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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 29 March 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 209,082,000 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\$0.110 for each Vendor Placing Share.

As all conditions to the Subscription have been fulfilled, the Vendor subscribed for, and the Company allotted and issued 209,082,000 Subscription Shares to the Vendor at HK\$0.110 per Subscription Share (which is equivalent to the Vendor Placing Price) on 31 March 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement.

Reference is made to the announcement of the Company dated 24 March 2023 (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 29 March 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement, where an aggregate of 209,082,000 Vendor Placing Shares were successfully placed by the Placing Agents to no less than six independent placees which are professional, institutional or other investors at the Vendor Placing Price of HK\$0.110 per Vendor Placing Share. To the best of the Director’s knowledge, information and belief after having made all reasonable enquiries, each of the placees and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. The Vendor Placing Price represents a discount of approximately 3.51% to the closing price of HK\$0.114 per Share as quoted on the Stock Exchange on 24 March 2023, the date 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 209,082,000 Subscription Shares to the Vendor at HK\$0.110 per Share (which is equivalent to the Vendor Placing Price) on 31 March 2023 in accordance with the terms and conditions of the Placing and Subscription Agreement. The Subscription Shares represent approximately 1.09% 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\$22.36 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:

Business objectives	Intended use of net proceeds <i>(Approximate, HK\$’ million)</i>
Firmwide upgrade of IT hardware and software (mainly to enhance cyber-security and infrastructural integrity)	2.35
Expansion and upgrade of IT operating infrastructure including in-house and external software development (mainly for its client-facing systems, trading system and custodian systems, as well as blockchain-related and cryptographic solutions)	7.06
Expansion of asset management fund product offerings and related marketing	4.12
Local and global brand building and marketing and establishment of presence in non-Hong Kong markets	4.12
Funding possible strategic investments and associated costs	1.77
General working capital	2.94
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Total	22.36
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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, 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 %	Number of Shares	Approximate %	Number of Shares	Approximate %
Vendor ^(Note 1)	14,011,317,504	74.00%	13,802,235,504	72.90%	14,011,317,504	73.19%
Public Shareholders ^(Note 2)	4,922,780,376	26.00%	4,922,780,376	26.00%	4,922,780,376	25.72%
Places of the Vendor Placing Shares	–	–	209,082,000	1.10%	209,082,000	1.09%
Total	18,934,097,880	100.00%	18,934,097,880	100.00%	19,143,179,880	100.00%

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) *Excluding the places of the Vendor Placing Shares.*

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

Hong Kong, 31 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.