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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)**

## **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

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

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

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

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

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

## **SUMMARY**

- Revenue for the nine months ended 30 September 2022 amounted to approximately HK\$5,925,000 (nine months ended 30 September 2021: approximately HK\$10,910,000).
- Loss and total comprehensive expense attributable to owners of the Company for the nine months ended 30 September 2022 amounted to approximately HK\$21,460,000 (nine months ended 30 September 2021: approximately HK\$12,641,000).
- Basic loss per share for the nine months ended 30 September 2022 amounted to approximately HK1.82 cents (nine months ended 30 September 2021: approximately HK1.36 cents).
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).

**UNAUDITED CONDENSED CONSOLIDATED THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2022**

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 30 September 2022 together with the comparative unaudited figures for the corresponding periods in 2021 as follows:

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

*For the three months and nine months ended 30 September 2022*

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	1,994	3,192	5,925	10,910
Other income	4	1,092	148	2,411	1,317
Fair value changes on financial assets at fair value through profit or loss		5,527	(497)	(6,775)	(467)
Administrative and other operating expenses		(7,311)	(6,779)	(22,847)	(22,888)
Finance costs		(40)	(312)	(80)	(1,513)
Share of result of an associate		–	–	(94)	–
Profit/(loss) before tax	5	1,262	(4,248)	(21,460)	(12,641)
Income tax expense	6	–	–	–	–
<b>Profit/(loss) and total comprehensive Income/(expense) for the period</b>		<b>1,262</b>	<b>(4,248)</b>	<b>(21,460)</b>	<b>(12,641)</b>
<b>Earnings/(loss) per share</b>					
– Basic and diluted (HK cents)	8	0.11	(0.44)	(1.82)	(1.36)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Attributable to owners of the Company						Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Treasury shares HK\$'000	Special reserve HK\$'000	Share options reserve HK\$'000	Retained profits HK\$'000	
<b>Nine months ended 30 September 2021</b>							
Balance at 1 January 2021 (Audited)	8,000	77,179	–	38,401	–	49,843	173,423
Loss and total comprehensive expense for the period	–	–	–	–	–	(12,641)	(12,641)
Issue of new shares	3,930	42,203	–	–	–	–	46,133
Transaction costs attributable to issue of shares	–	(229)	–	–	–	–	(229)
Recognition of equity-settled share-based payments	–	–	–	–	1,262	–	1,262
Balance at 30 September 2021 (Unaudited)	<u>11,930</u>	<u>119,153</u>	<u>–</u>	<u>38,401</u>	<u>1,262</u>	<u>37,202</u>	<u>207,948</u>
<b>Nine months ended 30 September 2022</b>							
Balance at 1 January 2022 (Audited)	11,930	123,580	–	38,401	1,326	41,116	216,353
Loss and total comprehensive expense for the period	–	–	–	–	–	(21,460)	(21,460)
Share repurchase	–	–	(33,785)	–	–	–	(33,785)
Cancellation of shares	(2,330)	(31,455)	33,785	–	–	–	–
Lapse of share options	–	–	–	–	(73)	73	–
Balance at 30 September 2022 (Unaudited)	<u>9,600</u>	<u>92,125</u>	<u>–</u>	<u>38,401</u>	<u>1,253</u>	<u>19,729</u>	<u>161,108</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the nine months ended 30 September 2022*

### 1. GENERAL INFORMATION

Astrum Financial Holdings Limited (formerly known as RaffAello-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**”).

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 of the Company 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 nine months ended 30 September 2022 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 2021.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 are consistent with those adopted in the Group’s annual financial statements for the year ended 31 December 2021, except in relation to the application of the new and amendments to HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting beginning on 1 January 2022.

The application of these new and amendments to 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 nine months ended 30 September 2022

### 2. BASIS OF PREPARATION (Continued)

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective.

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</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 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from

<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 a date to be determined

The Group is in the process of making an assessment of the impact for those new and amendments to HKFRSs, which are not yet effective, upon initial application but is not yet in a position to state whether these new and amendments to 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.

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

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company. The unaudited condensed financial statements were approved by the Board for publication on 10 November 2022.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

### 3. REVENUE

The Group's revenue for the three months and nine months ended 30 September 2022 and 2021 are as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Revenue from contracts with customers</b>				
Commission from brokerage services	349	1,062	1,521	2,659
Placing and underwriting commission	–	244	540	1,473
Corporate finance advisory services fee	400	360	730	1,438
Asset management services				
– Fund management and performance fee	281	366	874	1,421
	<b>1,030</b>	<b>2,032</b>	<b>3,665</b>	<b>6,991</b>
<b>Revenue from other sources</b>				
Interest income from securities and initial public offering financing	964	1,160	2,260	3,919
<b>Total revenue</b>	<b>1,994</b>	<b>3,192</b>	<b>5,925</b>	<b>10,910</b>

#### Disaggregation of revenue from contracts with customers

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
<b>Timing of revenue recognition from contracts with customers</b>				
– On a point in time basis	1,313	2,466	4,321	8,051
– Over time basis	681	726	1,604	2,859
	<b>1,994</b>	<b>3,192</b>	<b>5,925</b>	<b>10,910</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

### 4. OTHER INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Interest income from				
– banks	4	–	5	2
– debt securities	267	–	691	–
– others	1	1	3	3
Administrative services income	3	18	54	25
Dividends from equity investments	27	13	51	31
Gain on disposal of an associate	223	–	223	–
Management fee income	24	18	75	70
Handling fee income	237	98	627	1,183
Sundry income	306	–	682	3
	<b>1,092</b>	<b>148</b>	<b>2,411</b>	<b>1,317</b>

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Auditors' remuneration	195	158	585	473
Commission expenses	–	4	–	149
Depreciation of property, plant and equipment	621	617	1,852	1,691
Depreciation of right-of-use assets	600	–	1,800	937
Interest expense on borrowings	27	312	27	1,510
Interest expense on lease liabilities	13	–	53	3
Net foreign exchange loss/(gain)	89	–	134	(22)
Reversal of write-off of trade receivables	–	–	(268)	–
Employee benefits expense:				
Salaries and other benefits	3,786	3,656	12,485	12,787
Commission to account executives	55	209	219	593
Contributions to retirement benefit scheme	96	96	293	301
Total employee benefits expense, including directors' emoluments	<b>3,937</b>	<b>3,961</b>	<b>12,997</b>	<b>13,681</b>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2022

### 6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Hong Kong Profits Tax: – Current period	–	–	–	–

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or arising in Hong Kong during the three months and nine months ended 30 September 2022 and 2021.

### 7. DIVIDENDS

The Board does not recommend the payment of any dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: Nil).



## 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 nine months ended 30 September 2022 (the “**Current Period**”) were unsatisfactory due to the (a) the significant decrease in revenue from approximately HK\$10,910,000 for the nine months ended 30 September 2021 (the “**Corresponding Period**”) to approximately HK\$5,925,000 for the Current Period; and (b) the recognition of fair value loss of the Put and Repurchase Option (as defined in the announcement of the Company dated 16 June 2022) relating to investment in an associate of HK\$12,670,000 (Corresponding Period: Nil), which was partially offset by the fair value gain of an unlisted investment fund of approximately HK\$6,805,000 (Corresponding Period: loss of approximately HK\$66,000) and hence, the Group recorded a loss and total comprehensive expense attributable to owners of the Company of approximately HK\$21,460,000 for the Current Period as compared to that of approximately HK\$12,641,000 for the Corresponding Period.

### FINANCIAL REVIEW

#### Revenue

Revenue of the Group decreased significantly by approximately 45.7% from approximately HK\$10,910,000 for the Corresponding Period to approximately HK\$5,925,000 for the Current Period.

Commission from brokerage services decreased significantly by approximately 42.8% from approximately HK\$2,659,000 for the Corresponding Period to approximately HK\$1,521,000 for the Current Period. Such decrease was mainly attributable to the decrease in the transaction amount of customers' securities dealing under the poor stock market sentiment during the Current Period.

Placing and underwriting commission decreased significantly by approximately 63.3% from approximately HK\$1,473,000 for the Corresponding Period to approximately HK\$540,000 for the Current Period. Such decrease was mainly due to the decrease in the number of placing and underwriting engagements from seven engagements in the Corresponding Period to four engagements in the Current Period.

Corporate finance advisory services fee decreased significantly by approximately 49.2% from approximately HK\$1,438,000 for the Corresponding Period to approximately HK\$730,000 for the Current Period. Such decrease was mainly due to the decrease in the number of corporate finance advisory engagements from twelve engagements in the Corresponding Period to five engagements in the Current Period.

Interest income from securities and IPO financing decreased significantly by approximately 42.3% from approximately HK\$3,919,000 for the Corresponding Period to approximately HK\$2,260,000 for the Current Period. Such decrease was mainly attributable to the weak demand from client for securities and IPO financing services.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Revenue (Continued)

Asset management services fee decreased by approximately 38.5% from approximately HK\$1,421,000 for the Corresponding Period to approximately HK\$874,000 for the Current Period. The management fee dropped slightly to approximately HK\$874,000 for the Current Period (Corresponding Period: HK\$1,096,000) and no performance fee was recognised for the Current Period (Corresponding Period: approximately HK\$325,000) as the net asset value per share of Astrum Absolute Return China Fund did not surpass the high water mark achieved in 2021.

#### Other income

Other income increased significantly by approximately 83.1% from approximately HK\$1,317,000 for the Corresponding Period to approximately HK\$2,411,000 for the Current Period. Such increase was mainly due to (a) the recognition of interest income from unlisted debt securities of approximately HK\$691,000 during the Current Period (Corresponding Period: Nil); and (b) the receipt of subsidies of approximately HK\$508,000 from Hong Kong Government in relation to the 2022 Employment Support Scheme under the Anti-epidemic Fund during the Current Period (Corresponding Period: Nil), which is partially offset by the significant decrease in the handling fee income from approximately HK\$1,183,000 for the Corresponding Period to approximately HK\$627,000 for the Current Period.

#### Fair value changes on financial assets at fair value through profit or loss (“FVTPL”)

The Company has invested a certain portion of the idle cash in equity securities listed on the Stock Exchange and one unlisted investment fund.

During the Current Period, the Group recorded a net loss arising from fair value changes on financial assets at FVTPL of approximately HK\$6,775,000 (Corresponding Period: approximately HK\$467,000), including (a) fair value loss of securities investments of approximately HK\$910,000 (Corresponding Period: approximately HK\$401,000); (b) fair value gain of an unlisted investment fund of approximately HK\$6,805,000 (Corresponding Period: loss of approximately HK\$66,000) and (c) fair value loss of the Put and Repurchase Option of HK\$12,670,000 (Corresponding Period: Nil).

The fair value loss of the Put and Repurchase Option of HK\$12,670,000 was determined based on the appraisal of an independent professional valuer. Such fair value loss is a non-cash and extraordinary item and will not have any material impact on the Group’s cash flows and daily operation of business.

In light of volatility in the Hong Kong and global financial markets and economic conditions, the Group will continue to adopt a conservative approach in managing the investment portfolio in respect of securities and fund investments.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW (Continued)

#### Administrative and other operating expenses

Administrative and other operating expenses decreased slightly by approximately 0.2% from approximately HK\$22,888,000 for the Corresponding Period to approximately HK\$22,847,000 for the Current Period. Such decrease was mainly due to (a) the decrease in total employee benefits expense by approximately HK\$684,000 and (b) the recognition of reversal of write-off of trade receivables of approximately HK\$268,000 for the Current Period (Corresponding Period: Nil), which is partially offset by the significant increase in the depreciation of right-of-use assets from approximately HK\$937,000 for the Corresponding Period to approximately HK\$1,800,000 for the Current Period.

#### Finance costs

Finance costs decreased significantly by approximately 94.7% from approximately HK\$1,513,000 for the Corresponding Period to approximately HK\$80,000 for the Current Period. Such decrease was mainly due to the absence of interest expense arising from utilisation of IPO staging bank loan facility for the Current Period.

#### Loss for the period

As a result of the foregoing, loss of approximately HK\$21,460,000 for the Current Period was recorded as compared to that of approximately HK\$12,641,000 for the Corresponding Period.

### PROSPECTS

Following the development of coronavirus pandemic (the “**COVID-19**”) continued to be stabilised, the Hong Kong Government announced a series of relaxation of social distancing measures with a view to relaunching social and economic activities in an orderly manner in the past few months. However, the Hong Kong securities market remained volatile in 2022. The Hang Seng Index dropped by approximately 26.4% from approximately 23,398 as at 31 December 2021 to approximately 17,223 as at 30 September 2022, and further slumped to the lowest level of approximately 14,687 on 31 October 2022 since April 2009.

After the several rounds of increase in interest rate in the United States of America, major banks in Hong Kong raised their prime rate by 0.125% in September 2022 and further by 0.25% in November 2022, and increased the deposit rates simultaneously. Besides, inflation rate of the United States of America, Europe and the United Kingdom has stayed high and recorded 8.2%, 9.9% and 13.2% in September 2022, respectively. Therefore, various major central banks around the world are tightening their monetary policies. The market expects that the interest rates will continue to rise, which will put more pressure on global stock markets.

In view of the above, coupled with factors such as geopolitical risks (in particular, the ongoing Russian-Ukrainian conflict) and slowing economic growth, the global and Hong Kong stock markets are expected to 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL ACQUISITIONS OR DISPOSALS

On 6 July 2021, the Company as purchaser, RaffAello Holdings Limited (“**RaffAello Holdings**”) as vendor and RS (BVI) Holdings Limited (“**RS (BVI)**”) entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) (as amended and supplemented by a supplemental agreement dated 15 July 2021), pursuant to which the Company has conditionally agreed to purchase, and RaffAello Holdings has conditionally agreed to sell, 25% of the issued share capital of RS (BVI) (the “**Sale Shares**”) for the consideration of HK\$32,853,000 (the “**Acquisition**”). The consideration for the Acquisition was satisfied by way of allotment and issue of an aggregate of 233,000,000 consideration shares (the “**Buy-back Shares**”) at HK\$0.141 per share, credited as fully paid, by the Company to RaffAello Holdings upon completion on 30 September 2021. Upon completion, RS (BVI) was owned as to 75% and 25% by RaffAello Holdings and the Company, respectively, and RS (BVI) was accounted for as an associate company of the Company.

Pursuant to the terms and conditions of the Sale and Purchase Agreement, RaffAello Holdings irrevocably and unconditionally warranted and guaranteed to the Company (or its nominee) that the profit after tax of RaffAello Securities (HK) Limited (“**RSL**”), a wholly-owned subsidiary of RS (BVI), to be reported in accordance with Hong Kong Financial Reporting Standards as shown in its audited financial statements for the year ended 31 March 2022, excluding any extraordinary or exceptional items such as subsidy, donation or other revenue derived outside the ordinary course of business of RSL, issued by the auditors will not be less than HK\$15,500,000 (the “**Guaranteed Profit**”). Details of the Acquisition were disclosed in the announcements of the Company dated 6 July 2021, 15 July 2021 and 30 September 2021, and the circular of the Company dated 7 September 2021 in respect of the Acquisition.

Based on the unaudited management accounts of RSL for the year ended 31 March 2022, the unaudited profit before and after tax of RSL for the year ended 31 March 2022 as shown in such management accounts was less than HK\$1.0 million, which fell short of the Guaranteed Profit. Based on such management accounts, the Guaranteed Profit was unlikely to be achieved. In view of the foregoing, the Company and RaffAello Holdings have negotiated in good faith towards each other with a view to settling the matter amicably and as a result of such negotiation, on 16 June 2022, the Company, RaffAello Holdings and RS (BVI) entered into a settlement deed (the “**Settlement Deed**”). Pursuant to the Settlement Deed, it is agreed among the parties thereto that (i) the Company shall sell and RaffAello Holdings shall purchase the Sale Shares at HK\$32,853,000 (the “**Disposal Price**”, which is equivalent to the consideration for the Acquisition) (the “**Equity Disposal**”); (ii) RaffAello Holdings shall through the escrow agent sell the Buy-back Shares and the Company shall purchase the Buy-back Shares for cancellation at HK\$32,853,000 (the “**Buy-back Price**”, i.e. HK\$0.141 per Buy-back Share), which shall be satisfied by the Company by way of the transfer of the Sale Shares to RaffAello Holdings at the Disposal Price (the “**Share Buy-back**”); and (iii) the option deed dated 30 September 2021 entered into between the Company and RaffAello Holdings in relation to the Put and Repurchase Option and the shareholders’ agreement dated 30 September 2021 entered into between the Company, RaffAello Holdings and RS (BVI), be terminated with effect from the completion date of the Equity Disposal and the Share Buy-back pursuant to the terms of the Settlement Deed (the “**Termination**”, together with the Settlement Deed, the Equity Disposal and the Share Buy-back, the “**Transactions**”). Details of the Transactions were disclosed in the announcements of the Company dated 16 June 2022 and 17 June 2022, and the circular of the Company dated 17 August 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

### MATERIAL ACQUISITIONS OR DISPOSALS (Continued)

All the conditions precedent to the completion of the Transactions under the Settlement Deed have been fulfilled and the completion of the Transactions took place on 7 September 2022 in accordance with the terms of the Settlement Deed. Immediately upon completion of the Transactions, RS (BVI) ceased to be an associate company of the Company and the financial results of the RS (BVI) and RSL will no longer be equity accounted for in the consolidated financial statements of the Group. Details of the completion of the Transactions were disclosed in the announcement of the Company dated 7 September 2022.

Save as disclosed above, the Group did not have any other material acquisition or disposal of subsidiaries, associates and joint ventures during the Current Period.

### CHANGE OF COMPANY NAME, STOCK SHORT NAMES AND WEBSITE ADDRESS, AND ADOPTION OF COMPANY LOGO

As disclosed in the announcement of the Company dated 10 October 2022, the English name of the Company was changed from “RaffAello-Astrum Financial Holdings Limited” to “Astrum Financial Holdings Limited” and the dual foreign name in Chinese of the Company, being “阿仕特朗金融控股有限公司” was adopted. Following the change of Company name being effective, the English stock short name of the Company for trading of the shares of the Company on the Stock Exchange was changed from “RAFFAELLOASTRUM” to “ASTRUM FIN”, and the Chinese stock short name of “阿仕特朗金融” was adopted, with effect from 9:00 a.m. on 13 October 2022. The Company’s website was also changed from “www.astrum-capital.com/raffaello-astrum/” to “www.astrum-capital.com” with effect from 13 October 2022. In addition, with effect from 10 October 2022, the Company has adopted a company logo to reflect the new Company’s name, as shown on the top of this announcement.

The change of Company name and the adoption of the company logo would not affect any rights of the shareholders of the Company or the daily business operation and/or its financial position of the Company. For further details, please refer to the announcement of the Company dated 10 October 2022

### EVENT AFTER THE REPORTING PERIOD

On 1 November 2022, the Board proposed to implement share consolidation (“**Share Consolidation**”) on the basis that every ten (10) issued or unissued existing shares of HK\$0.01 each will be consolidated into one (1) consolidated share of HK\$0.1 each. 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 effective date of the Share Consolidation, 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. The Share Consolidation is conditional upon, among others, the approval by the shareholders of the Company at an extraordinary general meeting to be convened and held. Accordingly, the Share Consolidation may or may not proceed. Details of the Share Consolidation were disclosed in the announcement of the Company dated 1 November 2022.

Save as disclosed above, subsequent to 30 September 2022 and up to the date of this announcement, there was no significant event relevant to the business or financial performance of the Group that came to the attention of the Directors.

## OTHER INFORMATION

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

As at 30 September 2022, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) held by the Directors and chief executives of the Company (the “Chief Executives”) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### Long position in the shares and underlying shares of the Company

Name of Director	Capacity/ Nature of interests	Number of shares held	Number of underlying shares held (Note 2)	Total	Approximate percentage of shareholding (Note 3)
Mr. Pan Chik (“Mr. Pan”)	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 (“Mr. Kwan”)	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 and hence, Mr. Pan is deemed, or taken to be, interested in all the shares held by Autumn Ocean Limited for the purposes of the SFO.
2. Each of Mr. Pan and Mr. Kwan, the executive Directors, was granted on 4 January 2021 8,000,000 share options under the Share Option Scheme (as defined below) at an exercise price of HK\$0.096 per share with a validity period of five years from the date of grant. All the share options were immediately vested at the date of grant.
3. The percentage is calculated on the basis of 960,000,000 shares of the Company in issue as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or pursuant to section 352 of the SFO, which would have to be recorded in the register referred to therein, or pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, which would have to be notified to the Company and the Stock Exchange.



## OTHER INFORMATION

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

So far as the Directors and the Chief Executives are aware, as at 30 September 2022, other than the Directors and Chief Executives, the following persons had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

#### Long position in the shares and underlying shares of the Company

Name	Capacity/ Nature of interests	Number of shares held/ interested in	Number of underlying shares held	Total	Approximate percentage of shareholding (Note 3)
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 the shares and underlying shares in which Mr. Pan is interested for the purposes of the SFO.
- The percentage is calculated on the basis of 960,000,000 shares of the Company in issue as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, the Directors were not aware of any person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

## OTHER INFORMATION

### SHARE OPTION SCHEME

A share option scheme (the “Share Option Scheme”) was adopted by the shareholders of the Company on 23 June 2016. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years. Under the Share Option Scheme, the Board shall be entitled to grant a share option to any eligible participant whom the Board may select at its absolute discretion.

80,000,000 share options were granted by the Company to 11 eligible participants on 4 January 2021 with a validity period of five years from the date of grant and immediately vested at the date of grant, which entitle the holders of the share options to subscribe for shares at an exercise price of HK\$0.096 per share. The closing price of the shares of the Company immediately before the date on which share options were granted was HK\$0.101 per share.

Details of the movements of share options during the Current Period are set out below:

	Outstanding at 1 January 2022	Number of share options granted	Number of share options exercised	Number of share options lapsed	Outstanding at 30 September 2022
<b>Directors and Chief Executives</b>					
Mr. Pan	8,000,000	–	–	–	8,000,000
Mr. Kwan	8,000,000	–	–	–	8,000,000
<b>Employees</b>	32,000,000	–	–	(4,000,000)	28,000,000
<b>Clients</b>					
Ms. Cai Cuiying	8,000,000	–	–	–	8,000,000
Ms. Ho Oi Kwan	8,000,000	–	–	–	8,000,000
<b>Business partner</b>					
Irregular Consulting Limited	8,000,000	–	–	–	8,000,000
<b>Total</b>	<b>72,000,000</b>	<b>–</b>	<b>–</b>	<b>(4,000,000)</b>	<b>68,000,000</b>

During the Current Period, 4,000,000 share options were lapsed due to the departure of an employee in December 2021.

## **OTHER INFORMATION**

### **DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed under the paragraph headed "INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY OF ITS ASSOCIATED CORPORATIONS" in this announcement, at no time during the Current Period and as at 30 September 2022 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**

During the period from 1 January 2022 to 7 September 2022 (i.e. the date on which RaffAello Holdings ceased to be a substantial shareholder of the Company), each of Mr. Tsang Kin Hung ("**Mr. Tsang**"), Ms. Qin Siu Kiu Michelle (who is the spouse of Mr. Tsang) and RaffAello Holdings were interested in the following companies which compete or may compete, either directly or indirectly, with the business of the Company: (i) Captain Expert Limited (an investment holding company); (ii) RaffAello Holdings (an investment holding company); (iii) RaffAello Investment Management (HK) Limited (a corporation licensed to carry out Type 9 (asset management) regulated activity under the SFO); (iv) RC (BVI) Holdings Limited (an investment holding company); (v) RaffAello Capital Limited (a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO); (vi) RS (BVI) (an investment holding company); and (vii) RSL (a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO).

Save as disclosed above, none of the Directors, the substantial shareholders of the Company nor their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Current Period.

## **OTHER INFORMATION**

### **NON-COMPETITION UNDERTAKINGS**

#### **Confirmation from Mr. Pan and Autumn Ocean Limited**

The Company received from Mr. Pan and Autumn Ocean Limited a confirmation in October 2022 on their compliance of the non-competition undertaking (“**Pan’s Undertaking**”) under the deed of non-competition dated 23 June 2016 given by them in favour of the Company (the “**Pan’s Deed of Non-Competition**”) for the Current Period. The audit committee of the Company (the “**Audit Committee**”), being all the independent non-executive Directors, reviewed the compliance of Pan’s Undertaking and evaluated the effectiveness of the implementation of the Pan’s Deed of Non-competition, and were satisfied that Mr. Pan and Autumn Ocean Limited have complied with Pan’s Undertaking during the Current Period.

#### **Confirmation from Mr. Tsang**

The Company received from Mr. Tsang a confirmation in September 2022 on his compliance of the non-competition undertaking (“**Tsang’s Undertaking**”) under the deed of non-competition dated 30 September 2021 given by him in favour of the Company (the “**Tsang’s Deed of Non-Competition**”) for the respective period from 1 January 2022 to 7 September 2022 (i.e. the date on which RaffAello Holdings Limited ceased to be a substantial shareholder of the Company). The Audit Committee, being all the independent non-executive Directors, reviewed the compliance of Tsang’s Undertaking and evaluated the effectiveness of the implementation of the Tsang’s Deed of Non-competition, and were satisfied that Mr. Tsang has complied with Tsang’s Undertaking during the period from 1 January 2022 to 7 September 2022. The Tsang’s Deed of Non-Competition ceased to have any effect from 7 September 2022 onwards.

### **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**

On 7 September 2022, a total of 233,000,000 ordinary shares (i.e. the Buy-back Shares) were repurchased by the Company pursuant to the Settlement Deed dated 16 June 2022 (details of which were disclosed in the circular of the Company dated 17 August 2022 and the Share Buy-back was approved at the extraordinary general meeting of the Company held on 2 September 2022). The Buy-back Price was HK\$32,853,000 (i.e. HK\$0.141 per Buy-back Share) and was satisfied by the Company by way of the transfer of the Sale Shares to RaffAello Holdings at the Disposal Price. All the Buy-back Shares were subsequently cancelled by the Company on 15 September 2022.

Save as disclosed above, 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 C.2.1 as explained below.

Pursuant to C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing.

Given the current corporate structure, there is no separation between the roles of the chairman and the chief executive officer. 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 C.2.1 of the CG Code.

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

On 6 September 2022, Astrum Capital Management Limited ("**Astrum Capital**"), an indirect wholly-owned subsidiary of the Company, has made an advance of approximately HK\$31.8 million to Profit Gold Global Limited ("**Profit Gold**"), to subscribe for 122,199,000 rights shares of Progressive Path Group Holdings Limited ("**Progressive Path**"), shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1581), by way of provisional allotment. Profit Gold is a company incorporated in the British Virgin Islands and is wholly-owned by Mr. Wu Wing Hang ("**Mr. Wu**"). Profit Gold is principally engaged in investment holding and is the controlling shareholder of Progressive Path holding approximately 58.89% of its equity interest. Mr. Wu is the chairman of the board and an executive director of Progressive Path. Details of the advance were disclosed in the announcement of the Company dated 6 September 2022.

The advance to Profit Gold was made in the ordinary and usual course of business of Astrum Capital. The advance bears an annual interest rate equivalent to the prevailing Hong Kong Dollar Best Lending Rate quoted by The Hongkong and Shanghai Banking Corporation Limited plus 5% and is repayable in full on demand. All the securities under the margin securities account of Profit Gold maintained with Astrum Capital (including those 122,199,000 rights shares of Progressive Path subscribed by it) have been pledged as collateral in favour of Astrum Capital.

As at 30 September 2022, the aggregate amount of advance to Profit Gold of approximately HK\$32.0 million (including the principal amount of approximately HK\$31.8 million and interest receivables of approximately HK\$0.2 million) represented approximately 14.2% and 20.0% of the unaudited consolidated total assets and net assets of the Group as at 30 June 2022 (as adjusted by the deduction of assets held for sale of approximately HK\$33,562,000 as a result of the Equity Disposal), respectively.

Save as disclosed above, as at 30 September 2022, the Group had no other circumstances which would give rise to a disclosure obligation under Rules 17.22 to 17.24 of the GEM Listing Rules.

## **OTHER INFORMATION**

### **AUDIT COMMITTEE**

The chairman of the Audit Committee is Mr. Lau Hon Kee, being an independent non-executive Director, and other members include Mr. Sum Loong and Ms. Yue Chung Sze Joyce, both being independent non-executive Directors.

The primary duties of the Audit Committee are to (i) review and monitor the Company's external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; (ii) monitor integrity of the Company's financial statements, 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 third quarterly results of the Group for the Current Period and is of the opinion that such results have complied with applicable accounting standards and GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 10 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