

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.

True Partner
Capital Holding

TRUE PARTNER CAPITAL HOLDING LIMITED

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code: 8657)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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**” or individually a “**Director**”) of True Partner Capital Holding 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.*

Corporate Overview

- **Established in 2010, by a team of former market makers, True Partner Capital Holding** is a specialized hedge fund manager
- **Focused on volatility trading in liquid markets**, principally in equity index futures, options and ETFs
- Diversified **global investor base** across our products
- **Stable and experienced management**: key personnel have worked together for almost a decade
- Specialized segment of asset management with **a history of growth**
- 3-T Model – Combination of **advanced technology** with **experienced team** covering **specialised trading strategies**
- **Global coverage** to enable **trading around the clock**, with offices in Asia, the US and Europe
- The Company benefits from **proprietary technology** that shapes its trading approach and includes a range of modules and tools
- Potential **growth opportunities** in adjacent market segments leveraging **scalable investment platform**

THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (together as the “**Group**”) for the nine months ended 30 September 2021 (the “**Reporting Period**”) together with the unaudited comparative figures of the corresponding period in 2020 as set out below:

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

For the nine and three months ended 30 September 2021

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	42,780	92,209	13,506	19,122
Other income		3	95	2	47
Direct costs		(4,842)	(7,783)	(1,558)	(2,406)
Fair value (loss)/gain on financial assets at fair value through profit or loss		(1,881)	1,681	(307)	(727)
General and administrative expenses		(51,835)	(50,290)	(17,743)	(13,483)
Listing expenses		–	(12,344)	–	(776)
Finance costs		(68)	(97)	(23)	(28)
Gain on dilution of interest in an associate		90	–	–	–
Share of results of associates		(64)	(137)	53	(86)
(Loss)/profit before income tax	5	(15,817)	23,334	(6,070)	1,663
Income tax expense	6	(1,998)	(10,290)	(649)	(1,795)
(Loss)/profit for the period		(17,815)	13,044	(6,719)	(132)

	Note	Nine months ended 30 September		Three months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Other comprehensive loss					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(482)	(75)	(364)	(11)
Item that will not be reclassified to profit or loss:					
Fair value loss on financial assets designated at fair value through other comprehensive income		–	(1,258)	–	–
Other comprehensive loss		(482)	(1,333)	(364)	(11)
Total comprehensive (loss)/income for the period		(18,297)	11,711	(7,083)	(143)
(Loss)/profit for the period attributable to:					
Owners of the Company		(18,071)	12,445	(6,810)	(345)
Non-controlling interest		256	599	91	213
		(17,815)	13,044	(6,719)	(132)
Total comprehensive (loss)/income for the period attributable to:					
Owners of the Company		(18,553)	11,112	(7,174)	(356)
Non-controlling interest		256	599	91	213
		(18,297)	11,711	(7,083)	(143)
(Loss)/earnings per share (HK cents)					
– Basic and diluted	8	(4.52)	4.15	(1.70)	(0.12)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Reserves										
	Share capital	Group			Fair value reserve (Notes (i))	Capital reserve (Notes (ii))	Share option reserve	Retained profits	Total	Non-controlling interests	Total equity
		Share premium	Share reorganisation reserve	Exchange reserve							
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1.1.2020 (audited)	2	32,484	1,145	(52)	(2,262)	7,234	-	42,512	81,063	4,658	85,721
Profit for the period	-	-	-	-	-	-	-	12,445	12,445	599	13,044
Other comprehensive loss	-	-	-	(75)	(1,258)	-	-	-	(1,333)	-	(1,333)
Total comprehensive income for the period	-	-	-	(75)	(1,258)	-	-	12,445	11,112	599	11,711
At 30.9.2020 (unaudited)	<u>2</u>	<u>32,484</u>	<u>1,145</u>	<u>(127)</u>	<u>(3,520)</u>	<u>7,234</u>	<u>-</u>	<u>54,957</u>	<u>92,175</u>	<u>5,257</u>	<u>97,432</u>
At 1.1.2021 (audited)	4,000	153,074	1,145	11	(3,173)	7,234	486	68,661	231,438	5,265	236,703
Loss for the period	-	-	-	-	-	-	-	(18,071)	(18,071)	256	(17,815)
Other comprehensive loss	-	-	-	(482)	-	-	-	-	(482)	-	(482)
Total comprehensive loss for the period	-	-	-	(482)	-	-	-	(18,071)	(18,553)	256	(18,297)
Recognition of equity-settled share-based payment expense	-	-	-	-	-	-	1,481	-	1,481	-	1,481
Dividends recognised as distribution	-	-	-	-	-	-	-	(8,000)	(8,000)	-	(8,000)
At 30.9.2021 (unaudited)	<u>4,000</u>	<u>153,074</u>	<u>1,145</u>	<u>(471)</u>	<u>(3,173)</u>	<u>7,234</u>	<u>1,967</u>	<u>42,590</u>	<u>206,366</u>	<u>5,521</u>	<u>211,887</u>

Notes:

- (i) Fair value reserve represents the cumulative net change in the fair value of financial assets at fair value through other comprehensive income.
- (ii) Capital reserve represents equity transaction between the Group and the non-controlling interests in prior years.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION

1. Corporate information

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is located at the offices of Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in fund management business and providing consultancy services.

The shares of the Company are listed on the GEM of The Stock Exchange of Hong Kong Limited on 16 October 2020.

2. Basis of preparation

The quarterly financial information has been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules.

The accounting policies adopted in preparing the quarterly financial information are consistent with those applied in the consolidated financial statements of the Group for the year ended 31 December 2020.

The quarterly financial information have been prepared on the historical cost basis, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income, which are carried at fair value.

It should be noted that accounting estimates and assumptions are used in the preparation of the quarterly financial information. Although these estimates are based on the management’s best knowledge and judgement to current events and actions, actual results may ultimately differ from those estimates.

3. Segment information

(a) Geographical information

The Company is domiciled in the Cayman Islands with the Group's major operations in Hong Kong. In order to maximise trading opportunities in different stock markets around the world, the Group also has trading offices in Chicago.

Geographical information of revenue for the nine and three months ended 30 September 2021 and 2020, is as follows:

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong	30,046	69,444	9,840	13,192
Chicago	12,734	22,765	3,666	5,930
	<u>42,780</u>	<u>92,209</u>	<u>13,506</u>	<u>19,122</u>

(b) Information about major customers

For the nine and three months ended 30 September 2021 and 2020, revenue from major customers who contributed over 10% of the total revenue of the Group are as follows:

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	20,410	53,002	6,772	7,143
Customer B	NA ⁽¹⁾	9,661	NA ⁽¹⁾	4,124
Customer C	12,734	17,185	3,666	5,928
Customer D	5,863	NA ⁽¹⁾	1,887	1,927

⁽¹⁾ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

4. Revenue

An analysis of the Group's revenue and other income is as follows:

Revenue

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from funds and managed accounts				
Management fee income	42,399	44,500	13,506	15,072
Performance fee income	–	47,193	–	4,050
	<u>42,399</u>	<u>91,693</u>	<u>13,506</u>	<u>19,122</u>
Revenue from consultancy services	381	516	–	–
	<u>42,780</u>	<u>92,209</u>	<u>13,506</u>	<u>19,122</u>

Timing of revenue recognition:

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At a point in time	381	516	–	–
Over time	42,399	91,693	13,506	19,122
	<u>42,780</u>	<u>92,209</u>	<u>13,506</u>	<u>19,122</u>

5. (Loss)/profit before income tax

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/profit before income tax is arrived at after charging:				
Amortisation of intangible assets	48	17	27	5
Auditor's remuneration	922	872	307	351
Depreciation of plant and equipment	1,005	688	380	238
Depreciation of right-of-use assets	1,404	1,186	491	398
Employee benefits (including directors' remuneration)				
– Salaries and other benefits	26,981	36,593	9,077	8,994
– Equity-settled share-based payment expense	1,481	–	320	–
– Pension scheme contributions	1,088	786	287	230
	29,550	37,379	9,684	9,224
Exchange loss	418	–	216	–
Interest expense on lease liabilities	63	96	18	28
Listing expense	–	12,344	–	776
Short-term lease expenses	385	525	117	178
	<u>32,301</u>	<u>50,627</u>	<u>10,022</u>	<u>10,206</u>

6. Income tax expense

Income tax expense for the period represents:

	Nine months ended		Three months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax - Hong Kong				
Provision for the period	1,998	4,451	649	291
Current tax - United States				
Provision for the period	–	5,839	–	1,504
	<u>1,998</u>	<u>10,290</u>	<u>649</u>	<u>1,795</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which the group entities are domiciled and operate. Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

For the group entities that are domiciled and operate in Hong Kong, Hong Kong profits tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the period ended 30 September 2021, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2020: HK\$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the group entities that are domiciled and operate in the United States, they are subject to corporate income tax in the United States. The applicable federal income tax rate is 21% on taxable income and the applicable state income tax rate is 9.5% on state taxable income.

During the nine months ended 30 September 2021, no share of tax attributable to associates (nine months ended 30 September 2020: Nil) was included in the share of results of associates.

7. Dividend

During the nine months ended 30 September 2021, a final dividend of HK\$2 cents per share in respect of the year ended 31 December 2020 was declared to the owners of the Company. The aggregate amount of the final dividend declared amounted to HK\$8,000,000 (nine months ended 30 September 2020: Nil) was paid in May 2021.

The Board does not recommend the payment of any dividend in respect of the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

8. (Loss)/earnings per share

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/profit for the period attributable to owners of the Company, and the weighted average number of ordinary shares of 400,000,000 (nine months ended 30 September 2020: 300,000,000) shares in issue during the period. The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the nine months ended 30 September 2020 has been determined after adjusting for the capitalisation issue in connection with the listing of the Company on 16 October 2020.

The calculation of the basic and diluted (loss)/earnings per share for the period is based on the following data:

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Loss)/earnings				
(Loss)/profit for the period attributable to the owners of the Company	(18,071)	12,445	(6,810)	(345)

	Nine months ended 30 September		Three months ended 30 September	
	2021	2020	2021	2020
Number of shares				
Weighted average number of ordinary shares in issue during the period used in the basic (loss)/earnings per share calculation	400,000,000	300,000,000	400,000,000	300,000,000
Effect of dilution – weighted average number of ordinary shares:				
Share options – Note	–	–	–	–
	<u>400,000,000</u>	<u>300,000,000</u>	<u>400,000,000</u>	<u>300,000,000</u>

Note:

Diluted loss per share for the nine and three months ended 30 September 2021 is the same as the basic loss per share as the effect of the conversion of the Company’s share options would result in an antidilutive effect on the loss per share (2020: diluted earnings per share for the nine months ended 30 September 2020 is the same as the basic earnings per share as there were no potential ordinary shares).

9. Approval of the unaudited quarterly financial information

The unaudited quarterly financial information were approved and authorised for issue by the board of directors on 11 November 2021.

Selected financial highlights

	Nine months ended 30 September		Percentage Change
	2021 (HK\$'000)	2020 (HK\$'000)	
Total revenue	42,780	92,209	(54)
Management fee income	42,399	44,500	(5)
Performance fee income	–	47,193	N/A
Consultancy service fee	381	516	(26)
Gross profit	37,938	84,426	(55)
Operating (loss)/profit <i>Note 1</i>	(13,894)	21,887	(163)
(Loss)/profit for the period	(17,815)	13,044	(237)
(Loss)/profit attributable to owners of the Company	(18,071)	12,445	(245)
Total comprehensive (loss)/income	(18,297)	11,711	(256)
Non-HKFRS: adjusted net (loss)/profit <i>Note 2</i>	(18,071)	24,789	(173)
(Loss)/earnings per share (HK cents)			
– Basic and diluted <i>Note 3</i>	(4.52)	4.15	N/A
Non-HKFRS: adjusted (loss)/earnings per share (HK cents) <i>Note 4</i>	(4.52)	8.26	N/A

Notes

1:

Operating (loss)/profit represents (loss)/profit before income tax adding back fair value (loss)/gain on financial assets at fair value through profit or loss, finance costs, share of results of associates and gain on dilution of interest in an associate.

2:

Adjusted net (loss)/earnings is unaudited and represents (loss)/earnings for the period attributable to owners of the Company adding back listing expenses. Adjusted net (loss)/earnings is not a measure of performance under HKFRS, has material limitations as an analytical tool, and does not include all items that impact our profit for the relevant year.

3:

The calculation of the basic (loss)/earnings per share amount is based on the loss for the period attributable to owners of the Company of HK\$18,071,000 (2020: profit of HK\$12,445,000), and the weighted average number of ordinary shares of 400,000,000 shares (2020: 300,000,000) in issue during the period, adjusted for the capitalisation issue in connection with the listing of the Company on 16 October 2020. Diluted loss per share for the period ended 30 September 2021 is the same as the basic loss per share as the effect of the conversion of the Company's share options would result in an antidilutive effect on the loss per share (2020: diluted earnings per share for the period ended 30 September 2020 is the same as the basic earnings per share as there were no potential ordinary shares).

4:

Adjusted (loss)/earnings per share is unaudited and represents adjusted net (loss)/profit divided by the weighted average number of ordinary shares of 400,000,000 (2020: 300,000,000) in issue during the period, adjusted for the capitalisation issue in connection with the listing of the Company on 16 October 2020.

Selected business and financial highlights

- The nine months ended 30 September 2021 was overall a strong period for equity markets, with the MSCI World Total Return Hedged to US Dollars rising by +15.0%, a significantly higher return than its long-term average. During the third quarter, the MSCI World rose by +0.6%. Over the course of the year-to-date, equities continued to be boosted by monetary policy stimulus from central banks and fiscal stimulus from government actions as well as strong economic growth, rising corporate earnings and continued positive investor sentiment.
- Despite seemingly large headline moves in equity indices, realized volatility has been lower than long-term averages, particularly in the US and Europe. For example, the S&P 500 has had realized volatility of 12.8% over the first nine months of 2021, well below its long-term (2006 to 2021)¹ average realized volatility of 20.0%, and just over a third of its level in 2020 (34.4%).
- The VIX Index, which is a widely followed measure of US equity index implied volatility, was at a similar level at the end of the third quarter to its level entering 2020. However, the VIX is only indirectly tradable via derivatives. To look at the actual return of having long or short exposure to US equity index implied volatility, it is more appropriate to look at the cost of buying and rolling futures contracts linked to the VIX Index. A simple proxy for this can be found by looking at exchange-traded products that systematically buy and roll short-term VIX futures contracts. A large exchange-traded note providing exposure to VIX futures² was down by -5.5% in the third quarter of 2021 and down -58.6% over the first nine months of 2021.
- The combination of low realized volatility and declining short-term implied volatility (relative to what was already priced into markets) provided a challenging backdrop for our relative value volatility trading strategy and our fund products finished with small losses in the third quarter of 2021 and negative performance over the first nine months of 2021.³ This followed positive performance for our fund products in 2020.

¹ January 2006 to September 2021

² The iPath Series B S&P 500 VIX Short-Term Futures ETN

³ This material is not in any way intended to solicit investment in our fund products or managed accounts. Our fund products and managed accounts are only available to appropriately qualified investors and are not marketed in certain jurisdictions. The performance of certain fund products the Group regards as relevant to shareholders is disclosed to the Exchange on a voluntary basis monthly. Performance of certain fund products is also reported to Bloomberg and certain databases of hedge fund performance.

- As we have highlighted in both positive and negative periods of performance, investment performance in any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group’s products typically focus on long-term investment performance as a key metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 30 September 2021, the True Partner Fund, the Group’s longest running fund product has outperformed each of the CBOE Eureka hedge Relative Value Volatility, Long Volatility and Short Volatility Hedge Fund indices in both absolute terms and in alpha terms.⁴ Over the same inception to date period, considering the whole period from July 2011 through 30 September 2021, our longest running fund product has also outperformed the Eureka hedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, in both absolute terms and in alpha terms.
- The Group’s assets under management were relatively stable during the third quarter, rising modestly over the quarter and also finishing higher relative to the comparable period in 2020. Assets under management were US\$1,665 million as of 30 September 2021, an 8% increase as compared to assets under management of US\$1,541 million as of 30 September 2020. Changes in assets under management during the third quarter of 2021 were a result of positive net inflows, partially offset by the effects of negative investment performance. Growth in assets under management both over the first nine months of 2020 and relative to the end of the third quarter of 2020 was driven by positive net inflows, partially offset by the effects of negative investment performance. During the third quarter the increase in assets under management was primarily driven by the launch of a new customized vehicle for an institutional client.
- Revenues for the nine months ended 30 September 2021 were HK\$42.8 million. This compares to revenues of HK\$92.2 million for the nine months ended 30 September 2020. During the third quarter of 2020 the Group’s investment products saw strong performance and as a result generated both management fees and significant performance fees.⁵ During the third quarter of 2021 management fees remained relatively stable as compared to the same period in 2020, finishing modestly lower; however, the Group did not generate performance fees. This resulted in an overall decline in revenues relative to the third quarter of 2020.

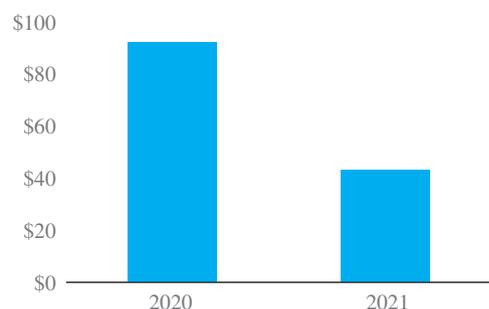
⁴ The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies. Alpha is a measurement of the return of an investment in excess of that derived from its exposure to a specific benchmark (commonly, the MSCI World Index or the S&P Index) or in excess of its exposure of easily accessible return factors. The term “alpha” when used in this document refers to alpha relative to the MSCI World Total Return Index Hedged to US Dollars.

⁵ Management and performance fees can vary by product and account in accordance with the terms of the specific products and accounts and can be subject to confidentiality obligations. Performance fees are also subject to high water marks. Changes in assets under management at the overall Group level do not necessarily have a linear relationship with changes in revenues generated from management fees and/or changes in revenues generated from performance fees.

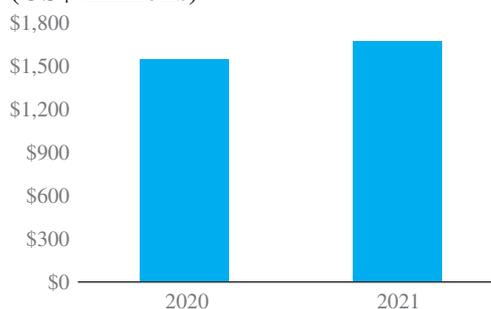
- General and administrative expenses were HK\$51.8 million for the nine months ended 30 September 2021, as compared to HK\$50.3 million for the nine months ended 30 September 2020. The slight increase in expenses was mostly due to an increase in other costs. The overall number of personnel was higher in the third quarter of 2021 as compared to the third quarter of 2020 as the Group implemented its expansion plans as previously outlined in its Prospectus. This increase was partially offset by lower remuneration costs. Performance-based incentives are a common feature of hedge fund business models and the decline in remuneration costs was primarily a result of a reduction in bonus accruals when compared to the third quarter of 2020.
- The Group’s profit/loss before income tax was a loss of HK\$15.8 million for the nine months ended 30 September 2021, as compared to a profit of HK\$23.3million in the comparable period in 2020. Profit/loss attributable to owners of the company was a loss of HK\$18.1 million for the nine months ended 30 September 2021 (after tax), as compared to a profit of HK\$12.4 million in the comparable period of 2020.
- During the first nine months of 2021, the ongoing backdrop of Covid-19 has continued to restrict international travel and in person interactions in many countries. The Group has continued to actively use technology to enhance its marketing efforts. Over this period the team has been actively engaged with investors and prospects through regular webinars, on a one-on-one basis, through engagements via third parties and participating in industry conferences. The Group also continued to engage with investors and prospects via newsletters and longer thought pieces.
- During the first nine months of 2021, including during the third quarter, the Group has also been working on the expansion of its operations in Europe and Asia in line with the Use of Proceeds outlined in its Prospectus. This has included working through the process of obtaining an investment firm license from the Authority Financial Market (“AFM”) in the Netherlands. As part of this expansion, during the first half of 2021 we were pleased to welcome three new senior experienced professionals to the Group, including a new global CFO, a new Managing Director with substantial experience in senior executive operational management roles, and a new Manager of Risk and Compliance in our Amsterdam office who has substantial experience in derivatives markets. The Group has also continued to expand its technology team.

Selected financial highlights
(in HK\$ millions as of 30 September 2021 unless stated,
with comparison to 30 September 2020)

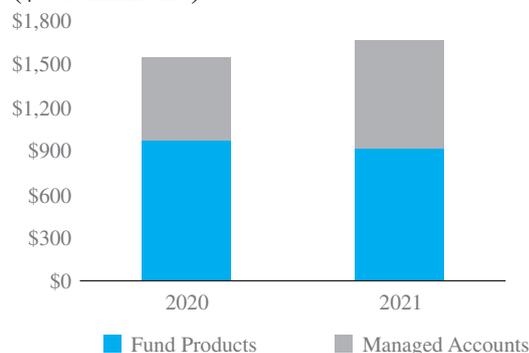
Revenues



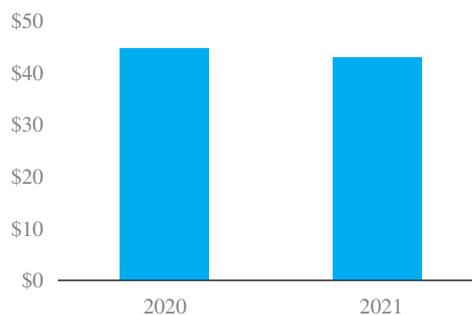
**Assets under management (“AUM”)⁶
(US\$ millions)**



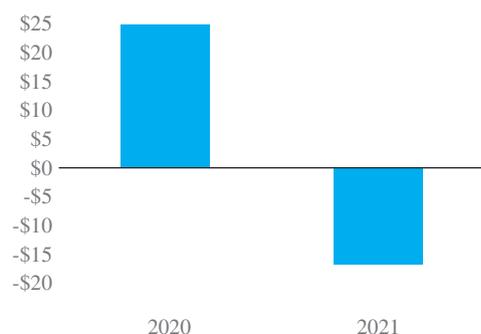
**Breakdown of AUM by Product Type⁴
(\$US millions)**



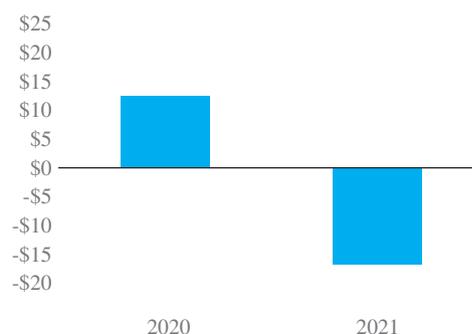
Management Fees



Non-HKFRS: Adjusted Net (Loss)/Profit⁷



(Loss)/profit attributable to owners of the company



⁶ The Group manages or advises on both fund products and other investment mandates. For the purposes of this report, co-mingled fund products launched by the Group or co-branded with the Group where a subsidiary of the Group is the investment manager or sub-investment manager are grouped under “fund vehicles”; other mandates are grouped under “managed accounts”. These mandates are typically each run for a specific client. As of 30 September 2021 the Group’s managed accounts deploy the Group’s relative value trading strategy and other trading strategies.

⁷ Adjusted Net Profit/Loss is unaudited and represents profit for the period adding back listing expenses. Adjusted Net Profit/Loss is not a measure of performance under HKFRS, has material limitations as an analytical tool, and does not include all items that impact our profit for the relevant period. For further details please refer to the Management Discussion and Analysis below.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Company is a Hong Kong and U.S. based fund management group with a focus on volatility trading in liquid markets. The Company and its subsidiaries (together as the “**Group**”) manages funds and managed accounts on a discretionary basis. The Group primarily employs a global volatility relative value trading strategy involving the active trading of liquid exchange listed derivatives (including equity index options, large cap single stock options, as well as futures, exchange traded funds and equities) across major markets (including the U.S., Europe and Asia) and different time zones. The Group also employs other volatility trading strategies. Our trading decisions are supported by our in-house proprietary trading platform (embedded with option pricing and volatility surface models) designed for our specific way of trading and which enables real-time pricing of implied volatilities, quantitative comparisons, risk management as well as speedy execution of trades. Our team’s collective expertise and specialized knowledge in options and volatility trading is the foundation of our proprietary trading technology.

Our firm AUM is US\$1,665 million as of 30 September 2021 and we currently manage or advise on both fund products and managed accounts. Our longest running fund product was launched in July 2011 and was later restructured into a master-feeder structure to facilitate investments from U.S. taxable investors. In 2016 we launched a further fund, which is similarly structured, but with a trading strategy which has a long volatility bias. Together with International Asset Management (“**IAM**”), we made our strategy available in UCITS format in June 2019, with the launch of a co-branded fund product for which a subsidiary of the Group is the sub-investment manager and IAM is the investment manager. IAM was founded in 1989 and is one of the oldest independent asset management firms specializing in hedge funds and alternative UCITS investments. Assets under management relating to these fund products are grouped together as “fund vehicles” above and below. In addition to funds launched by us or co-branded with us, we also enter into investment management mandates with third parties who allocate a sub-fund of their umbrella fund or a portion of their assets to be managed by us. We also create ‘fund-of-one’ structures for specific institutional clients, such as pension funds. While such arrangements may have different underlying structures in accordance with client preferences, for simplicity we group assets under management relating to these mandates under “managed accounts” above and below.⁸

As of 30 September 2021, our AUM comprised of US\$762 million in co-mingled fund products (including funds where the Group is a sub-investment manager) and US\$903 million in managed accounts or similar arrangements, including fund-of-one structures. The investors in funds managed or advised by us are mainly professional investors, including collective investment undertakings, family offices, pension funds, endowments/foundations, financial institutions and high net worth individuals. As of 30 September 2021, our AUM included mandates deploying our relative value strategy and other volatility strategies developed by the Group.

⁸ For the avoidance of doubt “managed accounts” may include a variety of legal structures, including but not limited to funds, managed accounts, and other investment management mandates. Each mandate is typically managed for a specific client relationship but may include multiple underlying investors.

Market environment

The nine months ended 30 September 2021 was overall a strong period for equity markets, with the MSCI World Total Return Hedged to US Dollars rising by +15.0%, a significantly higher return than its long-term average. During the third quarter, the MSCI World Total Return Hedged to US Dollars rose by +0.6%. Over the course of the year-to-date, equities continued to be boosted by monetary policy stimulus from central banks and fiscal stimulus from government actions as well as strong economic growth and continued positive investor sentiment.

For a very long-term context, it is helpful to consider the MSCI World Total Return USD, which has returns from January 1970. As equities are a 'risk' asset, it is common to think about the excess return of equities relative to 'risk-free' assets, such as short-term high quality government debt, such as US 3-month Treasury Bills. Over the period of January 1970 to September 2021, risk-free rates, as proxied by US 3-month Treasury Bills, have fallen dramatically, from approximately 8% to approximately 0%.⁹ As such it is useful to consider returns in excess of risk-free rates, i.e. in excess of US 3-month Treasury Bills.

Over the more than 50-year period from January 1970 to September 2021 the MSCI World Total Return USD has produced an annualized return of 3-month Treasury Bills +4.6%. In the first nine months of 2021 the MSCI World Total Return USD produced an annualized return of 3-month Treasury Bills +17.7%, that is, over three times its long-term average annual return.⁹

Despite seemingly large headline moves in equity indices, realized volatility has been lower than long-term averages, particularly in the US and Europe. For example, the S&P 500 has had realized volatility of 12.8% over the first nine months of 2021, well below its long-term (2006 to 2021 year-to-date) average realized volatility of 20.0%, and just over a third of its level in 2020 (34.4%).⁹

The VIX Index, which is a widely followed measure of US equity index implied volatility, was at a similar level at the end of the third quarter to its level entering 2020. However, the VIX is only indirectly tradable via derivatives. To look at the actual return of having long or short exposure to US equity index implied volatility, it is more appropriate to look at the cost of buying and rolling futures contracts linked to the VIX Index. A simple proxy for this can be found by looking at exchange-traded products that systematically buy and roll short-term VIX futures contracts. A large exchange-traded note providing exposure to VIX futures¹⁰ was down by -5.5% in the third quarter of 2021 and down -58.6% over the first nine months of 2021.

⁹ Sources: True Partner, Bloomberg

¹⁰ The iPath Series B S&P 500 VIX Short-Term Futures ETN

The combination of low realized volatility and declining short-term implied volatility (relative to what was priced into markets already) provided a challenging backdrop for our relative value volatility trading strategy and our fund products finished with small losses in the third quarter of 2021 and negative performance over the first nine months of 2021.³ This followed positive performance for our fund products in 2020.

During the first nine months of 2021, equity returns were strongest in the US and Europe, with a more mixed picture in Asia. In the US, the S&P 500 Total Return rose +15.9%, in Europe the Euro Stoxx 50 Total Return was up +15.9%, while in Asia the Taiex Total Return rose +17.9%, the S&P/ASX 200 Total Return rose +14.6%, the Nikkei 225 Total Return was up +8.6% and the Kospi 200 Total Return was up +4.1%. The Hang Seng and the Hang Seng China Enterprises Index (“**HSCEI**”) had losses over the period, with the Hang Seng finishing down -7.6%. The Hang Seng and HSCEI were not tradable by the Group’s products during most of the period of the nine months ending 30 September 2021 due to the indirect effects of US sanctions that restricted the trading of instruments with exposure to certain companies listed on the Hong Kong Stock Exchange. However, these markets are again tradable by the Group’s products as of the end of the third quarter, following the introduction of physically settled options on futures by the Hong Kong Stock Exchange in late August 2021.

Equity markets were boosted by stronger than anticipated improvements in economic growth and corporate earnings, particularly in the US, assisted by a backdrop of continued extensive fiscal and monetary support. The shift in the median economic projections of US Federal Reserve Board members and Federal Reserve Bank presidents participating in the Federal Open Market Committee (“**FOMC**”) meeting is one illustration of the degree of the positive surprise in growth.

At the FOMC meeting on 16 December 2020, the median projection for real GDP growth in 2021 was 4.2%, to be followed by 3.2% growth in 2022. This was revised up to a median projection of growth of 5.9% in 2021 and 3.8% growth in 2022 at its 22 September 2021 meeting.¹¹ Over the same period, the median projection for the unemployment rate at the end of 2021 fell from 5.0% at the 16 December 2020 meeting to 4.8% as of the 22 September 2021 meeting. The median projection for the end of 2022 fell from 4.2% to 3.8%, with 3.8% being below the 4.0% median estimate of the long-run neutral rate of unemployment.¹² Over the third quarter, there was increasing focus on inflation, with the median projection for core PCE inflation for 2021 rising from 3.0% to 3.7% between the 16 June 2021 meeting and the 22 September 2021 meeting, and the median estimates for 2022 and 2023 also rising.

¹¹ With respect to changes in the third quarter of 2021, the median projection for 2021 growth at the 22 September 2021 meeting was lower than the median projection at the 16 June 2021 meeting, but the projection for 2022 growth rose over the same period.

¹² Source: Federal Reserve. See the following links: September 2021 projections. <https://www.federalreserve.gov/monetarypolicy/fomcproptabl20210922.htm>; June 2021 projections: <https://www.federalreserve.gov/monetarypolicy/fomcproptabl20210616.htm>; December 2020 projections: <https://www.federalreserve.gov/monetarypolicy/fomcproptabl20201216.htm>

Entering the fourth quarter of 2021, valuations in several major equity markets including the S&P 500 remained at elevated levels when compared to longer-term averages⁹. For example, looking at three measures of valuation for the S&P 500, the price to earnings (“P/E”) ratio, the long-term P/E ratio and the 12-month forward P/E ratio, as of 1 October 2021 each of these metrics was in the most expensive 10% of observations relative to the over 15-year period from 1 January 2006 to 1 October 2021 (based on weekly data), with an average percentile of 94%⁹.

Outside of equities, government bonds in aggregate had losses over the first nine months of the year. The Bloomberg Global Aggregate Government Total Return Index Hedged to US Dollars was down -1.8% over the period. The US 10-year government bond yield rose from 0.91% to 1.49%. The Bloomberg Barclays US Treasury Total Return Index was down -2.5% during the first nine months of the year, with losses driven by a notable drawdown of -4.3% in Q1, its worst quarterly return since 1980,⁹ followed by a recovery in the second quarter and close to flat returns in the third quarter. Outside of the US, the German 10-year government bond yield rose from -0.57% to -0.20% over the first nine months of the year. German government bonds delivered a negative total return in each of the first quarter, second quarter and third quarter.¹³ Japanese yields saw a smaller change, with the 10-year government bond yield rising from 0.02% to 0.07% during the first nine months of the year. Implied volatility in US government bonds rose over the course of the first nine months of the year, with a sharp rise during the first quarter that was mostly given up during the second quarter, and a smaller change during the third quarter.¹⁴ However, the move higher in government bond yields and perceived risk in fixed income (i.e. a higher level of implied volatility) was largely shrugged off by equity markets.

The Covid-19 pandemic remained an ongoing human tragedy over the first nine months of 2021. with close to 3 million deaths globally from Covid-19 over the period, substantially more than the total number of deaths in 2020 (1.9 million). Each of the first, second and third quarters of 2021 saw more deaths per quarter than any quarter during 2020. Even in the US, where vaccinations have been widely available for some time, deaths in 2021 have exceeded the rate seen in 2020, with almost as many deaths over the first nine months of 2021 than seen in the whole of 2020.¹⁵

¹³ Based on the return of the Bloomberg Germany Government All Bonds Total Return Index, in local currency (euros). Sources: Bloomberg, True Partner

¹⁴ Source: Bloomberg, referencing the ICE BofA MOVE Index. This index is a yield curve weighted index of the normalised implied volatility on 1-month Treasury options. It is the weighted average of volatilities on the 2 year, 5 year, 10 year and 30 year US Treasuries.

¹⁵ Source: Bloomberg

At the same time, significant progress in vaccination programs and shifts in policy in many of the world's most economically important countries has enabled a major increase in economic activity and a significant reduction in restrictions on activities. Combined with continued fiscal and monetary stimulus, the net effect has been that despite its tragic human toll, the pandemic has had much less impact on global equity markets.

Investment performance

The first nine months of the year were challenging for our strategies. The Group's relative value strategy, as implemented in the Group's longest running fund vehicle, the True Partner Fund, has historically had its strongest performance during periods in which equities have declined and volatility has risen, so the broad market backdrop was not favourable for our investment approach over the nine months ended 30 September 2021. There were also some more idiosyncratic factors that proved challenging, including in January 2021.

After rising +7.2% in 2020, the True Partner Fund, our longest running strategy, was down -9.5% for the nine months ended 30 September 2021, including a -1.7% return during the third quarter of the year. Over half the loss for the nine months ended 30 September 2021 came during the first quarter, with smaller losses seen in the second and third quarters.

While the return over the first nine months of the year was disappointing and well below the long-term average, the True Partner Fund has seen other difficult periods in the past, including in 2013/2014, 2017 and in 2019, and we remain confident in our investment approach. While it is important to remember that past performance is not necessarily a guide or indicator of future performance, it is an interesting to observe that all these periods were followed by periods of strong performance, specifically in 2015, 2018 and 2020.

Investment performance in any given short time period can fluctuate around the long-term average based on the prevailing market opportunities. Investors in the Group's products typically focus on long-term investment performance as a key metric as they are generally seeking to invest with a longer-term horizon. When considering the whole period from its inception in July 2011 through 30 September 2021, the True Partner Fund, the Group's longest running fund product³ has outperformed each of the CBOE Eurekahedge Relative Value Volatility, Long Volatility and Short Volatility Hedge Fund indices in both absolute terms and in alpha terms. The Group considers these indices to be relevant benchmarks of peer performance as they are comprised of hedge funds trading different types of volatility strategies. Over the same inception to date period, considering the whole period from July 2011 through 30 September 2021, our longest running fund product has also outperformed the Eurekahedge Asset Weighted Hedge Fund Index, a broad index of hedge fund performance, in both absolute terms and in alpha terms.

Financial performance

The Group's primary source of revenues is its fund management business. Fund management revenues are derived from both management fees and from performance fees. Revenues for the nine months ended 30 September 2021 were HK\$42.8 million. This compares to revenues of HK\$92.2 million for the nine months ended 30 September 2020. During the nine months ended 30 September 2020 the Group's investment products saw strong performance and as a result generated both management fees and significant performance fees. During the nine months ended 30 September 2021 the Group's revenue from management fees was relatively stable when compared to the nine months ended 30 September 2020; however, the Group did not generate performance fees.

General and administrative expenses were HK\$51.8 million for the nine months ended 30 September 2021, as compared to HK\$50.3 million for the nine months ended 30 September 2020. The rise in expenses was primarily due to a rise in other expenses, partially offset due to lower remuneration costs. The overall number of personnel was higher in the third quarter of 2021 as compared to the third quarter of 2020. Performance based incentives are a common feature of hedge fund business models and the decline in remuneration costs was primarily a result of a reduction in bonus accruals when compared to the third quarter of 2020.

The Group's loss/profit before income tax was a loss of HK\$15.8 million for the nine months ended 30 September 2021, as compared to a profit of HK\$23.3 million in the comparable period in 2020. Loss/Profit attributable to owners of the company was a loss of HK\$18.1 million for the nine months ended 30 September 2021 (after tax), as compared to a profit of HK\$12.4 million in the comparable period of 2020. The Group's total comprehensive income attributable to owners of the company was a loss of HK\$18.6 million for the nine months ended 30 September 2021 as compared to a profit of HK\$11.1 million in the comparable period of 2020.

Non-HKFRS measures – Adjusted Net Loss/Profit and Adjusted Loss/Earning per share

In order to supplement the Group's consolidated financial statements, which are presented in accordance with HKFRS, the Group also uses Adjusted Net Loss/Profit (defined below) and Adjusted Loss/Earnings Per Share (defined below) as additional financial measures. The Group presents these financial measures because they are used by the management of the Group to evaluate the Group's financial performance by eliminating the impact of certain items that the Group does not consider to be indicative of the Group's underlying performance during the Reporting Period. The Group also believes that these non-HKFRS measures provide additional information to investors and others in their understanding and evaluating the Group's results of operations in the same manner as they help the Group's management and in comparing financial results across accounting periods and to those of the Group's peer companies. However, these non-HKFRS measures do not have a standardized meaning prescribed by HKFRS and therefore they may not be comparable to similar measures presented by other companies listed on the Hong Kong Stock Exchange.

During 2020, the Group undertook preparatory work in advance of its listing on the GEM market of the Hong Kong Stock Exchange on 16 October 2020. During the nine months ended 30 September 2020 the Group incurred HK\$12.3 million in related listing expenses, which resulted in lower profits over the period. The Group also incurred additional listing expenses during 2019 and the remainder of 2020. The Group did not incur listing expenses during the nine months ended 30 September 2021.

The Adjusted Net Loss/Profit, which is unaudited, represents loss/profit attributable to owners of the Company for the period adding back listing expenses (the "**Adjusted Net Loss/Profit**"). The Adjusted Net Loss/Profit of the Group for the nine months ended 30 September 2021 was a loss of HK\$18.1 million as compared to an Adjusted Net Profit for the Group of a HK\$24.8 million for the corresponding period in 2020. Non-HKFRS Adjusted (loss)/earnings per share was a loss of 4.52 HK cents per share for the nine months ended 30 September 2021 as compared to Adjusted Earnings of 8.26 HK cents per share for the corresponding period in 2020. The Adjusted Loss/Profit Per Share is unaudited and represents Adjusted Net Loss/Profit divided by the total number of ordinary shares in issue (the "**Adjusted Loss/Earnings Per Share**").

In light of the foregoing limitations for other financial measurements, when assessing the Group's operating and financial performance, shareholders and investors should not consider Adjusted Net Profit and/or Adjusted Earnings Per Share in isolation or as a substitute for the Group's profit for the years, operating profit or any other operating performance measure that is calculated in accordance with HKFRSs. In addition, because such measures may not be calculated in the same manner by all companies, it may not be comparable to other similar titled measurements by other companies.

Reconciliation of Adjusted Net Loss/Profit

<i>Figures in HK\$'000</i>	For the nine months ended	
	30 September	
	2021	2020
<i>(Loss)/profit attributable to owners of the Company</i>	(18,071)	12,445
<i>Add back: listing expense</i>	–	12,344
Adjusted Net (Loss)/Profit	(18,071)	24,789

Reconciliation of Adjusted Loss/Earnings Per Share

<i>Figures in HK\$'000</i>	For the nine months ended	
	30 September	
	2021	2020
<i>(Loss)/profit attributable to owners of the Company</i>	(18,071)	12,445
<i>Add back: listing expense</i>	–	12,344
Adjusted Net (Loss)/Profit	(18,071)	24,789
<i>Divided by:</i>		
<i>Number of Ordinary Shares</i>	400,000,000	300,000,000
Adjusted (loss)/earnings Per Share (HK cents)	(4.52)	8.26

Comparison: Loss/Earnings Per Share

<i>Figures in HK\$'000</i>	For the nine months ended	
	30 September	
	2021	2020
<i>(Loss)/profit attributable to owners of the Company</i>	(18,071)	12,445
<i>Divided by:</i>		
<i>Number of Ordinary Shares</i>	400,000,000	300,000,000
(Loss)/earnings Per Share (HK cents)	(4.52)	4.15

Assets under management

The Group reports its assets under management in US dollars.¹⁶ US dollars are the base currency of most of the Group's fund vehicles and managed accounts. The Group had \$1,665 million in assets under management as of 30 September 2021. This compares to \$1,541 million in assets under management as of 30 September 2020, representing an increase of \$124 million or 8%. Assets under management were also higher relative to the end of 2020: assets under management were \$1,585 million as of 31 December 2020 and \$1,665 million as of 30 September 2021, an increase of 5%. Assets under management were also higher over the third quarter of 2021, with a net increase in assets under management of \$97 million over the third quarter. The changes over each of the periods referenced were driven by positive net inflows, partially offset by the effects of negative investment performance. The change in the third quarter was primarily driven by the launch of a new customized vehicle for an institutional client.

As of 30 September 2021, the Group had \$762 million in assets under management in fund vehicles and \$903 million in managed accounts. This compares to \$969 million in assets under management in fund vehicles and \$572 million in managed accounts as of 30 September 2020.

Business development activities

The Group has successfully adapted to the challenging conditions created by Covid-19, expanding its provision of digital content and making use of technology to engage with investors globally despite restrictions on in person interactions and travel.

During the first nine months of 2021 and including the third quarter of the year, the team has been actively engaged with investors and prospects through webinars and on a one-on-one basis. This has included holding multiple webinars for the True Partner Fund, which have provided an opportunity to highlight the fund's positive performance in 2020 and to explain the more challenging performance year-to-date in 2021. Working in conjunction with IAM, with whom the Group has a partnership for the UCITS fund product for which we are sub-investment manager, we have also held webinars for UCITS investors.

In addition, over the nine months ending 30 September 2021 we have been engaged with investors and prospective investors through third party events. The co-CIO of the True Partner Fund, Tobias Hekster, gave an interview to Context 365, a digital capital introductions service developed by the creators of the Context Summits, a leading alternative investments conference. Mr. Hekster was also a panellist at the Volatility Perspectives event organised by Bank of America. The team also presented at the Morgan Stanley European Hedge Fund Forum.

¹⁶ Figures for assets under management may include figures based on estimated net asset values for fund vehicles or managed accounts managed or advised by the Group

The Group also continued to engage with investors and prospects via newsletters and other pieces. We have also been actively engaged with our capital introduction partners over the period. We have been pleased to launch a new customized vehicle for an institutional client during the third quarter of 2021, whose assets under management are included under the “managed accounts” category above.

Amid a challenging environment for traditional due diligence processes, which typically involve in person, onsite activity, and an environment where investors have had a lot of areas on which to focus, we have been pleased with the way the Group has been able to adapt to remain highly engaged with investors and prospects.

During the first nine months of 2021, the Group has also been working on the expansion of its operations in Europe and Asia. This has included working through the process of obtaining an investment firm license from the Authority Financial Market (“AFM”) in the Netherlands. As part of this expansion we were pleased to welcome three new senior experienced professionals to the Group early in the year, including a new global CFO, a new Managing Director with substantial experience in senior executive operational management roles, and a new Manager of Risk and Compliance in our Amsterdam office who has substantial experience in derivatives markets.

Technology developments

Our technology team remains focused on maintaining and incrementally further improving the key elements of our core proprietary systems, including the Typhoon Trader, our front-end trading system, Observatory, our real-time risk management system, Quant, our data warehouse and quantitative library, Solunar, our back-office system, and Nitro, which integrates our different modules into a centralised platform.

During the first nine months of 2021 we have focused on further improving the stability, redundancy, and security of both our infrastructure and our proprietary technology.

The Group believes that its proprietary technology remains a significant source of our advantage in markets and continues to invest in this area. We are actively exploring opportunities to deploy and further enhance our technology infrastructure together with our investment expertise in order to further expand our business activities. The Group has also further expanded its technology team over the first nine months of the year.

Market outlook

Our investment approach is quantitatively driven with a disciplined process that does not rely on macro forecasts. However, the overall environment is nevertheless an important backdrop. Below we provide some brief observations on the current macro environment and potential implications for investors’ approaches to portfolios.

We continue to believe that one important focus for many investors over the coming quarters will be the search for properly diversifying assets. 2020 has highlighted once again the potential for tail risks to quickly emerge and have major impacts on markets. The speed and magnitude of the recovery in equity markets to reach fresh all-time highs has also created dilemmas. We believe it has highlighted both the challenges and potential benefits of timing overall market exposures and resulted in fresh concerns about valuations. As of 30 September 2021, the S&P 500 stood over 30% higher than its level entering 2020, and close to double its low of 23 March 2020. As of 30 September 2021, the Nasdaq 100 was almost 70% higher than its level entering 2020, and 110% above its low on 23 March 2020⁹.

Meanwhile, there are increasing signs that the inflation seen during the recovery in economic activity may be less transitory than many initially hoped. Focusing on the US as an example, widely followed inflation measures such as headline and core consumer price inflation, and measures that seek to exclude outliers, which tend to also be a focus for policy makers, have remained notably high in the US, while news stories abound regarding supply chain and price pressures.¹⁷ Inflation expectations, as proxied by the University of Michigan surveys, have also risen.¹⁸ We believe that the persistence of inflation is now starting to more meaningfully shift sentiment regarding potential policy outcomes.

That raises challenges for government bonds, with nominal yields below levels of inflation in the US, euro area, UK and (albeit marginally so) in Japan. At the end of the third quarter, nominal yields in the US and euro area (for the euro area as proxied by German yields) were similar to levels seen at the end of January 2020 (very similar in the US, higher in Germany). However, real yields, as reflected by 10 year inflation-linked government bonds, were markedly lower and strongly negative in both the US and euro area, reflecting investors' perceptions that government bonds are expected to deliver a negative return in real terms over the coming decade.

¹⁷ For example: the Federal Reserve Bank of Cleveland 16% Trimmed Mean CPI was at 3.5% year-on-year as of 30 September 2021. Regarding news stories, see for example: 'P&G to increase prices further as commodity, freight costs bite' (19 Oct 2021, Reuters) <https://www.reuters.com/business/retail-consumer/pg-beats-quarterly-sales-estimates-warns-higher-supply-chain-costs-2021-10-19/>; 'Kraft Heinz says people must get used to higher food prices' (10 Oct 2021, BBC) <https://www.bbc.com/news/business-58847275>; 'Consumer goods prices rise as manufacturers face higher costs' (20 Oct 2021, New York Times) <https://www.nytimes.com/2021/10/20/business/consumer-goods-prices-inflation.html>

¹⁸ Source: University of Michigan Expected Change in Prices During the Next 5-10 Years (Bloomberg data)

As we noted at the end of 2020 and at the end of the first quarter, with government bonds typically being utilised as the “safer” portion of many traditional portfolios, this raises challenges for asset allocation. If government bond yields rise to levels closer to their long-run averages, this could result in losses for bond portfolios. This could also make equities look less attractive on a relative basis, particularly stocks whose valuations are most dependent on growth many years from now. This could in turn challenge equity markets. Rising cost pressures may also pressure corporate margins. The worst outcome could be a ‘stagflation’ type scenario, where inflation proves persistent even if growth slows to low levels. This could be negative for both equities and bonds. Such a scenario may produce volatile market conditions that could provide opportunities for certain volatility strategies.

In the Group’s annual report for 2020 we observed that over the period of 1980 to 2020, many investors have become accustomed to a negative correlation between equities and bonds during periods of equity sell-offs. We highlighted that the negative correlation between equities and bonds had been less reliable during the equity drawdown seen during the first quarter of 2020, with periods where equities and bonds had suffered losses at the same time. Most notably, this occurred from 10th to 18th March 2020, when an ETF investing in long-term US Treasuries fell -15.7% while the S&P 500 fell -12.7%.¹⁹ Focusing on the US, the first nine months of 2021 provide other examples of this shift. While there have been periods where equities have been negatively correlated to bonds, in each of late January, late February/early March, mid-May and late September equities and bonds have sold off together.²⁰

Of course, looking at longer-term data, equities and bonds have had sustained periods of positive downside correlations in the past, such as in the 1970s, when equity and bond prices often fell together. A shift in investor sentiment towards bonds has the potential to increase investor demand for alternative diversifiers such as some volatility funds.

The rise in bond yields over the first nine months of 2021 also increases the discount rate applied to projected earnings many years away. During the first quarter, when bond yields rose significantly, the MSCI World Growth Index was close to flat despite the overall strong equity market environment. When bond yields fell in the second quarter, the MSCI World Growth Index saw strong performance. In the third quarter, bond yields were little changed and the MSCI World Growth Index was also little changed (up just under +1%). A more meaningful and persistent change in discount rates could be a potential risk factor for some parts of the equity markets.

¹⁹ Comparing the S&P 500 to the TLT ETF = iShares 20+ Year Treasury Bond ETF.

²⁰ Comparing the S&P 500 to the TLT ETF = iShares 20+ Year Treasury Bond ETF. Periods noted are 26-29 January 2021, 16 February to 4 March 2021, 10-12 May 2021 and 23-30 September 2021.

As of 30 September 2021, equity valuations were at elevated levels relative to those seen over the last 15 years. Forward-estimates for economic growth and earnings reflect optimism about the economic recovery and a reduction in Covid-19 related restrictions on activity. While we are glad to be seeing significant progress in the fight against Covid-19 in countries such as the US, the pandemic continues to be challenging in many parts of the world. The emergence of new, more contagious variants, renewed restrictions on activity in some places and signs of plateauing in vaccination levels in some countries where vaccination availability is high could yet be a warning that Covid-19 will remain an ongoing public health challenge.

The US economy is expected to have seen strong economic growth in the third quarter of 2021 and for 2021 as a whole. Economic growth in the Euro area was negative in the first quarter but was positive in the second quarter, is expected to have been positive in the third quarter and is projected to be positive in the fourth quarter too. With monetary and fiscal policy stimulus already very high and expected to taper over time, future economic growth is likely to be more dependent on improvements in productivity. There is a risk that persistent costs emerge from the pandemic. For example, some production and transportation processes may see permanent shifts in capacity and costs as a result of necessary safety measures or shifts in labour market dynamics.

Within volatility markets, as of mid-October 2021 implied volatility had fallen back from end-September levels. Specifically, as of 15 October 2021 30-day at-the-money implied volatility in the S&P 500 was 12%, below its 2006 to 2021 average of 17% and well below its 2020 peak of 78%. In Europe, Euro Stoxx 50 30-day at-the-money implied volatility was 14%, below its 2006 to 2021 average of 20% and well below its 2020 peak of 81%. In Japan, Nikkei 225 30-day at-the-money implied volatility was 17%, below its 2006 to 2021 average of 22% and well below its 2020 peak of 72% (itself below its peaks of over 100% in 2008).²¹ While levels of implied volatility are not necessarily directly indicative of the short-term opportunity set, low levels of implied volatility can potentially indicate some complacency in markets, which can lead to larger market reactions should unexpected events occur.

²¹ Based on 30-day implied volatility. Long-term average based on 1 Jan 2006 to 15 October 2021. Sources: True Partner, Bloomberg

Of course, timing markets is difficult, and unusual valuations can sometimes persist for long periods. Our investment approach is absolute return, and we aim to profit in a range of market environments. Nevertheless, we believe that the current environment represents an opportunity for investors to consider their portfolio construction approach and long-term asset allocation. Alternative diversifiers including hedge funds and strategies such as volatility trading could be beneficiaries of this. Our relative value volatility strategy has historically generated positive long-term absolute returns with a negative correlation to equity markets. Additional strategies we have developed for customized solutions are also expected to have opportunities in environments of strongly negative equity returns, which could make them attractive diversifiers for existing and potential clients. Should we see a shift away from bonds and towards alternative diversifiers such as hedge funds and customized mandates, our products could be well placed to benefit from increased investor demand for this kind of exposure.

Financial review

Revenue

During the Reporting Period, revenue of the Group amounted to HK\$42.8 million, representing a decrease of HK\$49.4 million, or approximately 54% as compared with HK\$92.2 million for the corresponding period of 2020. The decrease was primarily due to a decrease in performance fees from its funds/managed accounts.

Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period was HK\$37.9 million, representing a decrease of HK\$46.5 million or 55% from HK\$84.4 million for the nine months ended 30 September 2020. The decrease was primarily driven by a decrease in performance fee.

General and administrative expenses

General and administrative expense of the Group for the Reporting Period amounted to HK\$51.8 million, representing an increase of HK\$1.5 million or approximately 3% from HK\$50.3 million over the corresponding period of 2020. The rise in expenses was primarily due to a rise in other expenses, partially offset due to lower remuneration costs. The overall number of personnel was higher in the third quarter of 2021 as compared to the third quarter of 2020. Performance based incentives are a common feature of hedge fund business models and the decline in remuneration costs was primarily a result of a reduction in bonus accruals when compared to the third quarter of 2020.

Gain on dilution of interest in an associate

The amount represents the dilution gain on the Group's investment in the associated company: Holland & Muh Investment Management Co., Ltd. ("**Holland & Muh**"). As at 26 March 2021, Holland & Muh issued and registered new shares to certain investors, the new capital was increased on 13 April 2021. Consequently, the Group's interest in Holland & Muh was diluted from 30% to 24.896%. The difference between (1) the decrease in the carrying value of the Group's interest in Holland & Muh resulting from the decrease in shareholding; and (2) the Group's share of the proceeds received for the new shares issued resulted in a dilution gain of HK\$90,256 and was recognised in the consolidated statement of profit or loss in the first quarter of 2021. The Group is able to exercise significant influence over Holland & Muh because after the dilution, the Company appointed one director out of three directors in Holland & Muh.

Share of results of associates

Share of results of associates represents operating losses arising from principal business activities of two associates - Capital True Partner Technology Co., Ltd. and Holland & Muh. For the Reporting Period, share of loss of associates of the Group amounted to approximately HK\$64,000, representing an increased profit of HK\$73,000 or approximately 53% for the corresponding period of 2020. This was primarily due to the better business activity performance of the 2 associates impacted by more favorable market conditions.

Finance costs

Finance costs mainly represent interest expense on lease liabilities. For the Reporting Period, finance cost of the Group amounted to approximately HK\$68,000, representing a decrease of HK\$29,000 or approximately 30% for the corresponding period of 2020. This was primarily due to interest expense.

Dividends

The Board does not recommend the payment of any dividend in respect of the nine months ended 30 September 2021 (nine months ended 30 September 2020: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2021, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long position in the Shares

Name of Director/ Chief Executive	Capacity/ Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Tobias Benjamin Hekster	Beneficial owner	56,339,018	14.08%
Godefriedus Jelte Heijboer	Beneficial owner	56,049,644	14.01%
Ralph Paul Johan van Put ⁽¹⁾	Interest in a controlled corporation	58,337,399	14.58%
Roy van Bakel ⁽²⁾	Interest in a controlled corporation	27,686,280	6.92%

Notes:

- (1) The Shares were held by True Partner Participation Limited. True Partner Participation Limited is wholly owned by Mr. Ralph Paul Johan van Put. Mr. Ralph Paul Johan van Put is deemed to be interested in all the Shares held by True Partner Participation Limited under the SFO.
- (2) The Shares were held by Red Seven Investment Ltd. Red Seven Investment Ltd is wholly owned by Mr. Roy van Bakel. Mr. Roy van Bakel is deemed to be interested in all the Shares held by Red Seven Investment Ltd under the SFO.

Save as disclosed above, as at 30 September 2021, none of the Directors nor chief executives of the Company had or was deemed to have any other interests or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept under Section 352 of the SFO; or (c) as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY

So far as is known to the Directors, as at 30 September 2021, the following persons/entities (other than Directors or chief executive of the Company) had, or were deemed to have, interests or short positions (directly or indirectly) in the Shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Long position in the Shares

Name of shareholders	Capacity/ Nature of Interest	Number of Ordinary Shares held	Approximate percentage of interest
Franca Kurpershoek-Hekster ⁽¹⁾	Interest of spouse	56,339,018	14.08%
Wong Rosa Maria ⁽²⁾	Interest of spouse	56,049,644	14.01%
True Partner Participation Limited	Beneficial owner	58,337,399	14.58%
Kung Yun Ching ⁽³⁾	Interest of spouse	58,337,399	14.58%
True Partner International Limited	Beneficial owner	44,808,908	11.20%
Alset EHome International Inc. ⁽⁴⁾	Interest in a controlled corporation	62,122,908	15.53%
HFE Holdings Limited ⁽⁴⁾	Interest in a controlled corporation	62,122,908	15.53%
Chan Heng Fai Ambrose ⁽⁴⁾	Interest in a controlled corporation	62,122,908	15.53%
Chan Kong Yoke Keow ⁽⁵⁾	Interest of spouse	62,122,908	15.53%
Edo Bordoni	Beneficial owner	29,839,153	7.46%
Anne Joy Bordoni ⁽⁶⁾	Interest of spouse	29,839,153	7.46%
Red Seven Investment Ltd	Beneficial owner	27,686,280	6.92%
Maria Victoria Diaz Basilio ⁽⁷⁾	Interest of spouse	27,686,280	6.92%
Nardinc Beheer B.V.	Beneficial owner	36,196,000	9.04%
SomethingEls B.V. ⁽⁸⁾	Interest in a controlled corporation	36,196,000	9.04%
ERMA B.V. ⁽⁸⁾	Interest in a controlled corporation	36,196,000	9.04%
Dasym Managed Accounts B.V. ⁽⁸⁾	Investment manager	36,196,000	9.04%
F. J. Botman Holding B.V. ⁽⁸⁾	Interest in a controlled corporation	36,196,000	9.04%
Franciscus Johannes Botman ⁽⁸⁾	Interest in a controlled corporation	36,196,000	9.04%

Notes:

- (1) Mrs. Franca Kurpershoek-Hekster is the spouse of Mr. Tobias Benjamin Hekster, an executive Director, and Mr. Tobias Benjamin Hekster holds 14.08% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Franca Kurpershoek-Hekster is deemed to be interested in the same number of Shares in which Mr. Tobias Benjamin Hekster is deemed to be interested in under the SFO.

- (2) Mrs. Wong Rosa Maria is the spouse of Mr. Godefriedus Jelte Heijboer, an executive Director, and Mr. Godefriedus Jelte Heijboer holds 14.01% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Wong Rosa Maria is deemed to be interested in the same number of Shares in which Mr. Godefriedus Jelte Heijboer is deemed to be interested in under the SFO.
- (3) Mrs. Kung Yun Ching is the spouse of Mr. Ralph Paul Johan van Put, the chairman and executive Director and True Partner Participation Limited is wholly owned by Mr. Ralph Paul Johan van Put. True Partner Participation Limited holds 14.58% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Kung Yun Ching is deemed to be interested in the same number of Shares in which Mr. Ralph Paul Johan Van Put and True Partner Participation Limited are deemed to be interested in under the SFO.
- (4) True Partner International Limited and Global eHealth Limited are wholly owned subsidiaries of Alset EHome International Inc. respectively. Alset EHome International Inc. is 15.57% and 37.48% owned by Mr. Chan Heng Fai Ambrose and HFE Holdings Limited respectively. HFE Holdings Limited is wholly owned by Mr. Chan Heng Fai Ambrose. True Partner International Limited and Global eHealth Limited holds 11.20% and 4.33% in True Partner Capital Holding Limited respectively. By virtue of the SFO, Mr. Chan Heng Fai Ambrose is deemed to be interested in the Shares held by True Partner International Limited and Global eHealth Limited under the SFO.
- (5) Mrs. Chan Kong Yoke Keow is the spouse of Mr. Chan Heng Fai Ambrose and Mr. Chan Heng Fai Ambrose is deemed to be interested in 15.53% in True Partner Capital Holding Limited per note (4) above. By virtue of the SFO, Mrs. Chan Kong Yoke Keow is deemed to be interested in the same number of Shares in which Mr. Chan Heng Fai Ambrose is deemed to be interested in under the SFO.
- (6) Mrs. Anne Joy Bordoni is the spouse of Mr. Edo Bordoni and Mr. Edo Bordoni holds 7.46% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Anne Joy Bordoni is deemed to be interested in the same number of Shares in which Mr. Edo Bordoni is deemed to be interested in under the SFO.
- (7) Mrs. Maria Victoria Diaz Basilio is the spouse of Mr. Roy van Bakel, an executive Director and Red Seven Investment Ltd is wholly owned by Mr. Roy van Bakel. Red Seven Investment Ltd holds 6.92% in True Partner Capital Holding Limited. By virtue of the SFO, Mrs. Maria Victoria Diaz Basilio is deemed to be interested in the same number of Shares in which Mr. Roy van Bakel and Red Seven Investment Ltd are deemed to be interested in under the SFO.
- (8) Each of SomethingEls B.V. and ERMA B.V. holds 50% interest in Nardinc Beheer B.V. By virtue of the SFO, SomethingEls B.V. and ERMA B.V. are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO. Dasy Managed Accounts B.V., as investment manager, is 90.1% owned by F.J. Botman Holding B.V. which in turn is wholly owned by Mr. Franciscus Johannes Botman. By virtue of the SFO, Dasy Managed Accounts B.V., F.J. Botman Holding B.V. and Mr. Franciscus Johannes Botman are deemed to be interested in the Shares held by Nardinc Beheer B.V. under the SFO.

Save as disclosed above, as at 30 September 2021, the Directors were not aware of any other persons/entities (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interest or short positions in the Shares or underlying Shares of the Company would fall to be required 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 were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Share option scheme

Pre-IPO Share Option Scheme

A pre-IPO share option scheme was adopted and approved by the then shareholders of the Company on 13 February 2020 (the “**Pre-IPO Share Option Scheme**”). The purpose of the Pre-IPO Share Option Scheme is to recognise and acknowledge the contributions made by certain employees of the Group to the growth of the Group by granting options to them as rewards and further incentives. For more information, please refer to the section of “Directors’ Report” in the Group’s annual report for the year ended 31 December 2020 (the “**Annual Report 2020**”). As at 1 January 2021, 8,997,804 share options remained outstanding. As 30 September 2021, 7,947,488 share options remained outstanding. 1,050,316 share options were lapsed due to an employee’s resignation during the three months ended 30 September 2021.

Share option scheme

A share option scheme was adopted and approved by the then shareholders of the Company on 22 September 2020 (the “**Share Option Scheme**”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The principal terms of the Share Option Scheme are summarised in the section of “Directors’ Report” in the Annual Report 2020. No share option has been granted by the Company pursuant to the Share Option Scheme since its adoption and up to the date of this announcement.

INTERESTS IN COMPETING BUSINESS

None of the Directors or the substantial Shareholders (as defined in the GEM Listing Rules) of the Company (the “**Substantial Shareholders**”) or their respective close associates (as defined in the GEM Listing Rules) has interests in any business apart from the Group’s businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person has or may have with the Group for the nine months ended 30 September 2021 and up to the date of this announcement.

INTEREST OF THE COMPLIANCE ADVISER

As notified by Alliance Capital Partners Limited (“**Alliance Capital**”), compliance adviser of the Company, neither Alliance Capital nor any of its close associates (as defined in the GEM Listing Rules) and none of the directors or employees of Alliance Capital had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities, if any) which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2021.

The compliance adviser’s appointment is for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the dispatch of its annual report of the financial results for the second full financial year commencing after the date of initial listing of the Shares on the GEM (the “**Listing**”), or until the compliance adviser agreement is terminated in accordance with its terms and conditions, whichever is earlier. Pursuant to the compliance adviser agreement, Alliance Capital receives fees for acting as the Company’s compliance adviser.

CODE OF CORPORATE GOVERNANCE PRACTICES

The Group has adopted the principles and code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules. To the best knowledge of the Directors, except for the deviation from code provision A.2.1 of the CG Code, the Group has no material deviation from the CG Code.

Code provision A.2.1 of the CG Code stipulates that the roles of the 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 should be clearly established and set out in writing.

Mr. Ralph Paul Johan van Put currently holds the positions of the chairman of the Board and the chief executive officer of the Company. Mr. Ralph Paul Johan van Put has been the key leadership figure of the Group who has been primarily involved in the strategic development and determination of the overall direction of the Group. He has also been directly supervising the senior management of the Group. Taking into account of the above, the Directors consider that the vesting of the roles of chairman and chief executive officer in Mr. Ralph Paul Johan van Put provides a strong leadership to the Group and is beneficial and in the interests of the Company and its shareholders as a whole. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance. The Board will continue to review and consider splitting the roles of chairman of the Board and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

To ensure check and balance of power and authority on the Board, individuals with a broad range of expertise and experience are on the Board as independent non-executive Directors to offer independent and differing advice and monitor the operations of the Board, including corporate governance aspects of functioning of the Board.

The Company regularly reviews its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors (the “**Code of Conduct**”) on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries of all Directors, all Directors have confirmed that they had fully complied with the Code of Conduct during the nine months ended 30 September 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities during the nine months ended 30 September 2021.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 22 September 2020 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and code provision C.3.3 and C.3.7 of the CG Code. The primary duties of the Audit Committee mainly include (i) making recommendations to the Board on the appointment and removal of external auditors; (ii) reviewing and supervising the financial statements and material advice in respect of financial reporting; (iii) overseeing internal control procedures; (iv) supervising internal control and risk management systems of the Group; and (v) monitoring continuing connected transactions (if any). The members of the Audit Committee include three independent non-executive Directors, namely Ms. Wan Ting Pai, Mr. Jeronimus Mattheus Tielman and Mr. Ming Tak Ngai. Ms. Wan Ting Pai is the chairwoman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial results announcement and the quarterly report of the Company for the nine months ended 30 September 2021 and is of the opinion that such results and report have been complied with the applicable accounting standards and the requirements under the GEM Listing Rules, and that adequate disclosures have been made.

By order of the Board
True Partner Capital Holding Limited
Ralph Paul Johan van Put
Chairman and Chief Executive Officer

Hong Kong, 11 November 2021

As at the date of this announcement, the Board comprises Mr. Ralph Paul Johan van Put, Mr. Godefriedus Jelte Heijboer, Mr. Tobias Benjamin Hekster and Mr. Roy van Bakel, each as an executive Director and Mr. Jeroen M. Tielman, Ms. Jasmine Wan Ting Pai and Mr. Michael Ngai Ming Tak, each as an independent non-executive Director.

This announcement will remain on the GEM's website at www.hkgem.com on the "Latest Listed Company Information" page for a minimum period of seven days from the date of its publication. This announcement will also be published on the Company's website at www.truepartnercapital.com.

In the case of inconsistency, the English text of this announcement shall prevail over the Chinese text.