



**Astrum Financial Holdings Limited**

**阿仕特朗金融控股有限公司**

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

*Stock Code: 8333*

# **FIRST QUARTERLY REPORT 2021**

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

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

## **SUMMARY**

- Revenue for the three months ended 31 March 2021 amounted to approximately HK\$4.4 million while revenue for the three months ended 31 March 2020 amounted to approximately HK\$9.0 million.
- Loss and total comprehensive expense attributable to owners of the Company for the three months ended 31 March 2021 amounted to approximately HK\$4.1 million while profit and total comprehensive income attributable to owners of the Company for the three months ended 31 March 2020 amounted to approximately HK\$1.1 million.
- Basic loss per share for the three months ended 31 March 2021 amounted to approximately HK0.47 cents while basic earnings per share for the three months ended 31 March 2020 amounted to approximately HK0.13 cents.
- At a board meeting of the Company held on 7 May 2021, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: HK\$0.005 per share).

## UNAUDITED CONDENSED CONSOLIDATED FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

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

*For the three months ended 31 March 2021*

	<i>Notes</i>	Three months ended	
		2021	2020
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Revenue	3	4,439	8,978
Other income	4	1,006	639
Net realised gain arising from financial assets at fair value through profit or loss		272	25
Net unrealised (loss)/gain arising from financial assets at fair value through profit or loss		(231)	18
Administrative and other operating expenses		(8,607)	(8,312)
Finance costs		(945)	(169)
(Loss)/profit before tax	5	(4,066)	1,179
Income tax expense	6	–	(100)
<b>(Loss)/profit and total comprehensive (expense)/income for the period attributable to owners of the Company</b>		<b>(4,066)</b>	<b>1,079</b>
<b>(Loss)/earnings per share</b>			
– Basic and diluted (HK cents)	8	<b>(0.47)</b>	0.13

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY***For the three months ended 31 March 2021*

	<b>Attributable to owners of the Company</b>					<b>Total</b>
	<b>Share capital</b>	<b>Share premium</b>	<b>Special reserve</b>	<b>Share options reserve</b>	<b>Retained profits</b>	
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Three months ended 31 March 2020</b>						
Balance at 1 January 2020 (Audited)	8,000	77,179	38,401	–	59,964	183,544
Profit and total comprehensive income for the period	–	–	–	–	1,079	1,079
Balance at 31 March 2020 (Unaudited)	<u>8,000</u>	<u>77,179</u>	<u>38,401</u>	<u>–</u>	<u>61,043</u>	<u>184,623</u>
<b>Three months ended 31 March 2021</b>						
Balance at 1 January 2021 (Audited)	<b>8,000</b>	<b>77,179</b>	<b>38,401</b>	–	<b>49,843</b>	<b>173,423</b>
Loss and total comprehensive expense for the period	–	–	–	–	<b>(4,066)</b>	<b>(4,066)</b>
Placing of new shares	<b>1,600</b>	<b>11,476</b>	–	–	–	<b>13,076</b>
Recognition of equity-settled share-based payments	–	–	–	<b>1,262</b>	–	<b>1,262</b>
Balance at 31 March 2021 (Unaudited)	<u><b>9,600</b></u>	<u><b>88,655</b></u>	<u><b>38,401</b></u>	<u><b>1,262</b></u>	<u><b>45,777</b></u>	<u><b>183,695</b></u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

### 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 of Hong Kong Limited (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 three months ended 31 March 2021 have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements under Chapter 18 of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2020.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the three months ended 31 March 2021 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2020, except in relation to the adoption of the new and revised HKFRSs (the “**New and Revised HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting beginning on 1 January 2021.

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2021

### 2. BASIS OF PREPARATION (Continued)

The Group has not early adopted the following New and Revised HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendment to HKFRS 16	Covid-19-Related Rent Concessions <sup>4</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

<sup>4</sup> Effective for annual periods beginning on or after 1 June 2020

The Group is in the process of making an assessment of the impact for those New and Revised HKFRSs, which are not yet effective, upon initial application but is not yet in a position to state whether these New and Revised 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. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

## 2. BASIS OF PREPARATION (Continued)

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 7 May 2021.

## 3. REVENUE

The Group's revenue for the three months and three months ended 31 March 2021 and 2020 are as follows:

	Three months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>		
Commission from brokerage services	1,083	447
Placing and underwriting commission	345	6,654
Corporate finance advisory services fee	723	450
Asset management services		
– Fund management and performance fee	402	328
	<b>2,553</b>	<b>7,879</b>
<b>Revenue from other sources</b>		
Interest income from securities and initial public offering financing	1,886	1,099
<b>Total revenue</b>	<b>4,439</b>	<b>8,978</b>

### Disaggregation of revenue from contracts with customers

	Three months ended 31 March	
	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
<b>Timing of revenue recognition from contracts with customers</b>		
– At a point in time	1,428	7,101
– Over time	1,125	778
	<b>2,553</b>	<b>7,879</b>



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the three months ended 31 March 2021***4. OTHER INCOME**

	<b>Three months ended 31 March</b>	
	<b>2021 HK\$'000 (Unaudited)</b>	<b>2020 HK\$'000 (Unaudited)</b>
Interest income from		
– banks	–	304
– others	1	1
Dividend income	3	–
Administrative services income	4	2
Management fee income	24	8
Handling fee income	971	324
Sundry income	3	–
	<b>1,006</b>	<b>639</b>

**5. (LOSS)/PROFIT BEFORE TAX**

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

	<b>Three months ended 31 March</b>	
	<b>2021 HK\$'000 (Unaudited)</b>	<b>2020 HK\$'000 (Unaudited)</b>
Auditors' remuneration	158	158
Commission expenses	21	1,062
Depreciation of property, plant and equipment	443	109
Depreciation of right-of-use assets	703	702
Interest expense on bank overdrafts and borrowings	942	148
Interest expense on lease liabilities	3	21
Net foreign exchange loss	–	27
Employee benefits expense:		
Salaries and other benefits	5,257	4,637
Commission to accounts executives	266	51
Contributions to retirement benefit scheme	105	90
Total employee benefits expense, including directors' emoluments	<b>5,628</b>	<b>4,778</b>

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS***For the three months ended 31 March 2021***6. INCOME TAX EXPENSE**

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Hong Kong Profits Tax:		
– Current period	–	100

Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

**7. DIVIDENDS**

At a board meeting of the Company held on 7 May 2021, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: HK\$0.005 per share).



## 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 financial results of the Group for the three months ended 31 March 2021 (the “**Current Period**”) were unsatisfactory due to the significant decrease in revenue derived from placing and underwriting services and hence, the Group recorded a loss and total comprehensive expense attributable to owners of the Company of approximately HK\$4.1 million for the Current Period as compared to the profit and total comprehensive income attributable to owners of the Company of approximately HK\$1.1 million for the three months ended 31 March 2020 (the “**Corresponding Period**”).

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group decreased significantly from approximately HK\$9.0 million for the Corresponding Period to approximately HK\$4.4 million for the Current Period, representing a decrease of approximately 51.1%.

Commission from brokerage services increased significantly from approximately HK\$0.4 million for the Corresponding Period to approximately HK\$1.1 million for the Current Period, representing an increase of approximately 175%. Such increase was attributable to the active local stock market.

Revenue derived from placing and underwriting services decreased significantly from approximately HK\$6.7 million for the Corresponding Period to approximately HK\$0.3 million for the Current Period, representing a decrease of approximately 95.5%. During the Current Period, the Group completed three placing and underwriting engagements as compared to five placing and underwriting engagements during the Corresponding Period.

Corporate finance advisory services fee increased from approximately HK\$0.5 million for the Corresponding Period to approximately HK\$0.7 million for the Current Period, representing an increase of approximately 40%. During the Current Period, the Group charged six corporate finance advisory engagements as compared to two corporate finance advisory engagements in the Corresponding Period.

Interest income from securities and IPO financing increased from approximately HK\$1.1 million for the Corresponding Period to approximately HK\$1.9 million for the Current Period, representing an increase of approximately 72.7%. Such increase was attributable to the rebound demand for margin financing service from customers and active IPO market.

Asset management services fee increased from approximately HK\$328,000 for the Corresponding Period to approximately HK\$402,000 for the Current Period, representing an increase of approximately 22.6%. The management fee remained stable at approximately HK\$363,000 for the Current Period and approximately HK\$328,000 for the Corresponding Period. For the Current Period, the Group recognised a performance fee of approximately HK\$39,000 (Corresponding Period: Nil) as the net asset value per share of Astrum Absolute Return China Fund surpassed the high water mark achieved in 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

#### **Other income**

Other income increased from approximately HK\$0.6 million for the Corresponding Period to approximately HK\$1.0 million for the Current Period, representing an increase of approximately 66.7%. Such increase was mainly due to the increase in handling fee income.

#### **Financial assets at fair value through profit or loss**

The Company has invested a certain portion of the idle cash in high quality industry leaders listed on the Stock Exchange.

Net realised gain arising from financial assets at fair value through profit or loss amounted to approximately HK\$272,000 during the Current Period (Corresponding Period: approximately HK\$25,000). Net unrealised loss arising from financial assets at fair value through profit or loss amounted to approximately HK\$231,000 during the Current Period as compared to the net unrealised gain arising from financial assets at fair value through profit or loss of approximately HK\$18,000 for the Corresponding Period.

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

Administrative and other operating expenses remained stable at approximately HK\$8.6 million for the Current Period and approximately HK\$8.3 million for the Corresponding Period.

#### **Finance costs**

Finance costs increased significantly from approximately HK\$169,000 for the Corresponding Period to approximately HK\$945,000 for the Current Period, representing an increase of approximately 459.2%. The finance costs were mainly incurred for the utilisation of IPO loans borrowed from a bank.

#### **(LOSS)/PROFIT FOR THE PERIOD**

As a result of the foregoing, loss of approximately HK\$4.1 million for the Current Period was recorded as compared to a profit of approximately HK\$1.1 million for the Corresponding Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **PROSPECTS**

In the views of the International Monetary Fund (“IMF”), global growth is projected at 6 percent in 2021, moderating to 4.4 percent in 2022. The projections for 2021 and 2022 are stronger than that in the October 2020. The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility.

Target economic growth rate of China this year has been set at 6% or above. The robust growth of economy of China could provide a major driving force for the recovery of the weakened global economy. However, the path of the pandemic, the effectiveness of vaccine-powered normalization and the evolution of financial conditions are uncertainty factors. The global and Hong Kong stock markets face continuous risks and uncertainties. The management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach so as to cope with the current unpredictable economic situation.

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

Subsequent to 31 March 2021 and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

### **INTERIM DIVIDEND**

At a board meeting of the Company held on 7 May 2021, the Board did not recommend the payment of interim dividend for the three months ended 31 March 2021 (three months ended 31 March 2020: HK\$0.005 per share).

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

As at 31 March 2021, 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 ordinary shares of HK\$0.01 each 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 Chik	Interest of a controlled corporation/Beneficial owner	532,685,000 (Note 1)	8,000,000	540,685,000	56.32%
Mr. Kwan Chun Yee Hidulf	Beneficial owner	-	8,000,000	8,000,000	0.83%

*Notes:*

1. These 532,685,000 Shares are held by Autumn Ocean Limited which is wholly owned by Mr. Pan Chik and hence, Mr. Pan Chik 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 Chik and Mr. Kwan Chun Yee Hidulf, the executive Directors, was granted on 4 January 2021 8,000,000 share options under the Scheme at an exercise price of HK\$0.096 per Share with a validity period of five years from the date of grant.
3. The percentage is calculated on the basis of 960,000,000 shares in issue as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, which would have to be recorded in the register referred to therein, or pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, which would have to be notified to the Company and the Stock Exchange.

## OTHER INFORMATION

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

So far as the Directors and the Chief Executives are aware, as at 31 March 2021, 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:

Name	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	532,685,000	8,000,000	540,685,000	56.32%
Autumn Ocean Limited	Beneficial interest	532,685,000	-	532,685,000	55.49%

#### Notes:

- Ms. Liu Ming Lai Lorna is the spouse of Mr. Pan. She is deemed, or taken to be, interested in all Shares and underlying Shares in which Mr. Pan is interested in for the purposes of the SFO.
- The percentage is calculated on the basis of 960,000,000 Shares in issue as at 31 March 2021.

Save as disclosed above, as at 31 March 2021, 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.

### SHARE OPTION SCHEME

A share option scheme (the “Scheme”) was adopted by the Company on 23 June 2016. On 4 January 2021, share options were granted to 11 eligible persons under the Scheme to subscribe for an aggregate of 80,000,000 Shares at an exercise price of HK\$0.096 per Share with a validity period of five years from the date of grant. During the three months ended 31 March 2021, no share options were lapsed, exercised or cancelled. As at 31 March 2021, there were 80,000,000 share options outstanding.



## **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 report, at no time during the Current Period and as at 31 March 2021 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**

As at 31 March 2021, none of the Directors, the substantial shareholders of the Company and 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.

### **NON-COMPETITION UNDERTAKING**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in April 2021 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 "**Deed of Non-Competition**") for the period from 1 January 2021 to 31 March 2021. The independent non-executive Directors reviewed the compliance of Pan's Undertaking and evaluated the effectiveness of the implementation of the Deed of Non-competition, and were satisfied that Mr. Pan and Autumn Ocean Limited have complied with Pan's Undertaking during the period from 1 January 2021 to 31 March 2021.

### **DIRECTORS' SECURITIES TRANSACTIONS**

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

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

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

## **OTHER INFORMATION**

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

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

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

Pursuant to A.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. Since May 2007, Mr. Pan has been managing the Group's business and supervising the overall operations of the Group. 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 A.2.1 of the CG Code.

### **DISCLOSURES UNDER RULES 17.22 TO 17.24 OF THE GEM LISTING RULES**

As at 31 March 2021, the Group had no circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

### **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 Mr. Lee Tak Cheung Vincent, both being independent non-executive Directors.

The primary duties of the Audit Committee are to (i) review and monitor the Company's external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (ii) monitor integrity of the Company's financial statements, review annual report and accounts, half-year report and quarterly reports, and review significant financial reporting judgements contained in them; and (iii) review the Company's financial reporting, financial controls, risk management and internal control systems.

The Company has complied with Rule 5.28 of the GEM Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting or related financial management expertise.

The Audit Committee had reviewed the unaudited condensed consolidated 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, 7 May 2021

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

*Executive Directors*

Mr. Pan Chik (Chairman and Chief Executive Officer)

Mr. Kwan Chun Yee Hidulf

*Independent Non-executive Directors*

Mr. Sum Loong

Mr. Lee Tak Cheung Vincent

Mr. Lau Hon Kee