

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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025

ANNUAL RESULTS

The Board of Directors (the “Board”) of Arta TechFin Corporation Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 March 2025 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
REVENUE	<i>4</i>	63,846	23,329
Other income and gains, net	<i>4</i>	6,262	4,513
Revenue and other income and gains		70,108	27,842
Operating expenses			
Employee benefit expenses		(31,557)	(38,579)
Consultancy, legal and professional fees		(18,393)	(8,335)
Information technology and maintenance expenses		(1,628)	(14,378)
Fair value losses on financial asset and investments at fair value through profit or loss (“FVTPL”), net		–	(1,533)
Provision for impairment loss of accounts receivable, net	<i>11</i>	(229)	(322)
Provision for impairment loss of a loan receivable	<i>10</i>	–	(1,338)

		2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
	<i>Notes</i>		
Provision for impairment loss of deposits and other receivables		–	(50)
Share of results of associates		(4,000)	–
Impairment loss of intangible assets	5	(1,397)	–
Other operating expenses		<u>(48,407)</u>	<u>(13,882)</u>
		<u>(105,611)</u>	<u>(78,417)</u>
EBITDA (note)		(35,503)	(50,575)
Depreciation and amortisation	5	<u>(6,018)</u>	<u>(4,450)</u>
Operating loss		(41,521)	(55,025)
Finance costs	6	<u>(5,964)</u>	<u>(7,916)</u>
Loss before tax	5	(47,485)	(62,941)
Income tax credit	7	<u>–</u>	<u>20</u>
LOSS FOR THE YEAR		<u>(47,485)</u>	<u>(62,921)</u>
Attributable to:			
Shareholders of the Company (the “Shareholders”)		(51,826)	(63,838)
Perpetual loans holder		4,550	917
Non-controlling interests		<u>(209)</u>	<u>–</u>
		<u>(47,485)</u>	<u>(62,921)</u>
LOSS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS	8		
Basic		<u>(HK0.3 cents)</u>	<u>(HK0.3 cents)</u>
Diluted		<u>(HK0.3 cents)</u>	<u>(HK0.3 cents)</u>

Note: EBITDA is defined as loss before interest expenses and finance costs, taxation, depreciation and amortisation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	2025 HK\$'000	2024 HK\$'000
LOSS FOR THE YEAR	(47,485)	(62,921)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in investment revaluation reserve (non-recycling)	–	(3,667)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	–	(3,667)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(47,485)	(66,588)
Attributable to:		
Shareholders	(51,826)	(67,505)
Perpetual loans holder	4,550	917
Non-controlling interests	(209)	–
	(47,485)	(66,588)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		12,751	5,725
Goodwill		1,505	1,505
Other intangible assets		18,404	19,658
Deposits		1,902	1,929
Financial asset at FVOCI		254	254
		<hr/>	<hr/>
Total non-current assets		34,816	29,071
CURRENT ASSETS			
Loan receivable	10	–	5,000
Accounts receivable	11	5,094	2,975
Prepayments, deposits and other receivables		7,270	3,091
Investments at FVTPL		–	1,234
Cash and bank balances		54,517	89,505
		<hr/>	<hr/>
Total current assets		66,881	101,805
CURRENT LIABILITIES			
Accounts payable	12	11,057	2,100
Other payables and accruals	13	11,439	11,541
Borrowing	14	39,908	–
Lease liabilities		3,795	–
		<hr/>	<hr/>
Total current liabilities		66,199	13,641
		<hr/>	<hr/>
Net current assets		682	88,164
		<hr/>	<hr/>
Total assets less current liabilities		35,498	117,235
		<hr/>	<hr/>

		2025	2024
	Notes	HK\$'000	HK\$'000
NON-CURRENT LIABILITIES			
Other payables and accruals	13	750	–
Borrowing	14	–	37,864
Deferred tax liability		2,542	2,542
Lease liabilities		2,762	–
		<hr/>	<hr/>
Total non-current liabilities		6,054	40,406
		<hr/>	<hr/>
Net assets		29,444	76,829
		<hr/>	<hr/>
EQUITY			
Issued capital		216,219	191,432
Reserves		(265,576)	(221,346)
		<hr/>	<hr/>
Equity attributable to the Shareholders		(49,357)	(29,914)
Equity attributable to the immediate holding company in respect of a perpetual convertible instrument		3,443	35,826
Equity attributable to the immediate holding company in respect of perpetual loans		75,467	70,917
Non-controlling interests		(109)	–
		<hr/>	<hr/>
Total equity		29,444	76,829
		<hr/>	<hr/>

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with HKFRS Accounting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. They have been prepared under the historical cost convention, except for financial asset at FVOCI, financial asset at FVTPL and investments at FVTPL which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except where otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA, which are mandatorily effective for the Group’s reporting period beginning on or after 1 April 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the above amendments to HKFRSs in the current year has no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements. The Group has not applied any new standard or interpretation that is not yet mandatorily effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has reportable operating segments as follows:

- (a) global markets business segment composes of brokerage operations including (i) securities and futures brokerage and margin financing operations; (ii) placing, in both equity capital market and debt capital market, and underwriting; and (iii) provision of advisory services for private structured finance transactions and mergers and acquisitions;
- (b) asset management business segment offers a full spectrum of asset management products and services, including investment advisory, external asset management, portfolio management, fund incubation and transaction execution to professional and institutional investors;
- (c) insurance brokerage business segment engages in insurance brokerage business and the provision of wealth planning and related services;
- (d) investment business segment engages in the investments of low-risk and high liquidity investment portfolio and proprietary trading; and
- (e) wealth management and consultancy services business segment offers tailored services and an all-in-one solution to meet the unique needs of each client, including but not limited to family offices, institutional investors and ultra-high-net-worth individuals.

During the year ended 31 March 2025, the Group commenced the investment business and wealth management and consultancy services business and they are considered as new operating segments by the chief operating decision-maker.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of the Company that makes strategic decisions.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank and other interest income (excluding interest income from the provision of finance and margin financing), share of result of associates, finance costs as well as head office and corporate expenses are excluded from such measurement.

Intersegment transactions are made with reference to the prices used for services made to independent third parties at the then prevailing market prices.

No analysis of the Group's assets and liabilities by operating segments was provided to the management for review during the years ended 31 March 2025 and 2024 for the purposes of resources allocation and performance assessment.

Year ended 31 March 2025

	Global markets business HK\$'000	Asset management business HK\$'000	Insurance brokerage business HK\$'000	Investment business HK\$'000	Wealth management and consultancy services business HK\$'000	Total HK\$'000
Segment revenue:						
Revenue from external customers	3,328	9,938	18,777	3,834	27,969	63,846
Intersegment revenue	—	—	—	—	—	—
	3,328	9,938	18,777	3,834	27,969	63,846
<i>Reconciliation:</i>						
Elimination of intersegment revenue						—
Total revenue						63,846
Segment results:	(8,639)	5,204	661	4,430	(1,619)	37
<i>Reconciliation:</i>						
Other interest income						46
Corporate and other unallocated expenses						(37,604)
Share of result of associates						(4,000)
Finance costs						(5,964)
Loss before tax						(47,485)
Other segment information:						
Provision for impairment loss of accounts receivable, net	125	(72)	(178)	—	(104)	(229)
Impairment loss of intangible assets	(1,397)	—	—	—	—	(1,397)
Depreciation and amortisation						
– operating segment	(120)	(5,408)	—	(210)	—	(5,738)
– unallocated						(280)
						(6,018)

Year ended 31 March 2024

	Global markets business HK\$'000	Asset management business HK\$'000	Insurance brokerage business HK\$'000	Total HK\$'000
Segment revenue:				
Revenue from external customers	9,967	12,265	1,097	23,329
Intersegment revenue (<i>note</i>)	—	—	300	300
	9,967	12,265	1,397	23,629
<i>Reconciliation:</i>				
Elimination of intersegment revenue				(300)
Total revenue				23,329
Segment results:	(1,055)	6,137	698	5,780
<i>Reconciliation:</i>				
Bank interest income				1,403
Other interest income				108
Corporate and other unallocated expenses				(62,316)
Finance costs				(7,916)
Loss before tax				(62,941)
Other segment information:				
Provision for impairment loss of accounts receivable, net	(148)	(31)	(143)	(322)
Provision for impairment loss of deposits and other receivables	—	—	(50)	(50)
Provision for impairment loss of a loan receivable				
– unallocated				(1,338)
Fair value losses on financial asset and investments at FVTPL, net	(1,533)	—	—	(1,533)
Depreciation and amortisation				
– operating segment	(119)	(4,051)	—	(4,170)
– unallocated				(280)
				(4,450)

Note: Elimination of intersegment revenue represents elimination of insurance brokerage transactions.

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	<u>63,846</u>	<u>23,329</u>

The geographic location of revenue from external customers is based on the location of the customers at which the services are rendered.

(b) Non-current assets

The geographic location of the non-current assets (excluding financial instruments) is based on the location of the operations to which they are allocated.

At 31 March 2025 and 2024, non-current assets (excluding financial instruments) of approximately HK\$32,660,000 and HK\$26,888,000 were located in Hong Kong, respectively.

Information about major customers

Included in revenue arising from major customers who individually accounted for over 10% of the Group's revenue for the year:

	2025 HK\$'000	2024 HK\$'000
Customer A	15,038	–
Customer B	8,338	–
Customer C	8,044	–
Customer D	–	10,140
Customer E	<u>–</u>	<u>3,450</u>

During the year ended 31 March 2025, all the revenue from Customer A was derived from provision of wealth management and consultancy services business. All the revenue from Customer B and C was derived from provision of insurance brokerage business.

During the year ended 31 March 2024, 46% of the revenue from Customer D was derived from provision of global markets business and 54% of the revenue was derived from provision of asset management business. All revenue from Customer E was derived from provision of asset management business.

4. REVENUE, OTHER INCOME AND GAINS, NET

Revenue represents income from placing and underwriting services; income from insurance brokerage; income from marketing and management services; commission and brokerage income from securities and futures dealings; interest income on margin financing activities; income from asset management and advisory services; income from custodian business and income from wealth management and consultancy services.

An analysis of revenue, other income and gains, net was as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Placing and underwriting income	1,301	9,630
Commission and brokerage income from securities and future dealings	1,560	305
Insurance brokerage income	18,777	1,097
Asset management and advisory fee income	10,403	12,265
Custodian business fee income	–	6
Wealth management and consultancy services income	27,969	–
	<u>60,010</u>	<u>23,303</u>
Revenue from other sources		
Interest income on margin financing activities	2	26
Interest income on investment	3,834	–
	<u>3,836</u>	<u>26</u>
Total revenue	<u>63,846</u>	<u>23,329</u>
Other income and gains, net		
Bank interest income	–	1,403
Other interest income	46	108
Dividend handling charge and other surcharges	41	391
Fair value gains on financial assets at FVTPL, net	885	801
Gain on disposal of a subsidiary	–	500
Others (<i>note</i>)	5,290	1,310
Total other income and gains, net	<u>6,262</u>	<u>4,513</u>
Total	<u>70,108</u>	<u>27,842</u>
Timing of revenue recognition		
At a point in time	53,094	23,260
Transferred over time	6,916	43
	<u>60,010</u>	<u>23,303</u>

Note: Others mainly included write back of information technology and maintenance expenses of HK\$4,352,000 waived by a service provider.

5. LOSS BEFORE TAX

The Group's loss before tax was arrived at after charging:

	Notes	2025 HK\$'000	2024 HK\$'000
Employee benefit expenses (excluding directors' remuneration):			
Salaries and allowances		26,011	29,459
Retirement benefit scheme contributions (defined contribution scheme)		487	593
		<u>26,498</u>	<u>30,052</u>
Auditor's remuneration		1,514	1,692
Depreciation – property, plant and equipment		2,329	2,100
Depreciation – right-of-use asset		3,012	2,150
Amortisation		677	200
Provision for impairment loss of a loan receivable	10	–	1,338
Provision for impairment loss of accounts receivable, net	11	229	322
Provision for impairment loss of deposits and other receivables		–	50
Impairment loss of intangible assets		1,397	–
		<u>1,397</u>	<u>–</u>

6. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interests on borrowings (note)	5,244	7,758
Interests on lease liabilities	720	158
	<u>5,964</u>	<u>7,916</u>

Note: Interests on borrowings included imputed interests of nil (2024: HK\$1,770,000) on a convertible loan from immediate holding company and HK\$5,244,000 (2024: HK\$4,206,000) on convertible bonds from an independent bond subscriber respectively.

7. INCOME TAX CREDIT

	2025 HK\$'000	2024 HK\$'000
Current		
Over provision in prior years		
– Hong Kong	–	1
Deferred tax – reversal of temporary differences	–	19
	<u>–</u>	<u>19</u>
Total income tax credit for the year	<u>–</u>	<u>20</u>

8. LOSS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the year attributable to the Shareholders of HK\$51,826,000 (2024: HK\$63,838,000), and the weighted average number of ordinary shares of 19,842,667,311 (2024: 19,143,179,880) in issue during the year.

The calculation of weighted average number of ordinary shares at the end of the reporting period was as follows:

	2025	2024
Number of shares		
Issued ordinary shares at beginning of year	19,143,179,880	19,143,179,880
Effect of issue of new shares	699,487,431	–
	<u>19,842,667,311</u>	<u>19,143,179,880</u>
Weighted average number of ordinary shares at end of year	<u>19,842,667,311</u>	<u>19,143,179,880</u>

(b) Diluted loss per share

The calculation of the diluted loss per share is based on the loss for the year attributable to the Shareholders of HK\$51,826,000 (2024: HK\$63,838,000), and the weighted average number of ordinary shares of 19,842,667,311 (2024: 19,143,179,880) in issue during the year.

No adjustment has been made to the basic loss per share amount presented for the years ended 31 March 2025 and 2024 in respect of a dilution. The calculation of diluted loss per share for the years ended 31 March 2025 and 2024 does not assume the exercise of the Company's outstanding convertible instruments as they had an anti-dilutive effect on the basic loss per share.

9. DIVIDENDS

The Board does not recommend the payment of a dividend for the year ended 31 March 2025 (2024: Nil).

10. LOAN RECEIVABLE

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Loan receivable	–	5,000
Less: Provision for impairment loss	–	–
	<u>–</u>	<u>5,000</u>

The loan receivable as at 31 March 2024 was unsecured, bearing interests at 9% per annum and repayable on 29 May 2024. The loan was fully settled during the year ended 31 March 2025.

The movements in the provision for impairment loss of the loan receivable were as follows:

2024

	Stage 1 <i>HK\$'000</i>	Stage 2 <i>HK\$'000</i>	Stage 3 <i>HK\$'000</i>	Total <i>HK\$'000</i>
At beginning of year	475	–	–	475
Provision for impairment loss	1,338	–	–	1,338
Uncollectible amount written off	<u>(1,813)</u>	<u>–</u>	<u>–</u>	<u>(1,813)</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
ECL rate	N/A	N/A	N/A	N/A

Loan receivable of approximately HK\$1,813,000 which was determined as uncollectible by the management was written off during the year ended 31 March 2024.

11. ACCOUNTS RECEIVABLE

	2025 HK\$'000	2024 HK\$'000
Accounts receivable arising from the ordinary course of business of:		
– Global markets business:		
Securities brokerage business		
Cash clients	4	–
Margin clients	27	14
Clearing houses	6	7
Others	80	313
– Asset management business	1,915	2,398
– Insurance brokerage business	2,767	571
– Wealth management and consultancy services business	852	–
	<u>5,651</u>	<u>3,303</u>
Less: Provision for impairment loss	(557)	(328)
	<u>5,094</u>	<u>2,975</u>

At 1 April 2023, 31 March 2024 and 31 March 2025, accounts receivable from contracts with customers amounted to approximately HK\$1,215,000, HK\$2,955,000 and HK\$5,058,000 respectively.

The settlement terms of accounts receivable attributable to the dealing in securities transactions are two trading days after the trade date except for the balances with margin clients which are repayable on demand or according to agreed repayment schedules, and bearing interest ranging from 10.64% to 11.35% per annum at 31 March 2025 (2024: 7.83% to 12.50% per annum). Except for dealing in securities transactions, the trading terms with customers of global markets business, asset management business, insurance brokerage business and wealth management and consultancy services business are mainly on credit. The credit period for customers of global markets business, insurance brokerage business and wealth management and consultancy services business are generally 30 days, extended up to 90 days for major customers. The credit period for customers of asset management business is generally 30 days, extended up to 60 days for certain customers.

An ageing analysis of the accounts receivable at the end of the reporting period, based on the trade date, was as follows:

	2025 HK\$'000	2024 HK\$'000
Within 90 days	4,033	3,094
Between 91 to 180 days	105	81
Between 181 to 365 days	200	30
Over one year	1,313	98
	<u>5,651</u>	<u>3,303</u>

At 31 March 2025, except for margin loans receivable of HK\$27,000 (2024: HK\$14,000), which was secured by underlying equity securities amounted to approximately HK\$822,000 (2024: HK\$481,000), the Group did not hold any collateral or other credit enhancements over these balances.

Trading limits are set for margin clients. The Group seeks to maintain tight control over its outstanding accounts receivable in order to minimise the credit risk. Overdue balances are regularly monitored by management.

The movements in the provision for impairment loss of accounts receivable were as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	328	6
Provision for impairment loss	<u>229</u>	<u>322</u>
At end of year	<u>557</u>	<u>328</u>

12. ACCOUNTS PAYABLE

The balances at 31 March 2025 and 2024, based on the trade date, were all aged within 90 days.

13. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables and accruals	<u>12,189</u>	<u>11,541</u>
Current portion	11,439	11,541
Non-current portion (<i>note</i>)	<u>750</u>	<u>—</u>

Note: Other payable of HK\$750,000 is unsecured, interest free and repayable on 1 April 2026.

14. BORROWING

	31 March 2025			31 March 2024		
	Effective interest rate (%) p.a.	Maturity	HK\$'000	Effective interest rate (%) p.a.	Maturity	HK\$'000
Current:						
Borrowing – convertible bonds – unsecured (<i>note</i>)	13.29	2025	<u>39,908</u>	—	—	<u>—</u>
Non-current:						
Borrowing – convertible bonds – unsecured (<i>note</i>)	—	—	<u>—</u>	13.29	2025	<u>37,864</u>
			<u>39,908</u>			<u>37,864</u>

Note:

On 16 May 2023, Aurum Strategic Limited, a wholly owned subsidiary of the Company incorporated with limited liability in the BVI, and the Company entered into a subscription agreement with Surrich International Company Limited, a wholly-owned subsidiary of Wuxi Guolian Development (Group) Co., Ltd. (無錫市國聯發展(集團)有限公司), a wholly stateowned company established in the PRC with limited liability, in relation to the issue of convertible bonds in the principal amount of HK\$40,000,000 with conversion rights to convert the principal amount thereof into the shares of the Company at the conversion price of HK\$0.13475 per conversion share (the “Convertible Bonds”). The conversion period shall begin 41 days after 30 May 2023 (the “Issue Date”) and end on 10 business days before 30 May 2025, i.e. the maturity date.

The issue price was 100% of the principal amount of the Convertible Bonds. The Convertible Bonds bear interest at 8% per annum payable quarterly in arrears. The imputed interest on the Convertible Bonds was calculated using the effective interest rate at 13.29% per annum.

The Convertible Bonds shall mature on the second anniversary of the Issue Date on 30 May 2025. The Convertible Bonds are guaranteed by the Company and unsecured.

At the date of issuance of the Convertible Bonds, taking into account the terms of the repayment, the fair value of the borrowing was HK\$40,000,000, of which the fair values of liability component and equity component were approximately HK\$36,058,000 and approximately HK\$3,942,000 respectively. The fair value of the liability component of HK\$36,058,000 represented the net present value of the cash flow associated with the Convertible Bonds. At 31 March 2025, the carrying amount of the liability component of the Convertible Bonds was approximately HK\$39,908,000 (31 March 2024: HK\$37,864,000), after recognising imputed interest expense of approximately HK\$5,244,000 (2024: HK\$4,206,000); offset by interest payment of HK\$3,200,000 (2024: HK\$2,400,000) made during the year ended 31 March 2025.

During the years ended 31 March 2025 and 2024, no conversion rights attaching to the Convertible Bonds were exercised. The outstanding principal amount of the Convertible Bonds at 31 March 2025 amounted to HK\$40,000,000. The Convertible Bonds were fully settled subsequent to the reporting period as described in the “Events After Reporting Period” section.

The Convertible Bonds recognised in the consolidated financial statements were calculated as follows:

	Liabilities component HK\$'000	Equity component HK\$'000
At 1 April 2023	–	–
Issuance of the Convertible Bonds	36,058	3,942
Imputed interest expenses for the year	4,206	–
Interest paid	(2,400)	–
	<hr/>	<hr/>
At 31 March 2024 and 1 April 2024	37,864	3,942
Imputed interest expenses for the year	5,244	–
Interest paid	(3,200)	–
	<hr/>	<hr/>
At 31 March 2025	<u>39,908</u>	<u>3,942</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

Liquidity, financial resources and capital structure

At 31 March 2025, the Group had total assets, net current assets and net assets of approximately HK\$102 million (2024: HK\$131 million), approximately HK\$0.7 million (2024: HK\$88 million) and approximately HK\$29 million (2024: HK\$77 million) respectively, and cash and bank balances of approximately HK\$55 million (2024: HK\$90 million). The current ratio (current assets/current liabilities) was 1 (2024: 7.46). The Group had unsecured convertible bonds in the principal amount of HK\$40 million (“Convertible Bonds”) at 31 March 2025 (2024: HK\$40 million). Gearing ratio, calculated on the basis of the Group’s borrowings divided by total equity was 135.5% at 31 March 2025 (2024: 49.3%).

For the year ended 31 March 2025, borrowing costs amounted to approximately HK\$6 million, including approximately HK\$5 million on issuance of the Convertible Bonds, approximately HK\$1 million on the interest arising from the new lease agreements entered during the year. Total finance costs for the year decreased by 24.7% as compared to the corresponding period in 2024 of approximately HK\$2 million. The Group’s funding and treasury policy is designed to maintain a diversified and balanced debt profile and financing structure. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong dollar and US dollar. As Hong Kong dollar is pegged to the US dollar, the foreign exchange risk exposures are considered limited. The Group did not have any financial instruments used for hedging purpose.

Financial Performance

For the year ended 31 March	2025 HK\$'000	2024 HK\$'000	Increase/ (decrease)
Consolidated turnover	63,846	23,329	174%
Operating expenses	105,611	78,417	35%
Consolidated net loss	47,485	62,921	(25%)

For the year ended 31 March 2025, the Group’s consolidated revenue increased to approximately HK\$64 million as a result of the significant improved performance of insurance brokerage business, investment business and wealth management and consultancy services business.

Operating expenses, amounted to approximately HK\$106 million, increased by 35% (2024: HK\$78 million) as compared to the corresponding period in 2024. Total employee benefit expenses (including directors' remuneration) amounted to approximately HK\$32 million for the year ended 31 March 2025 (2024: HK\$39 million). Consultancy, legal and professional fees amounted to approximately HK\$18 million (2024: HK\$8 million). The increase of the expenses for the year was mainly due to partnership with external consultants to expand businesses and operations in relation to insurance brokerage, wealth management and consulting services business.

The Group recorded a decrease of consolidated net loss attributable to the Shareholders for the year ended 31 March 2025 of approximately HK\$52 million (2024: HK\$64 million), primarily due to the combined effect of, inter alia, (i) increase in revenue and other income and gains by approximately HK\$42 million; (ii) decrease of employee benefit expenses by approximately HK\$7 million; (iii) decrease of information technology and maintenance expenses by approximately HK\$13 million. The above effect was partially set off by (iv) increase in consultancy, legal and professional fees by approximately HK\$10 million; (v) increase in share of results of associates by approximately HK\$4 million and (vii) increase in other operating expenses by approximately HK\$35 million. Basic and diluted loss per share were approximately HK0.3 cents (2024: HK0.3 cents).

Final Dividend

The Board does not recommend the payment of a final dividend for the year ended 31 March 2025 (2024: Nil).

Business Review

Our business is organised into five segments: (1) global markets business, which includes securities and futures brokerage and investment banking businesses; (2) asset management business; (3) insurance brokerage business; (4) investment business; and (5) wealth management and consultancy services business. During the year end 31 March 2025, despite the unstable global macro environment and weak sentiment in Hong Kong securities market, the Group achieved improvements in its overall operating performance by formulating new business strategies, proactively seizing market opportunities and continuing stringent cost control efforts. The momentum of the Group's various group businesses has been accelerated with renewed impetus and we are confident in our prospects given the added talents, newly developed clientele, expanded products, and an increasing project pipeline.

For the year ended 31 March

Segmental revenue	2025 HK\$'000	2024 HK\$'000	(Decrease)/ increase
Global markets business	3,328	9,967	(67%)
Asset management business	9,938	12,265	(19%)
Insurance brokerage business	18,777	1,097	1612%
Investment business	3,834	–	N/A
Wealth management and consultancy services business	27,969	–	N/A
Total revenue	63,846	23,329	174%

Global Markets Business

Our global markets business offers investment banking services, (including but not limited to mergers and acquisitions advisory, financial advisory, placing and underwriting business structured financing) and execution and prime brokerage services in both digital and traditional assets. During the year ended 31 March 2025, its revenue decreased by approximately 67% to approximately HK\$3.3 million from approximately HK\$10 million in 2024 due to the weak sentiment in Hong Kong securities market.

The Group continued its expansion into regulated businesses involving digital assets. We successfully developed a new line of financial products that are linked to digital assets and settled in cash. These products include futures, options, and structured products. Additionally, the Group acted as the exclusive distributor of digital asset-structured products offered by Enhanced Digital Group UK Limited in Hong Kong.

Asset Management Business

Our asset management business offers a full spectrum of asset management products and services, including investment advisory, portfolio management, and transaction execution, to professional and institutional investors. During the year ended 31 March 2025, our asset management business revenue decreased by 19% to approximately HK\$9.9 million from approximately HK\$12.3 million in 2024. The asset management business was affected by the unstable global macro environment.

Due to the close connection between Hong Kong and Mainland China, the Group has been expanding its clientele and business in China. The management of the Company is of the view that Mainland China presents a sizeable market and range of opportunities for asset managers in Hong Kong with China's vast and growing middle class driving demand for wealth management and investment products. Throughout the year, the Group organized various client engagement events and roadshows in Hong Kong aimed at presenting our distinctive and innovative investment solutions and capabilities to prospective high-net-worth clients.

Additionally, the Group has been providing fund incubation services through strategic partnerships with prestigious industry veterans and organisations. We aim to build a dynamic ecosystem that empowers our partners to launch their own funds while providing clients with access to high-quality investment opportunities.

Insurance Brokerage Business

Our insurance brokerage business engages in the distribution of insurance products to corporate and individual clients and the provision of wealth management planning and related services. During the year ended 31 March 2025, our insurance brokerage business revenue surged by approximately 1612% to approximately HK\$18.8 million from approximately HK\$1.1 million in 2024 as a result of the increasing demand of insurance products that provide several benefits to clients to build a sound investment portfolio amid ever-changing market conditions and minimise the risk with diversified asset allocation.

Investment Business

The Group established its investment business during the year ended 31 March 2025. Revenue from our investment business was approximately HK\$3.8 million, derived from interest income from our low-risk and high liquidity investment portfolio.

Wealth Management and Consultancy Services Business

The Group established its wealth management and consultancy services business during the year ended 31 March 2025. We adopted a customercentric approach, tailoring our services and offering an all-in-one solution to meet the unique needs of each client, including but not limited to family offices, institutional investors, and ultra-high-net-worth individuals. The Group recorded revenue of approximately HK\$28 million from the wealth management and consultancy services business for the year ended 31 March 2025.

SIGNIFICANT INVESTMENT

Saved as disclosed elsewhere in this announcement, the Group did not have any significant investment which accounted for more than 5% of the Group's total assets at 31 March 2025.

EVENTS AFTER REPORTING PERIOD

On 29 May 2025, the Company and the immediate holding company of the Company entered into a perpetual shareholder's loan agreement, pursuant to which the immediate holding company of the Company shall make available to the Company an unsecured term loan facility of a total principal amount up to HK\$40,800,000 at 6.5% interest rate per annum, which is on normal commercial terms or better. The Company may at its sole discretion, repay the outstanding amount of the loan in full or in part together with all interest accruing on the loans or such part of the loans as of the date of repayment.

Saved as disclosed elsewhere in this announcement, the Group had no other significant events after reporting period.

CONTINGENT LIABILITIES

Save as disclosed elsewhere in this announcement, the Group was not aware of other material contingent liabilities as at 31 March 2025.

CAPITAL COMMITMENTS

Save as disclosed elsewhere in this announcement, the Group did not have any material capital commitment as at 31 March 2025.

MATERIAL ACQUISITIONS/DISPOSALS

Save as mentioned in this announcement, the Group did not have any significant investments nor did it make any material acquisitions or disposals of subsidiaries and associates throughout the year ended 31 March 2025.

EMPLOYEES' REMUNERATION POLICY AND RETIREMENT BENEFITS SCHEME

As at 31 March 2025, the Group employed 32 staff members including the executive directors of the Company (2024: 25 staff members). Staff costs incurred for the year, including directors' remuneration, were HK\$32 million (2024: HK\$39 million). The Company has adopted a share option scheme and the Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme under the Mandatory Provident Fund Schemes Ordinance for its employees. During the year, no share options were granted, exercised, cancelled or lapsed. Remuneration policy of the Group is reviewed regularly, making reference to legal framework, market conditions and the performance of the Group and individual staff (including directors). The remuneration policy and remuneration packages of the executive directors and members of the senior management of the Group are reviewed by the Remuneration Committee. The Company offers continuous learning and training programs to employees to enhance their skills and knowledge.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company.

AUDIT COMMITTEE

The Audit Committee comprising three Independent Non-executive Directors, namely Ms. Ling Kit Sum Imma, Prof. Peng Qian and Mr. Zhang Guangying, have reviewed with the management and the Board on the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management, corporate governance and financial reporting matters including a review of the annual results of the Group for the year ended 31 March 2025.

REVIEW OF THIS ANNUAL RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive loss, and the related notes thereto for the year ended 31 March 2025 as set out in the preliminary announcement have been agreed by the Company's auditor, Crowe (HK) CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year ended 31 March 2025. The work performed by Crowe (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with HKSAs, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Crowe (HK) CPA Limited on the preliminary announcement.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 (formerly known as Appendix 14) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") as its own code on corporate governance practices. During the year ended 31 March 2025, the Company complied, based on the information available to the directors of the Company (the "Directors"), with the code provisions as set out in the CG Code, with the exception of code provision F.2.2.

Code Provision F.2.2 of the CG Code provides that the chairman of the board should attend the annual general meeting. Dr. Cheng, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 23 September 2024 (the "AGM") due to other business commitments. Mr. Xu Hao, the Chief Executive Officer and Executive Director of the Company who took the chair of the AGM, together with other members of the Board who attended the AGM, were of sufficient calibre for answering questions at the AGM and had answered questions at the AGM competently.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 (formerly known as Appendix 10) to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiry with all Directors, the Company confirmed that throughout the reporting period, all Directors have complied with the required standards set out in the Model Code.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting will be published and despatched to the shareholders of the Company in accordance with the requirements of the Listing Rules and the articles of association of the Company in due course.

PUBLICATION OF FINANCIAL INFORMATION

This annual results announcement is published on the websites of the Stock Exchange (<https://www.hkex.com.hk>) and the Company (<https://www.artatechfin.com>). The annual report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 30 June 2025

As at the date of this announcement, the Board of the Company comprises Dr. Cheng Chi-Kong, Adrian SBS, JP (Chairman) as Non-executive Director, 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.