

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)

CONTINUING CONNECTED TRANSACTIONS

On 3 January 2023, Arta Asset Management entered into the Supplemental IBA with Concord to extend the term of the IBA by six months to 30 June 2023 and to agree that the aggregate amount of insurance brokerage services to be provided by Arta Asset Management to Concord (to be calculated by reference to brokerage fees payable) during the Extended Period would not exceed HK\$1,500,000.

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 74.0% of the total issued Shares. As Dr. Cheng and his associates have a majority interest in Concord, Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, 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.

As the applicable percentage ratios under the Listing Rules for the maximum amount of brokerage fees payable under the IBA (as supplemented by the Supplemental IBA) are less than 25% and the maximum amount of insurance brokerage fees (from 1 April 2022 to the end of the Extended Term) is less than HK\$10 million, the transactions contemplated under the IBA (as supplemented by the Supplemental IBA) are subject only to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Arta Asset Management entered into the IBA dated 25 February 2021 (as amended and supplemented by three supplemental agreements dated 28 October 2021, 31 March 2022 and 30 September 2022 respectively) with Concord. Pursuant to the IBA, Arta Asset Management agreed to provide insurance brokerage service to Concord for periods up to 31 December 2022 and the aggregate amount of fees for brokerage services to be rendered under the IBA during the financial year ended 31 March 2022 and from 1 April 2022 to 31 December 2022 was expected to not exceed HK\$4,700,000 and HK\$1,875,000 respectively. The actual amount of brokerage services rendered under the IBA during the financial year ended 31 March 2022 and (based on latest available management accounts) from 1 April 2022 to 20 December 2022 was approximately HK\$1,463,000 and HK\$1,139,000 respectively.

Arta Asset Management entered into the Supplemental IBA with Concord on 3 January 2023 to extend the IBA and to update the aggregate amount of fees for brokerage services to be rendered under 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 client) (ii) Arta Asset Management (as broker)
Extended term:	The term of the IBA has been extended for a six month period commencing from 3 January 2023 to 30 June 2023 (both dates inclusive) (the “ Extended Period ”).
Scope of services:	Arta Asset Management is to provide insurance brokerage services to Concord.
Brokerage fees:	The aggregate amount of fees for brokerage services to be provided by Arta Asset Management (to be calculated by reference to brokerage fees payable) during the Extended Period would not exceed HK\$1,500,000 (“ Extended Period Cap ”), absent further compliance by the Company with the applicable Listing Rules. The parties also agreed that the total brokerage fees payable for the period from 3 January 2023 to 31 March 2023 would not exceed HK\$1,000,000.
Payment:	The rate of the brokerage fees 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 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 (i) the unaudited aggregate insurance brokerage incomes of the Group attributable to Concord from 1 April 2022 to 20 December 2022 and the previous cap for the period from 1 April 2022 to 31 December 2022 as disclosed above; (ii) the length of the Extended Period; and (iii) the potential increase in demand for both business and individual insurance products as the local economy improves, following the relaxation of COVID-19 social distancing measures in Hong Kong in December 2022 and the announced relaxation of travel restrictions and quarantine requirements in Mainland China later this month.

REASONS FOR AND BENEFITS OF ENTERING INTO 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. The Group is principally engaged in the financial services sector, including (a) global markets business (comprising securities and futures brokerage businesses, corporate and securities advisory, placing, underwriting and margin financing businesses), (b) investment advisory and asset management, and (c) the provision of insurance brokerage and financial planning services.

Arta Asset Management is a 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 business (including linked long term business) in Hong Kong. Concord is authorised by the Insurance Authority to carry on the business of writing general insurance and is principally engaged in this business for both corporate and individual clients.

The IBA (as extended by the Supplemental IBA) enables the Group to continue the provision of insurance brokerage services to Concord on normal commercial terms, in line with the business strategy and as part of the Group's overall effort to develop its insurance brokerage business. Taking into account the above and the terms of the IBA (as amended by the Supplemental IBA), the Directors (including the independent non-executive Directors) are of the view that the IBA (as amended by the Supplemental IBA) are on normal commercial terms, are fair and reasonable, 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 74.0% of the total issued Shares. As Dr. Cheng and his associates have a majority interest in Concord, Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, 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.

As the applicable percentage ratios under the Listing Rules for the maximum amount of brokerage fees payable under the IBA (as supplemented by the Supplemental IBA) are less than 25% and the maximum amount of insurance brokerage fees (from 1 April 2022 to the end of the Extended Term) is less than HK\$10 million, the transactions contemplated under the IBA (as supplemented by the Supplemental IBA) are subject only to the reporting, announcement and annual review requirements and are exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Given that (i) Dr. Cheng, Chairman and a non-executive Director, has majority interest in Concord as disclosed above; (ii) Ms. Li Chuchu, Tracy, an executive Director, is a director of Concord and (iii) Mr. Han Kam Leung, Michael, a non-executive Director, is a director and the chief executive officer of Concord, each of them has abstained from voting on the Board resolution to approve the Supplemental IBA.

No other Director has any material interest in 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:

“Arta Asset Management”	Arta Asset Management Limited (formerly known as People Securities Company Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“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
“Director(s)”	director(s) of the Company
“Dr. Cheng”	Dr. Cheng Chi-Kong, Adrian <i>JP</i>

“Group”	the Company and its subsidiaries
“IBA”	the insurance broker agreement dated 25 February 2021 entered into between Concord and Arta Asset Management as amended and supplemented by supplemental agreements dated 28 October 2021, 31 March 2022 and 30 September 2022 respectively
“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
“Supplemental IBA”	the supplemental agreement dated 3 January 2023 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, 3 January 2023

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 (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.