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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)**

### **CONTINUING CONNECTED TRANSACTION**

#### **IMA with Concord**

On 1 July 2024, Arta Asset Management entered into the IMA dated 1 July 2024 with Concord pursuant to which Arta Asset Management is to provide investment management services to Concord for a term of three years commencing from and including the date of the IMA.

#### **Listing Rules Implications**

As at the date of this announcement, Dr. Cheng is the ultimate beneficial owner of Radiant Alliance Limited, which holds 8,842,658,937 Shares, representing approximately 46.19% of the total issued Shares. Additionally, Dr. Cheng has a majority interest in Perfect Path Global Limited, which holds 5,168,658,567 Shares, representing approximately 27.00% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Concord. Therefore, Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the IMA constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the annual cap for the service fees payable by Concord under the IMA are less than 25% and the total consideration is less than HK\$10 million, the transaction contemplated under the IMA is subject only to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

On 1 July 2024, Arta Asset Management, a wholly-owned subsidiary of the Company, entered into the IMA with Concord, pursuant to which Arta Asset Management would provide investment management services to Concord, the key commercial terms of which are described below:

- Parties: (i) Concord (as client)
- (ii) Arta Asset Management (as investment manager). Arta Asset Management 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.
- Term: A term of three years commencing from and including the date of the IMA.
- Scope of services: Arta Asset Management is to provide investment management services to Concord in relation to the investment portfolio of Concord.
- Service fee and Payment: A management fee at the rate of 1%, accrued monthly on the higher of HK\$170,000,000 (being the initial value of the assets to be managed by Arta Asset Management) or the net asset value of the investment portfolio, and payable from the assets of the investment portfolio within 15 days after the end of each calendar month.
- Termination: Either party may terminate the IMA 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 IMA and either party going into liquidation), the other party may terminate the IMA at any time by immediate written notice.

The terms of the IMA (including the service fee) were determined after arm's length negotiations between Arta Asset Management and Concord. In pricing its services, Arta Asset Management took into account the size of the investment portfolio of Concord in respect of which it is to provide investment management services, the ad hoc research and management services in respect of potential investment opportunities and the resources it would need to dedicate in serving Concord.

#### **PROPOSED ANNUAL CAPS AND BASIS**

The annual cap for the service fee shall not exceed HK\$2,000,000. In determining the annual cap, the Company took into account the size of the investment portfolio of Concord expected to be managed by Arta Asset Management, and the projected investment return of the portfolio under management based on the historical track record.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE IMA**

The Company is an investment holding company. A number of its subsidiaries are licensed by the SFC to engage in regulated activities under the SFO. The Group is principally engaged in the financial services sector with the capability to provide a full suite of SFO regulated services, including securities and futures brokerage, placing, underwriting, corporate advisory, margin financing services, asset management services, investment advisory services and insurance brokerage services.

The IMA will enable the Group to provide investment management 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 businesses in the challenging operating environment in which the Hong Kong financial services market is generally facing.

Taking into account the above and the terms of the IMA, the Directors (including the independent non-executive Directors) are of the view that the terms of the IMA are fair and reasonable and are on normal commercial terms and the entering into of the same as 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 8,842,658,937 Shares, representing approximately 46.19% of the total issued Shares. Additionally, Dr. Cheng has a majority interest in Perfect Path Global Limited, which holds 5,168,658,567 Shares, representing approximately 27.00% of the total issued Shares. Furthermore, Dr. Cheng and his associates have a majority interest in Concord. Therefore, Concord is an associate of Dr. Cheng and a connected person of the Company under the Listing Rules. Accordingly, the transaction contemplated under the IMA constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios under the Listing Rules for the annual cap for the service fees payable by Concord under the IMA are less than 25% and the total consideration is less than HK\$10 million, the transaction contemplated under the IMA is subject only to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

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 the business of writing general insurance.

Given Dr. Cheng’s shareholding in the Company and his majority interest in Concord as disclosed above, Dr. Cheng has a material interest in the IMA. In addition, Mr. Han Kam Leung, Michael, a non-executive Director, is a director and the chief executive officer of Concord. Dr. Cheng and Mr. Han Kam Leung, Michael have abstained from voting on the Board resolutions in relation to the entering into the IMA and the transaction contemplated thereunder.

No other Director has any material interest in the IMA, or is 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, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“connected person”	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>SBS, JP</i>
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IMA”	the investment management agreement dated 1 July 2024 entered into between Concord and Arta Asset Management

“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)
“Share(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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By Order of the Board of  
**Arta TechFin Corporation Limited**  
**Xu Hao**  
*Chief Executive Officer*

Hong Kong, 1 July 2024

*As at the date of this announcement, the Board of the Company comprises Dr. Cheng Chi-Kong, Adrian SBS, JP (Chairman) and Mr. Han Kam Leung, Michael as Non-executive Directors, Mr. Xu Hao (Chief Executive Officer) and Ms. Li Chuchu, Tracy (Chief Financial Officer) as Executive Directors, and Ms. Ling Kit Sum Imma, Dr. Tam Lai Fan Gloria and Mr. Zhang Guangying as Independent Non-executive Directors.*