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ARTA TECHFIN CORPORATION LIMITED

裕承科金有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 279)

CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTIONS

(1) Extension of IAA with Avantua

On 31 March 2022, Arta Asset Management entered into the Supplemental IAA with Avantua to extend the term of the IAA, pursuant to which Arta Asset Management is to provide investment advisory services to Avantua which is due to expire on 31 March 2022, to 30 September 2022.

(2) Extension of IBA with Concord

On 31 March 2022, Arta Asset Management entered into the Supplemental IBA with Concord to extend the term of the IBA, pursuant to which Arta Asset Management agreed to provide insurance brokerage service to Concord which is due to expire on 31 March 2022. The term is to be extended for a period commencing from 1 April 2022 to 30 September 2022 (both days inclusive) and the maximum amount of insurance brokerage fees to be charged under the Supplemental IBA for the period from 1 April 2022 to 30 September 2022 is not to exceed the Extended Period Cap of HK\$1.25 million.

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 75.0% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Concord and in Avantua. Therefore, Concord and Avantua are each an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the IAA (as amended by the Supplemental IAA) constitutes a connected transaction and the transactions contemplated under the IBA (as amended by the Supplemental IBA) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The applicable percentage ratios under the Listing Rules for the fees payable under the IAA (as amended by the Supplemental IAA) and for the maximum amount of brokerage fees payable under the IBA (as supplemented by the Supplemental IBA) subject to the Extended Period Cap are each less than 25% and the total consideration of each is less than HK\$10 million. Accordingly, the transaction contemplated under the IAA (as amended by the Supplemental IAA) is subject to the reporting and announcement requirements under the Listing Rules, whereas the transactions contemplated under the IBA (as amended by the Supplemental IBA) are subject to the reporting, announcement and annual review requirements under the Listing Rules, but they are both exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

(1) Extension of the IAA with Avantua

As disclosed in the Resumption Announcement, Arta Asset Management entered into the IAA dated 28 June 2021 (as amended by a supplemental agreement dated 30 September 2021) with Avantua, pursuant to which Arta Asset Management is to provide investment advisory services to Avantua during the period from 1 July 2021 to 31 March 2022 (both days inclusive). Arta Asset Management is an indirect wholly-owned subsidiary of the Company which 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 and holds an insurance broker license under the Insurance Authority to carry out general and long term insurance business (including linked long term insurance business) in Hong Kong.

As the IAA is due to expire on 31 March 2022, Arta Asset Management and Avantua entered into the Supplemental IAA on 31 March 2022 to extend the term of the IAA. All other terms of the IAA remain unchanged.

The key details of the IAA as amended by the Supplemental IAA are set out below:

Parties:	(i) Avantua (as client) (ii) Arta Asset Management (as investment adviser)
Extended term:	The term of the IAA shall be extended for a period commencing from 1 April 2022 to 30 September 2022 (both days inclusive)
Scope of services:	Arta Asset Management shall provide investment advisory services to Avantua in relation to the investment portfolio under the management of Avantua.
Advisory fees:	A monthly fee of HK\$550,000 is payable by Avantua to Arta Asset Management.
Payment:	The advisory fee shall be payable monthly on the first business day of each month.
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 manage the investment portfolio under the IAA or where the investment portfolio is liquidated, the IAA shall terminate automatically.

The terms of the IAA and the Supplemental IAA (including the monthly fee) were determined after arm's length negotiations between Arta Asset Management and Avantua. In pricing its services, Arta Asset Management 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.

(2) Extension of the IBA with Concord

As disclosed in the Resumption Announcement, Arta Asset Management entered into the IBA dated 25 February 2021 (as amended and supplemented by a supplemental agreement dated 28 October 2021) with Concord, pursuant to which Arta Asset Management agreed to provide insurance brokerage service to Concord during the period from 25 February 2021 to 31 March 2022 (both days inclusive), and the aggregate amount of fees for brokerage services to be rendered under the IBA for the financial year ending 31 March 2022 was expected to not exceed HK\$4,700,000.

As the IBA is due to expire on 31 March 2022, Arta Asset Management entered into the Supplemental IBA with Concord on 31 March 2022 to extend the term of the IBA. All other terms of the IBA remain unchanged.

The key details of the IBA as amended by the Supplemental IBA are set out below:

Parties:	(i) Concord (as insurer) (ii) Arta Asset Management (as broker)
Extended term:	The term of the IBA shall be extended for a period commencing from 1 April 2022 to 30 September 2022 (both days inclusive) (the “ Extended Period ”).
Scope of services:	Arta Asset Management shall provide insurance brokerage services to Concord.
Brokerage fees:	The aggregate amount of fees for brokerage services to be rendered (calculated by reference to brokerage payable) shall not exceed HK\$1.25 million for the Extended Period (the “ Extended Period Cap ”).
Payment:	The rate of the brokerage payable to Arta Asset Management by Concord from time to time shall be agreed between Arta Asset Management and Concord on normal commercial terms and in any event no less favourable to Arta Asset Management than terms offered by Concord to its other insurance brokers providing comparable level of insurance brokerage services for comparable products.
Termination:	Either party may terminate the IBA by giving 30 days’ written notice. The IBA will be terminated automatically if Arta Asset Management becomes insolvent, is wound up or is in receivership.

In determining the Extended Period Cap, the Company took into account the estimated insurance brokerage fees for the financial year ending 31 March 2022 of approximately HK\$1.5 million which was lower than the cap specified in the Resumption Announcement due to unexpected delays in the registration of a new responsible officer for the Group's insurance brokerage business until early March 2022 during which period the Group was not able to provide insurance brokerage services, the maximum monthly brokerage income for the sales of general insurance products during the year ending 31 March 2022 prior to the transition to a new responsible officer of the Group's insurance brokerage business, the size of the Group's general insurance products team and the length of the Extended Period.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL IAA AND THE SUPPLEMENTAL IBA

The Company is an investment holding company whose certain subsidiaries are licensed by the SFC to engage in a full suite of regulated activities under the SFO, including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

The Group is principally engaged in the financial services sector, including provision of securities and futures brokerage, placing, underwriting and corporate advisory and margin financing services; provision of asset management services; and provision of insurance brokerage and financial planning services.

Accordingly, the IAA (as extended by the Supplemental IAA) and the IBA (as extended by the Supplemental IBA), which enable the Group to continue the provision of investment advisory and insurance brokerage services to Avantua and Concord respectively on normal commercial terms, are entered into in line with the business strategy and as part of the Group's overall effort to develop its businesses following the resumption of trading in the Shares on 1 November 2021.

Taking into account the above and the terms of the IAA (as amended by the Supplemental IAA) and the IBA (as amended by the Supplemental IBA), the Directors (including the independent non-executive Directors) are of the view that the IAA (as amended by the Supplemental IAA) and the IBA (as amended by the Supplemental IBA) are on normal commercial terms, and fair and reasonable, and the entering into of the same is in the ordinary and usual course of business of the Group and 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 75.0% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Concord and in Avantua. Therefore, Concord and Avantua are each an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the Supplemental IAA constitutes a connected transaction and the transactions contemplated under the Supplemental IBA constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The applicable percentage ratios under the Listing Rules for the fees payable under the IAA (as amended by the Supplemental IAA) and for the maximum amount of brokerage fees payable under the IBA (as supplemented by the Supplemental IBA) subject to the Extended Period Cap are each less than 25% and the total consideration of each is less than HK\$10 million. Accordingly, the transaction contemplated under the IAA (as amended by the Supplemental IAA) is subject to the reporting and announcement requirements under the Listing Rules, whereas the transactions contemplated under the IBA (as amended by the Supplemental IBA) are subject to the reporting, announcement and annual review requirements under the Listing Rules, but they are both exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Avantua is principally engaged in investment holding.

Concord is principally engaged in writing general insurance policies for both corporate and individual clients and it is an insurer authorised by the Insurance Authority in Hong Kong to carry on writing general insurance business.

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 IBA. 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 deputy chief executive officer of Concord. Dr. Cheng, 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 Supplemental IAA and the Supplemental IBA and the transactions contemplated thereunder. No other Director has any material interest in the IAA (as amended by the Supplemental IAA) or the IBA (as amended by the Supplemental IBA) or was 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 Asset Management”	Arta Asset Management Limited (formerly known as People Securities Company Limited), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Avantua”	Avantua Investment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Board”	the board of Directors
“Company”	ARTA TechFin Corporation Limited (formerly known as Freeman FinTech 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
“Dr. Cheng”	Dr. Cheng Chi-Kong, Adrian <i>JP</i>
“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 28 June 2021 (as amended by a supplemental agreement dated 30 September 2021) entered into between Avantua and Arta Asset Management, as disclosed in the Resumption Announcement

“IBA”	the insurance broker agreement dated 25 February 2021 (as amended and supplemented by a supplemental agreement dated 28 October 2021) entered into between Concord and Arta Asset Management, as disclosed in the Resumption Announcement
“Investor Group”	Radiant Alliance Limited and its associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Resumption Announcement”	the announcement of the Company dated 29 October 2021 in relation to, among other things, the resumption of trading in the Shares and transactions with the Investor Group
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental IAA”	the supplemental agreement dated 31 March 2022 entered into between Avantua and Arta Asset Management amending the IAA, as disclosed in this announcement
“Supplemental IBA”	the supplemental agreement dated 31 March 2022 entered into between Concord and Arta Asset Management amending the IBA, as disclosed in this announcement
“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, 31 March 2022

As at the date of this announcement, the Board comprises Dr. Cheng Chi-Kong, Adrian JP (Chairman) and Mr. Han Kam Leung, Michael as Non-executive Directors, Mr. Lau Fu Wing, Eddie (Chief Executive Officer), Ms. Li Chuchu, Tracy and Ms. Yeung Shuet Fan Pamela 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.