



Excalibur Global Financial Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8350

A collage of several hexagonal images arranged in a cluster. The images include: a green circuit board with glowing lights; a blurred green and yellow scene; a close-up of a blue and red mechanical gear; a close-up of a white gear; and a close-up of a white gear with the word "INVENT" partially visible. The background is a light green and white bokeh effect with a faint world map.

Third Quarterly Report

2020

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.

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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.

CONTENTS

Corporate Information	2
Management Discussion and Analysis	4
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Unaudited Condensed Consolidated Statement of Changes in Equity	7
Notes to the Unaudited Condensed Consolidated Quarterly Financial Information	8
Other Information	14

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.

MEMBERS OF RISK MANAGEMENT COMMITTEE

Mr. Siu Miu Man, M.H. *(Chairman)*
Mr. Poon Kwok Wah Allan
Ms. Lee Mei Chun

COMPLIANCE ADVISER

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

AUDITOR

Asian Alliance (HK) CPA Limited

REGISTERED OFFICE

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

CORPORATE INFORMATION (CONTINUED)

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

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 2020 (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

In the third quarter of 2020, the travel restriction and voluntary quarantine arrangement imposed by the Government of the Hong Kong Special Administrative Region (the “**Government of HKSAR**”) due to the outbreak of Coronavirus Disease 2019 (“**COVID-19**”) continued to affect the client acquisition process of the Group. The lack of new high net wealth clients from the People’s Republic of China (“**PRC**”) is one of the main reasons for the drop in revenue during the Period compared to the nine months ended 30 September 2019 (“**Corresponding Period**”). Investors, including customers, preferred to adopt a “wait and see” attitude, and less trade were made by the customers during the Period.

The Group rolled out several additional plans in the second half of 2020 with a view to improve the business performance of the Group as below:

- 1) Enhancement of customer service was offered to high net worth customers in this quarter to encourage them to engage in more trade.
- 2) The Group started to discuss with several social media platforms on the promotion to potential younger customer group and would continue to work with them.
- 3) The Group engaged a vendor to integrate the remote certification and validation into the online application system of the Group for potential new customers located in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FINANCIAL REVIEW

During the Period, the Group recorded a total revenue of approximately HK\$8.6 million, representing a decrease of approximately HK\$9.6 million from approximately HK\$18.2 million recorded in the Corresponding Period. Loss for the Period of approximately HK\$12.6 million was recorded, representing an increase of approximately HK\$7.0 million as compared to the loss of approximately HK\$5.6 million for the Corresponding Period.

Salaries and other benefits expenses increased by approximately HK\$2.4 million or approximately 40.2%, which was mainly due to the payment of the one-off discretionary bonus of HK\$2.0 million to the executive Directors of the Group during the Period.

Other operating and administrative expenses decreased by approximately HK\$1.6 million or approximately 8.6%, which was mainly due to (i) decrease in marketing expenses incurred during the Period; and (ii) decrease in trade-related expenses as the trade volume decreased during the Period; and which was partially offset by the operational expenses incurred by the subsidiary in the PRC.

OUTLOOK

The financial markets around the world for the rest of 2020 are expected to be volatile due to the COVID-19 pandemic and the presidential election in the United States of America. It is hoped that the lifting of entry regulation and 14-day quarantine arrangement for inbound travelers from the Mainland China by the Government of HKSAR could allow potential customers in the PRC to travel to Hong Kong and complete the account opening procedures. The Group foresees that the performance of the Group may continue to be affected until 2021 when the COVID-19 pandemic eases and the domestic and global markets show signs of recovery.

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 2020, together with the comparative unaudited figures for the corresponding periods in 2019, as follows:

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

For the three months and nine months ended 30 September 2020
(Expressed in Hong Kong dollar)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Revenue	3	2,521	3,159	8,643	18,225
Other net income/(loss)	4	756	(4)	2,106	(160)
Salaries and other benefits	5(a)	(2,081)	(1,974)	(8,333)	(5,945)
Other operating and administrative expenses	5(b)	(7,506)	(7,692)	(16,711)	(18,276)
Loss before tax	5	(6,310)	(6,511)	(14,295)	(6,156)
Income tax credit	6	780	877	1,719	606
Loss for the period and total comprehensive loss for the period		(5,530)	(5,634)	(12,576)	(5,550)
Attributable to:					
Equity shareholders of the Company		(5,530)	(5,634)	(12,576)	(5,550)
Total comprehensive loss for the period		(5,530)	(5,634)	(12,576)	(5,550)
Losses per share					
Basic and diluted (cents)	7	(0.69)	(0.70)	(1.57)	(0.69)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2020 (Expressed in Hong Kong dollar)

	Share capital HK\$'000	Share premium HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Other reserves HK\$'000	Total HK\$'000
At 1 January 2019 (Audited)	8,000	68,009	5,524	(2,799)	78,734
Loss and total comprehensive loss for the period	–	–	(5,550)	–	(5,550)
Interim dividends declared and paid	–	–	(8,000)	–	(8,000)
At 30 September 2019 (Unaudited)	8,000	68,009	(8,026)	(2,799)	63,384
At 1 January 2020 (Audited)	8,000	68,009	(19,811)	(2,799)	53,399
Loss and total comprehensive loss for the period	–	–	(12,576)	–	(12,576)
At 30 September 2020 (Unaudited)	8,000	68,009	(32,387)	(2,799)	40,823

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 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.

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 dollar (“**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 2019.

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	
	2020	2019	2020	2019
	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	989	1,302	3,864	6,089
Overseas markets	1,338	1,636	4,205	11,804
Stock options trading business	47	37	137	81
Securities trading business	23	6	48	13
Interest income derived from margin financing	124	178	389	238
	2,521	3,159	8,643	18,225

4 OTHER NET INCOME/(LOSS)

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	–	4	40	22
Exchange gain/(loss), net	260	(18)	324	(227)
Loss on financial assets at fair value through profit or loss	(5)	(6)	(3)	(13)
Government grants	482	–	1,071	–
Rental income	–	–	618	–
Sundry income	19	16	56	58
	756	(4)	2,106	(160)

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

5 LOSS BEFORE TAX

Loss before tax is arrived at after charging:

(a) Staff costs (including directors' remuneration)

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Directors' fee	210	210	630	630
Salaries, allowance and benefits in kind	1,795	1,699	5,474	5,101
Discretionary bonus to executive directors	–	–	2,000	–
Retirement scheme contributions	76	65	229	214
	2,081	1,974	8,333	5,945

(b) Other operating and administrative expenses

	Three months ended 30 September		Nine months ended 30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Auditors' remuneration	120	250	362	745
Depreciation of property and equipment	145	150	443	462
Depreciation of right-of-use assets	1,027	7	2,741	22
Short-term operating lease expenses in respect of rental premises	277	689	690	1,999

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

6 INCOME TAX CREDIT

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Deferred tax movement				
Hong Kong Profits Tax credit	780	877	1,719	606

7 LOSSES PER SHARE

	Three months ended		Nine months ended	
	30 September		30 September	
	2020	2019	2020	2019
	HK Cent	HK Cent	HK Cent	HK Cent
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Basic and diluted losses per share	(0.69)	(0.70)	(1.57)	(0.69)

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

7 LOSSES PER SHARE (CONTINUED)

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

	Three months ended 30 September		Nine months ended 30 September	
	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2019 HK\$'000 (Unaudited)
Loss for the period attributable to the equity shareholders of the Company	(5,530)	(5,634)	(12,576)	(5,550)
Weighted average number of ordinary shares for the purpose of basic and diluted losses per share	800,000,000	800,000,000	800,000,000	800,000,000

No adjustment has been made to the basic losses per share amounts presented for the three months and nine months ended 30 September 2020 and 2019 as the Group has no potentially dilutive ordinary shares in issue during the three months and nine months ended 30 September 2020 and 2019.

8 DIVIDENDS

The Board did not declare any payment of dividend for the nine months ended 30 September 2020 (dividend for the nine months ended 30 September 2019: HK0.1 cent per share).

OTHER INFORMATION

DIVIDEND

The Board did not declare any payment of dividend for the nine months ended 30 September 2020 (dividend for the nine months ended 30 September 2019: HK0.1 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 2020, 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 2020, 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 2020, 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:

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, 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 2020, 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 2020 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 2020, 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 2020. 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 2020, 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 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 2020.

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 2020.

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-yee 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 2020 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, 5 November 2020