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HUOBI TECHNOLOGY HOLDINGS LIMITED

火币科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 1611)

CONNECTED TRANSACTION – LOAN TRANSACTION

THE LOAN AGREEMENT

The Board announces that on 3 March 2022 (after trading hours), Huobi Solutions Limited (a direct wholly-owned subsidiary of the Company) entered into the Loan Agreement as Borrower with Huobi Cayman Holding Limited as Lender, pursuant to which the Lender agreed to grant the Borrower a Loan of 250,000 FIL (equivalent to approximately HK\$40,000,000) for a term of 540 days.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Li is beneficially interested in approximately 60.09% of the issued shares of the Company and is therefore a controlling shareholder of the Company. As such, Mr. Li is a connected person of the Company under Rule 14A.07 of the Listing Rules. As the Lender is ultimately controlled by Mr. Li, the Lender is an associate of Mr. Li and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, Huobi Solutions Limited is a wholly-owned subsidiary of the Company. Hence, the transaction contemplated under the Loan Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the amount of the transaction contemplated under the Loan Agreement exceeds 0.1% but is less than 5%, the said transaction is subject to the reporting and announcement requirements but is exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Among the existing Directors, the connected Director, Mr. Li, was required to abstain from voting in the Board meeting in respect of the resolutions to approve the Loan Agreement and the transaction contemplated thereunder. Save for Mr. Li, none of the other Directors had a material interest in the transaction contemplated under the Loan Agreement, and none of the Directors (save for Mr. Li) were required to abstain from voting on the relevant Board resolutions.

INTRODUCTION

The Board announces that on 3 March 2022 (after trading hours), Huobi Solutions Limited (a direct wholly-owned subsidiary of the Company) entered into the Loan Agreement as Borrower with Huobi Cayman Holding Limited as Lender, pursuant to which the Lender agreed to grant the Borrower a Loan of 250,000 FIL (equivalent to approximately HK\$40,000,000) for a term of 540 days.

THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as below:

Date	3 March 2022 (after trading hours)
Parties	(i) Huobi Solutions Limited as Borrower; and (ii) Huobi Cayman Holding Limited as Lender.
Purpose	The Loan is for FIL mining or such other purpose(s) as may be agreed by the Lender.
Principal amount	250,000 FIL (equivalent to approximately HK\$40,000,000, calculated by multiplying the amount of FIL by US\$20.5, i.e., the average spot price of FIL on the date of the Loan Agreement based on the price data published on https://www.huobi.com , https://www.okex.com , and https://www.binance.com and based on the exchange rate of US\$1 = HK\$7.8).
Interest rate	Simple interest of 15% per annum from the date of receipt of the Loan by the Borrower to the date of full repayment of the Loan.
Security	The Loan is not secured by any collateral from the Borrower to the Lender.

Term of Loan	540 days from the date of receipt of the Loan by the Borrower.
Drawdown	The Borrower may, within three (3) months of signing the Loan Agreement, send the Lender a loan request notice (the “ Loan Request Notice ”) to request delivery of the Loan to the Borrower’s designated wallet address stated in the Loan Agreement. The Lender shall, within 24 hours of the Borrower issuing the Loan Request Notice, deliver the Loan to the Borrower’s designated wallet address and thereafter provide the Borrower with written notification on the same day.
Repayment	On the date falling 540 days after receipt of the Loan by the Borrower (the “ Repayment Date ”), the Borrower shall repay the principal amount of 250,000 FIL to the Lender together with all outstanding interest thereon in FIL.
Early repayment	<p>Without prejudice to any other payment obligations of the Borrower set out in the Loan Agreement, the Borrower may, at its sole discretion and upon not less than 24 hours’ prior written notice to the Lender, repay the whole or any part of the outstanding principal amount and interest under the Loan Agreement before the Repayment Date without paying any fee, penalty or compensation to the Lender.</p> <p>For the avoidance of doubt, notwithstanding any early repayment, the Borrower shall only be required to repay the principal amount and interest thereon (computed up to and including the date of full repayment).</p>
Events of default	<p>The Lender shall have the right to demand immediate repayment of the principal amount and all other interest thereon upon occurrence of any of the following events:</p> <ol style="list-style-type: none"> i. any breach by the Borrower of any of the terms and conditions of the Loan Agreement which is of a material nature and cannot be remedied in substance; ii. if any of the Borrower’s representations, warranties, undertakings or statements made in the Loan Agreement or any incidental document is found to have been incorrect in a material respect;

- iii. any distress, levy or execution, appointment of liquidator, receiver, trustee or similar official is made or threatened against the Borrower;
- iv. a petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed for (a) the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy (as the case may be) of the Borrower which has not been discharged or set aside within fourteen (14) business days of presentment; or (b) the appointment of a liquidator, receiver, administrator, trustee or similar officer of the Borrower of all or any substantial part of its business or assets; or
- v. the Loan Agreement is set aside for whatever reasons, or any provision thereof ceases for any reason to be in full force and effect or is terminated or jeopardised or becomes invalid or unenforceable or if there is any dispute regarding the same or if there is any purported termination of the same or it becomes impossible or unlawful for the Borrower to perform any of its obligations thereunder or for the Lender to exercise all or any of its rights, powers and remedies thereunder.

REASONS FOR AND BENEFITS OF THE LOAN

The Group intends to use the Loan as the funds for making investments into the cryptocurrency mining ecosystem. The Loan will provide necessary capital in meeting the potential needs of the Group in developing its cryptocurrency mining businesses, which may generate additional revenue streams and further diversify the Group's sources of income.

The Directors (including the independent non-executive Directors) are of the view that the Loan Agreement was entered into on an arm's length basis and on normal commercial terms (including, without limitation, the interest rate of the Loan) in the ordinary and usual course of the business of the Group, and that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL INFORMATION OF THE PARTIES

The Group

The Company is an investment holding company and the Group is principally engaged in the businesses of contract manufacturing, on electronic manufacturing services basis, of a wide range of power-related and electrical/electronic products, and the provision of technology solution services and other multifarious services in relation to the virtual asset ecosystem.

Borrower

Huobi Solutions Limited is a direct wholly-owned subsidiary of the Company, which is an investment holding company incorporated in Hong Kong with limited liability under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

Lender

Huobi Cayman Holding Limited is a company incorporated in the Cayman Islands with limited liability. The controlling shareholder and the ultimate beneficial owner is Mr. Li. The principal activity is investment holding.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Li is beneficially interested in approximately 60.09% of the issued shares of the Company and is therefore a controlling shareholder of the Company. As such, Mr. Li is a connected person of the Company under Rule 14A.07 of the Listing Rules. As the Lender is ultimately controlled by Mr. Li, the Lender is an associate of Mr. Li and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of this announcement, the Borrower is a wholly-owned subsidiary of the Company. Hence, the Loan Agreement and the transaction contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the amount of the transaction contemplated under the Loan Agreement exceeds 0.1% but is less than 5%, the said transaction is subject to the reporting and announcement requirements but is exempted from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Among the existing Directors, the connected Director, Mr. Li, was required to abstain from voting in the Board meeting in respect of the resolutions to approve the Loan Agreement and the transaction contemplated thereunder. Save for Mr. Li, none of the other Directors had a material interest in the transaction contemplated under the Loan Agreement, and none of the Directors (save for Mr. Li) were required to abstain from voting on the relevant Board resolutions.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors;
“Borrower”	Huobi Solutions Limited, a company with limited liability incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company;
“Company”	Huobi Technology Holdings Limited (火币科技控股有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1611);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	director(s) of the Company;
“FIL”	Filecoin, the native protocol token of the decentralized storage network of the same name (the “ Filecoin Network ”), giving holders a right to use the Filecoin Network;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“independent third party(ies)”	individual(s) or company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) the Company and any directors, chief executives or substantial shareholders (within the meaning of the Listing Rules) of the Company, its subsidiaries or any of their respective associates and not otherwise a connected person of the Company;

“Lender”	Huobi Cayman Holding Limited, a company incorporated in the Cayman Islands with limited liability, whose controlling shareholder and ultimate beneficial owner is Mr. Li, and whose principal activity is investment holding;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	the loan of 250,000 FIL (equivalent to approximately HK\$40,000,000) granted by the Lender to the Borrower pursuant to the Loan Agreement;
“Loan Agreement”	the loan agreement dated 3 March 2022 entered into between the Lender and Borrower;
“Mr. Li”	Mr. Li Lin, the chairman of the Board, a non-executive Director and a controlling shareholder of the Company;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board
HUOBI TECHNOLOGY HOLDINGS LIMITED
Wu Shupeng
Executive Director

Hong Kong, 3 March 2022

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