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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)

DISCLOSEABLE TRANSACTION – SUBSCRIPTION OF FUND

THE SUBSCRIPTION

The Board is pleased to announce that, on 7 February 2022, the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement with General Partner, pursuant to which the Subscriber agreed to subscribe for partnership interest in the Fund in the total subscription amount of US\$10 million (equivalent to approximately HK\$78 million) in cash.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription under the Subscription Agreement exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 7 February 2022, the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement with General Partner, pursuant to which the Subscriber agreed to subscribe for partnership interest in the Fund in the total subscription amount of US\$10 million (equivalent to approximately HK\$78 million) in cash.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarized as follows:

Date

7 February 2022

Parties

- 1) Huobi Solutions Limited, a direct wholly-owned subsidiary of the Company, as the subscriber; and
- 2) the General Partner (for itself and in its capacity as general partner for and on behalf of the Fund).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Fund, the General Partner and their respective ultimate beneficial owners are Independent Third Parties.

The subscription amount

Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for partnership interest in the Fund in the total subscription amount of US\$10 million (equivalent to approximately HK\$78 million), exclusive of transaction costs.

The aforesaid total subscription amount is determined after arm's length negotiations between the Subscriber and the General Partner (for itself and in its capacity as general partner for and on behalf of the Fund) with reference to, among others, (i) the prospects of the Fund; (ii) financial resources available to the Group; and (iii) the expected duration of the Fund.

The Subscription will be funded by the internal resources of the Group. Upon completion of the Subscription, the Subscriber will become the sole limited partner of the Fund. The Fund will be accounted for as investment in the accounts of the Company or consolidated into the financial statements of the Company following completion of the Subscription, subject to the final view of the Company's auditors.

Principal terms of the Fund

Name:	New World Pioneer Mining Fund 1 LPF
General Partner:	HB Venture Management Limited, a Hong Kong company with limited liability, the general partner of the Fund who has overall responsibility for the management, control and operation of the Fund's affairs.
Investment Manager:	Huobi Asset Management (Hong Kong) Limited, a company with limited liability incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to conduct Type 4 (advising on securities) and Type 9 (asset management) regulated activities. The Investment Manager is responsible for, among other things, managing the acquisition, holding and realization of investments of the Fund on a discretionary basis, subject to the overall supervision of the General Partner and in line with the Fund's overall investment strategy.
Investment objective and strategy of the Fund:	<p>The Fund is established for the purpose of making investments into the cryptocurrency mining ecosystem. The Fund intends to acquire, among others, interests in companies that are engaged in cryptocurrency mining activities and companies that support or otherwise facilitate the cryptocurrency mining ecosystem (“Target Companies”). The Fund may also acquire interests in mining equipment directly or indirectly through intermediate entities.</p> <p>The Target Companies are expected to be primarily based in Hong Kong, the United States and Canada, however the Fund may invest in Target Companies located in other jurisdictions as the Investment Manager considers appropriate.</p> <p>Cash that is held by the Fund may be invested in temporary investments, pending investment in portfolio investments, distribution to the limited partners or deployment for other purposes of the Fund. The Fund may also invest in a range of financial instruments, including futures and options, for the purpose of hedging.</p>

The Fund aims to make investments that will generate income streams from mining activities or capital appreciation during the investment period of the Fund. Investments may be structured as equity interests, revenue sharing arrangements or other interests as the General Partner determines. The Fund's interests in the portfolio investments and temporary investments may be held directly or through one or more special purpose vehicles.

The investment strategy described is not intended to be exhaustive and is general in nature. By investing in the Fund, investors are relying on the discretionary judgment of the Investment Manager.

Investment management fee: Up to 2% per annum

Term: Subject to early dissolution of the Fund, the term of the Fund will commence on the Initial Closing Date and end on the third anniversary of the Initial Closing Date, but may be extended by up to two consecutive periods of one each at the discretion of the General Partner; and any further extension thereof will require the approval of the General Partner and at least a majority in interest in the Fund.

Investment Period: The investment period of the Fund will begin on the Initial Closing Date and will end on the second anniversary of the Initial Closing Date.

Distributions:

Proceeds from the disposal of divested portfolio investments which are available for distribution and are not retained for reserves or for the Fund's reinvestment are generally expected to be distributed to the Fund's limited partners on a quarterly basis or at such other times as the General Partner determines in its discretion.

Distributable proceeds will be allocated to each limited partner of the Fund in accordance with:

- (a) each limited partner's sharing percentage, to the extent the distributable proceeds are attributable to a particular asset of the Fund; or
- (b) each limited partner's pro rata portion to the extent the distributable proceeds are not attributable to a particular asset of the Fund.

The distributable proceeds allocable to each limited partner will be distributed to the limited partner and the Investment Manager (as a special limited partner) in the following order of priority:

- (a) *Return of contributions*: first, 100% to the limited partner until it has received distributions equal to its aggregate contribution to the Fund;
- (b) *Preferred return*: second, 100% to the limited partner until it has received distributions equal to the preferred return (8% per annum) for each preferred return period in respect of which the aggregate distributions received by the limited partner from its admission up to and including the end of the relevant preferred return period is less than the limited partner's aggregate contribution to the Fund; and
- (c) *80%/20% split*: subsequently, 20% to the Investment Manager and 80% to the limited partner of the Fund.

Distributions may be made in cash or in kind, at the discretion of the General Partner.

INFORMATION OF THE FUND

New World Pioneer Mining Fund 1 LPF is a Hong Kong limited partnership fund, registered under the Limited Partnership Fund Ordinance (Cap. 637 of the laws of Hong Kong).

As the Fund has not commenced any investments, no financial information on the past performance of the Fund is available for disclosure in this announcement. The Fund currently has no limited partners.

INFORMATION OF THE GENERAL PARTNER

The General Partner is HB Venture Management Limited, a company with limited liability incorporated in Hong Kong and is principally engaged in the management, control and operation of the Fund's affairs. The sole shareholder of the General Partner is WU Xuejing, who is an Independent Third Party.

INFORMATION OF THE INVESTMENT MANAGER

The Investment Manager is Huobi Asset Management (Hong Kong) Limited, a company with limited liability incorporated in Hong Kong and licensed with the Securities and Futures Commission of Hong Kong to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. The Investment Manager is an indirect wholly-owned subsidiary of the Company.

INFORMATION OF 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.

The Subscriber, a direct wholly-owned subsidiary of the Company, is an investment holding company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group subscribed for the Fund for investment purposes. Taking into account the investment objective and strategy of the Fund, the Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation. The Subscription also enables the Group to participate in the cryptocurrency mining ecosystem market while reducing the direct investment risks by leveraging on the professional management of the Fund and the experience and skills of the Investment Manager.

Having considered the above, the Directors are of the view that the terms of the Subscription and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription under the Subscription Agreement exceeds 5% but is less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“China” or “PRC”	The People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“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);
“Director(s)”	the director(s) of the Company;
“Fund”	New World Pioneer Mining Fund 1 LPF, information of which is stated in the section headed “ <i>INFORMATION OF THE FUND</i> ” in this announcement;
“General Partner”	HB Venture Management Limited, a company with limited liability incorporated in Hong Kong, and the general partner of the Fund;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of the Company and its connected persons (as defined under the Listing Rules);
“Initial Closing Date”	30 April 2021 or such other date as the General Partner may determine in its discretion;
“Investment Manager”	Huobi Asset Management (Hong Kong) Limited, a company with limited liability incorporated in Hong Kong and licensed with Securities and Futures Commission of Hong Kong to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities, and the investment manager of the Fund;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Shareholder(s)”	holder(s) of the issued shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Huobi Solutions Limited, a company with limited liability incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company;
“Subscription”	the subscription by the Subscriber of partnership interest in the Fund in the total subscription amount of US\$10 million (equivalent to approximately HK\$78 million) pursuant to the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 7 February 2022 entered into between the Subscriber and the General Partner (for itself and in its capacity as general partner for and on behalf of the Fund)in relation to the Subscription;
“Target Companies”	has the meaning ascribed to it in the section headed “ <i>Principal terms of the Fund</i> ” in this announcement;

“US\$” US dollars, the lawful currency of the United States of America;

“%” per cent.

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

Hong Kong, 8 February 2022

For the purpose of illustration only, amounts denominated in US\$ in this announcement are translated into HK\$ at the rate of US\$1 = HK\$7.80. This should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

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.