

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 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 (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.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2022 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2021 (the “**Corresponding Year**”). The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	4	8,705	12,911
Other income		2,782	1,888
Fair value changes on financial assets at fair value through profit or loss		4,131	23,134
Administrative and other operating expenses		(31,468)	(30,073)
Net loss on settlement deed		(18,238)	–
Impairment loss on investment in an associate		–	(14,661)
Finance costs		(186)	(1,535)
Share of result of an associate		(94)	(92)
		<hr/>	<hr/>
Loss before tax	5	(34,368)	(8,428)
Income tax credit/(expense)	6	252	(445)
		<hr/>	<hr/>
Loss and total comprehensive expense for the year attributable to owners of the Company		<u>(34,116)</u>	<u>(8,873)</u>
			(Restated)
Loss per share			
– Basic and diluted (HK cents)	8	<u>(30.49)</u>	<u>(8.91)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 HK\$'000	2021 HK\$'000
Non-current assets			
Property, plant and equipment		5,195	7,577
Right-of-use assets		800	3,199
Intangible assets		950	950
Investment in an associate		–	22,003
Financial assets at fair value through profit or loss		9,956	8,830
Debt securities at amortised cost		17,800	–
Other assets		1,982	2,025
		<u>36,683</u>	<u>44,584</u>
Current assets			
Trade receivables	9	91,986	81,528
Deposits, prepayments and other receivables		1,091	1,879
Tax recoverable		–	517
Debt securities at amortised cost		620	12,358
Financial assets at fair value through profit or loss		7,784	26,876
Bank balances and cash			
– General accounts and cash		22,290	66,420
– Trust accounts		33,063	99,142
		<u>156,834</u>	<u>288,720</u>
Total assets		<u>193,517</u>	<u>333,304</u>
Current liabilities			
Trade payables	10	35,526	112,010
Other payables and accruals		1,646	1,335
Borrowing		6,005	–
Lease liabilities		817	2,398
		<u>43,994</u>	<u>115,743</u>
Net current assets		<u>112,840</u>	<u>172,977</u>
Total assets less current liabilities		<u>149,523</u>	<u>217,561</u>

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities		139	391
Lease liabilities		<u>–</u>	<u>817</u>
		<u>139</u>	<u>1,208</u>
Net assets		<u>149,384</u>	<u>216,353</u>
Capital and reserves			
Equity attributable to owners of the Company			
Share capital	11	9,600	11,930
Reserves		<u>139,784</u>	<u>204,423</u>
Total equity		<u>149,384</u>	<u>216,353</u>

Notes:

1. GENERAL INFORMATION

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. Its parent and ultimate holding company is Autumn Ocean Limited, a company incorporated in the British Virgin Islands (the “BVI”) and wholly-owned by Mr. Pan Chik (“Mr. Pan”), the controlling shareholder, an executive director and the chairman of the Company.

Pursuant to the special resolution passed by the shareholders at the extraordinary general meeting of the Company held on 2 September 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, with effect from 7 September 2022. The certificate of incorporation on change of name of the Company was issued by the Registrar of Companies in the Cayman Islands on 15 September 2022 and the certificate of registration of alteration of name of registered non-Hong Kong company was issued by the Registrar of Companies in Hong Kong on 29 September 2022.

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 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 consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020
Accounting Guideline 5 (revised)	Merger Accounting for Common Control Combinations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ *Effective for annual periods beginning on or after 1 January 2023*

² *Effective for annual periods beginning on or after a date to be determined*

³ *Effective for annual periods beginning on or after 1 January 2024*

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 1 Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)

The amendments provide clarification and additional guidance on the assessment of right to defer settlement for at least twelve months from reporting date for classification of liabilities as current or non-current, which:

- specify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. Specifically, the amendments clarify that:
 - (i) the classification should not be affected by management intentions or expectations to settle the liability within 12 months; and
 - (ii) if the right is conditional on the compliance with covenants, the right exists if the conditions are met at the end of the reporting period, even if the lender does not test compliance until a later date; and
- clarify that if a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification as current or non-current only if the entity recognises the option separately as an equity instrument applying HKAS 32 *Financial Instruments: Presentation*.

In addition, Hong Kong Interpretation 5 was revised as a consequence of the Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

Based on the Group's outstanding liabilities as at 31 December 2022, the application of the amendments will not result in reclassification of the Group's liabilities.

Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments is not expected to have significant impact on the financial position or performance of the Group but may affect the disclosures of the Group’s significant accounting policies. The impacts of application, if any, will be disclosed in the Group’s future consolidated financial statements.

Amendments to HKAS 8 Definition of Accounting Estimates

The amendments define accounting estimates as “monetary amounts in financial statements that are subject to measurement uncertainty”. An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The application of the amendments is not expected to have significant impact on the Group’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements.

The consolidated financial statements have been prepared on 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.

4. REVENUE AND SEGMENT INFORMATION

HKFRS 8, *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the chief operating decision maker (the "CODM"), being the executive directors of the Company, for the purposes of resource allocation and performance assessment. During the year, the CODM assesses the operating performance and allocates the resources of the Group based on the operations of the Group as a whole as the Group is primarily 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. Therefore, the directors of the Company consider that the Group only has one operating segment.

The CODM reviews the overall results and financial position of the Group as a whole based on the same accounting policies of the Group and no further analysis for segment information is presented.

Revenue from major services

The Group's revenue from its major services are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers		
Commission from brokerage services	1,791	3,358
Placing and underwriting commission	540	1,351
Corporate finance advisory services fee	1,515	1,848
Asset management services		
– Fund management and performance fee	1,144	1,737
	<u>4,990</u>	<u>8,294</u>
Revenue from other sources		
Interest income from securities and initial public offering financing	3,715	4,617
	<u>3,715</u>	<u>4,617</u>
Total revenue	<u><u>8,705</u></u>	<u><u>12,911</u></u>

Disaggregation of revenue from contracts with customers

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Timing of revenue recognition from contracts with customers		
– On a point in time basis	2,331	4,709
– Over time basis	2,659	3,585
	<u>4,990</u>	<u>8,294</u>

Transaction price allocated to the remaining performance obligation for contracts with customers

Corporate finance advisory services are provided for a period within one year. As permitted under HKFRS 15 *Revenue from Contracts with Customers*, the transaction price allocated to these unsatisfied contracts is not disclosed.

Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations located in Hong Kong. All of the Group's revenue from external customers during the years ended 31 December 2022 and 2021 are derived from Hong Kong, the place of domicile of the Group's operating subsidiary. All the non-current assets of the Group are located in Hong Kong.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the Group's total revenue are as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Customer A	1,375	2,066
Customer B	921	N/A ¹

¹ The corresponding revenue did not contribute over 10% of the Group's total revenue.

5. LOSS BEFORE TAX

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before tax has been arrived at after charging/(crediting):		
Auditors' remuneration	750	780
Commission expenses	–	27
Depreciation of property, plant and equipment	2,474	2,245
Depreciation of right-of-use assets	2,399	1,433
Expense relating to short-term leases not included in the measurement of lease liabilities	–	1,137
Loss on disposal of property, plant and equipment	1	–
Net foreign exchange loss/(gain)	116	(44)
Reversal of written-off of trade receivables	(268)	–
Written-off of trade receivables	1,548	–
	<u>16,266</u>	<u>15,524</u>
Employee benefits expense:		
Salaries and other benefits	16,266	15,524
Equity-settled share-based payments	–	1,002
Commission to accounts executives	238	745
Contributions to retirement benefit scheme	387	401
	<u>16,891</u>	<u>17,672</u>
Total employee benefits expense, including directors' emoluments	<u>16,891</u>	<u>17,672</u>

6. INCOME TAX (CREDIT)/EXPENSE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Hong Kong Profits Tax:		
– Current year	–	–
	–	–
Deferred taxation	(252)	445
	<u>(252)</u>	<u>445</u>

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 years ended 31 December 2022 and 2021.

The income tax (credit)/expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss before tax	<u>(34,368)</u>	<u>(8,428)</u>
Tax at Hong Kong Profits Tax rate of 16.5% (2021: 16.5%)	(5,671)	(1,391)
Tax effect of income not taxable for tax purpose	(912)	(3,934)
Tax effect of expenses not deductible for tax purpose	3,135	2,675
Tax effect of temporary difference not recognised	–	(161)
Tax effect of tax losses not recognised	3,181	3,241
Tax effect of share of result of an associate	<u>15</u>	<u>15</u>
Income tax (credit)/expense for the year	<u>(252)</u>	<u>445</u>

7. DIVIDENDS

No dividend was paid, declared or proposed by the directors of the Company for the year ended 31 December 2022, nor has any dividend been proposed since the end of the reporting period (2021: Nil).

8. LOSS PER SHARE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purposes of basic and diluted loss per share	<u>(34,116)</u>	<u>(8,873)</u>
	2022	2021 (Restated)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>111,895,068</u>	<u>99,569,589</u>

Notes:

- (a) The weighted average number of ordinary shares in issue for the years ended 31 December 2022 and 2021 have been adjusted retrospectively for the effect of the share consolidation.
- (b) The computation of diluted loss per share did not assume the exercise of the Company's outstanding share options since their assumed exercise would have an anti-dilutive effect for the years ended 31 December 2022 and 2021.

9. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	1,418	604
Clients – margin	89,739	58,935
Clearing house	–	20,525
	<u>91,157</u>	<u>80,064</u>
Dealing in futures contracts		
Clearing house	453	1,173
Corporate finance advisory services	195	75
Asset management services	181	216
	<u>91,986</u>	<u>81,528</u>

The settlement terms of trade receivables arising from the ordinary course of business of (i) dealing in securities from cash clients and clearing house are two days after trade date; and (ii) dealing in futures contracts are one day after trade date.

The credit terms of trade receivables arising from the ordinary course of business of (i) corporate finance advisory services are 7 days or due upon issuance of invoice; and (ii) asset management services are 30 days.

The ageing analysis of the trade receivables arising from cash clients and clearing houses presented based on the trade date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	<u>1,871</u>	<u>22,302</u>

The ageing analysis of the trade receivables arising from corporate finance advisory services and asset management services presented based on invoice date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0–30 days	225	182
31–60 days	<u>151</u>	<u>109</u>
Total	<u>376</u>	<u>291</u>

10. TRADE PAYABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables arising from the ordinary course of business of:		
Dealing in securities		
Clients – cash	18,540	37,469
Clients – margin	13,749	71,960
Clearing house	1,596	–
	<u>33,885</u>	<u>109,429</u>
Dealing in futures contracts		
Clients	1,641	2,581
	<u>1,641</u>	<u>2,581</u>
	<u><u>35,526</u></u>	<u><u>112,010</u></u>

The settlement terms of trade payables arising from the ordinary course of business of (i) dealing in securities are two days after trade date; and (ii) dealing in futures contracts are one day after trade date.

Trade payables to clients are interest-free and are repayable on demand subsequent to settlement date except for certain trade payables to clients which represent margin deposits received from clients for their trading in futures contracts under normal course of business. Only the excess amounts over the required margin deposits stipulated are repayable on demand.

No aged analysis is disclosed as, in the opinion of the directors, the aged analysis does not give additional value in view of the nature of business.

11. SHARE CAPITAL

Details of the Company's authorised and issued ordinary share capital are as follows:

	Number of ordinary shares <i>HK\$0.1 each</i>	Number of ordinary shares <i>HK\$0.01 each</i>	Share capital <i>HK\$'000</i>
Authorised:			
At 1 January 2021 and 31 December 2021	–	2,000,000,000	20,000
Share consolidation	200,000,000	(2,000,000,000)	–
	<u>200,000,000</u>	<u>–</u>	<u>20,000</u>
At 31 December 2022	<u><u>200,000,000</u></u>	<u><u>–</u></u>	<u><u>20,000</u></u>
Issued and fully paid:			
At 1 January 2021	–	800,000,000	8,000
Shares issued under placing	–	160,000,000	1,600
Shares issued for acquisition of an associate	–	233,000,000	2,330
	<u>–</u>	<u>233,000,000</u>	<u>2,330</u>
At 31 December 2021	–	1,193,000,000	11,930
Cancellation of shares	–	(233,000,000)	(2,330)
Share consolidation	96,000,000	(960,000,000)	–
	<u>96,000,000</u>	<u>(960,000,000)</u>	<u>–</u>
At 31 December 2022	<u><u>96,000,000</u></u>	<u><u>–</u></u>	<u><u>9,600</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

The Hong Kong securities market remained volatile in 2022. The development of the fifth wave of the COVID-19 in Hong Kong and the Russia-Ukraine conflict added risks to the global financial markets. The interest rate hike in the United States of America and the high inflation rate of the United States of America, Europe and the United Kingdom also cast a shadow on the global economic outlook. These uncertainties have affected the overall performance of the Hong Kong stock market. The Hang Seng Index exhibited a decreasing trend and slumped from approximately 23,398 on 31 December 2021 to 14,687 on 31 October 2022, which was the lowest level since April 2009. In the fourth quarter of 2022, most of the COVID-19-related prevention and control measures (in particular, the compulsory quarantine requirement on arrival at Hong Kong) were gradually released in order to further resume social and economic activities and restore normal lives of citizens. Thereafter, Hang Seng Index bounced back from the bottom of 14,687 on 31 October 2022 to 19,781 on 30 December 2022 (being the last trading day of 2022).

	2021	2022	Change
Average daily turnover of Hong Kong securities market	HK\$166.7 billion	HK\$124.9 billion	-25.1%
Hang Seng Index	23,398	19,781	-15.5%
Initial public offering (“IPO”)			
– Number of newly listed companies (including the number of transfer of listing from GEM to Main Board)	98	90	-8.2%
– Total fund raised	HK\$331.3 billion	HK\$104.6 billion	-68.4%
Placing			
– Number of transactions	351	229	-34.8%
– Total fund raised	HK\$355.7 billion	HK\$76.9 billion	-78.4%
Rights issue and open offers			
– Number of transactions	58	52	-10.3%
– Total fund raised	HK\$13.3 billion	HK\$16.3 billion	+22.6%

Source: Website of the Stock Exchange

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 IPO financing) and asset management services. The Company was successfully listed on GEM of the Stock Exchange by way of share offer on 14 July 2016.

Brokerage services

For the Year, the Group continued to provide its brokerage services for eligible stocks listed on the Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange, the Hang Seng Index Futures and Options, the Hang Seng China Enterprises Index Futures and Options and the Hang Seng TECH Index Futures and Options.

As at 31 December 2022, the Group had 179 active customers (2021: 249), among which, the ten largest active customers contributed to approximately 51.5% (Corresponding Year: approximately 48.5%) of the commission income from brokerage services during the Year.

Placing and underwriting services

During the Year, the Group completed 4 placing and underwriting engagements (Corresponding Year: 7 engagements). Revenue derived from placing services amounted to approximately HK\$540,000 during the Year (Corresponding Year: approximately HK\$1,351,000) while no revenue were derived from underwriting services during the Year (Corresponding Year: Nil).

Corporate finance advisory services

The Group was engaged in 9 corporate finance advisory engagements during the Year (Corresponding Year: 13 engagements), among which, 2 (Corresponding Year: 5) financial advisory engagements contributed to a total revenue of HK\$600,000 (Corresponding Year: HK\$608,000) and 7 (Corresponding Year: 8) independent financial advisory engagements contributed a total revenue of HK\$915,000 (Corresponding Year: HK\$1,240,000).

Financing services

During the Year, interest income from securities and IPO financing amounted to approximately HK\$3,715,000 (Corresponding Year: approximately HK\$4,617,000), representing a decrease of approximately 19.5%. Such decrease was attributable to the weak demand from client for securities and IPO financing services. To cater for occasional needs of funding for the financing services, the Group also maintained staging facilities for IPO loan from a bank during the Year.

Asset management services

During the Year, the Group has been acting as the investment manager of Astrum Absolute Return China Fund (the “**Astrum China Fund**”). As at 31 December 2022, the asset under management of the Astrum China Fund was approximately US\$6,973,000 (2021: approximately US\$8,244,000) and the net asset value per share was approximately US\$1,085 (2021: approximately US\$1,263).

FINANCIAL REVIEW

Key financial data

	For the year ended/ As at 31 December 2021 <i>HK\$'000</i>	For the year ended/ As at 31 December 2022 <i>HK\$'000</i>	Approximate percentage change
Results of operation			
Revenue	12,911	8,705	-32.6%
Loss before tax	(8,428)	(34,368)	+307.8%
Loss and total comprehensive expense for the year attributable to owners of the Company	(8,873)	(34,116)	+284.5%
Financial position			
Current assets	288,720	156,834	-45.7%
Current liabilities	(115,743)	(43,994)	-62.0%
Net current assets	172,977	112,840	-34.8%
Total equity	216,353	149,384	-31.0%
Key financial ratios			
Net profit margin	N/A	N/A	
Current ratio	2.5	3.6	
Gearing ratio	–	4.0	
Net debt to equity ratio	Net cash position	Net cash position	
Return on assets	N/A	N/A	
Return on equity	N/A	N/A	

Revenue

Total revenue of the Group for the Year was approximately HK\$8,705,000 as compared to approximately HK\$12,911,000 for the Corresponding Year, representing a decrease of approximately 32.6%. Such decrease was mainly attributable to the significant decrease in commission income from brokerage services and placing and underwriting services, and interest income from securities and IPO financing.

Commission from brokerage services decreased by approximately 46.7% from approximately HK\$3,358,000 for the Corresponding Year to approximately HK\$1,791,000 for the Year. Such decrease was mainly attributable to the decrease in the aggregate transaction amount of customers' securities dealing under the poor stock market sentiment during the Year.

Revenue derived from placing and underwriting services decreased significantly by approximately 60.0% from approximately HK\$1,351,000 for the Corresponding Year to approximately HK\$540,000 for the Year. Such decrease was due to the decrease in the number of placing and underwriting engagements from seven engagements for the Corresponding Year to four engagements for the Year.

Corporate finance advisory services fee decreased by approximately 18.0% from HK\$1,848,000 for the Corresponding Year to HK\$1,515,000 for the Year. Such decrease was due to the decrease in the number of the corporate finance advisory engagements from 13 engagements for the Corresponding Year to nine engagements for the Year.

Interest income from securities and IPO financing decreased by approximately 19.5% from approximately HK\$4,617,000 for the Corresponding Year to approximately HK\$3,715,000 for the Year. Such decrease was due to the weak demand from client for securities and IPO financing services.

Asset management fee decreased by approximately 34.1% from approximately HK\$1,737,000 for the Corresponding Year to approximately HK\$1,144,000 for the Year. The management fee dropped slightly from approximately HK\$1,412,000 for the Corresponding Year to approximately HK\$1,144,000 for the Year and no performance fee was recognised during the Year (Corresponding Year: approximately HK\$325,000) as the net asset value per share of the Astrum China Fund did not surpass the high water mark achieved in 2021.

Other income

During the Year, other income increased significantly by approximately 47.4% from approximately HK\$1,888,000 for the Corresponding Year to approximately HK\$2,782,000 for the Year. Such increase was mainly due to (a) the significant increase in interest income from unlisted debt securities from approximately HK\$358,000 for the Corresponding Year to approximately HK\$982,000 for the Year; and (b) the receipt of subsidies of approximately HK\$564,000 from the Hong Kong Government in relation to the 2022 Employment Support Scheme under the Anti-epidemic Fund during the Year (Corresponding Year: Nil), which was partially offset by the significant decrease in handling fee income from approximately HK\$1,299,000 for the Corresponding Year to approximately HK\$737,000 for the Year.

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 Year, the Group recorded a net gain arising from fair value changes on financial assets at FVTPL of approximately HK\$4,131,000 (Corresponding Year: approximately HK\$23,134,000), including (a) fair value loss of equity securities of approximately HK\$1,854,000 (Corresponding Year: approximately HK\$495,000); (b) fair value gain of an unlisted investment fund of approximately HK\$1,126,000 (Corresponding Year: loss of approximately HK\$170,000); and (c) fair value gain of the Put and Repurchase Option (as defined in the announcement of the Company dated 16 June 2022) of approximately HK\$4,859,000 (Corresponding Year: approximately HK\$23,799,000).

The fair value loss of equity securities comprised unrealised loss of approximately HK\$2,107,000 and realised gain of approximately HK\$253,000, while the fair value gain of an unlisted investment fund comprised unrealised gain of approximately HK\$1,126,000. The aforesaid unrealised gain or loss are non-cash in nature and will not have any impact on the cash flows of the Group. 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 equity securities and fund investments.

The fair value gain of the Put and Repurchase Option of approximately HK\$4,859,000 was determined based on the appraisal of an independent external valuer. Such fair value gain 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. Following completion of the termination of the option deed dated 30 September 2021 entered into between the Company and RaffAello Holdings Limited (“**RaffAello Holdings**”) in relation to the Put and Repurchase Option on 7 September 2022, the Put and Repurchase Option was derecognised during the Year.

Administrative and other operating expenses

Administrative and other operating expenses increased slightly by approximately 4.6% from approximately HK\$30,073,000 for the Corresponding Year to approximately HK\$31,468,000 for the Year. Such increase was mainly due to (a) the written-off of certain trade receivables of approximately HK\$1,548,000 during the Year (the “**Written-off**”) (Corresponding Year: Nil); (b) the increase in legal and professional fee from approximately HK\$26,000 for the Corresponding Year to approximately HK\$1,475,000 for the Year; and (c) the increase in the depreciation of right-of-use assets from approximately HK\$1,433,000 for the Corresponding Year to approximately HK\$2,399,000 for the Year, which was partially offset by (a) the decrease in total employee benefits expense from approximately HK\$17,672,000 for the Corresponding Year to approximately HK\$16,891,000 for the Year; and (b) the decrease in office rent and rates from approximately HK\$1,241,000 for the Corresponding Year to approximately HK\$94,000 for the Year.

The Written-off was made after having considered the following factors: (i) the profile, track record, creditworthiness and repayment history of such margin clients; and (ii) the market value and liquidity of the pledged securities maintained in such clients’ securities accounts as collateral, which were insufficient to cover the respective outstanding margin balances as at the year-end date.

Net loss on settlement deed

As disclosed in the paragraph headed “**MATERIAL ACQUISITIONS OR DISPOSALS**” below, as a result of completion of the Transactions (as defined below), net loss on settlement deed of approximately HK\$18,238,000 was recognised during the Year (Corresponding Year: Nil). Such net loss on settlement deed is an extraordinary item and non-cash in nature and will not have any material impact on the Group’s cash flows and daily operation of business.

The aforesaid net loss on settlement deed of approximately HK\$18,238,000 includes the (a) gain on disposal of the investment in an associate of approximately HK\$10,944,000 (which was calculated based on the fair value of the Buy-Back Shares (as defined below) of HK\$32,853,000 with reference to the closing market price of HK\$0.141 per ordinary share at the completion date of the Transactions less the carrying value of the investment in an associate of approximately HK\$21,909,000); and (b) derecognition of the Put and Repurchase Option of approximately HK\$29,182,000 from the termination of the option deed agreement under the settlement deed.

Finance costs

Finance costs decreased significantly by approximately 87.9% from approximately HK\$1,535,000 for the Corresponding Year to approximately HK\$186,000 for the Year. Such decrease was mainly due to the absence of interest expense arising from utilisation of IPO staging bank loan facility for the Year.

Loss for the Year

As a result of the foregoing, loss of approximately HK\$34,116,000 for the Year was recorded as compared to approximately HK\$8,873,000 for the Corresponding Year.

PROSPECTS

Looking ahead to 2023, the gradual return to normality around the world and the relaxation of quarantine requirements in the PRC are expected to support Hong Kong's merchandise exports. Business travellers and tourists from all over the world are expected to resume more frequent travels, and together with the resumption of a series of international events, Hong Kong's visitor arrivals are also expected to rebound strongly. Fixed investment in Hong Kong is expected to be benefited from the aforementioned favourable factors, coupled with a more optimistic overall economic outlook and improved social atmosphere. However, the US' cycle of interest rate hike has not yet ended, the peak level may eventually be higher. Against the backdrop of rising global interest rates and overall borrowing costs, it is necessary to monitor the change in the investment atmosphere. The uncertain global economic outlook in 2023 may restrain Hong Kong's economic performance. The International Monetary Fund forecasts that the gross domestic product in Hong Kong will be grown by 3.9% for 2023.

Subsequent to 31 December 2022 and up to the date of this announcement, the Group had one placing and underwriting engagement and four corporate finance advisory engagements in progress.

EMPLOYEE INFORMATION

As at 31 December 2022, the Group had 26 employees (2021: 30 employees) and 8 account executives (2021: 6 account executives). Total staff costs (including directors' remuneration) were approximately HK\$16,891,000 (2021: approximately HK\$17,672,000).

Employees' remuneration was determined based on the employees' qualification, experience, position and seniority. Assessment of employee remuneration is conducted annually to determine whether any bonus or salary adjustments are required to be made.

A share option scheme (the "**Share Option Scheme**") was adopted by the Company on 23 June 2016. The Group granted share options to certain Directors and employees on 4 January 2021. During the Year, no share options were granted pursuant to the Share Option Scheme. Please refer to the paragraph headed "SHARE OPTION SCHEME" below for further details of the Share Option Scheme.

Majority of the employees are licensed with the Securities and Futures Commission of Hong Kong as responsible officers or licensed representatives and therefore are required to comply with the continuous professional training requirements. From time to time, the Group provides in-house continuous professional training and updates on changes or development in the financial industry including the revisions on rules and regulations to update the employees' knowledge and skills so as to maintain their professional competence and keep them remaining fit and proper.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group mainly financed its operations, capital expenditures and other capital requirements by internal resources.

As at 31 December 2022,

- (i) the total assets of the Group amounted to approximately HK\$193,517,000 (2021: approximately HK\$333,304,000). Such decrease in total assets of the Group was mainly attributable to (a) the derecognition of investment in an associate (2021: HK\$22,003,000) and the related Put and Repurchase Option (2021: approximately HK\$24,323,000) as a result of the Transactions (as defined in the paragraph headed "MATERIAL ACQUISITIONS OR DISPOSALS" below) during the Year; (b) the absence of trade receivables from clearing house arising from dealing in securities (2021: approximately HK\$20,525,000); and (c) the decrease in bank balances and cash from approximately HK\$165,562,000 as at 31 December 2021 to approximately HK\$55,353,000 as at 31 December 2022, which was partially offset by (a) the increase in trade receivables from margin clients arising from dealing in securities from approximately HK\$58,935,000 as at 31 December 2021 to approximately HK\$89,739,000 as at 31 December 2022; and (b) the increase in debt securities at amortised cost from approximately HK\$12,358,000 as at 31 December 2021 to approximately HK\$18,420,000 as at 31 December 2022;
- (ii) the total equity attributable to owners of the Company amounted to approximately HK\$149,384,000 (2021: approximately HK\$216,353,000). The decrease in total equity attributable to owners of the Company was mainly due to (a) the loss and total comprehensive expense attributable to owners of the Company of approximately HK\$34,116,000 recorded for the Year; and (b) the repurchase and cancellation of 233,000,000 shares of the Company of HK\$32,853,000 as result of the Transactions during the Year;
- (iii) the net current assets of the Group amounted to approximately HK\$112,840,000 (2021: approximately HK\$172,977,000) and the current ratio of the Group, being the ratio of current assets to current liabilities, increased to approximately 3.6 times (2021: approximately 2.5 times);

- (iv) the total bank balances and cash of the Group, which were substantially denominated in Hong Kong dollars, amounted to approximately HK\$55,353,000 (2021: approximately HK\$165,562,000). Such decrease was mainly due to (a) net cash withdrawals by the Group's clients of approximately HK\$66,079,000 during the Year; and (b) net cash used in operating activities of approximately HK\$42,444,000 during the Year; and
- (v) the Group had unsecured revolving loan of approximately HK\$6,005,000 (2021: Nil) and the gearing ratio of the Group, as calculated by the total debt divided by the total equity, was approximately 4.0% (2021: not applicable).

CAPITAL STRUCTURE

Share consolidation

On 1 November 2022, the Board proposed to implement share consolidation (the “**Share Consolidation**”) on the basis that every ten (10) issued and unissued existing shares of HK\$0.01 each would be consolidated into one (1) consolidated share of HK\$0.1 each. The resolution approving the Share Consolidation was passed by the shareholders of the Company by way of poll at the extraordinary general meeting of the Company held on 19 December 2022. The Share Consolidation became effective on 21 December 2022. Immediately after the Share Consolidation being effective, the authorised share capital of the Company became HK\$20,000,000 divided into 200,000,000 consolidated shares of HK\$0.1 each, of which 96,000,000 consolidated shares were in issue and fully-paid or credited as fully paid. Details of the Share Consolidation were disclosed in the announcements of the Company dated 1 November 2022 and 19 December 2022, and the circular of the Company dated 23 November 2022 respectively.

As at 31 December 2022, the total issued share capital of the Company was HK\$9,600,000 divided into 96,000,000 ordinary shares of HK\$0.1 each.

CHARGES ON THE GROUP'S ASSETS

The Group did not have any charges on its assets as at 31 December 2022 (2021: Nil).

FOREIGN EXCHANGE EXPOSURE

The turnover and operating costs of the Group were principally denominated in Hong Kong dollars. Therefore, the exposure to the risk of foreign exchange rate fluctuations for the Group was minimal and no financial instrument for hedging was employed during the Year.

SIGNIFICANT INVESTMENTS

Details of significant investments, representing investment in an investee company with a value of 5 percentage or more of the Group's total assets as at 31 December 2022, are set out as follows:

	As at 31 December 2022			During the Year			
	No. of shares held	Approximate % of shareholding in the investee	Approximate % to the Group's total assets	Fair value/ Carrying amount (HK\$'000)	Dividends received (HK\$'000)	Fair value gain (HK\$'000)	Investment cost (HK\$'000)
Financial assets at FVTPL–							
Units in unlisted investment fund outside Hong Kong							
– Original Global Funds SPC-Original Growth Opportunities SP3 (“Original Growth SP3”)	900	88.97%	5.14%	9,956	–	1,126	9,000

Original Growth SP3 is an unlisted investment fund, which was incorporated in the Cayman Islands and registered as a segregated portfolio company permitted to implement its investment strategy. Original Growth SP3's overall investment objective is to achieve capital growth by primary investing globally in listed and unlisted equity securities, hybrid securities, fixed income securities, as well as other instruments.

Performance and future prospects of Original Growth SP3

Despite (a) the stock market fluctuated throughout the Year and the average return rate of equity securities was unstable; and (b) the bond market underperformed in terms of average returns amid slowing global economic growth and rising inflationary pressures, the Original Growth SP3 performed well during the Year through a diversified investment strategy by spreading the portfolio risks across different asset classes and regions and generating more stable investment returns.

In respect of the future prospects of Original Growth SP3, the stock market is expected to remain positive, especially the emerging markets are expected to continue to grow and develop in the year 2023, while the bond market will continue to face more challenges due to the continual slowing global economic growth and increasing inflationary pressures. Original Growth SP3 remains positive and cautious in selecting and managing the portfolios, and will continue to diversify the investments in order to minimise potential risks and achieve stable investment returns for the investors.

Discussion of the Group's investment strategy

The Group monitors the underlying performance of Original Growth SP3 on a regular basis through updates from the fund administrator and discussions with investment manager or investment adviser of Original Growth SP3. The Directors hold positive views towards the future prospects of Original Growth SP3 and expect that Original Growth SP3 will continue to enhance investment return for the Group.

MATERIAL ACQUISITIONS OR DISPOSALS

On 6 July 2021, the Company as purchaser, 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 of the Company (before adjustment for the Share Consolidation effected during the Year) (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.

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 (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.

All the conditions precedent to completion of the Transactions under the Settlement Deed have been fulfilled and 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, the Company disposed of all its equity interest in RS (BVI) and the financial results of RS (BVI) and RSL will have no further impact to the consolidated financial statements of the Group. Details of 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 Year.

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 cover 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.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at the date of this announcement, there was no plan authorised by the Board for any material investments or additions of capital assets.

COMMITMENTS

As at 31 December 2022, the Group did not have any commitment (2021: Nil) in respect of underwriting of shares.

In addition, the Group did not have any capital commitments as at 31 December 2022 (2021: Nil).

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2022 (2021: Nil).

EVENT AFTER THE REPORTING PERIOD

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 after the Year.

CORPORATE GOVERNANCE PRACTICES

The Group is committed to achieving and maintaining high standards of corporate governance to safeguard the stakeholders' interest and to enhance their confidence and support. For the Year, the Company has adopted and complied with the code provisions of the Corporate Governance Code (the "CG Code") effective on 1 January 2022 as set out in Appendix 15 to the GEM Listing Rules except the deviation from the CG Code provision C.2.1. The Board will review and continue to enhance the Company's corporate governance standards, as the Directors believe that sound internal controls and effective corporate governance practices are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Board is pleased to report that the Group was in compliance with the code provisions of the CG Code during the Year, except where otherwise stated.

DIRECTORS' SECURITIES TRANSACTIONS

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

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.

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

	Outstanding at 1 January 2022 <i>(Note (a))</i>	Number of share options granted <i>(Note (a))</i>	Number of share options exercised <i>(Note (a))</i>	Number of share options lapsed <i>(Note (a))</i>	Outstanding at 31 December 2022 <i>(Note (a))</i>
Directors and Chief Executives					
Mr. Pan Chik	800,000	–	–	–	800,000
Mr. Kwan Chun Yee Hidulf	800,000	–	–	–	800,000
Employees	3,200,000	–	–	(400,000)	2,800,000
Clients <i>(Note (b))</i>					
Ms. Cai Cuiying	800,000	–	–	–	800,000
Ms. Ho Oi Kwan	800,000	–	–	–	800,000
Business partner					
Irregular Consulting Limited ("Irregular") <i>(Note (c))</i>	800,000	–	–	–	800,000
Total	7,200,000	–	–	(400,000)	6,800,000

Notes:

- (a) Upon the Share Consolidation becoming effective on 21 December 2022, the number of outstanding share options and the exercise price per share have been adjusted accordingly. All the numbers of share options as shown in the table have been adjusted as a result of the Share Consolidation.
- (b) The rationale of making the grant to such clients was to maintain a long term client relationship with a view to retaining these valuable securities dealing clients and, in turn, generating sustainable income stream in future.
- (c) The rationale of making the grant to Irregular was to settle the service fee in relation to the provision of investor and media relation services such as corporate image positioning, media promotion, media reports consolidation, maintaining investors and analysts relationship by Irregular to the Group for the Corresponding Year pursuant to the service agreement entered into between the Company and Irregular.

80,000,000 share options (before adjustment for the Share Consolidation effected during the Year) 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 (before adjustment for the Share Consolidation). 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 (before adjustment for the Share Consolidation). The exercise price of the share options was based on the highest of (a) the closing price of HK\$0.094 per share (before adjustment for the Share Consolidation) as quoted in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average closing price of HK\$0.096 per share (before adjustment for the Share Consolidation) as quoted in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of HK\$0.01 per share (before adjustment for the Share Consolidation). Upon the Share Consolidation becoming effective on 21 December 2022, the number of outstanding share options and the exercise price per share have been adjusted accordingly. The exercise price of the share option was adjusted to HK\$0.96 following the Share Consolidation becoming effective on 21 December 2022.

During the Year, 400,000 share options (equivalent to 4,000,000 share options before adjustment for the Share Consolidation effected during the Year) were lapsed on the expiry of three months after the date of cessation of employment of an employee in December 2021 while no share option was granted, exercised or cancelled. As at 31 December 2022, there were 6,800,000 share options outstanding (equivalent to 68,000,000 share options before adjustment for the Share Consolidation). As at the date of this announcement, the total number of securities available for issue under the Share Option Scheme was 8,000,000 shares (equivalent to 80,000,000 shares before adjustment for the Share Consolidation), comprising (i) 6,800,000 shares (equivalent to 68,000,000 shares before adjustment for the Share Consolidation) to be issued upon exercise of the outstanding share options, representing approximately 7.1% of the total number of issued shares of the Company (i.e. 96,000,000 shares); and (ii) 1,200,000 share options (equivalent to 12,000,000 share options before adjustment for the Share Consolidation) available for grant under the Share Option Scheme, representing approximately 1.3% of the total number of issued shares of the Company.

As at 31 December 2022, 1,200,000 share options (equivalent to 12,000,000 share options before adjustment for the Share Consolidation) (2021: 800,000 share options (equivalent to 8,000,000 share options before adjustment for the Share Consolidation)) were available for grant under the Share Option Scheme.

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, being 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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (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 Year.

NON-COMPETITION UNDERTAKING

Confirmation from Mr. Pan and Autumn Ocean Limited

The Company received from Mr. Pan and Autumn Ocean Limited four confirmations respectively in April 2022, July 2022, October 2022 and March 2023 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 respective period from 1 January 2022 to 31 March 2022, 1 April 2022 to 30 June 2022, 1 July 2022 to 30 September 2022 and 1 October 2022 to 31 December 2022. The audit committee of the Company (the “**Audit Committee**”), being all the independent non-executive Directors, have 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 Year.

Confirmation from Mr. Tsang

The Company received from Mr. Tsang three confirmations respectively in April 2022, July 2022 and 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 31 March 2022, 1 April 2022 to 30 June 2022, 1 July 2022 to 7 September 2022 (i.e. the date on which RaffAello Holdings 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.

DIVIDEND

The Board did not recommend the payment of any dividend for the Year (Corresponding Year: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

On 7 September 2022, a total of 233,000,000 ordinary shares of the Company (before adjustment for the Share Consolidation effected during the Year) were repurchased by the Company for cancellation as a result of completion of the Transactions, details of which are disclosed in the paragraph headed “**MATERIAL ACQUISITIONS OR DISPOSALS**” above. The cancellation of shares was completed on 15 September 2022.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the “**AGM**”) will be held on Friday, 16 June 2023. A formal notice of the AGM will be published and despatched to the shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members of the Company will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023, both dates inclusive. During such period, no share transfers will be effected. In order to qualify for attending the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with 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 registration no later than 4:30 p.m. on Monday, 12 June 2023.

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 Audit Committee is of the opinion that the consolidated financial statements of the Group for the Year have complied with applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

SCOPE OF WORK OF AUDITORS

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

ANNUAL REPORT

The annual report of the Company for the Year will be despatched to its shareholders and published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.astrum-capital.com) as soon as practicable.

By order of the Board
Astrum Financial Holdings Limited
Pan Chik
Chairman and Chief Executive Officer

Hong Kong, 24 March 2023

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 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).