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SINOHOPE 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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2024

Financial Highlights	For the year ended 30 September		
	2024	2023	Change
	HK\$'000	HK\$'000	%
Continuing Operations			
Revenue			
Cryptocurrency trading business	1,520,345	2,810,576	(45.9)%
Other business	49,042	22,993	113.3%
	<u>1,569,387</u>	<u>2,833,569</u>	(44.6)%
Gross profit	44,224	10,389	325.7%
Gross profit margin	2.8%	0.4%	600%
Profit/(loss) before income tax	56,379	(282,173)	120.0%
Profit/(loss) for the year attributable to owners of the Company from continuing operations	54,322	(275,959)	119.7%
Basic profit/(loss) per share			
– from continuing operations	HK cents 11.66	HK cents (88.29)	113.2%
– from discontinued operations	–	HK cents (3.65)	100%
Diluted profit/(loss) per share			
– from continuing operations	HK cents 11.63	HK cents (88.29)	113.2%
– from discontinued operations	–	HK cents (3.65)	100%
Net cash	62,282	(147,044)	142.4%
Total equity	<u>281,909</u>	<u>213,776</u>	<u>31.9%</u>

The Board (the “**Board**”) of directors (the “**Director(s)**”) of Sinohope Technology Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 September 2024 together with the comparative figures for the year ended 30 September 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations			
Revenue	4		
Cryptocurrency trading business		1,520,345	2,810,576
Other business		49,042	22,993
		1,569,387	2,833,569
Cost of sales and services			
Cryptocurrency trading business		(1,511,104)	(2,813,284)
Other business		(14,059)	(9,896)
		(1,525,163)	(2,823,180)
Gross profit		44,224	10,389
Other income and gains/(losses)	5	4,845	(6,206)
Fair value gains on cryptocurrencies		36,141	14,044
Interest income	6	1,503	22
Reversal of/(Impairment loss) on other assets		85,897	(85,897)
Impairment loss on other receivables		(4,800)	(5,450)
Impairment loss on property, plant and equipment		(480)	(9,986)
Administrative expenses		(106,196)	(186,798)
Loss on disposal of subsidiaries		–	(1,108)
Share of result of a joint venture		–	3,877
Finance costs	7	(4,755)	(15,060)
Profit/(loss) before income tax	8	56,379	(282,173)
Income tax (expenses)/credit	9	(43)	4,891

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit/(loss) for the year from continuing operations		56,336	(277,282)
Discontinued operations			
Loss for the year from discontinued operation	<i>10</i>	<u>–</u>	<u>(11,412)</u>
Profit/(loss) for the year		<u>56,336</u>	<u>(288,694)</u>
Profit/(loss) for the year attributable to owners of the Company			
– from continuing operations		54,322	(275,959)
– from discontinued operations		<u>–</u>	<u>(11,412)</u>
		<u>54,322</u>	<u>(287,371)</u>
Profit/(loss) for the year attributable to non-controlling interests			
– from continuing operations		2,014	(1,323)
– from discontinued operations		<u>–</u>	<u>–</u>
		<u>2,014</u>	<u>(1,323)</u>
		<u>56,336</u>	<u>(288,694)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) for the year		56,336	(288,694)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of financial statements of foreign operations		(1,464)	(1,009)
Reclassification of translation reserve upon disposal of subsidiaries		259	23,894
Item that will not be reclassified subsequently to profit or loss:			
Charge in fair value of equity instruments at fair value through other comprehensive income		—	(957)
Other comprehensive (loss)/income for the year, net of tax		<u>(1,205)</u>	<u>21,928</u>
Total comprehensive income/(loss) for the year		<u>55,131</u>	<u>(266,766)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		53,117	(265,443)
Non-controlling interests		<u>2,014</u>	<u>(1,323)</u>
		<u>55,131</u>	<u>(266,766)</u>
Total comprehensive income/(loss) attributable to owners of the Company:			
– from continuing operations		53,117	(251,625)
– from discontinued operations		—	(13,818)
		<u>53,117</u>	<u>(265,443)</u>
		2024	2023
		<i>HK cents</i>	<i>HK cents</i>
Earnings/(loss) per share	<i>12</i>		
– from continuing operations		11.66	(88.29)
– from discontinued operations		—	(3.65)
Basic		<u>11.66</u>	<u>(91.94)</u>
Diluted		<u>11.63</u>	<u>(91.94)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		270	1,094
Right-of-use assets		4,830	–
Other receivables	13	<u>18,056</u>	<u>76,063</u>
Total non-current assets		<u>23,156</u>	<u>77,157</u>
Current assets			
Cryptocurrencies		96,277	15,051
Crypto investments		31,233	–
Financial assets at fair value through profit or loss		5,557	–
Trade and other receivables	13	240,685	64,411
Tax recoverable		383	–
Time deposits with original maturity of over three months		1,500	1,500
Cash and cash equivalents		<u>62,282</u>	<u>320,161</u>
		437,917	401,123
Assets classified as held for sale	17	<u>–</u>	<u>270,364</u>
Total current assets		<u>437,917</u>	<u>671,487</u>
Current liabilities			
Other payables	14	173,526	12,549
Other borrowings		–	359,107
Lease liabilities		2,718	–
Tax payable		<u>772</u>	<u>412</u>
		177,016	372,068
Liabilities associated with assets classified as held for sale	17	<u>–</u>	<u>52,562</u>
Total current liabilities		<u>177,016</u>	<u>424,630</u>
Net current assets		<u>260,901</u>	<u>246,857</u>
Total assets less current liabilities		<u>284,057</u>	<u>324,014</u>

	<i>Notes</i>	2024 HK\$'000	2023 <i>HK\$'000</i>
Non-current liabilities			
Other borrowings		–	108,098
Lease liabilities		2,148	–
Deferred tax liabilities		<u>–</u>	<u>2,140</u>
Total non-current liabilities		<u>2,148</u>	<u>110,238</u>
Net assets		<u>281,909</u>	<u>213,776</u>
EQUITY			
Share capital	<i>15</i>	466	309
Reserves		281,443	204,299
Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		<u>–</u>	<u>1,742</u>
Total equity attributable to owners of the Company		281,909	206,350
Non-controlling interests		<u>–</u>	<u>7,426</u>
Total equity		<u>281,909</u>	<u>213,776</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL INFORMATION

Sinohope Technology Holdings Limited (the “**Company**”) was incorporated in the British Virgin Islands (the “**BVI**”) as a limited liability company on 27 December 1990 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**”) on 21 November 2016. The address of the Company’s registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its principal place of business is Unit 702–3, 100 Queen’s Road Central, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, referred to as the “**Group**”) are principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian business and cryptocurrency trading. These business segments are the basis upon which the Group reports its primary segment information.

To the best of the knowledge, information and belief of the directors of the Company, upon issuance of new ordinary shares of the Company to Mr. Du Jun and ON CHAIN TECHNOLOGY LIMITED on 10 October 2023, the beneficial interest of Mr. Li Lin (“**Mr. Li**”) in the issued share capital of the Company was decreased from 40.47% to 26.83%, and further decreased to 19.53% on 29 January 2024 due to a share capital restructuring by a corporate shareholder in which Mr. Li has been interested in.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”), unless otherwise stated.

2. ADOPTION OF NEW OR AMENDED HKFRSS

(a) Adoption of new or amended HKFRSSs – effective from 1 October 2023

The Group has applied the following new or amended HKFRSSs issued by the HKICPA that are relevant to the Group's operations and first effective for the current accounting period of the Group.

HKFRS 17 (including the October 2020 and February 2022 Amendment to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendment to HKFRS in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance but has affected the disclosure of the Group's accounting policies to the consolidated financial statements. In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amendments to HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date become effective.

Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ²
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ³
Amendments to HKAS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ⁵
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁵
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

⁴ Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after 1 January 2027.

The above new and amendments to existing standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amended HKFRSs to existing standards when they become effective.

3. SEGMENT INFORMATION

As disclosed in Note 10, the Group ceased its existing contract manufacturing operations upon the disposal of the shareholding in Pantene Industrial Co. Limited (“**Pantene**”) and its subsidiaries (the “**Pantene Group**”) during the year ended 30 September 2023 and its contract manufacturing business was classified as discontinued operations. Segment information in this note includes only continuing operations.

The Group has determined its operating segments and prepared segmental information based on regular internal financial information reported to the chief operating decision makers, i.e. the executive Directors of the Company, who are responsible for making strategic decisions. The executive Directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

During the years ended 30 September 2024 and 2023, the Group principally operated in one business segment, which is virtual assets ecosystem. Other businesses were considered relatively insignificant for the years ended 30 September 2024 and 2023.

Geographical information

The Group's operations are mainly located in the People's Republic of China (including Hong Kong Special Administrative Region ("HKSAR")). The revenue information is based on the location of the customers or location of trading cryptocurrencies.

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for the year, is set out below:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<u>Continuing operations:</u>		
Customer A	459,197	N/A [#]
Customer B	N/A [#]	1,913,019
Customer C	<u>257,883</u>	<u>N/A[#]</u>

[#] Revenue does not over 10% during the corresponding year end.

All of the Group's non-current assets are located in the PRC (including HKSAR).

4. REVENUE

Revenue mainly includes cryptocurrency trading, provision of technology solution services and provision of virtual asset ecosystem for the year.

The Group's disaggregated revenue from its major products and service lines are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<u>Continuing operations</u>		
Cryptocurrency trading	<u>1,520,345</u>	<u>2,810,576</u>
Revenue recognised at a point in time	<u>1,520,345</u>	<u>2,810,576</u>
Cryptocurrency mining services	12,583	5,788
Provision of custodian services	1,183	1,103
Provision of asset management services	25,629	4,283
Provision of lending management services	1,082	1,618
Provision of technology solution services	6,817	10,000
Provision of consultancy services	<u>1,748</u>	<u>201</u>
Revenue recognised over time	<u>49,042</u>	<u>22,993</u>
Total revenue	<u>1,569,387</u>	<u>2,833,569</u>

5. OTHER INCOME AND GAINS/(LOSSES)

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Exchange difference	986	392
Fair value gains on crypto investments	2,334	–
Marketing income	1,031	–
Sundry income/(loss)	542	(228)
Gain on lease modification	–	251
Government grants (<i>note</i>)	–	301
Net gain on derivatives	–	112
Fair value losses on financial asset at FVTPL	(48)	(1,001)
Loss on disposal of property, plant and equipment	–	(6,033)
	<u>4,845</u>	<u>(6,206)</u>

Note:

The government grants in the year ended 30 September 2023 mainly represent the subsidy amounting to HK\$277,000 under the Employment Support Scheme provided by the HKSAR Government and subsidies amounting to HK\$24,000 under the Job Growth Incentive and Wage Credit Scheme launched by the Singapore Government. There are no unfulfilled conditions relating to the grants.

6. INTEREST INCOME

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Interest income on bank deposits and balances	1,392	19
Interest income on loan receivable	<u>111</u>	<u>3</u>
	<u>1,503</u>	<u>22</u>

7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Interest on bank borrowings	–	1
Imputed interest on other loans from a related company	4,419	13,145
Interest on other loans from a related company	–	492
Interest expenses on lease liabilities	<u>336</u>	<u>1,422</u>
	<u>4,755</u>	<u>15,060</u>

8. PROFIT/(LOSS) BEFORE INCOME TAX

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(Loss) before income tax is arrived at after charging:		
<u>Continuing operations</u>		
Auditors' remuneration		
– audit services	1,350	1,820
– other services	440	800
Cost of inventories recognised as expenses		
– cryptocurrency trading business	1,511,104	2,813,284
Depreciation of property, plant and equipment	365	8,317
Depreciation of right-of-use assets	690	11,463
Short-term lease expenses	2,872	1,362
Cloud storage and technical support expenses	6,542	30,181
Employee benefit expenses	<u>67,543</u>	<u>101,892</u>
<u>Discontinued operations</u>		
Cost of inventories recognised as expenses		
– other business	–	146,720
Depreciation of property, plant and equipment	–	3,196
Depreciation of right-of-use assets	–	11,670
Short-term lease expenses	–	515
Provision for impairment loss on inventories	–	4,072
Employee benefit expenses	<u>–</u>	<u>41,816</u>

9. INCOME TAX EXPENSES/(CREDIT)

The income tax expenses/(credit) for the year comprises:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Continuing operations		
Current tax income – HKSAR:		
Provision for the year	772	262
Over provision in respect of prior years	<u>–</u>	<u>(2,887)</u>
	<u>772</u>	<u>(2,625)</u>
Current income tax – Overseas:		
Provision for the year:		
Japan	<u>–</u>	<u>(143)</u>
	<u>–</u>	<u>(143)</u>
Deferred tax	<u>(729)</u>	<u>(2,123)</u>
Income tax expenses/(credit)	<u>43</u>	<u>(4,891)</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the year, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at the rate of 8.25%, in accordance with the new two-tiered tax rate regime.

The PRC corporate income tax charge was determined in accordance with the relevant laws and regulations in Mainland China, and was assessed at a rate of 25% (2023: 25%).

Taxation arising in other jurisdictions is provided on the estimated taxable profits arising in those jurisdictions at the prevailing local rates.

10. DISCONTINUED OPERATION

Disposal of entire equity interest in the Pantene Group

The principal business and activity of the Pantene Group is sale and distribution of power-related and electrical/electronic products in the PRC (the “**Contract Manufacturing Business**”). Upon the completion of the disposal of the Pantene Group during the year ended 30 September 2023, the Group ceased to engage in the Contract Manufacturing Business. Accordingly, the operation of Contract Manufacturing Business was classified as discontinued operation.

The loss for the year ended 30 September 2023 from the discontinued operations is set out below.

	2023 <i>HK\$'000</i>
Loss of Contract Manufacturing Business for the period/year	(11,412)
Gain on disposal of subsidiaries	<u>5,955</u>
	<u><u>(5,457)</u></u>

The (loss)/profit for the year from discontinued operations

	2023 <i>HK\$'000</i>
Revenue	160,926
Cost of sales	<u>(150,792)</u>
Gross profit	<u>10,134</u>
Other income and gains	1,716
Interest income	627
Selling and distribution expenses	(2,170)
Administrative expenses	(18,601)
Finance costs	<u>(4,391)</u>
Loss before income tax	(12,685)
Income tax credit	<u>1,273</u>
Loss for the year	(11,412)
Gain on disposal of subsidiaries	<u>5,955</u>
Loss for the year from discontinued operations	<u><u>(5,457)</u></u>

The net cash flows incurred by discontinued operations are as follows:

	2023 <i>HK\$'000</i>
Operating activities	10,334
Investing activities	(14,102)
Financing activities	<u>(75,369)</u>
Net cash outflow	<u><u>(79,137)</u></u>

11. DIVIDENDS

There was no dividend for the years ended 30 September 2024 and 2023.

The Directors do not recommend the payment of a final dividend for the years ended 30 September 2024 and 2023.

12. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares of 465,960,665 (2023: 312,564,775) in issue or issuable during the year.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) attributable to owners of the Company		
– for continuing operations	54,322	(275,959)
– for discontinued operations	<u>–</u>	<u>(11,412)</u>
	<u>54,322</u>	<u>(287,371)</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	465,960,665	312,564,775
Effect of dilutive potential ordinary shares arising from: share options issued by the Company	<u>1,170,479</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>467,131,144</u>	<u>312,564,775</u>

There was no diluted loss per share for the year ended 30 September 2023 as the exercise of share options would result in a reduction in loss per share for continuing operations for the year.

Accordingly, the diluted loss per share was the same as the basic loss per share for the year ended 30 September 2023.

13. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current portion		
Deposits for acquisition of investments (<i>note f</i>)	18,056	–
Amount due from a former subsidiary (<i>note a</i>)	–	81,513
Less: provision for expected credit loss	–	(5,450)
	<u>18,056</u>	<u>76,063</u>
Current portion		
Other assets	141,748	141,748
Less: Provisions for impairment	–	(85,897)
Other assets, net (<i>note b</i>)	141,748	55,851
Deposits for acquisition of investments (<i>notes g</i>)	16,250	–
Amount due from a former subsidiary (<i>note a</i>)	81,513	–
Less: provision for expected credit loss	(10,250)	–
Amount due from a former subsidiary, net	71,263	–
Trade receivables (<i>notes c, d</i>)	4,384	4,490
Rental and other deposit and prepayments	5,510	2,894
Other receivables (<i>note e</i>)	1,530	1,176
	<u>240,685</u>	<u>64,411</u>
	<u><u>258,741</u></u>	<u><u>140,474</u></u>

Notes:

- (a) As at 30 September 2024, amount due from a former subsidiary of approximately HK\$81,513,000 (2023: HK\$81,513,000) was unsecured, interest-free and repayable on or before 31 December 2024.

As at 30 September 2024, the management of the Company considered that the credit risk has increased significantly since initial recognition and the loss allowance is measured at an amount equal to life-time ECLs. During the year ended 30 September 2024, loss allowances of HK\$4,800,000 (2023: HK\$5,450,000) have been recognised in profit or loss.

To ensure the adequacy of allowance for ECL on amount due from a former subsidiary, the Group engaged an independent firm of professional valuers to conduct a valuation on the allowance for ECL on amount due from a former subsidiary recognised for the year ended 30 September 2024.

Subsequent to the end of the reporting period, an amount of approximately HK\$40,750,000 were settled in cryptocurrency of USDT.

- (b) On 11 November 2022, FTX group entities (“**Debtors**”), including cryptocurrency exchange FTX (“**FTX**”), has filed for bankruptcy protection in the United States. For details, please refer to the Company’s announcement dated 14 November 2022.

The Group had fiat currencies and cryptocurrencies deposited in FTX with original amounts of HK\$107,169,000 and HK\$34,579,000, respectively (“**FTX Deposits**”). On 29 March 2023, the Group thereafter completed the submission of a claim of FTX Deposits amounting to approximately US\$18,089,000 (equivalent to approximately HK\$141,748,000) (“**Claim Amount**”) against FTX to the liquidator of FTX (“**FTX Claim**”).

For the purpose of impairment assessment, the recoverable amount of the FTX Deposits has been determined based on their fair value less costs of disposal, which is calculated based on available market price less incremental costs for assignment of the FTX Claim. Based on the result of the assessment, the management of the Group determined that the recoverable amount of the FTX Deposits was less than its deposited amount. Accordingly, an impairment loss of HK\$85,897,000 had been recognised in profit or loss for the year ended 30 September 2023.

On 24 May 2024, Hbit Limited (“**Seller**”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the Claim Amount with an independent third party (“**Buyer**”) to dispose of the Claim Amount at a consideration of approximately US\$19,500,000 (equivalent to approximately HK\$152,125,000) (“**Consideration**”). For details, please refer to the Company’s announcement dated 24 May 2024.

The sale and purchase agreement contained a disallowance clause that:

If (i) all or any part of the FTX Claim is objected to, avoided, disallowed, subordinated, reduced, set-off, subject to any preference action or otherwise impaired, (ii) the FTX Claim is subsequently scheduled by the Debtors or is amended such that all or any portion of the FTX Claim is listed on the Debtors’ amended schedule of liabilities as unliquidated, contingent or disputed or is listed (or is otherwise allowed) in a lesser amount than the Claim Amount, or (iii) the US Bankruptcy Court does not substitute the Buyer for the Seller as the sole legal and beneficial owner of the FTX Claim (each of the foregoing, a “**Disallowance**”), then the Seller shall, no later than 5 Business Days after receiving a written notice from the Buyer of such Disallowance, make an immediate restitution payment of all or part of the Consideration proportional to disallowed portion of the FTX Claim, and the Buyer shall immediately have no further rights or interest with respect to the disallowed portion of the FTX Claim.

In view of the Claim Amount is still subject to numerous uncertainties and risks beyond the Group’s control, and the Group has an obligation to repay the Buyer any shortfall in the Claim Amount as per Clause 8 of the sales and purchase agreement, the significant risks related to the FTX Claim have not been transferred to the Buyer by the Group. Therefore, the Group has continued to recognise the full carrying amount of the FTX Claim as other asset amounting to HK\$141,478,000. Furthermore, the Group has recognised the cash received from the Buyer as a receipt in advance for disposal of other asset amounting to HK\$152,125,000 (note 14). These assets were carried at amortised cost in the Group’s consolidated statement of financial position.

Based on the latest net book value of FTX that is available to the directors of the Company as of 30 September 2024 and with reference to the transaction price of the FTX Claim, a reversal of impairment loss of HK\$85,897,000 has been recognised as of 30 September 2024, which has been include in profit or loss for the year ended 30 September 2024.

(c) As at 30 September 2024, included in trade receivables were amounts due from related companies amounting to HK\$2,759,000 (2023: HK\$2,950,000) in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and trade in nature.

(d) At the reporting date, the aged analysis of trade receivables, based on invoice date, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
0–60 days	2,182	1,484
61–90 days	381	1,005
91–120 days	67	1,007
More than 120 days	1,754	994
	<u>4,384</u>	<u>4,490</u>

The Group allows credit periods of 14 to 30 days (2023: 14 to 30 days) to its trade customers depending on their credit status and geographical location during the year. The Directors of the Company consider that the carrying amounts of trade and other receivables approximate to their fair values.

The aged analysis of the Group's trade receivables, based on due date, that were past due as at the reporting date but not impaired, is as follows:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Neither past due nor impaired	1,926	747
0–60 days past due	710	1,005
61–90 days past due	67	1,007
91–120 days past due	70	994
Over 120 days past due	1,611	737
	<u>4,384</u>	<u>4,490</u>

Trade receivables that were neither past due nor impaired related to a number of customers for whom there has been no recent history of default. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit risk.

(e) As at 30 September 2024, included in other receivables was amounts due from related companies amounting to HK\$725,000 (2023: Nil) in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.

As at 30 September 2024, included in other receivables was amounts due from related companies amounting to HK\$2,847,000 (2023: nil) in which Mr. Du Jun, a director the company, has beneficial interest. The amounts are unsecured, interest-free and repayable on demand.

(f) As at 30 September 2024, the balance comprised of the following:

- (i) US\$1,320,000 (equivalents to HK\$10,263,000) for second subscription of 1,320 ordinary non-voting participating share (“**ChainUp Smart Participating Shares**”) of ChainUp Investment SPC – Smart Beta Strategy SP. The subscription was completed in October 2024.

As ChainUp Smart Participating Shares is subject to a lock-up period of 12 calendar months immediately following the date on which a ChainUp Smart Participating Shares is issued, the deposit was classified as non-current; and

- (ii) USDT1,000,000 (equivalents to HK\$7,793,000) for acquiring 1,000 class A shares of an unlisted equity investment, around 1% equity interest, of a private company incorporated in the British Virgin Islands. The Group considers the investment to be long-term investment purpose and the deposit was classified as non-current.

(g) As at 30 September 2024, the balance comprised of the following:

- (i) US\$968,000 (equivalents to HK\$7,526,000) for subscription of 976 class A limited-voting, redeemable, participating shares (“**Delta Neutral Participating Shares**”) of ChainUp Investment SPC (“**ChainUp Fund Company**”) – Delta Neutral Hedging Strategy SP, a segregated portfolio of ChainUp Fund Company. The subscription was completed in October 2024.

Delta Neutral Participating Shares is subject to a lock-up period of 3 calendar months immediately following the date on which Delta Neutral Participating Shares is issued.

Delta Neutral Participating Shares may not be transferred without the prior written consent of the directors of the ChainUp Fund Company.

As at 30 September 2024, Mr. Zhong Gengfa, a substantial shareholder of the Company holding 17.66% of the issued shares of the Company, is beneficially interested in 35.34% of the voting, non-participating share of ChainUp Fund Company; and

- (ii) USDT1,120,000 (equivalents to HK\$8,724,000) for second subscription of 1,120 redeemable participating share (“**Participating Shares of the Segregated Portfolio**”) of Sinohope Investment SPC – Sinohope Multi-Strategy Crypto Fund SP. The subscription was completed in October 2024.

14. OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Other payables and accruals (<i>note a</i>)	16,736	12,549
Receipt in advance for disposal of other assets (<i>note 13(b)</i>)	152,125	–
Amounts due to sub-funds investors (<i>note b</i>)	<u>4,665</u>	<u>–</u>
	<u><u>173,526</u></u>	<u><u>12,549</u></u>

Notes:

- a. As at 30 September 2023, included in other payables was amounts due to related companies amounting to HK\$355,000, in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.
- b. The balances represented amounts received from third parties in association with contributions to sub-funds controlled by the Group. The balances are repayable on demand after 3 to 12 months from the date of respective contributions.

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each	Amount <i>HK\$'000</i>
Authorised:		
At 1 October 2022, 30 September 2023 and 30 September 2024	<u>500,000,000</u>	<u>500</u>
Issued and fully paid:		
At 1 October 2022, 30 September 2023 and 1 October 2023	308,960,665	309
Issue of shares (<i>note (i)</i>)	<u>157,000,000</u>	<u>157</u>
At 30 September 2024	<u><u>465,960,665</u></u>	<u><u>466</u></u>

Notes:

- (i) An extraordinary general meeting was held on 28 July 2023 in which the resolution to approve the proposed subscription of 157,000,000 new ordinary shares of par value of HK\$0.001 each (the “**Subscription Shares**”), at the subscription price of HK\$2.08 per Subscription Share (the “**Subscription**”) was passed by the shareholders of the Company.

The proceeds of the Subscription were fully received by the Company on 25 September 2023 and the proceeds, net of related expenses, of HK\$324,605,000 were credited to capital reserve.

The Subscription was completed on 10 October 2023 and 157,000,000 ordinary shares were issued on 10 October 2024. The par value of 157,000,000 new ordinary shares of approximately HK\$157,000 representing were credited to share capital from capital reserve. The difference between the subscription price and the par value of HK\$324,448,000 was transferred from capital reserve to share premium.

Please refer to the announcements and circular of the Company dated 26 April 2024, 30 June 2024, 6 July 2024, 28 July 2024 and 10 October 2023 for details of the Subscription.

- (ii) All the shares issued ranked *pari passu* in all respects with the then existing shares in issue.

16. SHARE PREMIUM

	<i>HK\$'000</i>
At 1 October 2022, 30 September 2023 and 1 October 2023	112,251
Upon issue of shares	<u>324,448</u>
At 30 September 2024	<u><u>436,699</u></u>

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) Assets and liabilities classified as held for sale

On 25 August 2023, the Group and Avenir Cayman Holding Limited (the “**Purchaser**”), the then immediate holding company of the Company, entered into a sale and purchase agreement, pursuant to which the Group has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of New Huo Solutions Limited (“**Solutions**”), at a consideration of approximately HK\$205,706,000, and the entire issued share capital of HBTPower Limited and HBTPower Inc. (collectively known as “**HBTPower**”), at a total consideration of approximately US\$6,625,000 (equivalents to HK\$52,002,000) (the “**Target Companies**”). The total consideration is approximately HK\$257,708,000. For details, please refer to the Company’s announcements dated 25 August 2023 and the circular dated 17 November 2023 respectively.

The disposal of the Target Companies were approved by the shareholders of the Company at the extraordinary general meeting held on 7 December 2023. The directors of the Company are of the view that the Target Companies will be disposed of within twelve months from the end of the reporting period. Accordingly, corresponding assets and liabilities associated with the Target Companies have been classified as held for sale and are presented separately in the consolidated statement of financial position (see below).

The major classes of assets and liabilities of the Target Companies classified as held for sale are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	3,773
Right-of-use assets	27,144
Trade and other receivables	46,651
Investment in a joint venture	57,030
Cryptocurrencies (<i>note i</i>)	64,260
Financial assets at FVTOCI (<i>note ii</i>)	7,961
Cash and bank balances	<u>63,545</u>
 Total assets classified as held for sale	 <u><u>270,364</u></u>
 Trade and other payables	 17,908
Amounts due to related party (<i>note iii</i>)	4,935
Lease Liabilities	28,966
Tax payable	710
Deferred tax liabilities	<u>43</u>
 Total liabilities associated with assets classified as held for sale	 <u><u>52,562</u></u>

Notes:

- (i) As at 30 September 2023, approximately 238,027 Filecoins with carrying amount of HK\$6,255,000 were pledged for cryptocurrency mining business.
- (ii) As at 30 September 2023, it represented unlisted equity investment in 92,908 Preferred B shares, around 6% equity interest, of a private company incorporated in Switzerland (“**Company A**”).
- (iii) As at 30 September 2023, there was amounts due to related company of HK\$4,935,000 in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.

The profit/(loss) for the year from the Target Companies, which were included in continuing operations of the Group, are disclosed as follows:

	2024	2023
	HK\$'000	HK\$'000
Revenue	106,308	346,875
Cost of sales	(62,139)	(346,353)
Gross profit	44,169	522
Other income and (losses)/gains	(1,402)	737
Fair value gains on cryptocurrencies	8,892	13,819
Administrative expenses	(19,156)	(21,317)
Share of result of a joint venture	–	3,877
Finance costs	(260)	(1,590)
Profit/(Loss) before income tax	32,343	(4,164)
Income tax expense	–	–
Profit/(Loss) for the year	32,343	(4,164)

(b) Disposal of Solutions

The disposal of Solutions was completed on 9 February 2024. Details of the disposal are as follows:

HK\$'000

Analysis of assets and liabilities over which control was lost:

Assets:

Property, plant and equipment	3,773
Investment in a joint venture	57,030
Amount due from a related company	216
Other receivables	321
Financial assets at fair value through other comprehensive income	7,961
Financial assets at fair value through profit or loss	38,923
Cryptocurrencies	100,240
Cash and bank balances	<u>29,971</u>
	<u><u>238,435</u></u>

Liabilities:

Other payables	(23,567)
Amount due to a related company	(3,171)
Tax payable	(710)
Deferred tax liabilities	<u>(43)</u>
	<u><u>(27,491)</u></u>

Net assets disposed of a subsidiary	210,944
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	259
Non-controlling interests	(9,440)
Gain on disposal recognised in other reserve	<u>3,943</u>
Total consideration	<u><u>205,706</u></u>

An analysis of the cash flows in respect of the disposal was as follows:

HK\$'000

Net cash outflow arising on disposal:

Cash consideration	–
Less: Cash and bank balances disposed of	<u>(29,971)</u>
Net cash outflows	<u><u>(29,971)</u></u>

The proceeds receivable amounting to HK\$205,706,000 was offset with other borrowing of HK\$205,706,000 owing by the Group to the Purchaser. There is no cash flows in respect of the disposal.

(c) **Disposal of HBTPower**

The disposal of HBTPower was completed on 12 March 2024. Details of the disposal are as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost:	
Assets:	
Right-of-use assets	27,144
Deposits	<u>46,221</u>
	<u>73,365</u>
Liabilities:	
Lease liabilities	(29,219)
Amount due to related companies	<u>(4,945)</u>
	<u>(34,164)</u>
Net assets disposed of a subsidiary	39,201
Gain on disposal recognised in other reserve	<u>12,801</u>
Total consideration	<u>52,002</u>

The proceeds receivable amounting to HK\$52,002,000 was offset with other borrowing of HK\$52,002,000 owing by the Group to the Purchaser. There is no cash flows in respect of the disposal.

18. OUTSTANDING/POTENTIAL LITIGATIONS

(a) **Litigation claims in the United Kingdom**

During the year ended 30 September 2024, there were three litigation claims in the United Kingdom in respect of cyber fraud (“**Litigation Claims**”).

Litigation A was initiated by a claimant against various defendants, including the Group, in respect of cyber fraud committed using a fake trading platform, Mega Markets, and the website www.megamarket.com. The Group is alleged to be the receiver and holder of the claimant’s assets on constructive trust. The Group received the order from the High Court of England and Wales (“**UK Court**”), ordering the Group to pay the claimant 20.1989 Bitcoin and GBP106,529 (equivalent to approximately HK\$11,047,000 as at 30 September 2024).

Litigation B was initiated by claimants against various defendants, including the Group, in respect of cyber fraud committed using a fake crypto investment company and the website www.global-coin.pro. The Group is alleged to be the receiver and holder of the claimants’ assets on constructive trust. The Group received the order from UK Court, ordering the Group to pay the claimants 20.062 Bitcoin and GBP129,678 (equivalent to approximately HK\$11,221,000 as at 30 September 2024).

Litigation C was initiated by a claimant against various defendants, including the Group, in respect of cyber fraud committed using fake trading platforms and the websites are Kraken.com and Ebonex.com. The Group is alleged to be the receiver and holder of the claimant’ assets on constructive trust. The Group received the order from UK Court, ordering the Group to pay the claimant 43.0717 Bitcoin and 1,167.0937 Ethereum (equivalent to approximately HK\$44,789,000 as at 30 September 2024).

The Group has engaged United Kingdom legal advisors to defend against the Litigation Claims on the ground that the Group is not the receiver or holder of the claimants' assets on constructive trust. Up to the date when the consolidated financial statements are authorised for issue, those Litigation Claims are still in progress.

Based on the legal advices, the directors of the Company are of the opinion that the possibility of setting aside the orders in these litigations against the Group is high, and the Group has valid grounds to defend against the Litigation Claims, no provision for the litigation claims has been provided in the consolidated statement of financial position as at 30 September 2024.

(b) Adversary complaint in the United States

Subsequently to the end of the reporting period, an adversary complaint for turnover of assets from FTX Trading Limited against various defendants, including Hbit Limited (“**Hbit**”), a wholly wholly subsidiary of the Company, which was filed in the United States Bankruptcy Court for the District of Delaware on 9 November 2024 (the “**Adversary Complaint**”).

The Adversary Complaint seeks to (i) invalidate and recover approximately US\$14 million (equivalent to HK\$109,008,000) in payments made to Hbit in the form of withdrawals from its FTX.com account during the 90 days prior to FTX chapter 11 filing; (ii) prohibit Hbit from recovering the other assets of US\$18 million (equivalent to HK\$141,748,000) it holds against FTX relating to the remaining balance in its FTX.com account until the preference claims are resolved.

The Adversary Proceeding is in its early stages and the Group has engaged United States legal advisors to defend against the Adversary Complaint.

Based on the legal advices, the directors of the Company are of the opinion that the Group has valid grounds to defend against the Adversary Complaint, no provision for the Adversary Complaint has been provided in the consolidated statement of financial position as at 30 September 2024.

Other than the disclosure of above, as at 30 September 2024 and up to the date when the consolidated financial statements are authorised for issue, the Group was not involved in any other material litigation. As far as the directors of the Company were aware, the Group had no other material litigation or claim which was pending or threatened against the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL EVENTS

Connected Transaction in Relation to the Subscription of New Shares Under Specific Mandate and Subscription of New Shares under Specific Mandate

On 26 April 2023, the Company and Mr. Du Jun entered into the Subscription Agreement I pursuant to which the parties conditionally agreed that Mr. Du Jun shall subscribe for, and the Company shall allot and issue 74,700,000 Subscription Shares I at the Subscription Price. The Subscription Price is HK\$2.08 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares I of HK\$155,376,000.00 payable by Mr. Du Jun shall be payable in cash upon completion of the Subscription I.

On 26 April 2023, the Company also entered into the Subscription Agreement II, with ON CHAIN Technology LIMITED pursuant to which the Company has conditionally agreed to allot and issue, and On Chain has conditionally agreed to subscribe for, an aggregate of 82,300,000 Subscription Shares II at the Subscription Price HK\$2.08.

On 10 October 2023, a total of 157,000,000 Subscription Shares were allotted and issued to Mr. Du Jun and ON CHAIN Technology LIMITED, pursuant to the terms of Subscription Agreement I and Subscription Agreement II, at the Subscription Price of HK\$2.08 per Subscription Share.

For details, please refer to the Company's announcements dated 26 April 2023, 30 June 2023, 28 July 2023 and 10 October 2023, and the circular of the Company dated 6 July 2023. The terms defined above have the same meanings as those defined therein.

Change of the Company's name and stock short name

On 13 September 2023, the Company changed its English name from "New Huo Technology Holdings Limited" to "Sinohope Technology Holdings Limited". As regards the dual foreign name in Chinese of the Company, it remains unchanged as "新火科技控股有限公司".

With effect from 9:00 a.m. on 16 October 2023, the Company changed its stock short name from "NEW HUO TECH" to "SINOHOPE TECH" in English. The Chinese stock short name remains unchanged.

For details, please refer to the Company's announcements dated 3 August 2023, 31 August 2023, 18 September 2023 and 12 October 2023, and circular dated 10 August 2023.

Major and Connected Transactions in Relation to the Disposal of Equity Interests in New Huo Solutions Limited, HBTPower Limited, and HBTPower Inc.

- (i) On 25 August 2023, the Company as Vendor I and Avenir Cayman Holding Limited as the Purchaser entered into the Sale and Purchase Agreement (Solutions) in relation to the disposal of equity interests of New Huo Solutions Limited, pursuant to which (i) Vendor I has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Solutions Sale Shares, representing the entire issued share capital of New Huo Solutions Limited, and (ii) Vendor I has conditionally agreed to assign the Solutions Sale Debt to the Purchaser, at the consideration of HK\$205,706,355.00; and
- (ii) On 25 August 2023, Sinohope Digital Service Limited (formerly known as New Huo Digital Limited), a direct wholly owned subsidiary of the Company, as Vendor II, entered into the Sale and Purchase Agreement (HBTPower) (together with the Sale and Purchase Agreement (Solutions), the “**Disposal Agreements**”), pursuant to which (i) Vendor II has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the HBTPower Sale Shares, representing 80% of the entire issued share capital of HBTPower Limited and 80% of the entire issued share capital of HBTPower Inc., and (ii) Vendor II has conditionally agreed to assign the HBTPower Sale Debt to the Purchaser, at the consideration of US\$6,624,740.00 (equivalent to approximately HK\$52,002,023.00).

The extraordinary general meeting of the Company held on 17 November 2023 passed the related resolutions. And on 11 January 2024, the disposal of HBTPower Limited was completed, on 9 February 2024, the disposal of New Huo Solutions Limited was completed and on 12 March 2024, the disposal of HBTPower Inc. was completed. The net proceeds from the Disposal, after deducting the administrative and external expenses, were approximately HK\$257.1 million.

For details, please refer to the Company’s announcements dated 25 August 2023, 15 September 2023, 16 October 2023, 17 November 2023, 7 December 2023 and 12 March 2024, and circular dated 17 November 2023. The terms defined above have the same meanings as those defined therein.

FTX Incident Update

On 14 November 2022, Hbit Limited, a wholly-owned subsidiary of the Company, had a balance of approximately US\$18.1 million cryptocurrencies deposited in cryptocurrency exchange FTX, out of which approximately US\$13.2 million was client’s asset based on the clients’ trading request and approximately US\$4.9 million was asset of Hbit Limited. As FTX group entities, including FTX, filed for bankruptcy protection in the United States on 11 November 2022, the cryptocurrency assets may not able to be withdrawn from FTX.

The Company had performed impairment assessment on the FTX Deposits and concluded that the recoverable amount of the FTX Deposits would be less than its original amounts deposited in FTX. As set out in the annual report for the year ended 30 September 2023 dated 28 December 2023, for the purpose of impairment assessment, the Recoverable Amount was determined with reference to the market price less incremental costs for assignment of the FTX Claim. An impairment loss of approximately HK\$85,897,000 was recognised for the year ended 30 September 2023, representing approximately 60.6% of the original amount.

In order to preserve the value of the FTX Deposits, the Company began to search for buyers to purchase the FTX Claim. On 24 May 2024, Hbit Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a buyer (whose ultimate beneficial owner is an independent third party) to dispose of the FTX Claim at a consideration of approximately US\$19,500,000 (equivalent to approximately HK\$152,125,000).

As a result of the disposal, a reversal of impairment loss of HK\$85,897,000 has been recognised in profit or loss for the year ended 30 September 2024.

For details, please refer to the Company's announcements dated 14 November 2022, 22 February 2024 and 24 May 2024. The terms defined above have the same meanings as those defined therein.

Continuing Connected Transaction Involving Asset Management Services Framework Agreements

On 11 July 2024, Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement I with Mr. Li, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds I and the Other Funds, in which Mr. Li and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from the 1 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$39,000,000. The extraordinary general meeting of the Company held on 3 September 2024 passed the related resolutions.

On 11 July 2024, Sinohope Asset Management, entered into the Asset Management Services Framework Agreement II with Mr. Du, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds II and the Other Funds, in which Mr. Du and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from the 1 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$6,000,000, but the actual transaction amount was HK\$7,321,753.58. On 13 December 2024, the Board resolved to revise the existing annual caps and made an announcement.

On 11 July 2024, Sinohope Asset Management, entered into the Asset Management Services Framework Agreement III with Mr. Zhong, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds III and the Other Funds, in which Mr. Zhong and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term commencing retrospectively from the 10 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$8,100,000.

For details, please refer to the Company's announcements dated 11 July 2024, 3 September 2024 and 13 December 2024, and the circular dated 9 August 2024. The terms defined above have the same meanings as those defined therein.

Connected Transactions in Relation to the Subscription of Interest in Funds

1. On 18 September 2024, Sinohope Hong Kong Limited (a direct wholly-owned subsidiary of the Company) as a subscriber, entered into the subscription agreement, pursuant to which the subscriber agreed to subscribe for approximately 1,120 Class A Shares attributable to the segregated portfolio, a segregated portfolio of the fund company, at a total subscription amount of 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million).

For details, please refer to the Company's announcement dated 18 September 2024. The terms defined above have the same meanings as those defined therein.

2. On 23 September 2024, Sinohope Hong Kong Limited as a subscriber, entered into (i) the Smart Beta Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 1,120 Smart Beta Class A Shares attributable to the Smart Beta Segregated Portfolio, a segregated portfolio of the fund company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 600 Delta Neutral Class A Shares attributable to the Delta Neutral Segregated Portfolio, another segregated portfolio of the fund company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

After entering into the Smart Beta Subscription Agreement and the Delta Neutral Subscription Agreement, on the same day (i) the Smart Beta Segregated Portfolio entered into the ChainUp Smart Subscription Agreement, pursuant to which the Smart Beta Segregated Portfolio agreed to subscribe for approximately 1,120 ChainUp Smart Class A Shares attributable to the ChainUp Smart Segregated Portfolio, a segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Segregated Portfolio entered into the ChainUp Delta Subscription Agreement,

pursuant to which the Delta Neutral Segregated Portfolio agreed to subscribe for approximately 600 ChainUp Delta Class A Shares attributable to the ChainUp Delta Segregated Portfolio, another segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

For details, please refer to the Company's announcement dated 23 September 2024. The terms defined above have the same meanings as those defined therein.

Very Substantial Acquisition and Connected Transactions

On 16 August 2024, the Company as BVI Purchaser and FCCR, Lightning Pay, Sky Fort, Tekne, Vision Leader, Hong Jia, Zhen Partners, HSG, Avenir Investment, Mr. Song, Mr. Hu and Mr. Du collectively as BVI Vendors entered into the BVI Agreement, pursuant to which BVI Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire the BVI Sale Shares, representing the entire issued share capital of BVI Company, at the consideration of US\$30,462,086.38 (equivalent to approximately HK\$237,604,273.76), which shall be satisfied by the allotment and issue of the Consideration Shares A at the Issue Price to BVI Vendors (or their nominees) at completion.

On 16 August 2024, the Company as BitTrade Purchaser and Goldenway as BitTrade Vendor entered into the BitTrade Agreement, pursuant to which Goldenway has conditionally agreed to sell, and the Company has conditionally agreed to acquire the BitTrade Sale Shares, representing approximately 7.69% of the entire issued share capital of BitTrade, at the consideration of US\$2,769,435.22 (equivalent to approximately HK\$21,601,594.72), which shall be satisfied by the allotment and issue of the Consideration Shares B at the Issue Price to Goldenway (or its nominees) at completion.

Immediately after completion, the BVI Company will become a wholly-owned subsidiary of the Company and BitTrade will become an indirect subsidiary of the Company, and the financial results of the BVI Company and the BitTrade will be consolidated to the financial statements of the Group. As at the date of this announcement, the acquisition has not been completed.

For details, please refer to the Company's announcement dated 16 August 2024. The terms defined above have the same meanings as those defined therein.

Litigation Order

On 13 September 2024, the Company received an order from the High Court of England and Wales relating to a claim by a claimant against a number of named and unnamed defendants ordering the Company, as the fourth defendant, to deliver up to the Claimant up to the limit of 43.0717024 Bitcoin (equivalent to US\$2,590,108.21 and approximately HK\$20,202,844.03) or the sterling equivalent of GBP1,936,146.68 (equivalent to approximately HK\$19,915,204.75) and 1,167.093718 Ethereum (equivalent to US\$2,705,451.62 and approximately HK\$21,102,522.63)

or the sterling equivalent of GBP2,526,126.44 (equivalent to approximately HK\$25,983,736.56) to the nominated wallet addresses. The UK Action was originally instituted by the Claimant against Huobi Global Limited (a company registered in the Seychelles) as the fourth defendant, and was subsequently amended by substituting the Company for Huobi Global Limited as the fourth defendant.

The Company has engaged United Kingdom legal advisors to assess the situation and consider possible options. Having considered the information and document provided by the Company, the UK Legal Advisors are of the view that the UK Action made against the Company was on weak evidential basis and the Company has a good chance of success to set aside the UK Order.

For details, please refer to the Company's announcement dated 20 September 2024. The terms defined above have the same meanings as those defined therein.

PERFORMANCE REVIEW

The Group recorded a total revenue from continuing operations of approximately HK\$1,569.4 million for the year ended 30 September 2024 (“**Year 2024**”), representing a decrease of approximately 44.6% or HK\$1,264.2 million from approximately HK\$2,833.6 million for the year ended 30 September 2023 (“**Year 2023**”).

The gross profit of the Group was approximately HK\$44.2 million for Year 2024, representing an increase of approximately 325.7% or approximately HK\$33.8 million from approximately HK\$10.4 million for Year 2023.

The Group recorded a net profit of approximately HK\$56.3 million for Year 2024 compared to a net loss of approximately HK\$288.7 million for Year 2023.

Basic and diluted earning per share of the Group for Year 2024 was HK\$11.66 cents and HK\$11.63 respectively (Year 2023: basic and diluted loss per share of HK\$91.94 cents and HK\$91.94 cents, respectively).

BUSINESS REVIEW

Provision of Technology Solution Services

The Group, through Sinohope APAC Limited and Sinohope Digital limited, both wholly-owned subsidiaries of the Company, provide specific technology solution services including blockchain solutions, peripheral accessories such as browser, faucet and official website, fundamental Dapps and Software-as-a-Service to global customers in blockchain, virtual assets, fintech, big data as well as other innovative technology sectors.

The revenue from technology solution business was approximately HK\$6.8 million for Year 2024 compared to approximately HK\$10 million for Year 2023, representing a decrease of approximately HK\$3.2 million or 32%. The decrease is due to the suspension of data center and cloud based services because of the disposal of Win Techno Inc. completed in November 2022. If only compared to the revenue from specific technology solutions services of HK\$2.95 million in Year 2023, the revenue increased by approximately HK\$3.8 million or 129% benefiting from effective marketing and brand building.

Virtual Asset Ecosystem

(i) *Asset management*

The Group has carried on asset management businesses through Sinohope Asset Management (Hong Kong) Limited, (the “**SINOHOPE Asset Management**”). SINOHOPE Asset Management was incorporated in Hong Kong with limited liability for carrying on businesses in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “**SFO**”).

SINOHOPE Asset Management’s vision is to bridge the gap between traditional and virtual asset investments and offer integrated investment solutions to professional investors. The products integrate traditional financial assets and virtual assets and cover the primary and secondary markets.

SINOHOPE Asset Management is managing twelve funds containing virtual assets as at the date of this announcement compared to eight funds disclosed in Company’s Interim Report 2024. The funds include seven virtual assets funds named BitMind Trend Fund SP, Evolving Investment Crypto Multi-Strategy Fund SP, SINOHOPE Multi Strategy Crypto Fund SP, Progressive Asset Management SP, Alpha Blockchain SP1 (as sub-investment manager), Metastone Crypto Multi-Strategy Fund SP and Whizard Future Fund SP, two private equity funds for blockchain mining related businesses, one private equity fund for blockchain/web3 businesses and two FOF funds for virtual assets investment. SINOHOPE Asset Management shall only provide services to professional investors, as defined in the SFO and its subsidiary legislation.

The revenue generated from the provision of asset management services was approximately HK\$25.6 million for Year 2024, representing a significant increase of approximately HK\$21.3 million or 495.3% as compared to approximately HK\$4.3 million for Year 2023. This growth was primarily driven by fund performance fee income resulting from the rise in virtual asset prices and effective asset management strategies, as well as increased management fee income due to the growth in assets under management of the ongoing funds.

The total assets under management was approximately US\$99.1 million as at the date of this announcement compared to approximately US\$81.8 million as at 31 March 2024.

(ii) *Trust and custodian business*

The custodian business includes two types of business, centralised custodian and MPC self-custody business, which was being carried out through Sinohope Trust Company Limited (“**Sinohope Trust HK**”, which was formerly known as “New Huo Trust Company Limited”) and Sinohope Digital Limited separately during Year 2024.

Sinohope Trust HK, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company, obtained a certificate issued by the Registrar of Companies under section 78(1) the Trustee Ordinance (Cap. 29 of the laws of Hong Kong) for registration as a trust company. The centralised custodian provided services including safekeeping, settlement and other customised services of its clients’ assets.

Sinohope Digital Limited, a company incorporated in Seychelles and an indirectly wholly-owned subsidiary of the Company, has registered as Money Service Business (MSB) pursuant to the Bank Secrecy Act (BSA) regulations at 31 CFR 1022.380(a)–(f), administered by the Financial Crimes Enforcement Network (FinCEN). The MPC self-custody business launched WaaS (Wallet-as-a-Service), which is a comprehensive set of MPC digital asset custody wallet infrastructure for Web3 developers. Institutions can construct and compile MPC enterprise-level wallets in a more secure and swift manner to serve the tens of millions of users and help the business develop rapidly.

The types of assets custodied under the business include virtual asset, fiat currency, financial instrument or any type of other assets.

The revenue generated from the provision of custodian services was approximately HK\$1.2 million for Year 2024, representing an increase of approximately HK\$0.1 million or 6.8% as compared to approximately HK\$1.1 million for Year 2023 arising from the increase of custodian size driven by the increase of virtual asset price.

(iii) *Virtual asset lending and cryptocurrency trading business*

During Year 2024, the Group has provided (i) virtual asset lending management business to clients; (ii) over-the-counter (the “**OTC**”) virtual asset trading business to trade virtual assets with corporate and individual customers; and (iii) trade virtual assets in cryptocurrency exchanges. The lending management services income generated from the virtual asset lending was approximately HK\$1.1 million.

The OTC trading business generates income through the trading spreads from clients who buy and/or sell virtual assets using the Group’s services. The Current clients include high-net-worth individuals, institutional investors and firms to execute large

trades with more privacy, reduced slippage, and potentially better pricing. During Year 2024, the Group also generates income from commission earned by matching clients with suppliers.

During Year 2024, the revenue from cryptocurrency trading business was approximately HK\$1,520.3 million and the cost of sales of OTC trading business was approximately HK\$1,511.1 million. The Group recognised a gross profit of approximately HK\$9.2 million during Year 2024 compared to a net gross loss of approximately HK\$2.7 million for Year 2023 from the cryptocurrency trading business.

(iv) *Virtual asset mining-related business*

The Group has its own compliant virtual asset mining-related business including but not limited to investing in virtual asset mining related fund. During Year 2024, the Group has, through New Huo Solutions Limited (the “**New Huo Solutions**”), invested in the funds below.

New Huo Solutions invested in New World Pioneer Mining Fund 1 LPF which has been established for the purpose of making investment in the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was US\$10 million (equivalent to approximately HK\$78 million). The New World Pioneer Mining Fund 1 LPF, through an intermediate entity, invested in 100% equity interest in FIL Limited. FIL Limited was accounted as a joint venture.

New Huo Solutions invested in New Era Pioneer Mining Fund 1 LPF (the “**New Era Fund**”) which has been established for the purpose of making investment in the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was approximately US\$4.8 million (equivalent to approximately HK\$37.5 million) and the New Era Fund recorded a profit of approximately HK\$5.2 million for Year 2024.

As a result of the global economy downturn and ongoing bear market in virtual assets, the Group disposed the cryptocurrency mining related business and funds to Avenir Cayman Holding Limited, the ultimate beneficial owner of which is Mr. Li, and to settle part of the outstanding loans. The disposal of New Huo solutions was completed in February 2024 at the consideration of HK\$205,706,355.00.

(v) *Consultancy services income*

During Year 2024, the Group has provided consultancy services in relation to Blockchain and Web3 business to its customers. The consultancy services cover different types of consultancy projects based on the terms stated in the corresponding contracts.

The revenue generated from consultancy services income was approximately HK\$1.7 million for Year 2024, representing an increase of approximately HK\$1.5 million as compared to approximately HK\$0.2 million for Year 2023 due to the effective marketing and brand building.

NON-OPERATING EXPENSES OVERVIEW

Other income and (losses)/gains

Other income and (losses)/gains, which includes exchange difference, fair value gains on crypto investments, marketing income, government grants, fair value change on financial assets through profit or loss, sundry income and interest income, has increased by approximately HK\$11.3 million to net other income of approximately HK\$4.8 million for Year 2024 from a net other losses of approximately HK\$6.2 million for Year 2023. The other income mainly includes the fair value gains on crypto investments benefiting from the rise of crypto prices and marketing income from selling sponsorship of events held by the Group.

Administrative expenses

Administrative expenses have decreased significantly by approximately HK\$80.6 million or approximately 43.1% to approximately HK\$106.2 million for Year 2024 from approximately HK\$186.8 million for Year 2023 because of the implementation of cost management measures. The administrative expenses mainly consist of employee salary and benefit expenses of approximately HK\$67.5 million for Year 2024 compared to approximately HK\$101.9 million for Year 2023.

Finance costs

Finance costs have decreased by approximately HK\$10.3 million or approximately 68.4% to approximately HK\$4.8 million for Year 2024 from approximately HK\$15.1 million for Year 2023, in line with the decrease of other borrowings.

Profit/(loss) before income tax

The Group's profit before income tax for Year 2024 was approximately HK\$56.4 million as compared to the net loss before income tax of approximately HK\$282.2 million from continuing operations for Year 2023. The profit before income tax was mainly arised from an approximately HK\$85.9 million reversal of provision of impairment of the FTX Deposit as the disposal of FTX Claim has been completed in June 2024. The profit before income tax also derived from the fund performance fee income resulting from the rise in virtual asset prices and effective asset management strategies, as well as the increased management fee income due to the growth in assets under management of the ongoing funds.

Income tax (expenses)/credit

The Group recorded income tax expenses of approximately HK\$43,000 for Year 2024 compared to an income tax credit of approximately HK\$4.9 million for Year 2023.

Profit/(loss) after income tax

The Group's profit after income tax for Year 2024 from continuing operations was approximately HK\$56.3 million as compared to a net loss after income tax from continuing operations of approximately HK\$277.3 million for Year 2023.

Dividend

The Directors do not recommend the payment of a final dividend for Year 2024 (Year 2023: Nil).

FINANCIAL REVIEW

Cash Flow from Operating Activities

Net cash used in operating activities was approximately HK\$10.7 million for Year 2024 (Year 2023: approximately HK\$245.2 million). The decrease in cash outflow was due to the decrease of cash used in administrative expenses and the settlement of trade and other receivables.

Cash Flow from Investing Activities

Net cash used in investing activities was approximately HK\$21.9 million for Year 2024 compared to net cash generated from investing activities of approximately HK\$11.5 million for Year 2023.

The cash outflows for Year 2024 mainly resulted from the approximately HK\$5.6 million payment for purchase of financial assets at fair value through profit or loss and HK\$17.8 million for deposits paid for acquisition of investments.

Cash Flow from Financing Activities

Net cash used in financing activities was approximately HK\$223.8 million for Year 2024 compared to approximately HK\$302.1 million cash generated from financing activities for Year 2023. The outflow for Year 2024 mainly includes approximately HK\$223.0 million net cash outflow in relation to return of other loans from a related company.

Capital Expenditure

Capital expenditure in Year 2024, financed by internal resources and credit facilities, amounted to approximately HK\$Nil (Year 2023: HK\$17.9 million).

Treasury Management

During Year 2024, there has been no material change in the Group's funding and treasury policies. The Group had a sufficient level of cash for the conduct of its trade in the normal course of business.

We closely review our trade receivable balances and any overdue balances on an ongoing basis and only trade with creditworthy parties. To manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

For exchange risk management, the Group's foreign currency risk is mainly concentrated on the fluctuation of the US dollar against Renminbi and Singapore Dollars. During Year 2024, the Group did not enter into any financial instrument for hedging purpose. The Group seeks

to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency risks, when necessary.

Capital Structure

As at 30 September 2024, the Group has no outstanding borrowings as at 30 September 2024 (30 September 2023: HK\$467.2 million). The Group's gearing ratio was approximately Nil (2023: 218.5%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period.

Charge on Group Assets

As at 30 September 2024, there is no banking facilities of the Company's wholly-owned subsidiaries which were based in mainland China and HKSAR (30 September 2023: HK\$Nil).

As at 30 September 2024, there is no other asset pledged. (30 September 2023: approximately 238,087 filecoins with carrying amount of HK\$6,255,000 were pledged for cryptocurrency mining business).

Significant Investments, Material Acquisitions and Disposals, and Future Plans For Significant Investment or Acquisition of Capital Assets

During Year 2024, save as disclosed in the section "MANAGEMENT DISCUSSION AND ANALYSIS" of this announcement, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures, and the Company did not have any specific plans for material investments or acquisitions of capital assets.

Contingent Liabilities

As at 30 September 2024, except for certain matters related to litigations disclosed in Note 18 to the consolidated financial statements in this announcement, the Group did not have any material contingent liabilities (30 September 2023: HK\$Nil).

Major Customers and Major Suppliers

Sales to the largest customer and the five major customers respectively accounted for 29.3% and 69.1% of total revenue of the Group for Year 2024. Purchases from the largest supplier and the five largest suppliers respectively accounted for 30.1% and 71.8% of total purchases of the Group for Year 2024. As at the date of this announcement, as far as the Directors were aware of, none of the Directors, their associates, or any shareholder of the Company had any interest in the aforementioned customers or suppliers of the Company.

Changes in Principal Subsidiaries and Major Non-controlling Interests

During Year 2024, there has been no material change in the Company's principal subsidiaries and the Group's major non-controlling interests.

Capital Commitments

As at 30 September 2024, the Group has capital commitments amounting to HK\$nil in respect of purchase of property, plant and equipment (30 September 2023: HK\$nil).

Liquidity, Financial Resources and Funding

We finance our operations primarily through cash generated from operations, bank and other borrowings. The Group's net liquidity position as at 30 September 2024, together with the position as at 30 September 2023 is summarised below:

	30 September 2024 HK\$'000	30 September 2023 HK\$'000
Cash and cash equivalents	62,282	320,161
Other borrowings	<u>—</u>	<u>(467,205)</u>
Net cash	<u>62,282</u>	<u>(147,044)</u>

Cash and cash equivalents were denominated in Hong Kong Dollars, US Dollars, Renminbi, Singapore Dollars and Japanese Yen.

RISK REVIEW

Foreign Currency Risk

The Group's principal operating subsidiaries carry out their operations in the PRC (including HKSAR), Singapore and US. Entities in the Group regularly transact in currencies other than their respective functional currencies with regard to the selling and purchase of products. As a consequence of the various trading activities, certain trade receivables and borrowings of the Group are denominated in foreign currencies. While the Group has no formal hedging policy, it does seek to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency exposure risks.

Risk Related to Digital Assets and Related Digital Asset Business

The fast-developing nature of digital asset markets including evolving regulations, custody and trading mechanisms, the dependency on information technology integrity and security, as well as valuation and volume volatility all subject the digital assets and business of the Group to unique risks. The Directors consider that such risks and uncertainties are largely related to information technology, safekeeping of digital assets, fluctuation of asset prices, compliance, and the ever-evolving nature of the markets. As the industry is in a growth stage, the Group has been implementing an operational infrastructure to support business development and growth. These initiatives include expanding IT infrastructure and hiring additional management personnel with an emphasis on experience in legal, regulatory, compliance, financial reporting, operations and technology development.

Risks Related to Safekeeping of Digital Assets

The Group maintains digital assets in both “hot” (connected to the Internet) and “cold” (not connected to the Internet) wallets. “Hot” wallets are more susceptible to cyber-attacks or potential theft as they are connected to the public internet. To mitigate such risks, the Group has implemented a series of internal controls, including but not limited to the implementation of two-factor authentication, segregation of duties, and day-to-day wallet management.

Price Risk of Digital Assets

The Group held cryptocurrencies for daily operation and businesses. The volatility and unpredictability of the price of cryptocurrencies relative to fiat currencies could cause impact to the Group’s performance. The Group provides trust and custody services to its clients. Such assets constitute trust assets and are not accounted for as assets of the Group and do not give rise to liabilities to the relevant customers. Accordingly, the Group has no price volatility exposure from these holdings.

Risks Related to Anti-money Laundering

During Year 2024, the Group provides trust and custody services to its clients and is required to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the guidelines issued by the Companies Registry of Hong Kong. To mitigate such risks, the Group has implemented policies and procedures for Anti-Money-Laundering (AML) and Know-Your-Client (KYC) that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting. In enhancing these policies and procedures, we have also considered industry best-practice and the recommendations of the Financial Action Task Force (FATF).

OUTLOOK

In 2025, we will continue to utilize the expertise and experience of the Group in the aspects of virtual asset custody core technology and compliant virtual asset fund management. For the purpose of providing customers with more professional one-stop virtual asset services experience and establishing a leading profile of the Group in the financial technical services industry of Web3 in Asia-Pacific region and across the globe, we will focus the Company's business on three core aspects, namely comprehensive deepening of compliant asset management business, the innovative development of MPC one-stop custody products, and the expansion of compliance virtual asset exchange.

In the aspect of virtual asset custody technology, the Group will continue to innovate and research the core custody technologies, such as distributed key derivation and threshold signature, which will ensure a high security and operational transparency for the assets of customers while providing customers with more efficient and convenient experience and continuously promoting the integration of traditional finance and emerging finance in different situations. Moreover, the Group will expand the business scope of TCSP compliant custody and activate the virtual asset custody and transaction services, which enable customers to complete all the business procedures via one product entry; through the integration of upstream and downstream products, the Group will provide customers with comprehensive procedure service from deposit and withdrawal, asset custody to asset management.

In the aspect of compliant asset management business, the Group will further expand the business in the Hong Kong market with our first-mover advantage. Furthermore, the Group will continue to optimize the virtual asset fund product mix of SINOHOPE Asset Management to provide a more diversified virtual asset investment fund portfolio for customers. In a market with increasingly rich investment targets and diverse demands, SINOHOPE Asset Management hopes to provide a wide range of product choices for professional investor (PI) clients, such as family offices, high net worth individuals and professional institutions.

In 2025, SINOHOPE Asset Management will add the business of distributing virtual asset (VA) related products to PIs, including but not limited to VA funds, Bitcoin and Ether ETFs, and VA structured products, in addition to its existing business of compliant VA funds under Type 9 license. For example: 1) Income Enhanced Wealth Management products; 2) Bitcoin and Ether Bullish Shark Fin Wealth Management products; and 3) Bitcoin and Ether Dual Currency Investments. And with the approved upgrade to License 4, the Company plans to offer the following types of virtual asset (VA) advisory services to PIs only: 1) issuing research reports (including regular subscriptions or ad hoc recommendations based on client requests); and 2) providing investment advisory services to clients, including VA funds and their managers.

In the aspect of exchange business, upon the formal completion of the acquisition of BitTrade, the Group will leverage its existing technology and resources to enhance BitTrade's market position as well as plan to expand its compliant business in Japan and other regions. Besides, the Group will also be able to capitalize on the acquisition to improve its asset management services, thereby providing the Group with a good opportunity to enter the crypto-asset exchange business and enhance its market competitiveness in the fast-developing cryptocurrency sector.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group had 86 employees of which 55 were male and 31 were female (30 September 2023: the Group had 87 employees of which 50 were male and 37 were female) working in mainland China, HKSAR, Singapore and the USA. The total employment costs (including Directors' remuneration and mandatory provident fund contributions) for Year 2024 amounted to approximately HK\$67.5 million for continuing operations and HK\$nil for discontinued operations. (Year 2023: HK\$101.9 million for continuing operations and HK\$41.8 million for discontinued operations, totalling HK\$143.7 million). The remuneration policy and package of the Group's employees are structured in accordance to market terms, individual employee performance, qualifications and experience and statutory requirements where appropriate. The Group also provides other staff benefits such as share option scheme, medical insurance scheme. In addition, the Group continues to provide training (including professional skills training) and development plans.

CORPORATE GOVERNANCE CODE

The Board and the management of the Company are committed to establishing and maintaining good corporate governance standards, a robust internal control mechanism and effective risk management. They are convinced that sound corporate governance is the cornerstone for the Company's long-term success and can establish a framework for effective management, superior corporate culture, successful business development and shareholder value. At the same time, the Board also actively improves transparency and accountability to all shareholders.

For the year ended 30 September 2024, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the Corporate Governance Code (the "**CG Code**") under Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), except for the following deviations:

- (a) Under the code provision F.2.2 under Part 2 of the CG Code, the chairman of the board should attend the annual general meetings of the company. The Chairman was unable to attend the 2023 annual general meeting due to urgent business matters. Instead, the

2023 annual general meeting was chaired by an executive Director, together with the management of the Company, answered the questions from the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules. Following specific enquiries by the Company, all Directors have confirmed that they fully complied with the requirements under the Model Code for the year ended 30 September 2024, except for the following matters:

- (a) On 20 October 2023 (during the black-out period of the Company), Mr. Li Lin (“**Mr. Li**”), a non-executive Director, transferred his shares in the Company of 125,021,261 ordinary shares, representing 116,582,987 shares through Avenir Capital Inc. and 8,438,274 shares through Everlasting Capital Limited (in aggregate approximately 26.83% of the entire issued share capital of the Company as that day), to Avenir Cayman Holding Limited. Avenir Capital Inc. and Everlasting Capital Limited are both wholly-owned by Mr. Li. The change of shareholding was solely for the purpose of restructuring and did not result in any change in the amount and proportion of Mr. Li’s shareholding in the Company. For details, please refer to the Company’s announcement dated 20 October 2023.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during Year 2024.

AUDIT COMMITTEE

The audit committee of the Company, comprising Mr. Yip Wai Ming (Chairman), Mr. Yu Chun Kit and Dr. LAM, Lee G., BBS, JP. has reviewed, together with the participation of the management, the accounting principles and practices adopted by the Group and discussed the auditing and financial reporting matters including the review of the audited financial statements of the Group for the year ended 30 September 2024.

SCOPE OF WORK PERFORMED BY THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, the consolidated statement of other comprehensive income and the related notes thereto for the year ended 30 September 2024 as set out in this announcement have been agreed by the Company's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 September 2024. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA Limited on this announcement.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.sinohope.com>). The annual report of the Company for the year ended 30 September 2024 containing all information required by the Listing Rules will be despatched to the Company's shareholders and available on the above websites in due course.

By order of the Board
SINOHOPE TECHNOLOGY HOLDINGS LIMITED
Du Jun
Executive Director

Hong Kong, 16 December 2024

As at the date of this announcement, the Board comprises (1) Mr. Li Lin (Chairman) as a non-executive Director; (2) Mr. Du Jun (Chief Executive Officer) and Ms. Zhang Li as executive Directors; and (3) Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP as independent non-executive Directors.