

## **New Huo Tech 2022 Annual Result: Virtual Assets Related Revenue Expanded, Plans to Launch New Platform Sinohope**

### **Financial Highlights**

- The Company's total revenue of HK\$9,453 million, increased 1447.8% or HK\$8,842 million year-on-year;
- The Company's overall gross profit for the year was HK\$185 million;
- Virtual assets ecosystem business revenue grew rapidly to HK\$9,057 million, accounting for 96% of the Group's total revenue;
- The revenue of asset management reached HK\$8.9 million, and the revenue of virtual assets OTC business was HK\$8,939 million;
- Energy-related and electric/electronic products business gross profit of \$73.8 million and gross margin of 18.6%, benefiting from the recovery of the COVID-19 epidemic;
- Cash and cash equivalents amounted to HK\$323 million and remained well capitalized;
- The company plans to diversify its business in the near future, and launch a new centralized and decentralized hybrid service platform Sinohope.

[December 29, 2022, Hong Kong] **New Huo Technology Holdings Limited** ("New Huo Tech" or the "Company", stock code: 1611. HK) was pleased to announce yesterday the annual results of the Company and its subsidiaries (collectively, the "Group") for the year ended September 30, 2022 (collectively, the "Reporting Period").

In 2022, the digital assets industry experienced a series of black swan events and continued market volatility, but the Group actively explored the optimization of its business direction by refining management, integrating resources controlling costs and increasing efficiency, resulting in an expansion of total revenue and further optimization of revenue structure during the Reporting Period.

During the Reporting Period, the Group recorded total revenue of approximately HK\$9,453 million, increased by 1,447.8% year-on-year, with an overall gross profit of HK\$185 million. In addition, cash and cash equivalents amounted to HK\$323 million, making the Group well-capitalized. Revenue from the virtual assets ecosystem business grew rapidly to HK\$9,057 million, accounting for 96% of the Group's total revenue and further optimizing the revenue structure. Revenue from asset management and the virtual assets OTC business reached HK\$8.9 million and HK\$8,939 million respectively.

During the Reporting Period, leveraging on its advantages in compliance, New Huo Tech continued to promote its diversified business development with the comprehensive layout of an "all-in-one digital assets service platform". The Company signed strategic cooperation agreements with several traditional institutions to demonstrate the professional and diversified service advantages. In April 2022, New Huo Tech entered strong alliance with Raffles Family Office to jointly build a wealth management platform for ultra-high-net-worth families to meet the relevant needs of ultra-high-net-worth investors

who are interested in or have held virtual assets. In June 2022, the Company joined hands with the Logistics Investment and Financing Committee of China Communications and Transportation Association to fully integrate their respective resources and advantages, give full play to the synergistic effects, and jointly explore and promote the application and development of blockchain-related technologies.

At the same time, the Company's license application made progress. Its subsidiary successively obtained the Money Services Business (MSB) Registration issued by the Financial Crimes Enforcement Network (FinCEN) of the United States, and the Money Services Business (MSB) Registration issued by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) of Canada.

On 30 November 2022, the Company announced the appointment of Mr. Du Jun as the Executive Director and Chief Executive Officer of the Company. As a pioneer, serial entrepreneur and investor in the digital assets industry, Mr. Du Jun has nearly 10 years of industry experience. The addition of Mr. Du Jun will effectively empower the Company's management and diversified business development, and help the Company build a safe and efficient one-stop digital assets services platform.

Regulation and compliance will be the general trend. Volatility in industry development has given rise to the need for compliant, safe and professional platforms. New Huo Tech plans to build a new digital assets services platform – Sinohope in the near future. By developing a hybrid digital assets service platform integrating centralized and decentralized services, the Company aims to provide a safe, compliant, professional and easy-to-use portal for investors who are interested in accessing the digital assets world. On this platform, New Huo Tech will fully leverage its experience and resources in the industry to optimise the allocation of funds and resources, and expand the depth and breadth of the business in a more directional manner.

Challenges and opportunities coexist in the digital assets market, while the long-term value of the industry is still valued by the government, regulatory agencies, and traditional financial institutions. In November 2022, the HKSAR Government issued a policy statement on the development of virtual assets in Hong Kong, clarifying the government's policy stance and approach to the development of a vibrant virtual assets industry and ecosystem in Hong Kong. Based in Hong Kong, New Huo Tech has the first-mover advantage in compliance. With the support of the government and the continuous improvement of local regulations, we believe that the future development of the Company is full of potential and imagination as long as we seize the opportunities to explore the business direction with a broad vision.

Looking ahead, the digital assets development frenzy will remain fierce, and Web 3.0's innovation is on fire. Embracing the opportunities of the era, New Huo Tech will lead the development of digital assets compliance and create more inclusive value for the society with Web 3.0 technology. The Group believes that it will bring reasonable returns to the

Group and shareholders as long as it adheres to the long-term principle, forward-looking layout and steady development of compliant business.

### **About New Huo Tech**

New Huo Technology Holdings Limited ("New Huo Tech", Stock Code: 1611.HK) is a leading one-stop crypto asset service platform. We are committed to leading traditional finance into the world of crypto assets, with professional, compliant, secure, and efficient services. Currently, the company services cover SaaS, virtual asset management, custody, OTC, lending, trading platform and strategic investment.

New Huo Tech has a strong point of view about the importance of compliance. We have been actively applying for several virtual asset and finance-related licenses in major global markets. Up to now, New Huo Tech's subsidiaries have successfully obtained: (i) approval from the Securities and Futures Commission of Hong Kong to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities and to manage portfolios that invest 100% in virtual assets; (ii) registered as a Trust or Company Service Provider ("TCSP") License (Hong Kong) and registered as a Trust Company in Hong Kong; (iii) registered the Money Services Business (MSB) from the Financial Crimes Enforcement Network (FinCEN) in the United States; and (iv) registered the Money Services Business (MSB) from the Financial Transactions and Reports Analysis Centre (FINTRAC) in Canada.