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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)**

### **CONTINUING CONNECTED TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE IN RELATION TO PAYMENT AGENT SERVICES**

#### **CONTINUING CONNECTED TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE IN RELATION TO PAYMENT AGENT SERVICES**

As at the date of this announcement, Win Techno, a wholly-owned subsidiary of the Company, has become a participant of the AWS Partner Network. Such network allows Win Techno to provide payment agent service and other add-on services to support the usage of the AWS Services by the end-customers of the AWS Group. As a payment agent, Win Techno will make payment of usage fees to the AWS Group for and on behalf of the end-customers who may not be able to make direct payment to the AWS Group due to certain technical or administrative restrictions.

From 24 December 2019, Win Techno has commenced to provide Payment Agent Services to Huobi Global (Seychelles) for a term of three years. Under this arrangement, Win Techno agreed to provide the Payment Agent Services to Huobi Global (Seychelles) to facilitate payment of the Usage Fees.

The provision of Payment Agent Services by Win Techno to Huobi Global (Seychelles) is governed by the Service Agreement.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Li is indirectly interested in approximately 65.24% of the issued shares in 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 Huobi Global (Seychelles) is ultimately controlled by Mr. Li, Huobi Global (Seychelles) is an associate of Mr. Li and therefore a connected person of the Company. Accordingly, the provision of the Financial Assistance by Win Techno to Huobi Global (Seychelles) by virtue of the Payment Agent Services as contemplated in the Service Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.04(9) of the Listing Rules) in respect of the Maximum Financial Assistance Amount exceeds 0.1% but is below 5%, the provision of the Financial Assistance by virtue of the Payment Agent Services is exempt from the independent shareholders' approval requirement but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTION – PROVISION OF FINANCIAL ASSISTANCE IN RELATION TO PAYMENT AGENT SERVICES**

### **Background**

As at the date of this announcement, Win Techno, a wholly-owned subsidiary of the Company, has become a participant of the AWS Partner Network. Such network allows Win Techno to provide payment agent service and other add-on services to support the usage of the AWS Services by the end-customers of the AWS Group. As a payment agent, Win Techno will make payment of usage fees to the AWS Group for and on behalf of the end-customers who may not be able to make direct payment to the AWS Group due to certain technical or administrative restrictions (the “**Payment Agent Services**”).

From 24 December 2019, Win Techno has commenced to provide Payment Agent Services to Huobi Global (Seychelles) for a term of three years. Under this arrangement, Win Techno agreed to provide the Payment Agent Services to Huobi Global (Seychelles) to facilitate payment of the Usage Fees to AWS Group.

## **The Service Agreement**

The provision of Payment Agent Services by Win Techno to Huobi Global (Seychelles) is governed by the Service Agreement, the principal terms of which are set out below:

- Date** : 24 December 2019
- Parties** : Win Techno, a wholly-owned subsidiary of the Company, as service provider
- Huobi Global (Seychelles), a connected person of the Company, as an end-customer
- Term** : The term of the Service Agreement shall commence on 24 December 2019 and shall continue up to and including 23 December 2022. Subject to compliance with the Listing Rules, the Service Agreement may be renewed by the Company and Huobi Global (Seychelles) by agreement in writing.
- Payment Agent Services to be provided** : Win Techno shall make substitutive payment of the Usage Fees, denominated in US dollars, on behalf of Huobi Global (Seychelles), whereas, Huobi Global (Seychelles) shall make payment of the equivalent amount of Usage Fees, denominated in US dollars, to Win Techno.
- Payment of the Usage Fees** : Huobi Global (Seychelles) shall pay the amount stated in the invoice issued by Win Techno by way of bank transfer by no later than the end of each month during the Term. If Huobi Global (Seychelles) fails to make payment of any outstanding amount, it shall pay a default interest calculated at 14.6% per annum.
- Maximum Monthly Usage Fees** : Huobi Global (Seychelles) undertakes that the Usage Fees for any given month during the Term of the Service Agreement will be capped at HK\$15,000,000.
- Termination** : Win Techno may unilaterally terminate the Service Agreement with Huobi Global (Seychelles) with immediate effect without any prior notice if Huobi Global (Seychelles) fails to pay to Win Techno the amount of Usage Fees by the due date and in the manner as required under the Service Agreement.

## **CAP FOR FINANCIAL ASSISTANCE**

Under the Payment Agent Services, Win Techno would still be obligated to pay the Usage Fees to AWS Group on behalf of Huobi Global (Seychelles) even if Huobi Global (Seychelles) defaults in its payment to Win Techno. As such, the making of such payment by Win Techno is treated as a financial assistance provided by Win Techno to Huobi Global (Seychelles) under Rule 14A.24 of the Listing Rules. In view of Win Techno's right to terminate the Service Agreement upon default in payment by Huobi Global (Seychelles) as described above, the maximum amount of the financial assistance to be provided by Win Techno to Huobi Global (Seychelles) by virtue of the Payment Agent Services (the "**Financial Assistance**") at any given time is the maximum Usage Fee that Huobi Global (Seychelles) is permitted to incur for any given month under the Service Agreement, i.e. HK\$15,000,000 (the "**Maximum Financial Assistance Amount**").

Accordingly, the Company proposes the cap for the Financial Assistance for each of the years ending 30 September 2020, 2021 and 2022, respectively, to be equal to the Maximum Financial Assistance Amount, i.e. HK\$15,000,000. In determining the cap for the Financial Assistance, the Directors have taken into account (i) the expectation by the management of Huobi Global (Seychelles) of the Usage Fees during the term of the Service Agreement; and (ii) the historical average monthly amount of the Usage Fees in the past few months, which was approximately HK\$12,000,000.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Company will receive certain commissions from AWS Group for participating in the AWS Partner Network and providing the Payment Agent Services to end-customers (such as Huobi Global (Seychelles)). As at the date of this announcement, in addition to Huobi Global (Seychelles), Win Techno is also providing Payment Agent Services to independent third party customers on similar or slightly more favourable terms than those offered to Huobi Global (Seychelles).

The Directors (including the independent non-executive Directors) are of the view that the Service Agreement has been entered into on normal commercial terms and in the ordinary and usual course of the Group's business and that the transactions contemplated thereunder (together with the relevant annual caps and basis of determination thereof) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Li is indirectly interested in approximately 65.24% of the issued shares in 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 Huobi Global (Seychelles) is ultimately controlled by Mr. Li, Huobi Global (Seychelles) is an associate of Mr. Li and therefore a connected person of the Company. Accordingly, the provision of the Financial Assistance by Win Techno to Huobi Global (Seychelles) by virtue of the Payment Agent Services as contemplated in the Service Agreement constitutes continuing connected transactions of the Company.

As the highest applicable percentage ratio (as defined under Rule 14.04(9) of the Listing Rules) in respect of the Maximum Financial Assistance Amount exceeds 0.1% but is below 5%, the provision of the Financial Assistance by virtue of the Payment Agent Services is exempt from the independent shareholders' approval requirement but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

Mr. Li, an executive Director who is regarded as having material interest in the transactions contemplated under the Service Agreement, has abstained from voting on the relevant board resolutions of the Company. Save as disclosed above, none of the Directors were required to abstain from voting on the relevant board resolutions of the Company.

## **INFORMATION OF THE GROUP, WIN TECHNO AND HUOBI GLOBAL (SEYCHELLES)**

### **The Group**

The principal businesses of the Group include contract manufacturing, on electronic manufacturing services basis, of a wide range of power-related and electrical/electronic products, and provision of technology solution services.

### **Win Techno**

Win Techno is a company incorporated in Japan with limited liability in 2018. The principal businesses of Win Techno include provision of cloud based and data centre related services, including but not limited to data storage and backup, data centre operation and maintenance.

### **Huobi Global (Seychelles)**

Huobi Global (Seychelles) is principally engaged in operating a global digital asset trading platform. Mr. Li is the ultimate beneficial owner of Huobi Global (Seychelles).

## DEFINITIONS

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“AWS “	Amazon Web Services EMEA SARL, a limited liability company incorporated under the laws of Luxembourg, and its affiliates
“AWS Group”	AWS and its affiliates
“AWS Services”	the information-technology infrastructure services provided by AWS Group to enterprises to meet business needs
“Board”	the board of Directors
“Company”	Huobi Technology Holdings Limited, a limited liability company incorporated under the laws of the British Virgin Islands and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1611)
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director”	the directors of the Company
“Financial Assistance”	has the meaning ascribed to it under the section headed “ANNUAL CAPS” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency of Hong Kong Special Administrative Region
“Huobi Global (Seychelles)”	Huobi Global Limited, a limited liability company incorporated under the laws of Seychelles
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Maximum Financial Assistance Amount”	has the meaning ascribed to it under the section headed “ANNUAL CAPS” in this announcement
“Mr. Li”	Mr. Li Lin, an executive Director
“Payment Agent Services”	has the meaning ascribed to it under the section headed “Background” in this announcement
“Service Agreement”	the service agreement entered into between Huobi Global (Seychelles) and Win Techno on 24 December 2019 together with the terms and conditions agreed by the parties and appended to the Service Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Term”	the term of the Service Agreement which commences on 24 December 2019 and shall continue up to and including 23 December 2022
“Usage Fees”	the usage fees incurred by Huobi Global (Seychelles) from using the AWS Services provided by AWS Group
“Win Techno”	Win Techno Inc., a limited liability company incorporated under the laws of Japan.

By order of the Board  
**Huobi Technology Holdings Limited**  
**Lee Chris Curl**  
*Executive Director*

Hong Kong, 24 December 2019

*As at the date of this announcement, the Board comprises (1) Mr. Li Lin, Mr. Lee Chris Curl and Mr. Lan Jianzhong as the executive Directors; and (2) Mr. Duan Xiongfei, Mr. Yip Wai Ming and Mr. Ngai Matthew Cheuk Yin as independent non-executive Directors.*