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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)

DISCLOSEABLE AND CONNECTED TRANSACTION AT SUBSIDIARY LEVEL IN RELATION TO THE DISPOSAL OF A WHOLLY-OWNED SUBSIDIARY

PROPOSED DISPOSAL

On 17 July 2025 (after trading hours), the Company as vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the entire issued shares of the Target Company, at the Consideration subject to the terms and conditions of the Sale and Purchase Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable ratios in respect of the Disposal are more than 5% but less than 25%, the Disposal and the transactions contemplated under the Sale and Purchase Agreement constitute a discloseable transaction for the Company and is therefore subject to the announcement requirements but exempt from the shareholders' approval requirements under the Listing Rules.

As at the date of this announcement, Mr. Lau is a director of the Target Company and AGFL, both of which are wholly-owned subsidiaries of the Company. As the Purchaser is a company wholly-owned by Mr. Lau and accordingly each of the Purchaser and Mr. Lau is a connected person of the Company at the subsidiary level, each of the Disposal and the provision of the Guarantee by Mr. Lau constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, as (i) the Disposal (including the provision of the Guarantee by Mr. Lau) is on normal commercial terms and (ii) the Board (including all the independent non-executive Directors) has approved the Disposal (including the provision of the Guarantee by Mr. Lau) and confirmed that the terms of the Disposal (including the provision of the Guarantee by Mr. Lau) are fair and reasonable, the Disposal (including the provision of the Guarantee by Mr. Lau) is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Disposal (including the provision of the Guarantee by Mr. Lau) is subject to reporting and announcement requirement but are exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, no Director has a material interest in the Disposal (including the provision of the Guarantee by Mr. Lau) and was required to abstain from voting on the relevant Board resolutions approving the Disposal (including the provision of the Guarantee by Mr. Lau).

On 17 July 2025 (after trading hours), the Company as vendor entered into the Sale and Purchase Agreement with the Purchaser, pursuant to which the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares, at the Consideration subject to the terms and conditions of the Sale and Purchase Agreement.

THE PROPOSED DISPOSAL

The principal terms of the Sale and Purchase Agreement are set out below.

Date : 17 July 2025 (after trading hours)

Parties : the Company as vendor
the Purchaser as purchaser
Mr. Lau as guarantor

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire the Sale Shares, which represent the entire issued shares of the Target Company. As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Company and 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.

Completion of the Disposal shall be conducted in two phases as set out below, subject to the conditions set out under the section headed "Conditions Precedent" being satisfied:

(i) On the First Completion Date, the Purchaser shall acquire 9.9% of the Sale Shares at the consideration of HK$600,647; and

(ii) On the Second Completion Date, following the fulfilment of the SFC Approval Condition, the Purchaser shall acquire the remaining 90.1% of the Sale Shares at HK$5,466,490.

Consideration

The Consideration payable by the Purchaser to the Company upon Completion shall be HK$6,067,137. The Consideration shall be paid by the Purchaser to the Vendor in two installments: HK$600,647 (representing 9.9% of the Consideration) shall be paid on the First Completion Date, and the remaining HK$5,466,490 (representing 90.1% of the Consideration) shall be paid on the Second Completion Date.

The Consideration was determined after arm's length negotiations and on normal commercial terms between the Company and the Purchaser with reference to the valuation of the Sale Shares of the Target Company of HK$6,067,137 as at 30 June 2025 conducted by an independent qualified valuer (the "**Valuer**") engaged by the Vendor (the "**Valuation Report**").

Conditions Precedent

Completion is subject to and conditional upon the fulfillment or waiver of the following conditions:

(a) the SFC has approved the transfer of the Sale Shares and the change of substantial shareholder of the Target Company (the "**SFC Approval Condition**");

(b) the Company not being in breach of any representation, warranty or undertaking of the Company herein;

(c) each of the Purchaser's representations, warranties and undertakings herein is and remains true and correct as at Completion; and

(d) the Purchaser having completed all necessary procedures and complied with all applicable legal and regulatory requirements and as required by the Sale and Purchase Agreement.

The Company shall use its best endeavours to ensure the satisfaction of the condition set out under (b), and the Purchaser shall use its best endeavours to ensure the satisfaction of the conditions set out under (a), on or before 31 December 2025 (or a later date as the parties may agree) (the "**Long Stop Date**").

If the Second Completion Date does not occur on or before the Long Stop Date or the Purchaser giving the Vendor written notice to terminate the Sale and Purchase Agreement due to the SFC Approval Condition not being satisfied (each a "**Termination Event**"), the Sale and Purchase Agreement shall be terminated and the parties shall be released from having to perform their respective obligations to complete the transactions contemplated hereunder under and neither Party shall have any claim against the other Party save as to antecedent breaches prior to the termination.

If the Sale and Purchase Agreement is terminated prior to the Second Completion Date, the parties agree that the status quo ante shall be restored to the condition immediately prior to the entering into of the Sale and Purchase Agreement, including the Consideration made and net asset position of the Target Company.

Completion

Completion will take place on the date as agreed by the Company and the Purchaser after fulfilment of the SFC Approval Condition.

Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated into the financial results of the Company.

Pre-completion Transition Arrangement and Provision of Guarantee by Mr. Lau

To facilitate smooth transition of the Target Company without disrupting its business operation and ensure compliance of the rules and regulations applicable to it as a licensed corporation under the SFO, the parties to the Sale and Purchase Agreement agreed under the Sale and Purchase Agreement the pre-completion transition arrangements including:

(a) The Target Company shall at all times maintain a certain level of cash and net asset value as mutually agreed by the parties to the Sale and Purchase Agreement (excluding any client money and any cash allocated for settling transactions but not yet completed).

(b) The Purchaser shall ensure the cash held or to be held by the Target Company shall be sufficient for the purposes of satisfying the applicable regulatory financial resources requirements with regard to liquid capital under the rules imposed by the SFC following the date of the Sale and Purchase Agreement, including providing interest-free loans to the Target Company if necessary.

(c) The Purchaser shall be able to re-constitute the board of the directors of the Target Company from the date of the Sale and Purchase Agreement and to direct the Target Company to employ individuals to take over the roles of the responsible officer and Managers-in-Charge and continue to provide services in the management or operation of the regulated business of the Target Company (subject to SFC's approval where applicable).

In view of the foregoing pre-completion transition arrangements, the Purchaser shall be responsible and liable for any and all claims, liabilities or costs which the Vendor and/or the Target Company may suffer as a result of or in connection with any non-compliance with all applicable laws due to or resulting from any step taken or acts done or omission by Mr. Lau and/or personnel appointed by the Purchaser under the Sale and Purchase Agreement.

Mr. Lau irrevocably and unconditionally provided a personal guarantee in favour of the Company on the due and punctual performance of the Purchaser's obligations under the Sale and Purchase Agreement.

VALUATION OF THE TARGET COMPANY

Valuation Method Adopted by the Valuer and the Reasons for its Selection

According to the Valuation Report prepared by the Valuer under the asset-based approach (the "**Valuation**"), the appraised value of the entire equity value of the Target Company was HK$6,067,137 as at 30 June 2025.

Basis of Using the Asset-Based Approach for Valuation

Pursuant to the Valuation Report, the Valuation was conducted on an asset-based approach. In selecting the appropriate valuation approach, the Valuer considered the appropriateness of the income approach, market approach and asset-based approach.

The income approach was not adopted as it requires a forecast of the Target Company's financial projections which cannot be accurately made given the inherent uncertainties in forecasting future performance, particularly in light of the Target Company's unstable historical financial performance.

The market approach was not applicable because of the unstable historical financial performance of the Target Company and the lack of publicly listed comparable companies with similar business scale and financial positions as the Target Company.

The Valuer considered that each item of the assets and liabilities of the Target Company is capable of being reasonably identified and appropriately appraised based on the characteristics of such item, and hence the asset-based approach is the most appropriate valuation approach.

Basis of the Asset-Based Approach

The Valuer obtained the statement of financial position of the Target Company. The assets and liabilities of the Target Company are composed of current assets, non-current assets and current liabilities.

Current Assets

As at 30 June 2025, the book value and the appraised value of the total current assets of the Target Company were about the same, which was HK$57,078,186. The book value is deemed to have fully reflected its market value without any discount or premium.

Non-current Assets

As at 30 June 2025, the book value of the non-current assets of the Target Company was HK$2,781,272, while the appraised value was HK$425,000. The variance primarily reflects an adjustment related to the investment in a subsidiary, as AGFL (the subsidiary of the Target Company) will be excluded from the Disposal.

Statutory and other deposits mainly represent operating expenses deposited with CCASS or Hong Kong Exchanges and Clearing Limited. The appraised value was recognized at book value, as no amounts were deemed unrecoverable.

The appraised value of the following has been assessed as minimal: (i) the customer base of the Target Company as at 30 June 2025, due to the low activity level of these customers and therefore minimal associated relationship value; (ii) the broker-adopted software system utilized by the Target Company, due to implementation costs involving standard procedures and minimal resource allocation; and (iii) the licenses issued by SFC to the Target Company for engaging in regulated activities, due to their non-exclusive nature and minimal resources required on application procedures and subsequent renewal processes.

Current Liabilities

As at 30 June 2025, the book value and the appraised value of the total liabilities of the Target Company were about the same, which was HK$51,436,049. The book value is deemed to have fully reflected its market value without any discount or premium.

Major Assumptions Adopted in the Valuation

The principal assumptions of the Valuation are as follows:

(a) The information provided and the estimations or representations made by the management of the Vendor with regard to the Valuation are complete, accurate and reliable;

(b) The public and statistical information has been obtained from sources which are deemed to be reputable, accurate and reliable;

(c) There will be no major changes in the existing political, legal, fiscal and economic conditions in the countries where the Target Company operates;

(d) There will be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the business of the Target Company and the fair value of the underlying shares;

(e) There are no material changes, after the date of the Valuation Report, in the relevant corporate tax rate, interest rate, long-term borrowing rate, and exchange rate from the currently prevailing in the countries where the Target Company operates which may significantly impact its business; and

(f) There will be no material changes as to the management and business strategies and operational structure, which will continue to be operated under the current existing and expected business model.

INFORMATION OF THE PURCHASER AND MR. LAU

The Purchaser is a company incorporated under the laws of Cayman Islands. Based on the information provided by the Purchaser, the Purchaser is principally engaged in investment holding and is owned as to 100% by Mr. Lau. Mr. Lau is a director of the Target Company and AGFL as at the date of this announcement, both of which are wholly-owned subsidiaries of the Company. Accordingly, each of Mr. Lau and the Purchaser is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated under the laws of Hong Kong and is a direct wholly-owned subsidiary of the Company as at the date of this announcement. The Target Company is currently licensed under the SFC to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities as at the date of this announcement.

Financial Information of the Target Company

Set out below are the financial information of the Target Company for the two financial years ended 31 December 2023 and 2024. For the avoidance of doubt, the following financial information of the Target Company does not include those attributable to AGFL which is excluded from this Disposal:

	For the year ended 31 December 2023 (audited)	**For the year ended 31 December 2024 (audited)**
	HK$'000	*HK$'000*
Revenue	4,386	6,327
Loss before taxation	(9,523)	(618)
Loss after taxation	(9,523)	(596)

As at 30 June 2025, the net assets of the Target Company attributable to the Group were approximately HK$6.1 million.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

As at the date of this announcement, the Target Company is a direct wholly-owned subsidiary of the Company. Upon completion of the Disposal, the Company will no longer hold any interest in the Target Company and the Target Company will cease to be accounted as a subsidiary of the Company. Accordingly, the Target Company's financial results, assets and liabilities will cease to be consolidated into the Group's consolidated financial statements. For the avoidance of doubt, AGFL shall remain as a subsidiary of the Company as it is excluded from the Disposal.

The Group is expected to record an unaudited gain of approximately HK$1.7 million as a result of the Disposal, which is calculated with reference to the Valuation, the unaudited net asset value of the Target Company as at 30 June 2025 recorded in the management accounts, the expected operation cost borne by the Purchaser after the signing of the Sale and Purchase Agreement and up to the date of Completion (which is currently estimated to be no more than 6 months after the signing of the Sale and Purchase Agreement) and the expenses in relation to the Disposal, subject to auditor's final confirmation and the actual date of Completion.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Considering the financial performance and after reviewing the business and operation status of the Target Company, the Board considers that it is appropriate for the Group to proceed with the Disposal. In particular, in considering that Arta Asset Management Limited (a wholly-owned subsidiary of the Company) is also licensed under the SFO to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities (i.e. same as the Target Company), the Disposal enables the Group to streamline its business operations by focusing all the resources and manpower in connection with these regulated activates to Arta Asset Management Limited, enhance overall efficiency and focus across its subsidiaries. It will also strengthen the Group's liquidity by generating additional cash inflows and allowing for the reallocation of resources to support future development and growth initiatives. This strategic decision aligns with the Group's long-term objectives and promotes sustainable growth.

As the Disposal is being carried out after arm's length negotiation and on normal commercial terms, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal (including the provision of the Guarantee) are fair and reasonable and the entering into the Sale and Purchase Agreement are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Net proceeds from the Disposal, which have deducted expenses in relation to the Disposal, are estimated to be approximately HK$6.0 million. The Company intends to use the net proceeds from the Disposal for the repayment of indebtedness of the Group, investment in new potential business opportunities that have synergies with the Group's existing businesses and for the Group's general working capital.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios in respect of the Disposal (including the provision of the Guarantee by Mr. Lau) are more than 5% but less than 25%, the Disposal and the transactions contemplated under the Sale and Purchase Agreement (including the provision of the Guarantee by Mr. Lau) constitute a discloseable transaction for the Company and is therefore subject to the announcement requirements but exempt from the Shareholders' approval requirements under the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) the Disposal (including the provision of the Guarantee by Mr. Lau) is on normal commercial terms and (ii) the Board (including all the independent non-executive Directors) has approved the Disposal (including the provision of the Guarantee by Mr. Lau) and confirmed that the terms of the Disposal (including the provision of the Guarantee by Mr. Lau) are fair and reasonable, the Disposal (including the provision of the Guarantee by Mr. Lau) is on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole, the Disposal (including the provision of the Guarantee by Mr. Lau) is subject to reporting and announcement requirement but are exempted from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

To the best of knowledge, information and belief of the Directors having made all reasonable enquiries, no Director has a material interest in the Disposal (including the provision of the Guarantee by Mr. Lau) and was required to abstain from voting on the relevant Board resolutions approving the Disposal (including the provision of the Guarantee by Mr. Lau).

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

"AGFL"	Arta Global Futures Limited, a company incorporated under the laws of Hong Kong and is a wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted, "extreme condition" caused by super typhoons or on which a "black" rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"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)

"Completion"	completion of the Disposal in accordance with the terms and conditions of the Sale and Purchase Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration payable for the Sale Shares pursuant to the Sale and Purchase Agreement
"Director(s)"	director(s) of the Company
"Disposal"	the disposal of the entire issued shares of the Target Company by the Company to the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
"First Completion Date"	21 July 2025
"Group"	the Company and its subsidiaries
"Guarantee"	the personal guarantee provided by Mr. Lau in favour of the Company on the due and punctual performance of the Purchaser's obligations under the Sale and Purchase Agreement
"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
"Mr. Lau"	Mr. Lau Fu Wing, a connected person of the Company at the subsidiary level
"Purchaser"	Psari Limited, a company incorporated under the laws of the Cayman Islands and wholly owned by Mr. Lau
"Sale and Purchase Agreement"	the sale and purchase agreement dated 17 July 2025 entered into between the Company (as vendor) and the Purchaser (as purchaser) in relation to the Disposal
"Sale Shares"	1,900,000,000 ordinary shares of the Target Company which represent the entire issued shares of the Target Company

"Second Completion Date"	fifth Business Day after SFC's approval for the Purchaser and Mr. Lau to become a substantial shareholder of the Target Company (or any other date the Company and the Purchaser may agree otherwise)
"SFC"	Securities and Futures Commission
"SFO"	Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Arta Global Markets Limited, a company incorporated under the laws of Hong Kong and licensed under the SFC to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities
"%"	per cent.

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

Hong Kong, 17 July 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.