
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **New Huo Technology Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES;**
- (2) RETIREMENT AND RE-ELECTION OF DIRECTORS;**
- (3) RE-APPOINTMENT OF AUDITOR OF THE COMPANY;**
- (4) PROPOSED AMENDMENTS TO SHARE OPTION SCHEME;**
- AND**
- (5) NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 5 to 12 of this circular. A notice convening the AGM (as defined herein) of New Huo Technology Holdings Limited to be held at 6/F, 100 Queen's Road Central, Central, Hong Kong on Thursday, 30 March 2023, at 9:30 a.m. is set out on pages AGM-1 to AGM-5 of this circular.

A form of proxy for the AGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk). Whether or not you are able to attend and vote at the AGM, you are requested to complete the accompanying form of proxy and return it to the branch share registrar of the Company (as defined herein), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
APPENDIX I – EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE	I-1
APPENDIX II – BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION	II-1
APPENDIX III – SUMMARY OF THE PRINCIPAL TERMS OF THE AMENDED SHARE OPTION SCHEME	III-1
NOTICE OF ANNUAL GENERAL MEETING	AGM-1

DEFINITIONS

In this circular, including the appendices, the following expressions have the meanings set out below unless the context requires otherwise:

“1% Individual Limit”	in respect of an Eligible Person, the number of Shares issued or falling to be issued to that Eligible Person under all Share Options and/or awards granted to him (under the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules) of the Company) over any 12-month period up to and including the date of the proposed grant, must not, unless specially approved by Shareholders in general meeting in accordance with the Listing Rules, exceed 1% of the total number of Shares in issue
“AGM”	the annual general meeting of the Company to be held at 6/F, 100 Queen’s Road Central, Central, Hong Kong on Thursday, 30 March 2023, at 9:30 a.m. or any adjournment thereof
“Amended Rules”	the amendments to the Listing Rules relating to share schemes of listed issuers, which will take effect on 1 January 2023 pursuant to the Consultation Conclusions
“Amended Share Option Scheme”	the Share Option Scheme as amended by incorporating the Proposed Amendments to be approved at the AGM
“Articles”	the memorandum and articles of association of the Company as amended from time to time
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the BVI Business Companies Act, 2004, as amended, supplemented or otherwise modified from time to time
“Company”	New Huo Technology Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (Stock Code: 1611)
“Consultation Conclusions”	“ <i>Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment</i> ” published on 29 July 2022
“controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, as amended from time to time
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”/ “Employee Participants”	Under the Amended Share Option Scheme means: (a) any full-time or part-time employee of the Company and its subsidiaries; and (b) any director (including executive, non-executive or independent non-executive directors) and chief executive officers of the Company and its subsidiaries
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate number of issued Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate number of issued Shares repurchased under the Repurchase Mandate
“Grantee(s)”	any Eligible Person who accepts an offer of Share Options in accordance with the terms of the Amended Share Option Scheme or (where the context so permits) his personal representative(s) who is/are entitled to any Share Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM, which is also extended by the addition of the number of Shares repurchased under the Repurchase Mandate

DEFINITIONS

“Latest Practicable Date”	27 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	nomination committee of the Company
“Option Period”	the period for the exercise of an Option to be notified by the Board to the Grantee in the offer of the grant of an Option made in accordance with the Share Option Scheme and/or the Amended Share Option Scheme (as the case may be); but in any event shall not exceed 10 years from such date of offer
“Proposed Amendments”	the proposed amendments in relation to the Share Option Scheme as set out in this circular
“Remuneration Committee”	remuneration committee of the Company
“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM
“Scheme Mandate Limit”	the maximum number of Shares which may be issued in respect of all Share Options or awards to be granted under the Share Option Scheme and/or the Amended Share Option Scheme (as the case may be) or any other share schemes which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Option(s)”	the option(s) granted or to be granted to the Eligible Persons pursuant to the Share Option Scheme

DEFINITIONS

“Share Option Scheme”	the Company’s share option scheme adopted by the Shareholders on 27 October 2016, amended on 17 November 2020, and as further amended (and if applicable, approved by the Shareholders) from time to time
“share scheme(s)”	has the meaning ascribed thereto under Chapter 17 of the Listing Rules
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

In case of any discrepancy between the English version and the Chinese version of this circular, the English version shall prevail.

LETTER FROM THE BOARD



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)

Non-executive Director:

Mr. Li Lin (*Chairman*)

Executive Directors:

Mr. Du Jun

Ms. Zhang Li

Independent non-executive Directors:

Mr. Yu Chun Kit

Mr. Yip Wai Ming

Mr. Ngai Matthew Cheuk Yin

*Head Office and Principal Place
of Business:*

6/F, Unit 702-3, 7/F

100 Queen's Road Central

Central

Hong Kong

Registered Office:

Vistra Corporate Services Centre

Wickhams Cay II

Road Town, Tortola

BVI VG 1110

1 March 2023

To the Shareholders

Dear Sirs or Madams,

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES;**
(2) RETIREMENT AND RE-ELECTION OF DIRECTORS;
(3) RE-APPOINTMENT OF AUDITOR OF THE COMPANY;
(4) PROPOSED AMENDMENTS TO SHARE OPTION SCHEME;
AND
(5) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of AGM and information regarding the resolutions to be proposed at the AGM relating to, among other things, (i) the grant of the Issue Mandate to the Directors; (ii) the grant of the Repurchase Mandate to the Directors; (iii) the grant of the Extension Mandate to the Directors; (iv) the retirement and re-election of Directors; (v) the re-appointment of the Company's auditor and authorization of the Board to fix its remuneration; and (vi) amendments to the Share Option Scheme.

LETTER FROM THE BOARD

2. THE ISSUE MANDATE

The Company's existing mandate to allot and issue new Shares was approved by the Shareholders at the annual general meeting of the Company held on 25 March 2022. Unless otherwise renewed, the existing mandate to allot and issue new Shares will lapse at the conclusion of the AGM.

In order to ensure flexibility when it is desirable to allot and issue or otherwise deal with additional Shares, at the AGM, ordinary resolutions will be proposed, including that the Directors be granted a general and unconditional mandate to exercise all powers of the Company (i) to allot, issue and otherwise deal with new Shares up to, in aggregate, 20% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution; and (ii) to increase the aggregate nominal amount of share capital of the Company which may be issued under the Issue Mandate by adding thereto the aggregate nominal amount of the share capital of the Company repurchased under the Repurchase Mandate. For further details, please refer to ordinary resolutions no. 5 and no. 7 as respectively set out in the notice of the AGM.

As at the Latest Practicable Date, there was a total of 308,960,665 Shares in issue. Subject to the passing of the proposed resolution for approving the Issue Mandate to the Directors, and on the basis that no other Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Issue Mandate to issue a maximum of 61,792,133 new Shares.

3. THE REPURCHASE MANDATE

The Company's existing mandate to repurchase Shares was approved by the Shareholders at the annual general meeting of the Company held on 25 March 2022. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

In order to seek the approval of the Shareholders to grant the Repurchase Mandate, at the AGM, an ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase the Shares on the Stock Exchange, in aggregate, 10% of the nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. For further details, please refer to ordinary resolution no. 6 as set out in the notice of the AGM.

Subject to the passing of the proposed resolution granting the Repurchase Mandate to the Directors, and on the basis that there were 308,960,665 issued Shares as at the Latest Practicable Date and no Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 30,896,066 Shares.

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement in relation to the Repurchase Mandate is set out pursuant to Rule 10.06(1)(b) of the Listing Rules in Appendix I to this circular.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Directors have no immediate plan to allot and issue any new Shares pursuant to the Issue Mandate, other than the Shares which may be issued under the share option scheme adopted by the Company on 27 October 2016, as amended on 17 November 2020 and, subject to the passing of the ordinary resolution by the Shareholders at the AGM, on the date of the AGM. With reference to the Repurchase Mandate, the Directors have no immediate plan to repurchase any Shares pursuant thereof.

The Issue Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the ordinary resolutions for the approval of the Issue Mandate and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or (iii) the revocation or variation of the Issue Mandate or the Repurchase Mandate (as the case may be) by ordinary resolutions of the Shareholders at a general meeting of the Company, whichever occurs first.

4. EXTENSION OF THE ISSUE MANDATE

In addition, an ordinary resolution will be proposed at the AGM for the granting of the Extension Mandate, i.e. to increase the number of Shares to be issued and allotted under the Issue Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

5. RE-ELECTION OF DIRECTORS

In accordance with the Articles 14.2 and 14.18 of the Articles, paragraph 4(2) of Appendix 3 to the Listing Rules and Code Provision B.2.2 of the Corporate Governance Code, Mr. Du Jun, Ms. Zhang Li, and Mr. Yip Wai Ming will retire from office as Directors at the AGM, and, being eligible, have offered themselves for re-election as Directors at the AGM. Each of the aforementioned retiring Directors shall be subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years.

The re-election of Directors has been reviewed by the Nomination Committee, which has made recommendation to the Board that the re-election be proposed for the Shareholders' approval at the forthcoming AGM of the Company.

The Nomination Committee has reviewed the biographical details of Mr. Du Jun, Ms. Zhang Li, and Mr. Yip Wai Ming and their meeting of nomination criteria (including but not limited to, character, professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy, time commitment to effectively discharge duties as Board member) set out in the nomination policy of the Company and has considered the diversity aspects (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services) set out in the diversity policy of the Company, and has taken the view that Mr. Du Jun, Ms. Zhang Li, and Mr. Yip Wai Ming have been contributing to the Group effectively and are committed to their role as Directors.

LETTER FROM THE BOARD

The Board has accepted the recommendation by the Nomination Committee for recommending the Shareholders to re-elect Mr. Du Jun, Ms. Zhang Li, and Mr. Yip Wai Ming as Directors at the AGM. Each of them abstained from voting at the Board meeting regarding their nomination. The Board considers that the re-election of Mr. Du Jun, Ms. Zhang Li, and Mr. Yip Wai Ming as Directors is in the best interest of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of their re-election at the AGM.

The biographical details of the above retiring Directors who are subject to re-election at the AGM are set out in Appendix II to this circular under the Listing Rules.

6. PROPOSED RE-APPOINTMENT OF AUDITOR OF THE COMPANY

Moore Stephens CPA Limited will retire as the auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment. The Board, upon the recommendation of the audit committee of the Company, proposed to re-appoint Moore Stephens CPA Limited as auditor of the Company to hold office until the conclusion of the next annual general meeting. A resolution will also be proposed to authorise the Board to fix the auditor's remuneration. Moore Stephens CPA Limited has indicated its willingness to be re-appointed as the Company's auditor for the said period.

7. AMENDMENTS TO THE SHARE OPTION SCHEME

The Share Option Scheme was adopted on 27 October 2016 and amended on 17 November 2020. The purpose of the Share Option Scheme is to recognise, motivate and provide incentives to those who make contributions to the Group, with the aim to attract and retain the best available personnel by providing additional incentive and to promote the success of the business of the Group.

The Proposed Amendments aim to, among other things, (i) amend the Share Option Scheme to align with the Amended Rules, implementing the proposals of the Consultation Conclusions; and (ii) make certain minor housekeeping amendments to the Share Option Scheme in the Amended Share Option Scheme for the purpose of making consequential amendments in line with the Proposed Amendments and align the wording with that of the Amended Rules:

The Proposed Amendments are summarised as follows:

- (A) Share Options under the Amended Share Option Scheme may be granted to the employees, directors, chief executive officers and substantial shareholders of the Company and its subsidiaries;
- (B) Shareholders' approval may be sought by the Company in general meeting for refreshing the Scheme Mandate Limit under the Amended Share Option Scheme after three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the date of the adoption of the Proposed Amendments for the Share Option Scheme), such refreshment within the aforementioned three-year period must be approved by Shareholders subject to the requirements under Rule 17.03C(1) of the Listing Rules;

LETTER FROM THE BOARD

- (C) to require approval by the Shareholders in general meeting according to the requirements under Rule 17.03D(1) of the Listing Rules, for grant of Share Options over new Shares to an individual participant if the number of Shares which may be allotted and issued in respect of all Share Options and awards granted under the share schemes (which include the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable) to an individual participant will exceed 1% of the issued share capital of the Company in any 12-month period (i.e. the 1% Individual Limit);
- (D) to require approval by the Shareholders in general meeting according to the requirements under Rule 17.04(4) of the Listing Rules, for grant of Share Options over new Shares to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, if the number of Shares which may be allotted and issued in respect of all Share Options and awards granted under the share schemes (which include the Amended Share Option Scheme and all other share schemes (as defined under the Listing Rules), where applicable) to any of the above Grantees, or any of their respective associates, will exceed 0.1% of the issued share capital of the Company in any 12-month period;
- (E) to revise the vesting period to no less than 12 months, where under specific and limited circumstances, the Remuneration Committee shall have the authority to determine that the granting of Share Options to Employee Participants may subject to shorter vesting period. Such circumstances only include:
 - (i) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, which allows flexibility for the Company to reward employees in exceptional circumstances to ensure fair treatment;
 - (ii) grants of Options with performance-based vesting conditions provided in the Amended Share Option Scheme, in lieu of time-based vesting criteria, which allows flexibility for the Company to reward exceptional performers who fulfilled the performance targets in less than 12 months; and
 - (iii) grants of Options with a mixed or accelerated vesting schedule such that the Options may vest evenly over a period of 12 months, which provides flexibility for the Company in granting Share Options under such vesting schedule spreading evenly over 12 months starting from the date of grant, which may result in some of the Share Options being vested within 12 months;
- (F) subject to the Stock Exchange granting the necessary waiver, a Grantee may transfer to a vehicle for the benefit of the Grantee and any family members of such Grantee that would continue to meet the purpose of the Amended Share Option Scheme and comply with other requirements of the Amended Rules; and
- (G) to include other house-keeping amendments for the purpose of making consequential amendments in line with the Proposed Amendments, and to better align the wordings with that of the Amended Rules.

LETTER FROM THE BOARD

The principal terms of the Amended Share Option Scheme are set out in Appendix III to this circular. The Board considers that the Proposed Amendments are in compliance with the requirements under the Amended Rules.

The provisions of the Amended Share Option Scheme have clearly stated that it shall be for the exclusive benefit of the Eligible Persons, and the Company believes that this aligns with the intention of the Group of providing incentives to all those who contributes to the development and growth of the Group.

The terms of the Amended Share Option Scheme allow the Company to, where it considers appropriate, specify a minimum vesting period and performance targets which must be achieved before Share Options can be vested or exercised by a Grantee, and the performance targets are offered to each Eligible Person on a case-by-case basis as meaningful incentive to contribute and work better for the long-term growth and profitability of the Group. The Amended Share Option Scheme have also set out clawback mechanisms where the Company would be able to clawback the incentives granted to such Grantees.

While the revision of the vesting period of the Share Options to become no less than 12 months means to align with the amendments contemplated under Rule 17.03F of the Listing Rules, the Directors and the Remuneration Committee are of the view that the discretion in allowing a shorter vesting period under the limited and exhaustive circumstances as detailed above is appropriate, reasonable and in line with the requirements under the Listing Rules. Such discretion gives the Company more flexibility to (i) provide higher incentives when attracting talents; (ii) reward exceptional performers with accelerated vesting; and (iii) grant Share Options in exceptional circumstances where justified, which is in line with the purpose of the Amended Share Option Scheme.

Furthermore, the basis for the determination of the exercise price of the Share Options has been set out in the Amended Share Option Scheme and such basis is determined in accordance with the Listing Rules.

The Company believes that the mechanism of the Amended Share Option Scheme as described above will provide it with flexibility in setting the terms and conditions of the Share Options which are the most appropriate taking into account the individual circumstances of the relevant Eligible Persons and therefore can facilitate the Company's aim to offer meaningful incentive to attract, retain and motivate talented employees towards the performance goals in business operation and other long-term performance targets set by the Group and to provide them with an incentive to work better for the interest of the Group, and hence aligns with the purpose of the Amended Share Option Scheme.

As at the Latest Practicable Date, there are 892,000 outstanding Share Options with the exercise price of HK\$3.13 and 183,334 outstanding Share Options with the exercise price of HK\$3.28. The Proposed Amendments shall apply to the outstanding Share Options and Share Options to be granted under the Amended Share Option Scheme with effect from the date of the AGM.

The Scheme Mandate Limit was last refreshed on 19 March 2021, and as at the Latest Practicable Date, the Scheme Mandate Limit for the Share Option Scheme and all other share schemes of the Company remained to be a maximum number of 30,720,566 Shares, representing approximately 9.94% of the total issued Shares on the even date. For the avoidance of doubt, save and except the Share Option Scheme, the Company has no other effective share schemes.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are no intention to grant any Share Options to any Eligible Persons including those who may require the approval by the Shareholders in the AGM pursuant to this circular pursuant to Rule 17.04 of the Listing Rules.

8. AGM

The Company will convene the AGM on Thursday, 30 March 2023, at 9:30 a.m. to approve the ordinary resolutions to be proposed thereat in respect of, among other things, grant of general mandate to issue and repurchase Shares and the re-election of retiring Directors.

The notice of the AGM is set out on pages AGM-1 to AGM-5 of this circular. A form of proxy for use at the AGM is enclosed with this circular and is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the AGM and at any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

9. CLOSURE OF REGISTER OF MEMBERS

To ascertain the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 27 March 2023 to Thursday, 30 March 2023, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Friday, 24 March 2023.

10. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward to be voted at the AGM. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

11. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

12. RECOMMENDATION

The Directors consider that the proposed grant of Issue Mandate and Repurchase Mandate, extension of the Issue Mandate and the re-election of retiring Directors, are in the best interests of the Company and the Shareholders as a whole. The necessary information for seeking the Shareholders' approval on the proposed matters is already set out herein for consideration. The Directors recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

13. DOCUMENT AVAILABLE FOR INSPECTION

The full terms of the Amended Share Option Scheme will be published on the website of the Stock Exchange and the website of the Company for a period of 14 days before the date of the AGM (including the date of the AGM) and can be inspected at the AGM.

14. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
NEW HUO TECHNOLOGY HOLDINGS LIMITED
Du Jun
Executive Director

This appendix I serves as an explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide you with all the information required for your consideration as to whether to vote for or against the ordinary resolution to be proposed at the AGM for granting the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$500,000 divided into 500,000,000 Shares, among which a total of 308,960,665 Shares were issued and fully paid-up.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Directors will be authorised under the Repurchase Mandate to repurchase a maximum of 30,896,066 Shares during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by the Companies Act or the Articles to hold its next annual general meeting; and (iii) the date of revocation or variation of the Repurchase Mandate by an ordinary resolution of Shareholders at a general meeting prior to the next annual general meeting of the Company.

2. REASONS FOR REPURCHASE MANDATE

The Directors believe that the Repurchase Mandate will provide the Company flexibility to make such repurchases when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate will be financed entirely from the available cash flow or working capital facilities of the Company which shall be legally permitted to be utilised in this connection in accordance with the Articles, the applicable laws of the BVI and the Listing Rules. The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with Listing Rules from time to time.

4. POSSIBLE MATERIAL ADVERSE IMPACT

There may be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full during the proposed repurchase period as compared with the position disclosed in the latest published audited accounts for the year ended 30 September 2022. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time inappropriate for the Company.

The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, nor any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is granted, to sell the Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company, nor has undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the BVI, and the Articles.

7. TAKEOVERS CODE AND MINIMUM PUBLIC FLOAT

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase shall be treated as an acquisition pursuant to Rule 32 of the Takeovers Code. Therefore, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of interest of the Shareholder (and concerted parties, if any), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the following Shareholders were interested in 5% or more of the issued share capital of the Company:

Name of Shareholders	Number of Shares interested	Approximate percentage of Shareholdings (Note 1)	Approximate percentage of Shareholdings if the Repurchase Mandate is fully exercised (Note 2)
HBCapital Limited (“HBCapital”)	8,438,274	2.73%	3.03%
Avenir Capital Inc. (“Avenir Capital”)	48,130,149	15.58%	17.31%
Techwealth Limited (“Techwealth”) (Note 5)	76,350,346	24.71%	27.46%
Mr. Li Lin (“Mr. Li”) (Note 3)	132,918,769	43.02%	47.80%
Mr. Shen Nan Peng (“Mr. Shen”) (Note 4)	36,892,572	11.98%	13.27%
SC China Holding Limited (Note 4)	36,892,572	11.98%	13.27%
SNP China Enterprises Limited (Note 4)	36,892,572	11.98%	13.27%
SC China Venture IV Management, L.P. (Note 4)	30,467,072	9.89%	10.96%
Sequoia Capital China Venture Fund IV, L.P. (Note 4)	30,467,072	9.89%	10.96%
Sequoia Capital CV IV Senior Holdco. Ltd. (Note 4)	30,467,072	9.89%	10.96%
Sequoia Capital CV IV Holdco, Ltd.	30,467,072	9.89%	10.96%

Notes:

- (1) The percentages were calculated based on the Company’s issued share capital of 308,960,665 Shares at the Latest Practicable Date and on the assumption that there is no other change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of AGM.
- (2) The percentages were calculated based on the Company’s issued share capital of 278,064,599 Shares after exercising the power of repurchase Shares pursuant to the Repurchase Mandate in full and on the assumption that there is no other change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of AGM.
- (3) Mr. Li holds 100% interest in the total issued shares of Avenir Capital, 100% interest in the total issued shares of HBCapital and 89.65% interest in the total issued shares of Techwealth. Therefore, Mr. Li is deemed to be interested in the shares held by Avenir Capital, HBCapital and Techwealth for the purpose of Part XV of the SFO.

- (4) Sequoia Capital CV IV Holdco, Ltd. holds 30,467,072 Shares, representing approximately 9.89% of the total issued share capital of the Company. Sequoia Capital CV IV Holdco, Ltd. is a wholly-owned subsidiary of Sequoia Capital CV IV Senior Holdco, Ltd., whose sole shareholder is Sequoia Capital China Venture Fund IV, L.P. The general partner of Sequoia Capital China Venture Fund IV, L.P. is SC China Venture IV Management, L.P., whose general partner is SC China Holding Limited (“**SC China**”). SC China is a wholly-owned subsidiary of SNP China Enterprises Limited (“**SNP China**”), a company wholly owned by Mr. Shen.

In addition, Zhen Partners Fund I, L.P. (“**Zhen Partners**”) holds 6,425,500 Shares, representing approximately 2.09% of the total issued share capital of the Company. SC China, through several intermediate entities is interested in more than 33.3% limited partnership interest in Zhen Partners, and therefore SC China is deemed to be interested in the 6,425,500 Shares. Since SC China is wholly owned by SNP China, which is in turn wholly owned by Mr. Shen, both SNP China and Mr. Shen are deemed to be interested in such 6,425,500 Shares as well.

In light of the above, pursuant to Part XV of the SFO, Mr. Shen, SNP China and SC China are deemed to be interested in a total number of 36,892,572 Shares, representing approximately 11.98% of the total issued share capital of the Company.

- (5) Techwealth directly holds 76,350,346 Shares, representing approximately 24.99% of the total issued share capital of the Company.

In the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate, if so approved, in accordance with the terms of resolution no. 6 as set out in the notice of the AGM, the interest of the above substantial Shareholders in the issued share capital of the Company will be increased to the approximate percentage as shown in the above table, in particular the shareholding of Mr. Li will be increased from approximately 43.02% to approximately 47.80%. Such increase will give rise to an obligation of Mr. Li to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, the Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase if made in full under the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate (whether in full or otherwise) to an extent that will trigger the obligations to make a mandatory offer under Rule 26 of the Takeovers Code, nor to an extent that results in the number of Shares held by the public being reduced to less than the prescribed minimum percentage, whether 25% or other percentage as determined by the Stock Exchange.

8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months immediately preceding the Latest Practicable Date, no Shares had been repurchased by the Company nor any of its subsidiaries, whether on the Stock Exchange or otherwise.

9. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date:

	Per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2022		
February	8.29	6.61
March	7.34	4.71
April	6.52	5.12
May	5.68	3.7
June	4.7	3.68
July	6.68	3.42
August	4.65	3.84
September	4.50	3.50
October	4.15	3.21
November	4.32	3.23
December	3.60	2.29
2023		
January	3.30	2.85
February (until the Latest Practicable Date)	2.84	2.57

10. CONFIRMATION

The Company confirms that this explanatory statement contains the information required under Rule 10.06(1)(b) of the Listing Rules and that neither this explanatory statement nor the Repurchase Mandate has any unusual features.

The followings are particulars of the Directors who will retire from office, all of whom, being eligible, have offered themselves for re-election at the AGM:

EXECUTIVE DIRECTORS**Mr. Du Jun**

Mr. Du, aged 35, has served as the co-founder of crypto exchange Huobi group since November 2013 and was responsible for the strategic planning and management of crypto exchange Huobi group. During this period, Mr. Du has also served as the co-founder and managing partner of ABCDE Capital since May 2022, responsible for the strategy planning and management of ABCDE Capital, and as the co-founder and director of Chainup Pte. Ltd. since September 2017, responsible for the company's strategic planning. Prior to that, Mr. Du served as a senior product manager at Tencent between October 2010 and November 2013 and was responsible for Discuz! product design and operation and managing a team of more than 20 people. Before that, Mr. Du served as a product manager at Comsenz Inc. from April 2007 to October 2010 and was responsible for Discuz! product design, and managing a team of more than 10 people. Mr. Du is currently an EMBA student at the National University of Singapore. He has published "Blockchain+: Application and Future of Blockchain from 50 cases in the world"* and "Blockchain+: Technological Ecology, Token Economy and Community Autonomy from 50 cases in the world"*, both of which are among the best-selling books in JD.com's internet finance field.

Mr. Du has entered into a service contract dated 30 November 2022 with the Company for his service as an executive Director for a term commencing from 30 November 2022, terminable by either party giving to the other not less than a three-month prior notice in writing, which shall expire at the closure of the following general meeting. Mr. Du's directorship will be subject to retirement by rotation and re-election in accordance with the Articles and the Listing Rules. Mr. Du, as an executive Director, is entitled to a director's fee of HK\$100,000 per month plus a discretionary bonus as may be determined by the Board with reference to his performance and operating results of the Group. The foregoing emoluments is recommended by the Remuneration Committee and approved by the Board with reference to Mr. Du's background, qualifications, experience, level of responsibilities undertaken with the Company and prevailing market conditions. The remuneration of Mr. Du will be subject to annual review by the Remuneration Committee and the Board.

Save as disclosed above, Mr. Du as at the Latest Practicable Date (i) did not have any other relationships with any directors, senior management, substantial or controlling Shareholders; (ii) had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas three years preceding the Latest Practicable Date; and (iii) did not hold any other positions with the Company or any of its subsidiaries.

To the best knowledge, information and belief of the Board, as at the Latest Practicable Date, Mr. Du did not have and was not deemed to have any other interests in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Ms. Zhang Li

Ms. Zhang Li (“**Ms. Zhang**”), aged 37, was appointed as executive Director with effect from 18 December 2021.

Ms. Zhang is also currently the Chief Financial Officer of the Company. Prior to joining the Group, from December 2017 to August 2020, Ms. Zhang had been responsible for the listing of Hangzhou Canaan Creative Information Technology Co., Ltd. (CAN.Nasdaq) on Nasdaq Stock Market and had subsequently served as the Vice President of that company from March 2018 to August 2020. From September 2015 to May 2019, Ms. Zhang served as a director of Ci Wen Media Co., Ltd. (002343.SZ). From June 2014 to August 2017, Ms. Zhang served as the Vice President and the secretary of the board of directors of Hangzhou Shunwang Technology Co., Ltd. (300113.SZ), during which time Ms. Zhang was responsible for the formulation of its strategic planning, capital market communications and numerous merger and acquisition deals in the gaming industry. From December 2012 to June 2014, Ms. Zhang served as the senior manager of the acquisition and financing department of Guotai Junan Securities Co., Ltd., during which time Ms. Zhang was responsible for the mergers and acquisitions of numerous well-established companies in the Technology, Media and Telecommunications and environmental industries. From October 2009 to September 2012, Ms. Zhang served as a senior auditor of PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)), during which time Ms. Zhang had handled audit work of numerous multinational companies.

Ms. Zhang has entered into a service contract dated 17 December 2021 with the Company for her service as an executive Director for a term commencing from 18 December 2021, terminable by either party giving to the other not less than a three-month prior notice in writing, which shall expire at the closure of the following general meeting. Ms. Zhang’s directorship will be subject to retirement by rotation and re-election in accordance with the Articles and the Listing Rules. Ms. Zhang, as an executive Director, is entitled to a director’s fee of HK\$100,000 per month plus a discretionary bonus as may be determined by the Board with reference to her performance and operating results of the Group. The foregoing emolument is recommended by the Remuneration Committee and approved by the Board with reference to Ms. Zhang’s background, qualifications, experience, level of responsibilities undertaken with the Company and prevailing market conditions. The remuneration of Ms. Zhang will be subject to annual review by the Remuneration Committee and the Board.

Ms. Zhang is a non-practicing member of the Chinese Institute of Certified Public Accountants. She graduated from the Department of Automotive Engineering of Tsinghua University in 2009 holding a bachelor’s degree and a master’s degree in automotive engineering. She obtained an EMBA from Peking University in July 2019.

Save as disclosed above, Ms. Zhang as at the Latest Practicable Date (i) did not have any relationships with any directors, senior management, substantial or controlling Shareholders; (ii) had not held any directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas three years preceding the Latest Practicable Date; (iii) did not hold any other positions with the Company or any of its subsidiaries; and (iv) did not have and was not deemed to have any interests in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Yip Wai Ming**

Mr. Yip Wai Ming (“**Mr. Yip**”), aged 57, was appointed as an independent non-executive Director, the Chairman of the Audit Committee and a member of the NCGC and the Remuneration Committee on 11 October 2018. Mr. Yip is currently an independent non-executive Director of the following companies listed on the Stock Exchange of Hong Kong: PAX Global Technology Limited (stock code: 0327), Ju Teng International Holdings Limited (stock code: 3336), Far East Horizon Limited (stock code: 3360), Yida China Holdings Limited (stock code: 3639) and Peijia Medical Limited (stock code: 9996). Mr. Yip has more than 30 years of experience in finance and accounting. Mr. Yip graduated from the University of Hong Kong with a bachelor’s degree in social sciences in 1987. He also holds a bachelor’s degree in law from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

Mr. Yip has entered into a formal letter of appointment as an independent non-executive Director with the Company for a term of three years commencing on 11 October 2018. The letter of appointment can be terminated by either party by serving two months’ prior notice in writing. Under the letter of appointment, he is entitled to (i) an annual salary of HK\$240,000 as Director’s fee, and (ii) discretionary bonus as may be determined by the Board after considering a range of factors including the performance of Mr. Duan as an independent non-executive Director, and the operating results of the Group in respect of any financial year of the Company.

Save as disclosed above, Mr. Yip (i) did not have any relationship with any other Directors, senior management, substantial or controlling Shareholders of the Company; (ii) did not hold any other directorship in public listed companies in Hong Kong or overseas three years preceding the Latest Practicable Date; (iii) did not hold any position with the Company or other members of the Group; and (iv) did not have and was not deemed to have any interests in the shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

The following is a summary of the principal terms of the Amended Share Option Scheme with the proposed to be adopted at the AGM but does not form part of, nor was it intended to be, part of the Amended Share Option Scheme nor should it be taken as affecting the interpretation of the Amended Share Option Scheme:

1. PURPOSE OF THE AMENDED SHARE OPTION SCHEME

The Amended Share Option Scheme aiming to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in the Company and help motivate them to optimise their performance, efficiency and future contributions to the Group and/or to recognize, reward and acknowledge them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be important to the long-term growth and profitability of the Group. The Amended Share Option Scheme is established with the view to, in light of the above, enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

2. WHO MAY JOIN AND BASIS OF ELIGIBILITY

The basis of eligibility of any of the class of the Eligible Persons to the grant of any Share Options shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time at its/their absolute discretion on the basis of his/her contribution or potential contribution to the development and growth of the Group. Such Eligible Person(s) include:

- (a) any full-time or part-time employee of the Company and its subsidiaries; and
- (b) any director (including executive, non-executive or independent non-executive directors) and chief executive officers of the Company and its subsidiaries,

(the person(s) referred to above are the “**Employee Participant(s)**” or the “**Eligible Person(s)**”, for the avoidance of doubt, the Employee Participants include persons who are granted Share Options under the Amended Share Option Scheme as an inducement to enter into employment contract(s) with the Company and its subsidiaries)

3. MAXIMUM NUMBER OF THE SHARES

The maximum number of Shares which may be issued in respect of all Share Options or awards to be granted under the Scheme and any other share schemes (as defined under the Listing Rules) shall not in aggregate exceed 10% of the Shares in issue as at 19 March 2021 (i.e. a maximum of 30,720,566 Shares, the “**Scheme Mandate Limit**”), when the Scheme Mandate Limit was last refreshed. Share Options lapsed in accordance with the terms of the Amended Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Share Options or awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate Limit under the Amended Share Option Scheme after three years from the date of Shareholders' approval for the last refreshment (or, as the case may be, the adoption of the Proposed Amendments on the Share Option Scheme).

Any refreshment within any three-year period must be approved by the Shareholders subject to the following provisions:

- (i) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting of the Company; and
- (ii) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules or such other provisions as required under Rule 17.03C of the Listing Rules.

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued in respect of all Share Options or awards to be granted under all share schemes (including the Amended Share Option Scheme and such other share schemes as defined under the Listing Rules) of the Company under the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme Mandate Limit. The Company must send a circular to the Shareholders containing the number of Share Options that were already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.

The Company may seek separate approval by the Shareholders in general meeting for granting Share Options beyond the Scheme Mandate Limit provided the Share Options in excess of the limit are granted only to the Eligible Persons specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Persons who may be granted such Share Options, the number and terms of the Share Options to be granted to each Eligible Person, and the purpose of granting Share Options to the specified Eligible Persons with an explanation as to how the terms of the Share Options serve such purpose. The number and terms of Share Options to be granted to such Eligible Persons must be fixed before Shareholders' approval. In respect of any Share Options to be granted, the date of the board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

4. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The maximum entitlement of Share Options of each Eligible Person under the Amended Share Option Scheme shall not exceed 1% of the Shares of the Company (i.e. 3,089,606 Shares as at the Latest Practicable Date). Where any grant of Share Options under the Amended Share Option Scheme to an Eligible Person would result in the Shares issued and to be issued in respect of all Share Options and awards granted under the share schemes of the Company (including the Amended Share Option Scheme and any other share schemes of the Company (as defined under the Listing Rules), where applicable, but excluding any Share Option lapsed in accordance with the terms of the Amended Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares of the Company in issue (i.e. the 1% Individual Limit), such grant must be separately approved by Shareholders of the Company in general meeting with such Eligible Person and his/her close associates (or associates if the Eligible Person is a connected person) abstaining from voting. The Company must send a circular to the Shareholders. The circular must disclose the identity of the Eligible Person, the number and terms of the Share Options to be granted (and those previously granted to such Eligible Person in the 12-month period), the purpose of granting Share Options to the Eligible Person and an explanation as to how the terms of the Share Options serve such purpose. The number and terms of the Share Options to be granted to such Eligible Person must be fixed before Shareholders' approval. In respect of any Share Options to be granted, the date of the board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under the Listing Rules.

5. OFFER AND GRANT OF SHARE OPTIONS

Subject to the terms of the Amended Share Option Scheme, the Board shall be entitled at any time within ten (10) years from the date of the adoption of the Share Option Scheme to offer the grant of a Share Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the exercise price for such number of Shares as the Board may (subject to the terms of the Amended Share Option Scheme) determine.

6. GRANT OF THE SHARE OPTIONS TO CONNECTED PERSONS

Subject to the terms in the Amended Share Option Scheme, each grant of the Share Options and awards granted under the share schemes of the Company (which include the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable) to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial Shareholder, or any of their respective associates, under the Amended Share Option Scheme or any other share schemes (as defined under the Listing Rules) shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a Grantee).

Where any grant of Share Options under the Amended Share Option Scheme to independent non-executive Director or a substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all Share Options and awards granted under the share schemes of the Company (including the Amended Share Option Scheme and any other share schemes (as defined under the Listing Rules), where applicable, but excluding any Share Option lapsed in accordance with the terms of the Amended Share Option Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of the Share Options must be approved by the Shareholders of the Company in general meeting. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rules 13.40, 13.41, 13.42 and 17.04 of the Listing Rules. The Company must send a circular to the Shareholders, with such grant of Share Options being subject to the issue of a circular by the Company and such circular to be issued to the Shareholders pursuant to this sub-paragraph shall contain the following information:

- (i) details of the number and terms (including the Option Period, vesting period of the Share Options, performance targets (if any), such amount, if any, payable on application or acceptance of the Share Options, basis of determination of subscription price and the rights attached to the Share Options, relevant rights with respect to voting and dividend on Share Options and clawback mechanism with respect to the Share Options (if any)) of the Share Options to be granted to each such substantial Shareholder or independent non-executive Director, or any of their respective associates, which must be fixed before the Shareholders' meeting and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price as contemplated under paragraph 10;
- (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is a Grantee) as to whether the granting terms of the Share Options are fair and reasonable and whether such grant is in the interests of the Company and its shareholders as a whole, together with a recommendation from such independent non-executive Directors to the independent Shareholders as to voting;
- (iii) the information required under Rules 17.02(2)(c) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of Share Options granted to an Eligible Person who is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 17.04 of the Listing Rule if the initial grant of the Share Options requires such approval (except where the changes take effect automatically under the existing terms of the Amended Share Option Scheme).

7. RESTRICTION ON THE TIME OF GRANT OF THE SHARE OPTIONS

The Board shall not grant any Share Options after a price sensitive development has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price sensitive information has been published in accordance with the requirements of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong). In particular, no Share Option shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approval of the results of the Company for any year, half-year or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for publishing an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no Share Option shall be granted during any period of delay in publishing a results announcement.

Further to the restrictions in sub-paragraphs (i) and (ii) above, no Share Option may be granted on any day on which financial results of the Company are published and:

- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

8. VESTING, PERFORMANCE TARGET AND CLAWBACK MECHANISM

Vesting Period of Share Options shall be no less than 12 months. The Share Options shall be vested on the 1st anniversary of the date on which a Share Option is granted to a Grantee.

Share Options granted to Employee Participants may be subject to a shorter vesting period under the following circumstances:

- (a) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (b) grants of the Share Options with performance-based vesting conditions provided in the Amended Share Option Scheme, in lieu of time-based vesting criteria; and
- (c) grants of Share Options with a mixed or accelerated vesting schedule such that the Options may vest evenly over a period of 12 months.

Subject as aforesaid and other provisions of the Listing Rules, the Remuneration Committee may in its absolute discretion when offering the grant of Share Options impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Amended Share Option Scheme as the Remuneration Committee may think fit (to be stated in the letter containing the offer of the grant of the Share Options) including (without prejudice to the generality of the foregoing) the achievement of any performance targets by the Grantee before the right to exercise the Share Options in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Amended Share Option Scheme.

Proposed performance targets include business, financials, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit after tax) as well as that for the Employee Participants based on individual performance indicators relevant to their roles and responsibilities on a case-by-case basis (such as revenue growth rate by existing/new markets or by existing/new products, number of new product development, production yield). The Remuneration Committee will conduct assessment at the end of the performance period by comparing the performance of the business segments and the individual performance of the Employee Participants with the pre-agreed targets to determine whether the targets and the extents to which have been met.

Notwithstanding the terms and conditions of the Amended Share Option Scheme, the Directors may provide in the notice of offer that any Share Option prior to it being exercised may be subject to clawback or a longer vesting period if the Group faces any material adverse change or difficulty in its financial position or operating conditions.

The Directors may by notice in writing to the Grantee concerned (i) claw back such number of Share Options (to the extent not being exercised) granted as the Directors may consider appropriate; or (ii) extend the vesting period in relation to all or any of the Share Options (to the extent not being exercised) to such longer period as the Directors may consider appropriate. The Share Options which are clawed back pursuant to the above will be regarded as cancelled and the Share Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit. Save for the above, there is no other clawback mechanism to recover or withhold the remuneration (which may include any Share Options granted) to any Grantees in any event.

9. ACCEPTANCE OF OFFER

An offer for the grant of a Share Option shall be made to a Eligible Person by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Share Options on the terms on which it is to be granted and to be bound by the provisions of the Amended Share Option Scheme and shall remain open for acceptance by a Eligible Person concerned for a period of seven (7) days from the day on which such offer was made (inclusive of such day on which such offer was made, the "**Acceptance Period**"). The amount payable by the Grantee(s) to the Company on acceptance of the offer for the grant of a Share Option is HK\$1.00.

Any offer of the grant of a Share Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Share Option. To the extent that the offer of the grant of the Share Option is not accepted within the Acceptance Period, it will be deemed to have been irrevocably declined.

10. SUBSCRIPTION PRICE FOR SUBSCRIPTION OF THE SHARES

The exercise price in respect of any particular Share Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Share Option (and shall be stated in the letter containing the offer of the grant of the Share Option) but the exercise price shall not be less than whichever is the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date which Share Options are offered, which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) Business Days immediately preceding the date which Share Options are offered; and
- (iii) the nominal value of the Share.

11. RANKING OF SHARES

Share Options granted under the Amended Share Option Scheme do not carry any right to vote in any general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company. The Shares to be allotted upon the exercise of the Share Options shall not carry any voting right until completion of the registration of the Grantee (or any other person) as the holder thereof. Subject to the aforesaid, the Shares allotted and issued upon the exercise of the Share Options will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully paid Shares in issue on the date of exercise.

12. RIGHTS ARE PERSONAL TO THE GRANTEE

The Share Options granted shall be personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Share Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Share Option or part thereof granted to such Grantee.

Subject to the Stock Exchange granting the necessary waiver, a Grantee may transfer any Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the Amended Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules. In the event of any such transfer, the Company shall disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

13. RIGHTS ON CEASING EMPLOYMENT OR DEATH

If a Grantee (as an Employee Participant) ceases to be an employee of the Company or any of its subsidiaries:

- (i) in the event that the Grantee is an Employee Participant at the date of grant and he/she subsequently ceases to be an Employee Participant for any reason other than his/her death or the termination of his/her employment on one or more of the grounds specified in paragraph 14 below, such Share Options (to the extent not already exercised) shall lapse on the expiry of three (3) months after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant subsidiary of our Group whether salary is paid in lieu of notice or not); or
- (ii) in the event of the death of the Grantee (provided that none of the events which would be a ground for termination of employment referred to in paragraph 14 below arises within a period of 3 years prior to the death, in the case the Grantee is an employee at the date of grant), the legal personal representative(s) of the Grantee may exercise the option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his/her death provided that where any of the events referred to in paragraphs 15, 16 and 17 occurs prior to his/her death or within such period of 12 months following his/her death, then his/her personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

14. RIGHTS ON DISMISSAL

If a Grantee ceases to be an employee of the Company or any of its subsidiaries on any one or more of the following grounds resulting in the termination of the Grantee's employment:

- (i) guilty of misconduct;
- (ii) has committed an act of bankruptcy or has become insolvent;
- (iii) has made any arrangement or composition with his or her creditors generally; or
- (iv) has been convicted of any criminal offence involving the Grantee's integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or its relevant subsidiary.

A resolution of the Board or the board of directors of the Company's subsidiary to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 14 shall be conclusive and binding on the Grantee. The date on which the Grantee ceases to be an employee of the Group (who is eligible to the offer of the Share Options under the Amended Share Option Scheme) by reason of the above grounds, the Share Option shall lapse automatically (to the extent not already exercised) and not be exercisable on the date of termination of the Grantee's employment.

15. RIGHTS ON A GENERAL OFFER

In the event a general or partial offer, whether by way of take-over offer or scheme of arrangement or otherwise in like manner is made to all Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (as defined in the Takeovers Codes)), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees on comparable terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional during the Option Period of the relevant Option, a Grantee shall be entitled to exercise his or her or its Share Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her or its Share Option at any time within one month after the date on which the offer becomes or is declared unconditional.

16. RIGHTS ON WINDING-UP

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or, as the case may be, his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid, which the Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

17. RIGHTS ON COMPROMISE OR ARRANGEMENT

In the event of a compromise or arrangement between the Company and its Shareholders or the creditors of the Company being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies pursuant to the Business Companies Act, the Company shall give notice thereof to all the Grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to the Shareholders or the creditors to consider such a compromise or arrangement and the options (to the extent not already exercised) shall become exercisable in whole or in part on such date not later than two Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (“**Suspension Date**”), by giving notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon the Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the Grantee credited as fully paid. With effect from the Suspension Date, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of options hereunder shall for the purposes of such compromise or arrangement form part of the issued Shares on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Amended Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of the Company or any of its officers.

18. LAPSE OF THE SHARE OPTIONS

A Share Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the date on which the Board exercises the Company’s right to cancel the Share Options on the ground that the Grantee commits a breach with respect to paragraph 12;
- (iii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs 13, 14, 15, 16 and 17;
- (iv) subject to paragraph 16, the date of the commencement of the winding-up of the Company;

- (v) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his/her creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his/her integrity or honesty;
- (vi) subject to paragraph 17, the date when the proposed compromise or arrangement becomes effective;
- (vii) the Grantee has contravened the relevant laws and regulations of PRC and/or Hong Kong or in other countries due to acceptance or solicitation of bribery, corruption, theft and other unlawful acts and misconduct;
- (viii) the Grantee has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in a loss to the Group and other adverse consequences; or
- (ix) where the Grantee is only a substantial shareholder of the Company and its subsidiaries, the date on which the Grantee ceases to be a substantial shareholder of the Company and its subsidiaries.

19. CANCELLATION OF THE SHARE OPTIONS GRANTED BUT NOT YET EXERCISED

Any cancellation of Share Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels Share Options granted to a Grantee and makes a new grant to the same Grantee, such new grant may only be made under the Amended Share Option Scheme with available Scheme Mandate Limit approved by Shareholders in accordance with Chapter 17 of the Listing Rules. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

20. EFFECTS OF ALTERATIONS TO CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue or other similar offer of securities to holders of the Shares, consolidation, subdivision or reduction or similar reorganisation of the share capital of the Company (other than an issue of the Shares as consideration in respect of a transaction to which the Company is a party), or an issue of securities with a price-dilutive element, such as open offer, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the number of Shares subject to the Share Options so far as unexercised; and/or
- (ii) the exercise price of outstanding Share Options,

the auditors of or independent financial adviser to the Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the Listing Rules, or any guideline or supplemental guideline issued by the Stock Exchange from time to time (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a Grantee as near as possible the same proportion of the issued shares of our Company as that to which he/she was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

21. PERIOD OF THE AMENDED SHARE OPTION SCHEME

Subject to the terms amended under the Proposed Amendments, the period of the Share Option Scheme will be valid and effective for a period of ten years commencing on the date which the Share Option Scheme was approved and adopted by the Shareholders (i.e. 27 October 2016) and ending on the tenth anniversary of such date of adoption (both dates inclusive), unless terminated earlier by the Shareholders in a general meeting. All Share Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Amended Share Option Scheme.

22. ALTERATION TO THE AMENDED SHARE OPTION SCHEME

The Amended Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alterations to the terms and conditions of the Amended Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees must be approved by the Shareholders of the Company in general meeting;
- (ii) any change to the terms of Share Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Share Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be), unless such alterations take effect automatically under the existing terms of the Amended Share Option Scheme; and
- (iii) any change to the authority of the Directors or scheme administrators to alter the terms of the Amended Share Option Scheme.

shall first be approved by a resolution by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the Amended Share Option Scheme, provided that any amendment to any terms of the Amended Share Option Scheme or the Share Options granted shall comply with the relevant requirements of chapter 17 of the Listing Rules or any relevant guidelines issued by the Stock Exchange from time to time.

23. TERMINATION OF THE AMENDED SHARE OPTION SCHEME

The Company by resolutions in general meeting or the Board may at any time terminate the operation of the Amended Share Option Scheme and in such event no further Share Options will be offered but the Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Amended Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of New Huo Technology Holdings Limited (the “**Company**”) will be held at 6/F, 100 Queen’s Road Central, Central, Hong Kong on Thursday, 30 March 2023, at 9:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and of the auditors for the financial year ended 30 September 2022.
2. To re-elect the following directors of the Company:
 - (1) Mr. Du Jun as an executive Director;
 - (2) Ms. Zhang Li as an executive Director; and
 - (3) Mr. Yip Wai Ming as an independent non-executive Director.
3. To authorise the Board to fix the remuneration of the Directors.
4. To re-appoint Moore Stephens CPA Limited as the Company’s auditor and to authorise the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional ordinary shares of HK\$0.001 each in the capital of the Company and to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;
 - (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the memorandum and articles of association of the Company (the “**Articles**”); or
 - (v) a specific authority granted or to be granted by the Shareholders in general meeting, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval in paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

6. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase ordinary shares of HK\$0.001 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules or of any other stock exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
- (c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; or
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as an ordinary resolution:

“**THAT** conditional upon the passing of the foregoing ordinary resolutions No. 5 and No. 6 as set out in the notice convening the AGM, the general mandate granted to the Directors to allot, issue and deal with additional shares in the capital of the Company pursuant to the ordinary resolution No. 5 set out in the notice convening the AGM be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of the shares of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution No. 6 set out in the notice convening the AGM provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (a) the proposed amendments to the existing share option scheme adopted by the Company on 27 October 2016 and as amended on 17 November 2020 (the “**Share Option Scheme**”), a summary of such amended Share Option Scheme (the “**Amended Share Option Scheme**”) has been set out in Appendix III of the circular dated 1 March 2023, a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification, be and is hereby approved (the “**Proposed Amendments**”);
- (b) the Proposed Amendments referred to paragraph (a) above shall apply to the outstanding Share Options granted under the Share Option Scheme and the Share Options to be granted under the Amended Share Option Scheme with effect from the date of the AGM; and
- (c) the board of directors of the Company be and is hereby authorised to do all such acts and execute such documents as may be necessary, desirable or expedient in order to give full effect to the Proposed Amendments to the Share Option Scheme referred to in paragraph (a) above subject to the Listing Rules (as amended from time to time).”

By Order of the Board
NEW HUO TECHNOLOGY HOLDINGS LIMITED
Du Jun
Executive Director

Hong Kong, 1 March 2023

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A form of proxy for use in connection with the AGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). Whether or not you are able to attend the AGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not later than 48 hours before the time designated for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.
2. Any member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the AGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, a form of appointment of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time appointed for the time appointed for holding the AGM or any adjournment thereof.
5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the AGM was originally held within 12 months from such date.
6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
7. For determining the entitlement to attend and vote at the AGM, the register of members will be closed from Monday, 27 March 2023 to Thursday, 30 March 2023, both days inclusive. During this period, no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Friday, 24 March 2023.
8. If Typhoon Signal No. 8 or above, or "black" rainstorm warning is in effect any time after 8:00 a.m. and before the above time of AGM, the AGM will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.newhuotech.com) to notify the Shareholders (as defined herein) of the date, time and place of the rescheduled meeting.

As at the date of this AGM notice, the Board comprises (1) Mr. Li Lin as a non-executive Director; (2) Mr. Du Jun 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.