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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)

COMPLETION OF PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Sole Overall Coordinator



Joint Placing Agents



The Board is pleased to announce that the completion of the Vendor Placing took place on 3 November 2022 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 252,336,000 Vendor Placing Shares were successfully placed by the Placing Agents to no less than six placees, who and whose ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, third parties independent of and not connected with the Company or its connected persons, at the Vendor Placing Price of HK\$0.112 per Vendor Placing Share.

As all conditions to the Subscription have been fulfilled, the Vendor subscribed for, and the Company allotted and issued 252,336,000 Subscription Shares to the Vendor at HK\$0.112 per Subscription Share (which is equivalent to the Vendor Placing Price) on 11 November 2022 in accordance with the terms and conditions of the Placing and Subscription Agreement.

Reference is made to the announcement of the Company dated 1 November 2022 (the “**Announcement**”) in respect of the Placing and Subscription Agreement. Unless defined otherwise, capitalised terms used herein shall have the same respective meanings as those defined in the Announcement.

COMPLETION OF THE VENDOR PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that the completion of the Vendor Placing took place on 3 November 2022 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 252,336,000 Vendor Placing Shares were successfully placed by the Placing Agents to no less than six placees, who and whose ultimate beneficial owners are, to the best of the Director’s knowledge, information and belief after having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons, at the Vendor Placing Price of HK\$0.112 per Vendor Placing Share. The Vendor Placing Price represents a discount of approximately 5.08% to the closing price of HK\$0.118 per Share as quoted on the Stock Exchange on 31 October 2022, the last Trading Day prior to the signing of the Placing and Subscription Agreement. None of the placees are or became substantial shareholders of the Company upon completion of the Vendor Placing.

As all conditions to the Subscription have been fulfilled, the Vendor subscribed for, and the Company allotted and issued 252,336,000 Subscription Shares to the Vendor at HK\$0.112 per Share (which is equivalent to the Vendor Placing Price) on 11 November 2022 in accordance with the terms and conditions of the Placing and Subscription Agreement. The Subscription Shares represent approximately 1.33% of the number of Shares in issue as enlarged by the allotment and issue of Subscription Shares. The net proceeds from the Subscription are approximately HK\$27.5 million, net of professional fees and out-of-pocket expenses.

The Company intends to use all of the net proceeds from the Subscription as follows:

Intended use of net proceeds	Amount <i>(approximate, HK\$’ million)</i>
Firmwide upgrade of hardware and software	7
Expansion and upgrade of operating infrastructure (including brokerage trading system and custodian systems)	9
Expansion of asset management fund product offerings and related marketing	3
Brand building, marketing and establishment of presence in non-Hong Kong markets	5
Funding possible strategic investments and associated costs	1.4
General working capital	2.1
Total	27.5

EFFECT OF THE VENDOR PLACING AND THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before the completion of the Vendor Placing and the Subscription; (ii) immediately upon completion of the Vendor Placing, but before the completion of the Subscription; and (iii) immediately upon completion of the Vendor Placing and the Subscription on the date of this announcement, respectively:

Shareholder(s)	Immediately before the completion of the Vendor Placing and the Subscription		Immediately upon completion of the Vendor Placing but before completion of the Subscription		Immediately upon completion of the Vendor Placing and the Subscription	
	Number of Shares	Approximate % (Note 2)	Number of Shares	Approximate %	Number of Shares	Approximate %
Vendor (Note 1)	14,011,317,504	75.00	13,758,981,504	73.65	14,011,317,504	74.00
Public Shareholders (Note 3)	4,670,444,376	25.00	4,670,444,376	25.00	4,670,444,376	24.67
Placees of the Vendor Placing Shares	–	–	252,336,000	1.35	252,336,000	1.33
Total	<u>18,681,761,880</u>	<u>100.00%</u>	<u>18,681,761,880</u>	<u>100.00%</u>	<u>18,934,097,880</u>	<u>100.00%</u>

Notes:

- (1) The Vendor is indirectly wholly owned by Dr. Cheng, a Non-executive Director and the chairman of the Company. Therefore, Dr. Cheng is deemed to be interested in the Shares which the Vendor is interested by virtue of the Securities and Futures Ordinance (Cap. 571).
- (2) The percentage figures included in the shareholding structure have been subject to rounding adjustment.
- (3) Excluding the placees of the Vendor Placing Shares.

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

Hong Kong, 11 November 2022

As at the date of this announcement, the Board of the Company 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.