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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)

BUSINESS UPDATE

This announcement is made by Arta TechFin Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”). The purpose of this announcement is to keep the shareholders of the Company and potential investors informed of the latest business performance of the Group, since the publication of its interim results for the six months ended 30 September 2022.

According to the unaudited consolidated management accounts (the “**Unaudited Management Accounts**”) of the Group, for the first five months of the second half of financial year 2022/23 (“**2H FY2023**”) of the Group, i.e. 1 October 2022 to 28 February 2023, consolidated revenue per month has been lower on average compared with the first half of financial year 2022/23 (“**1H FY2023**”), i.e. 1 April 2022 to 30 September 2022. The management of the Company attributes this performance to the following:

- (1) The investment advisory agreement dated 28 June 2021 between Arta Asset Management Limited and Avantua Investment Holdings Limited, a continuing connected transaction for the Company, expired on 30 September 2022, and this resulted in a reduction in the investment advisory income for the Company since 1 October 2022.
- (2) Further, the operating environments for the Group’s three main business lines of global markets, asset management and insurance brokerage remain challenging in the months since 1 October 2022:
 - (a) the volumes of primary and secondary equity market activities in Hong Kong, for October 2022 to February 2023 were lower than those during the corresponding period 12 months prior thereto;

- (b) rising interest rates have adversely impacted asset managers in terms of negative performance and capital outflows (with very limited exceptions); and
- (c) the reopening of the border between Hong Kong and Mainland China in January 2023 has seen a slower recovery in the number of visitors from Mainland China than expected, and an even slower recovery in the volume of insurance policies with savings element than expected.

As a result, the management of the Company expects that there will be a consolidated loss before tax for 2H FY2023, although it is not expected to be materially higher than that for 1H FY2023.

The information contained in this announcement is solely based on the information currently available and the management's preliminary assessment of the Unaudited Management Accounts, which has neither been reviewed or finalised by the audit committee of the Company, nor reviewed or audited by the external auditors of the Company.

On behalf of the Board
Arta TechFin Corporation Limited
Lau Fu Wing, Eddie
Chief Executive Officer

Hong Kong, 15 March 2023

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 (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.