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## **NEW HUO TECHNOLOGY HOLDINGS LIMITED**

### **新火科技控股有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock code: 1611)**

#### **INSIDE INFORMATION –**

#### **(1) FAILURE TO WITHDRAW CRYPTOCURRENCY ASSETS FROM CRYPTO EXCHANGE FTX;**

**AND**

#### **(2) FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER**

This announcement is made by New Huo Technology Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **(1) FAILURE TO WITHDRAW CRYPTOCURRENCY ASSETS FROM CRYPTO EXCHANGE FTX**

The board of directors of the Company (“**Board**”) wishes to inform the shareholders of the Company and potential investors that as of the date of this announcement, Hbit Limited, a wholly-owned subsidiary of the Company, has a balance of approximately USD18.1 million cryptocurrencies deposited in cryptocurrency exchange FTX (“**FTX**”), out of which approximately USD13.2 million is client’s asset based on the clients’ trading request and approximately USD4.9 million is asset of Hbit Limited. As FTX group entities, including FTX, has filed for bankruptcy protection in the United States on 11 November 2022, the cryptocurrency assets may not able to be withdrawn from FTX (the “**Incident**”).

For the interest of the Shareholders and the Company as a whole, the Group will engage legal adviser to make enquiries with FTX and provide the Group with legal advice. The Group will continue to take all appropriate steps to liaise with FTX to withdraw the cryptocurrency assets as soon as possible and to take all necessary actions to safeguard the interests of the Group.

As at the date of this announcement, the Board is of the view that the Incident currently does not affect the normal business operations of the Group. As Hbit Limited is legally and operationally separated from other business entities of the Group, other assets and business lines of the Group will not be affected. The Group will continue to provide compliant, professional and safe virtual assets financial service to our clients.

However, the Board anticipates that the financial performance of the Group might be materially and adversely affected in the event that the Incident is not resolved. The Board will discuss with the Group auditor to discuss the impact of the Incident on the Group's financial position.

## (2) FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER

On 13 November 2022, the Group has reached an agreement with Mr. Li Lin (the “**Mr. Li**”), the controlling shareholder and non-executive director of the Company, pursuant to which Mr. Li agreed to make available to the Group an additional unsecured facility up to the maximum amount of USD14 million (the “**Shareholder's Facility**”). The Shareholder's Facility does not bear any interest and will be utilized by the Company for the purpose of covering client asset liability arising from the Incident if necessary. The Group will continue to take all appropriate steps to protect the interest of our clients.

As Mr. Li is the non-executive director and controlling shareholder which is interested in approximately 53.37% of the issued share capital of the Company, the Shareholder's Facility constitutes a connected transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board (including all independent non-executive Directors who attended the Board meeting but excluding Mr. Li who are required to abstain from voting at the Board meeting because of his interest in the transaction under the Listing Rules) is of the view that the Shareholder's Facility is conducted on normal commercial terms or better to the Company. As the Shareholder's Facility is not secured by any assets of the Group and is conducted on normal commercial terms or better, the Shareholder's Facility is fully exempted from shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 of the Listing Rules.

The Company will update shareholders and potential investors of the Company on any significant development on the Incident by way of further announcement(s) as and when appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

By order of the Board  
**NEW HUO TECHNOLOGY HOLDINGS LIMITED**  
**Wu Shupeng**  
*Executive Director*

Hong Kong, 14 November 2022

*As at the date of this announcement, the Board comprises (1) Mr. Li Lin as a non-executive Director; (2) Mr. Wu Shupeng and Ms. Zhang Li as executive Directors; and (3) Mr. Yu Chun Kit, Mr. Yip Wai Ming and Mr. Ngai Matthew Cheuk Yin as independent non-executive Directors.*