at 1 January 2018</b>	6,000	–	10,041	(2,799)	13,242
Profit and total comprehensive income for the period	–	–	13,816	–	13,816
Issuance of ordinary shares under IPO, net of share issuance expenses	2,000	68,009	–	–	70,009
Dividend paid	–	–	(16,000)	–	(16,000)
<b>At 30 September 2018 (Unaudited)</b>	8,000	68,009	7,857	(2,799)	81,067
<b>At 1 January 2019 (Audited)</b>	8,000	68,009	5,524	(2,799)	78,734
Loss and total comprehensive income for the period	–	–	(5,550)	–	(5,550)
Interim dividends declared and paid in respect of current period	–	–	(8,800)	–	(8,800)
<b>At 30 September 2019 (Unaudited)</b>	8,000	68,009	(8,826)	(2,799)	64,384

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION

## 1 CORPORATE INFORMATION

Excalibur Global Financial Holdings Limited (the “**Company**”) was incorporated in Cayman Islands on 13 July 2016 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands.

The Company has not carried on any business since the date of its incorporation save for the group reorganisation (the “**Reorganisation**”) on 12 October 2017. The Company and its subsidiaries (together, the “**Group**”) mainly provide brokerage services for futures and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. The Group commenced the stock options and securities broking and margin financing business since February 2019.

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group. The Group has established two subsidiaries, Excalibur Finance Limited and Shenzhen Qianhai Excalibur Investment Consulting Limited in 2018. There is no actual business operation of the two subsidiaries as at 30 September 2019.

In connection with the listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), 200,000,000 new ordinary shares of HK\$0.01 each of the Company were issued at a price of HK\$0.40 per share for a total cash consideration, before expenses, of HK\$80,000,000. Dealings in the shares of the Company on GEM of the Stock Exchange commenced on 12 January 2018.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed consolidated results have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong. These unaudited condensed consolidated results also comply with the applicable disclosure provisions of the GEM Listing Rules and the disclosure requirements of the Hong Kong Companies Ordinance. These unaudited condensed consolidated results have been prepared under historical cost convention except for certain financial instruments which are measured at fair value. The unaudited condensed consolidated results are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

The principal accounting policies applied in the preparation of the unaudited condensed consolidated results are consistent with those adopted in the preparation of the annual consolidated financial statements of the Group for the year ended 31 December 2018.

The application of the new or revised HKFRSs in the current period has had no material effect on the amounts reported in the unaudited condensed consolidated quarterly financial information and/or disclosures set out in the unaudited condensed consolidated quarterly financial information.

The quarterly results are unaudited but have been reviewed by the audit committee of the Company.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

### 3 REVENUE

The principal activities of the Group are futures and options, stock options and securities broking and margin financing business.

Revenue represents the brokerage commission from futures and options, stock options and securities broking, also interest income arising from margin loan financing.

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Brokerage commission income				
derived from:				
Futures and options trading business				
Hong Kong market	1,302	3,335	6,089	7,888
Overseas markets	1,636	14,959	11,804	29,748
Stock options trading business	37	–	81	–
Securities trading business	6	–	13	–
Interest income derived from margin financing	178	–	238	–
	<b>3,159</b>	18,294	<b>18,225</b>	37,636

### 4 OTHER NET LOSS

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	4	–	22	62
Exchange loss, net	(18)	(63)	(227)	(258)
Loss on financial assets at fair value through profit or loss	(6)	(16)	(13)	(22)
Sundry income	16	23	58	71
Reversal of provision for doubtful debts	–	–	–	14
	<b>(4)</b>	(56)	<b>(160)</b>	(133)

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

### 5 (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax is arrived at after charging:

#### (a) Staff costs (including directors' remuneration)

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and allowances	1,907	1,657	5,697	4,927
Staff welfares	2	8	34	22
Retirement scheme contributions	65	64	214	192
	1,974	1,729	5,945	5,141

#### (b) Other operating and administrative expenses

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditor's remuneration	250	300	745	853
Depreciation of property and equipment	150	37	462	84
Operating lease expenses in respect of rented premises	689	650	1,999	1,949

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

### 6 INCOME TAX CREDIT/(EXPENSES)

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Current tax</b>				
Hong Kong Profits Tax	<b>877</b>	(1,929)	<b>606</b>	(3,555)

The provision for Hong Kong Profits Tax for the nine months ended 30 September 2019 and 2018 is calculated at 8.25% on the assessable profits up to HK\$2 million and 16.5% on any part of the assessable profits over HK\$2 million.

### 7 (LOSSES)/EARNINGS PER SHARE

	Three months ended		Nine months ended	
	30 September		30 September	
	2019	2018	2019	2018
	HK Cent	HK Cent	HK Cent	HK Cent
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted (losses)/earnings per share	<b>(0.70)</b>	1.11	<b>(0.69)</b>	1.75

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED QUARTERLY FINANCIAL INFORMATION (CONTINUED)

### 7 (LOSSES)/EARNINGS PER SHARE (CONTINUED)

The (losses)/earnings for the period and weighted average number of ordinary shares used in the calculation of the basic and diluted (losses)/earnings per share are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit for the period attributable to the equity shareholders of the Company	<b>(5,634)</b>	8,871	<b>(5,550)</b>	13,816
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<b>800,000,000</b>	800,000,000	<b>800,000,000</b>	791,208,791

No adjustment has been made to the basic (losses)/earnings per share amounts presented for the nine months ended 30 September 2019 and 2018 as the Group has no potentially dilutive ordinary shares in issue during the nine months ended 30 September 2019 and 2018.

### 8 DIVIDENDS

The Board did not declare any payment of the dividend for the three months ended 30 September 2019 (three months ended 30 September 2018: HK1 cent per share).

## OTHER INFORMATION

### DIVIDEND

The Board of Directors did not declare any payment of dividend for the three months ended 30 September 2019 (three months ended 30 September 2018: HK1 cent per share).

### EVENT AFTER THE REPORTING PERIOD

After the reporting period and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors.

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which were required (i) 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 (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by Directors were as follows:

#### Long Position in the Shares of the Company

Name of Directors	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company
Mr. Poon Kwok Wah Allan (Notes 3 and 4)	Beneficial owner; interest held jointly with another person	559,496,000 (L)	69.94%
Mr. Chan Ying Leung (Notes 3 and 5)	Beneficial owner; interest held jointly with another person	559,496,000 (L)	69.94%



## OTHER INFORMATION (CONTINUED)

### Notes:

1. The letter "L" denotes long position of shares.
2. The total number of the issued shares of the Company as at the date of this report was 800,000,000.
3. On 27 October 2017, Mr. Poon Kwok Wah Allan and Mr. Chan Ying Leung (the "**Controlling Shareholders**") entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, amongst other things, that they are parties acting in concert in respect of each of the members of the Company. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders is deemed to be interested in 69.94% of the issued share capital of the Company.
4. 559,496,000 shares in which Mr. Poon Kwok Wah Allan is interested consist of (i) 271,496,060 shares held by him; and (ii) 287,999,940 shares in which Mr. Chan Ying Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Poon Kwok Wah Allan.
5. 559,496,000 shares in which Mr. Chan Ying Leung is interested consist of (i) 287,999,940 shares held by him; and (ii) 271,496,060 shares in which Mr. Poon Kwok Wah Allan is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan Ying Leung.

Save as disclosed above, as at 30 September 2019, none of the Directors and chief executive of the Company has any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) 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/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) to be entered into the register required to be kept therein, pursuant to Section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 of the GEM Listing Rules relating to the required standard of dealings by directors.

## OTHER INFORMATION (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as known to the Directors, as at 30 September 2019, the following persons had or were deemed to have interests in shares or underlying shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

#### Long Position in the Shares and underlying Shares of the Company

Name of shareholders	Capacity/ Nature of interest	Number of shares held	Approximate percentage of issued share capital of the Company
Mr. Poon Kwok Wah Allan (Notes 3 and 4)	Beneficial owner; interest held jointly with another person	559,496,000 (L)	69.94%
Mr. Chan Ying Leung (Notes 3 and 5)	Beneficial owner; interest held jointly with another person	559,496,000 (L)	69.94%

Notes:

- The letter "L" denotes long position of shares.
- The total number of the issued shares of the Company as at the date of this report was 800,000,000.
- On 27 October 2017, the Controlling Shareholders entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, amongst other things, that they are parties acting in concert in respect of each of the members of the Company. As such, pursuant to the parties acting in concert arrangement, each of the Controlling Shareholders is deemed to be interested in 69.94% of the issued share capital of the Company.

## OTHER INFORMATION (CONTINUED)

4. 559,496,000 shares in which Mr. Poon Kwok Wah Allan is interested consist of (i) 271,496,060 shares held by him; and (ii) 287,999,940 shares in which Mr. Chan Ying Leung is deemed to be interested as a result of being a party acting-in-concert with Mr. Poon Kwok Wah Allan.
5. 559,496,000 shares in which Mr. Chan Ying Leung is interested consist of (i) 287,999,940 shares held by him; and (ii) 271,496,060 shares in which Mr. Poon Kwok Wah Allan is deemed to be interested as a result of being a party acting-in-concert with Mr. Chan Ying Leung.

Save as disclosed above, as at 30 September 2019, the Company has not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

### SHARE OPTION SCHEME

The Company has adopted a share option scheme on 19 December 2017 (the “**Scheme**”) as approved by a written resolution of all shareholders of the Company passed on 19 December 2017. No share option has been granted under the Scheme since its adoption and up to the date of this report.

### DIRECTORS’ RIGHT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed in the paragraph headed “Share Option Scheme” in this report, at no time during the nine months ended 30 September 2019 was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or chief executive of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the nine months ended 30 September 2019, none of the Directors or the Controlling Shareholders or their respective close associates (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed with or might compete with the business of the Group.

## OTHER INFORMATION (CONTINUED)

### INTERESTS OF THE COMPLIANCE ADVISER

As notified by Alliance Capital Partners Limited, the Company's compliance adviser, neither it nor any of its directors or employees or close associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) or otherwise in relation to the Company which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules (except for the compliance adviser agreement entered into between the Company and Alliance Capital Partners Limited on 22 February 2017 (the "**Compliance Adviser Agreement**")) as at 30 September 2019. Pursuant to the Compliance Adviser Agreement, Alliance Capital Partners Limited has received and will receive fees for acting as the Company's compliance adviser.

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the shareholders of the Company, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and practices as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company's corporate governance practices.

During the nine months ended 30 September 2019, the Company has complied with the applicable code provisions as set out in the CG Code except for the deviation from code provision A.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

## OTHER INFORMATION (CONTINUED)

Mr. Poon Kwok Wah Allan is the Chairman and the Chief Executive Officer of the Company and is responsible for the overall strategic planning, business development and operational management of the Group. In view of Mr. Poon Kwok Wah Allan has joined the Group in September 2000 as the general manager of Excalibur Global Financial Group Limited (駿溢環球金融集團有限公司), (formerly known as Home Great Investment Limited (亨偉投資有限公司), Excalibur Futures Limited (加利保期貨有限公司), and Excalibur Futures Limited (駿溢期貨有限公司)), the key operating subsidiary of the Company, the Board believes that it is in the best interest of the Group to have Mr. Poon Kwok Wah Allan to take up both roles for effective management and business development of the Group. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

The Company will periodically review and improve its corporate governance practices with reference to the latest development of corporate governance.

### CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS

The Company has adopted the Required Standard of Dealings as the code for securities transactions by the Directors on the guidelines as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the nine months ended 30 September 2019.

The Company has also adopted written guidelines as the code for securities transactions by relevant employees of the Group who are likely to possess inside information in relation to the Company or its securities based on the Required Standard of Dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. No incidence of non-compliance of this code by the relevant employees was noted by the Company.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the nine months ended 30 September 2019.

## OTHER INFORMATION (CONTINUED)

### AUDIT COMMITTEE

The Company has established its audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The primary duties of the Audit Committee are to review the Company’s annual report and accounts, interim report and quarterly reports and to provide advices and comments thereon to the Board. The Audit Committee will also be responsible for reviewing and supervising the Company’s financial reporting, risk management and internal control systems. The Audit Committee comprises three independent non-executive Directors, namely Mr. Chin Kam Cheung (chairman of the Audit Committee), Mr. Ang Wayne Wu-ye and Mr. Siu Miu Man, M.H.. Mr. Chin Kam Cheung possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules.

The Group’s unaudited results for the nine months ended 30 September 2019 have been reviewed by the Audit Committee which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosures have been made.

By order of the Board  
**Excalibur Global Financial Holdings Limited**  
**Poon Kwok Wah Allan**  
*Chairman*

Hong Kong, 8 November 2019