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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)**

### **CONVERSION OF SECOND LOAN AND ISSUE OF SECOND LOAN CONVERSION SHARES**

Reference is made to (i) the circular of Company dated 26 May 2021 (the “**Circular**”) in relation to, among others, the Restructuring Deed entered into among the Company, Radiant Alliance and the Provisional Liquidators; and (ii) the announcement of the Company dated 29 October 2021 in relation to, among others, the completion of the Restructuring. Unless the contexts require otherwise, Capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

### **CONVERSION OF SECOND LOAN AND ISSUE OF SECOND LOAN CONVERSION SHARES**

As part of the Restructuring which was disclosed in the Circular, Radiant Alliance (the controlling shareholder of the Company), the Provisional Liquidators and the Company entered into, among others, the Second Loan Agreement, pursuant to which Radiant Alliance made available to the Company the interest free and unsecured Second Loan in the aggregate amount of HK\$40,000,000.

Pursuant to the Second Loan Agreement, Radiant Alliance has the right to convert the Second Loan into 2,478,766,139 Shares (the “**Second Loan Conversion Shares**”) at the conversion price of HK\$0.01614 per Share during the conversion period commencing from the date falling on the first anniversary of the date of Resumption (being 1 November 2021) and up to and inclusive of the date falling on the third anniversary of the date of Resumption (being 1 November 2024). Upon completion of such conversion, all outstanding liabilities of the Company under the Second Loan Agreement shall be deemed fully paid and settled and no longer outstanding.

The Board is pleased to announce that on 29 October 2024, the Company received a conversion notice from Radiant Alliance exercising its rights to convert the entire Second Loan into the Second Loan Conversion Shares.

Pursuant to such exercise of conversion rights by Radiant Alliance, 2,478,766,139 Second Loan Conversion Shares will be allotted and issued by the Company to Radiant Alliance under the specific mandate granted by the Shareholders to the Directors at the extraordinary general meeting of the Company which was held on 17 June 2021. The Second Loan Conversion Shares will rank pari passu with all the existing Shares in issue as at the date of allotment and among themselves in all respects.

Immediately after the completion of the issue of the Conversion Shares, the number of issued shares of the Company will increase to 21,621,946,019 Shares, and the 2,478,766,139 Second Loan Conversion Shares represent (i) approximately 13.0% of the existing issued share capital of the Company immediately prior to the conversion of the Second Loan; and (ii) approximately 11.5% of the issued share capital of the Company as enlarged by the allotment and issue of the Second Loan Conversion Shares.

## **CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY**

The Company has also been informed that Radiant Alliance entered into a sale and purchase agreement dated 29 October 2024 with the Purchaser, pursuant to which Radiant Alliance agreed to sell and the Purchaser agreed to purchase an aggregate of 300,000,000 Shares. The 300,000,000 Shares which forms the subject-matter of the Share Transfer represents (i) approximately 1.6% of the existing issued share capital of the Company immediately prior to the conversion of the Second Loan; and (ii) approximately 1.4% of the issued share capital of the Company as enlarged by the allotment and issuance of the Second Loan Conversion Shares.

It is expected that the Share Transfer shall be completed prior to the allotment and issuance of the Second Loan Conversion Shares in order to maintain the public float of the Company as required under Rule 8.08 of the Listing Rules following the conversion of the Second Loan.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company, its subsidiaries and its connected persons.

Following the Share Transfer and the conversion of the Second Loan, Dr. Cheng, through Radiant Alliance and Perfect Path, will remain the ultimate controlling shareholder of the Company. The Board considers that the Share Transfer will not have any material adverse effect on the financial positions and operations of the Company.

The table below illustrates the shareholding structures of the Company (a) as at the date of this announcement; (b) immediately after the completion of the Share Transfer but before the allotment and issuance of the Second Loan Conversion Shares pursuant to conversion of the Second Loan, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Share Transfer; and (c) immediately after the completion of the Share Transfer and the allotment and issuance of the Second Loan Conversion Shares pursuant to conversion of the Second Loan, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Share Transfer and the conversion of the Second Loan:

Shareholder(s)	As at the date of this Announcement		Immediately after the completion of the Share Transfer but before the allotment and issuance of the Second Loan Conversion Shares		Immediately after the completion of the Share Transfer and the allotment and issuance of the Second Loan Conversion Shares	
	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>	<i>Number of</i>	<i>Approximate</i>
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Radiant Alliance ( <i>Note 1</i> )	8,842,658,937	46.2%	8,542,658,937	44.6%	11,021,425,076	51.0%
Perfect Path ( <i>Note 2</i> )	5,168,658,567	27.0%	5,168,658,567	27.0%	5,168,658,567	23.9%
Public Shareholders ( <i>Note 3</i> )	5,131,862,376	26.8%	5,431,862,376	28.4%	5,431,862,376	25.1%
<b>Total</b>	<b><u>19,143,179,880</u></b>	<b><u>100.0%</u></b>	<b><u>19,143,179,880</u></b>	<b><u>100.0%</u></b>	<b><u>21,621,946,019</u></b>	<b><u>100.0%</u></b>

*Notes:*

- (1) Radiant Alliance is indirectly wholly owned by Dr. Cheng. Therefore, Dr. Cheng is deemed to be interested in the Shares which Radiant Alliance is interested by virtue of the Securities and Futures Ordinance (Cap. 571).
- (2) Dr. Cheng has a majority interest in Perfect Path and therefore is deemed to be interested in the Shares which Perfect Path is interested by virtue of the Securities and Futures Ordinance (Cap. 571).
- (3) The number of Shares held by the public shareholders of the Company includes the 300,000,000 Shares held by the Purchaser immediately after completion of the Share Transfer.

Based on the information available to the Company and to the best knowledge of the Directors, the Company will maintain sufficient public float as required under Rule 8.08 of the Listing Rules following the completion of the Share Transfer and the allotment and issuance of the Second Loan Conversion Shares.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	Arta TechFin Corporation Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange (stock code: 279)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the directors of the Company
“Dr. Cheng”	Dr. Cheng Chi-Kong, Adrian <i>SBS, JP</i> , the Chairman and a non-executive Director of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Perfect Path”	Perfect Path Global Limited, a company in which Dr. Cheng ultimately owns a majority interest
“Provision Liquidators”	Lai Kar Yan (Derek) and Ho Kwok Leung Glen, both of Deloitte Touche Tohmatsu in their capacity as the then-joint and several provisional liquidators of the Company, whom are parties to the Restructuring Deed
“Purchaser”	the purchaser of the Share Transfer
“Radiant Alliance”	Radiant Alliance Limited, the controlling shareholder of the Company which is ultimately beneficially and wholly-owned by Dr. Cheng

“Restructuring”	the restructuring pursuant to the Restructuring Deed
“Restructuring Deed”	the restructuring deed dated 10 September 2020 entered into among the Company, Radiant Alliance and the Provisional Liquidators, as amended and supplemented by a supplemental deed dated 17 November 2020, a second supplemental deed dated 18 December 2020 and the third supplemental deed dated 21 May 2021
“Second Loan”	the interest free and unsecured loan in the aggregate amount of HK\$40,000,000 made available by Radiant Alliance to the Company pursuant to the Second Loan Agreement
“Second Loan Agreement”	the loan agreement dated 10 September 2020 entered into among the Company, Radiant Alliance and the Provisional Liquidators (as amended and supplemented by a supplemental deed dated 17 November 2020)
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Share Transfer”	the sale and purchase of the 300,000,000 Shares of the Company by Radiant Alliance to the Purchaser
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 30 October 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, Mr. Zhang Guangying and Prof. Peng Qian as Independent Non-executive Directors.*