

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.



ARTA TECHFIN CORPORATION LIMITED

裕承科金有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

CONNECTED TRANSACTIONS

IAA with Avantua

On 23 August 2023, Arta Global Markets entered into the IAA dated 23 August 2023 with Avantua pursuant to which Arta Global Markets is to provide investment advisory services to Avantua during the period from the date of the IAA to 30 September 2023 (both days inclusive).

BAA with Concord

On 23 August 2023, Arta Corporate Advisory entered into the BAA dated 23 August 2023 with Concord pursuant to which Arta Corporate Advisory is to provide strategic business advisory services to Concord during the period from the date of the BAA to 31 March 2024 (both days inclusive).

Listing Rules Implications

As at the date of this announcement, Dr. Cheng is the ultimate beneficial owner of Radiant Alliance Limited, which holds 14,011,317,504 Shares, representing approximately 73.19% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Avantua and Concord. Therefore, each of Avantua and Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the IAA and the BAA constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the total service fees payable under each of the IAA and the BAA is less than 25% and the total consideration of each is less than HK\$10 million, the transactions contemplated under the IAA and the BAA are subject only to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 23 August 2023, Arta Global Markets and Arta Corporate Advisory, both wholly-owned subsidiaries of the Company, entered into the IAA and the BAA with Avantua and Concord respectively, pursuant to which the Group would provide certain advisory services to Avantua and Concord.

IAA with Avantua

Arta Global Markets entered into the IAA dated 23 August 2023 with Avantua, the key commercial terms of which are described below:

- Parties:
- (i) Avantua (as client)
 - (ii) Arta Global Markets (as investment adviser). Arta Global Markets is licensed under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities.
- Term: A term commencing on the date of the IAA and ending on 30 September 2023 (both days inclusive).
- Scope of services: Arta Global Markets is to provide investment advisory services to Avantua in relation to the investment portfolio of Avantua.
- Service fee: A fixed service fee of HK\$1,250,000 is payable by Avantua to Arta Global Markets on or before 30 September 2023
- Termination: Either party may terminate the IAA by giving not less than 30 days' written notice. Under certain circumstances (including but not limited to either party committing a material breach of the terms of the IAA and either party going into liquidation), the other party may terminate the IAA by notice taking immediate effect. Where Avantua ceases to be the beneficial owner of the investment portfolio that is subject to the IAA or where the investment portfolio is liquidated, the IAA is to terminate automatically.

The terms of the IAA (including the service fee) were determined after arm's length negotiations between Arta Global Markets and Avantua. In pricing its services, Arta Global Markets took into account the size of the investment portfolio of Avantua in respect of which it is to provide investment advisory services, the ad hoc research and advisory services in respect of potential investment opportunities and the resources it would need to dedicate in serving Avantua.

BAA with Concord

Arta Corporate Advisory entered into the BAA dated 23 August 2023 with Concord, the key commercial terms of which are described below:

- Parties:
- (i) Concord (as client)
 - (ii) Arta Corporate Advisory (as advisor). Arta Corporate Advisory is licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activities.
- Term: A term commencing on the date of the BAA and ending on 31 March 2024 (both days inclusive).
- Scope of services: Arta Corporate Advisory is to advise on Concord's business operation and management affairs.
- Arta Corporate Advisory is also to assist in Concord's strategic business directions, positioning and performance, and in corporate partnering activities and introduce business partners (if any) to Concord.
- Service fee: A fixed service fee of HK\$750,000 is payable by Concord to Arta Corporate Advisory by instalments:–
- (i) HK\$500,000, payable on or before 30 September 2023;
 - (ii) HK\$125,000, payable on or before 31 December 2023; and
 - (iii) Remaining balance of HK\$125,000, payable on or before 31 March 2024
- Termination: Either party may terminate the BAA by giving not less than 30 days' written notice.

The terms of the BAA (including the service fee) were determined after arm's length negotiations between Arta Corporate Advisory and Concord. In pricing its services, Arta Corporate Advisory took into account the business needs of Concord and the resources it would need to dedicate in serving Concord.

REASONS FOR AND BENEFITS OF ENTERING INTO THE IAA AND THE BAA

The Company is an investment holding company. A number of its subsidiaries are licensed by the SFC to engage regulated activities under the SFO. The Group is principally engaged in the financial services sector with capability to provide a full suite of SFO regulated services, including securities and futures brokerage, placing, underwriting and corporate advisory and margin financing services and asset management services. In addition, the Group also provides insurance brokerage and financial planning services.

The IAA and the BAA will enable the Group to provide investment advisory services and strategic business advisory services to Avantua and Concord respectively, on normal commercial terms, in line with the business strategy and as part of the Group's overall effort to develop its businesses in the challenging operating environment in which the Hong Kong financial services market is generally facing.

Taking into account the above and the terms of the IAA and the BAA, the Directors (including the independent non-executive Directors) are of the view that the terms of the IAA and the BAA are fair and reasonable, the IAA and the BAA are on normal commercial terms and the entering into of the same is in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Dr. Cheng is the ultimate beneficial owner of Radiant Alliance Limited, which holds 14,011,317,504 Shares, representing approximately 73.19% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Avantua and Concord. Therefore, each of Avantua and Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the IAA and the BAA constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the total service fees payable under each of the IAA and the BAA is less than 25% and the total consideration of each is less than HK\$10 million, the transactions contemplated under the IAA and the BAA are subject only to the reporting and announcement requirements but are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Avantua is principally engaged in investment holding. Its ultimate beneficial owner is Dr. Cheng.

Concord is principally engaged in writing general insurance policies for both corporate and individual clients and is an insurer authorised by the Insurance Authority in Hong Kong to carry on the business of writing general insurance. Its ultimate beneficial owner is Dr. Cheng.

Given Dr. Cheng's shareholding in the Company and his majority interest in Avantua and Concord as disclosed above, Dr. Cheng has a material interest in the IAA and the BAA. In addition, Ms. Li Chuchu, Tracy, an executive Director, is a director of Concord and Mr. Han Kam Leung, Michael, a non-executive Director, is a director and the chief executive officer of Concord. Dr. Cheng has abstained from voting on the Board resolutions in relation to the entering into of the IAA and the BAA and the transactions contemplated thereunder. Ms. Li Chuchu, Tracy and Mr. Han Kam Leung, Michael have abstained from voting on the Board resolutions in relation to the entering into of the BAA and the transactions contemplated thereunder.

No other Director has any material interest in the IAA and the BAA, or is required to abstain from voting on the Board resolutions in relation to the same under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Arta Corporate Advisory”	Arta Corporate Advisory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Arta Global Markets”	Arta Global Markets Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Avantua”	Avantua Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“BAA”	the business advisory agreement dated 23 August 2023 entered into between Avantua and Arta Global Markets

“Board”	the board of Directors
“Company”	Arta TechFin Corporation Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 279)
“Concord”	Concord Insurance Company Limited, a company incorporated in Hong Kong with limited liability
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAA”	the investment advisory agreement dated 23 August 2023 entered into between Concord and Arta Corporate Advisory
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Shares(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent

By Order of the Board
Arta TechFin Corporation Limited
Lau Fu Wing, Eddie
Chief Executive Officer

Hong Kong, 23 August 2023

As at the date of this announcement, the Board comprises Dr. Cheng Chi-Kong, Adrian SBS, JP (Chairman) and Mr. Han Kam Leung, Michael as Non-executive Directors, Mr. Lau Fu Wing, Eddie (Chief Executive Officer), Ms. Li Chuchu, Tracy (Deputy Chief Financial Officer) and Ms. Yeung Shuet Fan Pamela (Chief Financial Officer) as Executive Directors, and Ms. Ling Kit Sum Imma, Mr. Lo Chun Yu Toby and Dr. Tam Lai Fan Gloria as Independent Non-executive Directors.