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Astrum Financial Holdings Limited

阿仕特朗金融控股有限公司

(formerly known as RaffAello-Astrum Financial Holdings Limited)

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8333)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.1 each. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM. As at the date of this announcement, there are 960,000,000 Existing Shares in issue which are fully paid or credited as fully paid. Assuming no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 96,000,000 Consolidated Shares in issue which will be fully paid or credited as fully paid. The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lot size of 5,000 Consolidated Shares.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

A circular containing, amongst others, (i) further information on the Share Consolidation; (ii) a notice of the EGM; and (iii) other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 30 November 2022 as additional time is required to prepare and finalise the information to be included in the circular.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.1 each.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 2,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 960,000,000 Existing Shares have been issued as fully paid or credited as fully paid. Assuming that no further Shares will be allotted, issued or repurchased from the date of this announcement up to the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$20,000,000 divided into 200,000,000 Consolidated Shares of par value of HK\$0.1 each, of which 96,000,000 Consolidated Shares will be in issue and will be fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. There will be no change in the relative rights of the Shareholders. Other than the expenses to be incurred in relation to the Share Consolidation (including, without limitation, the relevant professional fees and printing fees), the implementation of the Share Consolidation will not, in itself, alter the underlying assets, business operations, management or financial position of the Group or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group and that on the date the Share Consolidation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Consolidation would be, unable to pay its liabilities as they become due. The Share Consolidation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions as set out above has been fulfilled.

Listing application

An application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as the compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding share options (the “**Share Options**”) under the share option scheme (the “**Share Option Scheme**”) adopted by the Company on 23 June 2016 entitling the holders thereof to subscribe for up to an aggregate of 68,000,000 Existing Shares. The proposed Share Consolidation may cause adjustments to the exercise prices of the Share Options and the number of the Consolidated Shares to be issued under the outstanding Share Options pursuant to the terms and conditions of the Share Options and under the terms and conditions of the Share Option Scheme. Further announcement will be made in respect of the said adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

No change in board lot size

The Existing Shares are currently traded on the Stock Exchange in board lot size of 5,000 Existing Shares. Upon the Share Consolidation becoming effective, the Consolidated Shares will continue to be traded in board lot size of 5,000 Consolidated Shares.

Based on the closing price of HK\$0.082 per Existing Share (equivalent to the theoretical closing price of HK\$0.82 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the theoretical market value of each board lot size of 5,000 Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$4,100.

OTHER ARRANGEMENTS

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots arrangement are recommended to consult their own professional advisers.

Free exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Wednesday, 21 December 2022, being the second Business Day immediately after the date of the EGM, Shareholders may on or after Wednesday, 21 December 2022 and until Friday, 3 February 2023 (both days inclusive), submit their existing share certificates in colour of blue for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for exchange for new share certificates for the Consolidated Shares in colour of green on the basis of every ten (10) Existing Shares for one (1) Consolidated Share without any fractional Consolidated Shares, at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar and transfer office in Hong Kong for exchange of new share certificates.

After 4:10 p.m. on Wednesday, 1 February 2023, trading will only be in Consolidated Shares which share certificates will be issued in colour of green. Existing share certificates in colour of blue for the Existing Shares will cease to be valid for trading, settlement and registration purpose, but will remain valid and effective as evidence of title.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “Guideline”), (i) market price of the securities of an issuer at a level less than HK\$0.10 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this announcement, the closing price of each Existing Share is HK\$0.082. With a board lot size of 5,000 Existing Shares, the Company is trading below HK\$2,000 per board lot.

In view of the recent trading prices of the Existing Shares at the level of below HK\$0.10 and board lot value of below HK\$2,000, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share. Taking into account the closing price of HK\$0.082 per Existing Share as at the date of this announcement, it is expected that the Share Consolidation will increase the trading price per Consolidated Share to more than HK\$0.1 and the value of each board lot of the Consolidated Shares to more than HK\$2,000, and would therefore enable the Company to comply with the trading requirements under the GEM Listing Rules and the Guideline. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

In view of the above, the Board is of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate action or arrangement that may affect the trading in the Shares, including share consolidation, share subdivision and change in board lot size, in the next 12 months which would have a contradictory effect to the Share Consolidation. The Company does not have any current intention or plan to undertake any equity issues in the next 12 months.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Share Consolidation:

Event(s)	Time and date
Despatch date of circular with notice of the EGM	on or before Wednesday, 30 November 2022
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Tuesday, 13 December 2022

Register of members of the Company closed for determining members who are entitled to attend and vote at the EGM Wednesday, 14 December 2022 to Monday, 19 December 2022 (both days inclusive)

Latest time for lodging forms of proxy for the EGM 11:00 a.m. on Saturday, 17 December 2022

Record date for attendance and voting at the EGM Monday, 19 December 2022

Date and time of the EGM 11:00 a.m. on Monday, 19 December 2022

Publication of the announcement of the poll results of the EGM Monday, 19 December 2022

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this announcement:

Effective date of the Share Consolidation Wednesday, 21 December 2022

Dealing in the Consolidated Shares commences 9:00 a.m. on Wednesday, 21 December 2022

First day of free exchange of existing share certificates for new share certificates for Consolidated Shares Wednesday, 21 December 2022

Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes 9:00 a.m. on Wednesday, 21 December 2022

Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens 9:00 a.m. on Wednesday, 21 December 2022

Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens 9:00 a.m. on Monday, 9 January 2023

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences 9:00 a.m. on Monday, 9 January 2023

Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on
Monday, 9 January 2023

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on
Wednesday, 1 February 2023

Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on
Wednesday, 1 February 2023

Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends 4:10 p.m. on
Wednesday, 1 February 2023

Last day and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares 4:30 p.m. on
Friday, 3 February 2023

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution in relation to the Share Consolidation at the EGM.

A circular containing, amongst others, (i) further information on the Share Consolidation; (ii) a notice of the EGM; and (iii) other information as required under the GEM Listing Rules, is expected to be despatched to the Shareholders on or before 30 November 2022 as additional time is required to prepare and finalise the information to be included in the circular.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” above in this announcement. Accordingly, the Share Consolidation may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Astrum Financial Holdings Limited (阿仕特朗金融控股有限公司) (formerly known as RaffAello-Astrum Financial Holdings Limited), a company incorporated in the Cayman Islands as an exempted company with limited liability and the issued Shares of which are listed on GEM (stock code: 8333)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve, among others, the ordinary resolution in respect of the Share Consolidation
“Existing Share(s)”	issued and unissued ordinary share(s) of HK\$0.01 each in the existing share capital of the Company before the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Share Consolidation”	the proposed consolidation of every ten (10) Existing Shares in the share capital of the Company into one (1) Consolidated Share in the share capital of the Company
“Shareholder(s)”	holder(s) of the Existing Share(s), or the Consolidated Share(s), as the case may be
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
ASTRUM FINANCIAL HOLDINGS LIMITED
Pan Chik
Chairman and Chief Executive Officer

Hong Kong, 1 November 2022

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

Executive Directors

Mr. Pan Chik (Chairman and chief executive officer)

Mr. Kwan Chun Yee Hidulf

Ms. Yu Hoi Ling

Independent Non-executive Directors

Mr. Sum Loong

Mr. Lau Hon Kee

Ms. Yue Chung Sze Joyce

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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