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新火科技
SINOHOPE

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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

Financial Highlights

	Six months ended		Change
	31 March		
	2024	2023	
	HK\$'000	HK\$'000	%
		(re-presented)	
Revenue	655,608	2,397,095	(72.6)%
Gross profit/(loss)	32,141	(14,388)	323.4%
Gross profit/(loss) margin	4.9%	(0.60)%	916.7%
Profit/(loss) before income tax	99,266	(219,898)	145.1%
Profit/(loss) attributable to owners of the Company from continuing operations	99,813	(227,822)	143.8%
Basic and diluted earnings/(loss) per share			
– From continuing operations	HK cents 21.42	HK cents (73.74)	129.0%
– From discontinued operations	–	HK cents (4.43)	100.0%
	HK cents 21.42	HK cents (78.17)	127.4%
	As at 31	As at	
	March 2024	30 September	
	HK\$'000	2023	
		HK\$'000	
Net cash	44,853	(147,044)	130.5%
Total equity	317,032	213,776	48.3%

The board of Directors (the “**Board**”) of Sinohope Technology Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 March 2024 together with the comparative figures for the six months ended 31 March 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Six months ended 31 March	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited) (re-presented)
Continuing operations			
Revenue	4		
Cryptocurrency trading business		620,989	2,384,836
Other business		34,619	12,259
		<u>655,608</u>	<u>2,397,095</u>
Cost of sales and services			
Cryptocurrency trading business		(613,316)	(2,399,589)
Other business		(10,151)	(11,894)
		<u>(623,467)</u>	<u>(2,411,483)</u>
Gross profit/(loss)		32,141	(14,388)
Other income and losses	5	(158)	(3,995)
Fair value gain on cryptocurrencies		42,165	8,213
Reversal of/(provision for) expected credit loss on other assets		78,810	(99,410)
Administrative expenses		(54,093)	(105,796)
Share of result of a joint venture		5,080	3,608
Finance costs	6	(4,679)	(8,130)
Profit/(loss) before income tax	7	99,266	(219,898)
Income tax credit	8	1,901	1,223
Profit/(loss) for the period from continuing operations		<u>101,167</u>	<u>(218,675)</u>
Discontinued operations			
Loss for the period from discontinued operation	9	–	(13,684)
Profit/(loss) for the period		<u>101,167</u>	<u>(232,359)</u>

		Six months ended 31 March	
		2024	2023
		<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>		(Unaudited)	(Unaudited) (re-presented)
Profit/(loss) for the period attributable to owners of the Company			
	– from continuing operations	99,813	(227,822)
	– from discontinued operations	<u>–</u>	<u>(13,684)</u>
		99,813	(241,506)
Profit for the period attributable to non-controlling interests			
	– from continuing operations	1,354	9,147
	– from discontinued operations	<u>–</u>	<u>–</u>
		1,354	9,147
		101,167	(232,359)
		Six months ended 31 March	
		2024	2023
		<i>HK cents</i>	<i>HK cents</i>
		(Unaudited)	(Unaudited) (re-presented)
Basic and diluted earnings/(loss) per share			
	– from continuing operations (HK cents)	21.42	(73.74)
	– from discontinued operations (HK cents)	<u>–</u>	<u>(4.43)</u>
		21.42	(78.17)

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CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 31 March	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>	(Unaudited)	(Unaudited) (re-presented)
Profit/(loss) for the period	101,167	(232,359)
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	(729)	96
Reclassification of foreign currency translation reserve upon disposal of subsidiaries	331	7,064
Item that will not be reclassified subsequently to profit or loss:		
Change in fair value of equity instruments at fair value through other comprehensive income	—	(40)
Other comprehensive (loss)/income for the period, net of tax	(398)	7,120
Total comprehensive income/(loss) for the period	<u>100,769</u>	<u>(225,239)</u>
Total comprehensive income/(loss) for the period attributable to:		
Owners of the Company	99,415	(234,386)
Non-controlling interests	1,354	9,147
	<u>100,769</u>	<u>(225,239)</u>
Total comprehensive income/(loss) attributable to owner of the Company		
– from continuing operations	99,415	(234,386)
– from discontinued operations	—	—
	<u>99,415</u>	<u>(234,386)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 March 2024 <i>HK\$'000</i>	At 30 September 2023 <i>HK\$'000</i>
	<i>Notes</i>	(Unaudited)	(Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		355	1,094
Other receivables	12	–	76,063
Total non-current assets		355	77,157
Current assets			
Cryptocurrencies		51,888	15,051
Trade and other receivables	12	232,064	64,411
Time deposits with original maturity of over three months		1,500	1,500
Cash and bank balances		44,853	320,161
		330,305	401,123
Assets classified as held for sale		–	270,364
Total current assets		330,305	671,487

		At 31 March 2024 <i>HK\$'000</i> (Unaudited)	At 30 September 2023 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
Current liabilities			
Other payables and accruals		13,628	12,549
Other borrowings		–	359,107
Tax payable		–	412
		13,628	372,068
Liabilities associated with assets classified as held for sale		–	52,562
Total current liabilities		13,628	424,630
Net current assets		316,677	246,857
Total assets less current liabilities		317,032	324,014
Non-current liabilities			
Other borrowings		–	108,098
Deferred tax liabilities		–	2,140
		–	110,238
Net assets		317,032	213,776
EQUITY			
Share capital	<i>13</i>	466	309
Reserves		316,566	204,299
Amounts recognised in other comprehensive income and accumulated in equity relating to asset held for sale		–	1,742
Total equity attributable to owners of the Company		317,032	206,350
Non-controlling interests		–	7,426
Total equity		317,032	213,776

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 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 (李林) (“**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.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited condensed consolidated financial statements (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and Hong Kong Accounting Standard 34, “Interim Financial Reporting” (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “**Listing Rules**”).

The Interim Financial Statements have been prepared under the historical cost basis except for cryptocurrencies and financial assets at fair value through other comprehensive income (“**FVTOCI**”).

These Interim Financial Statements have been prepared with the same accounting policies adopted in the consolidated financial statements for the year ended 30 September 2023 (the “**2023 Annual Financial Statements**”), except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 October 2023. Details of the new standards/interpretation adopted for the first time in the current period and their effect on the Group’s accounting policies are set out in note 2(b).

The Interim 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.

The Interim Financial Statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2023 Annual Financial Statements.

The Interim Financial Statements is unaudited but have been reviewed by the Audit Committee.

(b) New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new or amended HKFRSs 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 Amendments 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

The adoption of these new or amended HKFRSs did not have significant impact on the Group's financial performance and financial position. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

(c) New and amendments to HKFRSs in issue but not yet effective

The following new and amended 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	Sale 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 ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³
HKFRS 18	Presentation and Disclosures in Financial Statements 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 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 9, 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. Comparative figures have been re-presented to reflect the cessation of the contract manufacturing business as discontinued operations, and 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 six months ended 31 March 2024 and 2023, the Group principally operated in one business segment, which is virtual assets ecosystem. Other businesses were considered relatively insignificant for the six months ended 31 March 2024 and 2023.

Geographical information

The Group’s operations are mainly located in the People’s Republic of China (the “**PRC**”) (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> (Unaudited)	2023 <i>HK\$’000</i> (Unaudited) (re-presented)
<u>Continuing operations:</u>		
Customer A	–	1,912,785
Customer B	187,999	–
Customer C	91,762	–

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 period.

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

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited) (re-presented)
Continuing operations		
Cryptocurrency trading	<u>620,989</u>	<u>2,384,836</u>
Revenue recognised at a point in time	<u>620,989</u>	<u>2,384,836</u>
Cryptocurrency mining services	12,583	–
Provision of asset management services	17,250	3,613
Provision of custodian services	356	717
Provision of lending management services	716	879
Provision of technology solution services	2,922	7,050
Provision of consultancy services	<u>792</u>	<u>–</u>
Revenue recognised over time	<u>34,619</u>	<u>12,259</u>
Total revenue	<u>655,608</u>	<u>2,397,095</u>

5. OTHER INCOME AND LOSSES

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited) (re-presented)
Loss on disposal of subsidiaries	(1,216)	(7,064)
Fair value loss on financial asset at FVTPL	–	(415)
Government grants	–	276
Interest income on bank deposits and balances	759	14
Impairment loss on property, plant and equipment	(481)	–
Sundry income	<u>780</u>	<u>3,194</u>
	<u>(158)</u>	<u>(3,995)</u>

The government grant for the six months ended 31 March 2023 represent the subsidy under the Employment Support Scheme provided by the HKSAR Government. There are no unfulfilled conditions relating to the grants.

6. FINANCE COSTS

	Six months ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(re-presented)
Continuing operations		
Imputed interest on other loans from a related company	4,419	6,548
Interest on other loan from a related company	–	740
Interest expenses on lease liabilities	<u>260</u>	<u>842</u>
	<u>4,679</u>	<u>8,130</u>

7. PROFIT/(LOSS) BEFORE INCOME TAX

	Six months ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(re-presented)
Continuing operations		
Profit/(loss) before income tax is arrived at after charging:		
Cost of inventories recognised as expenses		
– cryptocurrency trading business	613,316	2,399,589
Depreciation of property, plant and equipment	279	4,537
Depreciation of right-of-use assets	–	7,456
Short term lease expenses	1,844	–
Employee benefit expenses (including Directors' remuneration)	<u>33,871</u>	<u>62,155</u>
Discontinued operations		
Loss before income tax is arrived at after charging:		
Cost of inventories recognised as expenses		
– other business	–	95,747
Depreciation of right-of-use assets	–	5,015
Depreciation of property, plant and equipment	–	1,892
Provision for impairment loss on inventories	–	3,482
Employee benefit expenses (including Directors' remuneration)	<u>–</u>	<u>10,479</u>

8. INCOME TAX CREDIT

Income tax (credit)/expense for the period comprises:

	Six months ended 31 March	
	2024 <i>HK\$'000</i> (Unaudited)	2023 <i>HK\$'000</i> (Unaudited) (re-presented)
Current income tax:		
Provision for the period		
HKSAR	<u>239</u>	<u>(100)</u>
Deferred tax	<u>(2,140)</u>	<u>(1,123)</u>
Income tax credit	<u>(1,901)</u>	<u>(1,223)</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the period, 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.

9. 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, 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 period ended 31 March 2023 from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented as discontinued operations.

The loss for the period from discontinued operations

	Six months ended 31 March 2023 <i>HK\$'000</i> (Unaudited) (re-presented)
Revenue	108,786
Cost of sales	<u>(99,229)</u>
Gross profit	9,557
Other income and gains	1,676
Selling and distribution expenses	(739)
Administrative expenses	(20,980)
Finance costs	<u>(2,576)</u>
Loss before income tax	(13,062)
Income tax expense	<u>(622)</u>
Loss for the period	<u><u>(13,684)</u></u>

10. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 31 March 2024 and 2023.

11. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares of 465,960,665 (31 March 2023: 308,960,665) in issue or issuable during the period.

	Six months ended 31 March	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (re-presented)
Profit/(loss) attributable to owners of the Company		
– for continuing operations	99,813	(227,822)
– for discontinued operations	–	(13,684)
	<u>99,813</u>	<u>(241,506)</u>
	Share	Share
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<u>465,960,665</u>	<u>308,960,665</u>

Diluted earnings/(loss) per share

The computation of diluted earnings/(loss) per share for the periods ended 31 March 2024 and 2023 do not assume the exercise of certain share options since their assumed exercise for both periods would have an anti-dilutive effect.

12. TRADE AND OTHER RECEIVABLES

		At 31 March 2024	At 30 September 2023
	<i>Notes</i>	HK\$'000 (Unaudited)	<i>HK\$'000</i> (Audited)
Amount due from a former subsidiary		81,513	81,513
Less: provision for expected credit loss		<u>(5,450)</u>	<u>(5,450)</u>
	<i>(a)</i>	76,063	76,063
Other assets		141,748	141,748
Less: provisions for impairment		<u>(7,087)</u>	<u>(85,897)</u>
Other assets, net	<i>(b)</i>	134,661	55,851
Trade receivables	<i>(c)</i>	16,559	4,490
Rental and other deposit and prepayments		3,006	2,894
Other receivables		<u>1,775</u>	<u>1,176</u>
		<u>232,064</u>	<u>140,474</u>
Analysed into:			
Current portion		232,064	64,411
Non-current portion		<u>-</u>	<u>76,063</u>

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

The management of the Company considered that the credit risk has not increased significantly since initial recognition and the loss allowance is measured at an amount equal to 12-month ECLs. During the six months ended 31 March 2024, no loss allowances have been recognised in profit or loss.

- (b) On 11 November 2022, FTX group entities, 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 thereafter completed the submission of a claim of FTX Deposits against FTX to the liquidator of FTX (“**FTX Claims**”). As at 31 March 2024, the Group had fiat currencies and cryptocurrencies deposited in FTX with original amounts of HK\$107,169,000 (30 September 2023: HK\$107,169,000) and HK\$34,579,000 (30 September 2023: HK\$34,579,000), respectively (“**FTX Deposits**”).

During the six months ended 31 March 2024, the Group was not able to withdraw the FTX Deposits from FTX as the bankruptcy proceedings of FTX have not yet been completed. The Group was actively searching for potential purchaser to purchase the FTX Claims.

For the purpose of impairment assessment, the recoverable amount of the FTX Deposit 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 Claims.

Based on the result of the provision assessment, a reversal of impairment loss of HK\$78,810,000 (six months ended 31 March 2023: a provision of impairment loss of HK\$99,410,000) has been recognised in profit or loss for the six months ended 31 March 2024.

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 US\$19,500,088.87 (equivalent to approximately HK\$152,219,643.73). As at the date of this announcement, the said disposal has not yet been completed.

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

As at the reporting date, the aging analysis of trade receivables, based on invoice date, is as follows:

	At 31 March 2024 HK\$'000 (Unaudited)	At 30 September 2023 HK\$'000 (Audited)
0–60 days	15,309	1,484
61–90 days	–	1,005
91–120 days	64	1,007
More than 120 days	<u>1,186</u>	<u>994</u>
	<u>16,559</u>	<u>4,490</u>

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

The aging analysis of the Group's trade receivables, based on due date, is as follows:

	At 31 March 2024 HK\$'000 (Unaudited)	At 30 September 2023 HK\$'000 (Audited)
Neither past due nor impaired	5,854	747
0–60 days past due	9,455	1,005
61–90 days past due	64	1,007
91–120 days past due	62	994
Over 120 days past due	<u>1,124</u>	<u>737</u>
	<u>16,559</u>	<u>4,490</u>

Trade receivables that were past due but not impaired related to a large number of customers for whom there has been no recent history of default. Based on the 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.

13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each Share	Amount HK\$'000
Authorised:		
At 1 October 2022, 30 September 2023, 1 October 2023 and 31 March 2024	<u>500,000,000</u>	<u>500</u>
Issued and fully paid:		
At 1 October 2022 (Audited), 30 September 2023 (Audited) and 1 October 2023	308,960,665	309
Issue of shares (<i>note (i)</i>)	<u>157,000,000</u>	<u>157</u>
At 31 March 2024 (Unaudited)	<u>465,960,665</u>	<u>466</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 have been issued on 10 October 2023. Approximately HK\$157,000 representing the par value of 157,000,000 new ordinary shares were credited to share capital from capital reserve. In addition, HK\$324,448,000 representing the difference between the subscription price and the par value was credited to share premium from capital reserve.

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

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

14. EVENTS AFTER THE REPORTING PERIOD

As disclosed in the Company’s announcement dated 24 May 2024, the Group entered into a sale and purchase agreement with a third party to dispose the entire interest in FTX Claims at a consideration of US\$19,500,088.87, which shall be payable by the purchaser to the Group in cash upon completion of the disposal, details of which are set out in the Company’s announcement dated 24 May 2024.

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. Since Mr. Du Jun is the chief executive officer and an executive director of the Company and therefore is a connected person of the Company under Chapter 14A of the Listing Rules, transactions contemplated under Subscription Agreement I constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

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.

Terms defined above would have the same meaning as those defined in the announcement of the Company dated 26 April 2023.

For details, please refer to the announcements of the Company dated 26 April 2023, 30 June 2023, 28 July 2023 and 10 October 2023, and the circular of the Company dated 6 July 2023.

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.

Grant of Share Options

On 16 October 2023, subject to acceptance of the grantees, an aggregate of 25,400,000 shares options to subscribe for 25,400,000 ordinary shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.89 per share of the Company, under the share option scheme adopted by the Company on 27 October 2016 and amended on 17 November 2020, 30 March 2023 and 28 July 2023 respectively.

For details, please refer to the Company's announcement dated 16 October 2023.

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

On 25 August 2023 (after trading hours of the Stock Exchange),

- (i) 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) 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 USD6,624,740.00 (equivalent to approximately HK\$52,002,023.00).

Since Mr. Li Lin was interested in approximately 40.47% of the issued shares of the Company as at the date of entering into the Disposal Agreements, he was therefore a connected person of the Company under Rule 14A.07 of the Listing Rules. As Avenir Cayman Holding Limited was ultimately controlled by Mr. Li Lin, Avenir Cayman Holding Limited was an associate of Mr. Li Lin and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of entering into the Disposal Agreements, Vendor II was a wholly owned subsidiary of the Company. Hence, the transactions contemplated under the Disposal Agreements constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

The Directors considered that the remaining business of the Group after the Disposal, including cryptocurrency trading, provision of technology solution services and provision of asset management services through its licensed corporation in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “SFO”), had constituted the major source of revenue for the Group from 2022. The Group expected that the above restructuring could reduce its debt burden and allow the Group to focus its resources on other core business given the current financial position. The Group expected that the Disposal would not have a material effect on the Group’s business operation.

At the extraordinary general meeting of the Company held on 7 December 2023, all the proposed resolutions as set out in the notice of the extraordinary general meeting dated 17 November 2023 were duly passed by the Shareholders by way of poll.

On 11 January 2024, the disposal of HBTPower Limited was completed. On 9 February 2024, the disposal of New Huo Solutions Limited was completed. On 12 March 2024, the disposal of HBTPower Inc. was completed.

Upon completion of the said disposal, the three target companies, namely HBTPower Limited, New Huo Solutions Limited and HBTPower Inc. (collectively, the “**Target Companies**”) ceased to be subsidiaries of the Company. Accordingly, the financial results of each of the Target Companies were no longer consolidated into the consolidated financial statements of the Company. 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 and the terms defined above have the same meanings as those defined therein.

Update on the FTX incident and its impact on the Group’s financial position

On 14 November 2022, Hbit Limited, a wholly-owned subsidiary of the Company, had a balance of approximately USD18.1 million cryptocurrencies deposited in cryptocurrency exchange FTX (“FTX”), out of which approximately USD13.2 million was client’s asset based on the clients’ trading request and approximately USD4.9 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 be able to be withdrawn from FTX (the “**Incident**”).

The Company had performed impairment assessment on the FTX Deposits and concluded that the recoverable amount of the FTX Deposits (the “**Recoverable Amount**”) 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 Claims. 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 amounts.

During the Period 2024, a reversal of impairment loss of HK\$78,810,000 has been recognised in profit or loss based on the re-assessment.

In order to preserve the value of the FTX Deposits, the Company began to search for buyers to purchase the FTX Claims. 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 US\$19,500,088.87 (equivalent to approximately HK\$152,219,643.73). As at the date of this announcement, the said disposal has not yet been completed. Upon completion, the Group will adjust the provision of impairment loss and recognised a gain with reference to the actual Recoverable Amount.

For details, please refer to the Company's announcements dated 14 November 2022, 22 February 2024 and 24 May 2024.

PERFORMANCE REVIEW

The Group recorded a total revenue of approximately HK\$655.6 million for the six months ended 31 March 2024 (“**Period 2024**”), representing a decrease of approximately 72.6% or HK\$1,741.5 million from approximately HK\$2,397.1 million for the six months ended 31 March 2023 (“**Period 2023**”).

The gross profit of the Group was approximately HK\$32.1 million for Period 2024 as compared to the gross loss of approximately HK\$14.4 million for Period 2023.

The Group recorded a net profit of approximately HK\$101.2 million for Period 2024 compared to the net loss of approximately HK\$232.4 million for Period 2023.

Basic and diluted earnings per share of the Group for Period 2024 was HK21.42 cents (Period 2023: basic and diluted loss per share of HK78.17 cents).

BUSINESS REVIEW

Provision of technology solution services

The Group, through Sinohope Digital Limited which is a company with limited liability incorporated under the laws of Seychelles and a wholly-owned subsidiary of the Company, provides technology solution to global customers in blockchain, virtual assets, as well as other innovative technology sectors. The technology solution services include data centre service, cloud-related service, and Software-as-a-service.

The technology solution business dropped and has a revenue of approximately HK\$2.9 million during Period 2024 compared to approximately HK\$7.1 million for Period 2023. The decrease is mainly due to the disposal of Win Techno Inc., which is a company with limited liability incorporated under the laws of Japan and principally engages in provision of data centre and cloud-based services, in November 2022.

Virtual asset ecosystem

(i) *Asset management*

The Group has commenced and carried on asset management businesses through Sinohope Asset Management (Hong Kong) Limited (“**Sinohope Asset Management**” and formerly known as “**New Huo Asset Management (Hong Kong) Limited**”). Sinohope Asset Management was incorporated in Hong Kong with limited liability for carrying on businesses in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under 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.

As at 31 March 2024, Sinohope Asset Management is managing six funds containing virtual assets, namely BitMind Trend Fund SP, Evolving Investment Crypto Multi-Strategy Fund SP, SINOHOPE Multi Strategy Crypto Fund SP, two private equity funds for blockchain mining related businesses and one private equity fund for blockchain/web3 businesses. Sinohope Asset Management also provides consulting service in relation to asset management and fund management. Sinohope Asset Management only provides services to professional investors, as defined in the SFO and its subsidiary legislation.

During the Period 2024, the revenue generated from the provision of asset management services and consultancy services was approximately HK\$17.2 million and HK\$0.8 million respectively. As at 31 March 2024, the value of asset under management amount to approximately US\$81.8 million.

(ii) *Trust and custodian business*

This type of business was being carried out through Sinohope Trust Company Limited (the “**Sinohope Trust HK**“ which was formerly known as “**New Huo Trust Company Limited**”) and Sinohope Digital Limited during Period 2024.

Sinohope Trust HK, a company incorporated in Hong Kong and an indirect 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 trust and custody services provided by the Group include the safekeeping, settlement and other customised services of its clients’ assets.

Sinohope Digital Limited, a company incorporated in Seychelles and an indirectly wholly-owned by 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). During Year 2024, 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 tens of millions of users and help businesses develop rapidly.

During the Period 2024, the revenue generated from the provision of custodial services was approximately HK\$0.4 million. The types of assets custodied under the business include virtual asset, fiat currency, financial instrument or any type of other assets.

(iii) Virtual asset lending and cryptocurrency trading business

During the Period 2024, the Group has provided (i) virtual asset lending business to clients and the Group received virtual assets collateral under its virtual asset lending arrangements with clients; (ii) over-the-counter (the “**OTC**”) virtual asset trading business to trade virtual assets with corporate and individual customers through its trading platforms; and (iii) trade virtual assets in cryptocurrency exchange. The revenue and lending management services income generated from the virtual asset lending and trading business has an aggregate amount of approximately HK\$0.7 million.

The OTC trading business generates income through trading spreads from clients who buy and/or sell virtual assets through our platform. Current clients include high-net-worth-individuals and professional investors.

The revenue from cryptocurrency trading business is approximately HK\$621.0 million and the Group recognised a gross profit of approximately HK\$7.7 million during the Period 2024, compared to a gross loss of approximately HK\$14.8 million for Period 2023.

(iv) Virtual asset mining-related business

The Group had its own compliant virtual asset mining-related business including but not limited to investing in virtual asset mining related fund. During the Period 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 was 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 and recorded a share of profit of approximately HK\$5.1 million for the Period 2024.

New Huo Solutions invested in New Era Pioneer Mining Fund 1 LPF (the “**New Era Fund**”) which is 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). The New Era Fund recorded a profit of approximately HK\$5.2 million during the Period 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.

NON-OPERATING EXPENSES OVERVIEW

Other income and losses

Other Income and losses, which includes government grants, loss on disposal of subsidiaries, impairment losses, sundry income and interest income, has decreased by approximately HK\$3.8 million from other losses of approximately HK\$4.0 million for Period 2023 to other losses of approximately HK\$0.2 million for Period 2024. The decrease was mainly due to the decrease of loss on disposal of subsidiaries.

Administrative expenses

Administrative expenses have decreased by approximately HK\$51.7 million or 48.9% from approximately HK\$105.8 million for Period 2023 to approximately HK\$54.1 million for Period 2024, which was due to the continuous optimisation of company cost management.

Finance costs

Finance costs have decreased by approximately HK\$3.4 million or 42.4% from approximately HK\$8.1 million for Period 2023 to approximately HK\$4.7 million for Period 2024, which was due to the decrease of other borrowings.

Profit/(loss) before income tax

The Group’s profit before income tax for Period 2024 was approximately HK\$99.3 million as compared to the loss before income tax of approximately HK\$219.9 million for Period 2023. The profit before income tax was due to the reversal of provision of impairment loss of approximately HK\$78.8 million in relation to the failure to withdraw cryptocurrency assets from crypto exchange FTX as disclosed in the Company’s announcement dated 14 November 2022, 22 February 2024 and 24 May 2024.

Income tax credit

Income tax credit increased from approximately HK\$1.2 million for Period 2023 to approximately HK\$1.9 million for Period 2024, representing an increase of approximately HK\$0.7 million.

Profit/(loss) after income tax

The Group's profit after income tax for Period 2024 was approximately HK\$101.2 million as compared to the loss after income tax from continuing operations of approximately HK\$218.7 million for Period 2023.

Dividend

The Directors do not recommend the payment of an interim dividend for Period 2024 (Period 2023: 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 31 March 2024, together with the position as at 30 September 2023 is summarised below:

	At 31 March 2024 <i>HK\$'000</i>	At 30 September 2023 <i>HK\$'000</i>
Cash and cash equivalents	44,853	320,161
Less: Other borrowings	<u> –</u>	<u> (467,205)</u>
Net cash	<u><u> 44,853</u></u>	<u><u> (147,044)</u></u>

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

As at 31 March 2024, the Group do not have any borrowings (As at 30 September 2023, the effective interest rate on the Group's floating rate borrowing ranges from 2.1% to 4.1% per annum).

CASH FLOW FROM OPERATING ACTIVITIES

Net cash used in operating activities was approximately HK\$52.3 million for Period 2024 (Period 2023: net cash used in operating activities was approximately HK\$164.1 million). The decrease in cash outflow in Period 2024 was due to the Company's cost management initiative.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash generated from investing activities was approximately HK\$0.7 million for Period 2024 compared to net cash used in investing activities of approximately HK\$68.3 million for Period 2023. The inflow for Period 2024 mainly resulted from interest received from bank deposits and bank balances.

CASH FLOW FROM FINANCING ACTIVITIES

Net cash used in financing activities was approximately HK\$223.0 million for Period 2024 compared to approximately HK\$37.4 million used in financing activities for Period 2023. The outflow for Period 2024 was mainly due to repayment of loan from a related company.

CAPITAL EXPENDITURE

Capital expenditure in Period 2024, financed by internal resources and credit facilities, amounted to approximately HK\$24,000 (Period 2023: HK\$63 million).

TREASURY MANAGEMENT

During Period 2024, there has been no material change in the Group's funding and treasury policies. The Group had a sufficient level of cash and banking facilities 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 Period 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

The Company has no outstanding borrowings as at 31 March 2024 (30 September 2023: HK\$467.2 million). As at 31 March 2024, the Group's gearing ratio was 0% (30 September 2023: 218.5%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period.

CHARGES ON GROUP ASSETS

As at 31 March 2024, there were no other material charges on group assets (30 September 2023: 238,027 filecoins with carrying amount of approximately HK\$10,596,000 were pledged for cryptocurrency mining business).

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During Period 2024, save as disclosed above, there were no other material acquisitions or disposals of subsidiaries and associated companies by the Group.

CONTINGENT LIABILITIES

As at 31 March 2024, 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 28.7% and 64.6% of total revenue of the Group for the Period 2024.

Purchases from the largest supplier and the five largest suppliers respectively accounted for 30.2% and 67.9% of total purchases of the Group for Period 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.

COMMITMENTS

As at 31 March 2024, the Group did not have any capital commitments in respect of purchase of property, plant and equipment (30 September 2023: HK\$Nil).

RISK RELATED TO VIRTUAL ASSETS AND RELATED VIRTUAL ASSET BUSINESS

The fast-developing nature of virtual 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 to the virtual 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 virtual assets, fluctuation of asset prices, compliance, and the ever-evolving nature of the markets. As the industry is in a growing 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 ASSETS

The Group maintains virtual 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 due to the fact they are connected to the public internet. Also, the virtual assets that kept in other crypto exchanges may have recovery risk if the crypto exchanges go bankrupt. To mitigate such risks, the Group has implemented guidelines and risk control protocols to adjust the level of virtual assets maintained in “hot” wallets and other crypto exchanges. The Group has implemented appropriated security controls and has risk mitigation processes in place.

PRICE RISK OF VIRTUAL ASSETS

The Group received cryptocurrencies collateral under lending arrangements with counterparties. Since the Group is able to utilise such collateral for its own economic benefits, it is recorded as cryptocurrencies of the Group with a corresponding liability due to the counterparties recorded, under liabilities due to counterparties measured at fair value through profit or loss in non-current or current liabilities. The Group also held cryptocurrencies itself. 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 the Period 2024, the Group has provided trust and custody services to its clients. Any person who carries on a trust business in Hong Kong has 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).

FOREIGN CURRENCY RISK

The Group's principal operating subsidiaries carry out their operations in USA, Hong Kong, the Mainland China and Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies with regard to the sale and purchase of products. As a consequence, certain trade receivables and borrowings are denominated in foreign currencies. During Period 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 foreign exchange contracts to minimise any currency exposure risks, when necessary.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group had 79 employees (30 September 2023: 87 employees) working in the Mainland China, HKSAR, and Singapore. The total employment costs (including Directors' remuneration and mandatory provident fund contributions) for Period 2024 amounted to approximately HK\$33.9 million (Period 2023: HK\$62.2 million). The decrease in staff cost was mainly due to the reduction of the number of employees and the decrease of severance fee payment. The Company's remuneration policy is set out by the remuneration committee of the Company on the basis of the employees' merit, qualifications and competence. The Group has also adopted certain bonus programs, which are determined annually based on certain criteria including performance of the Company and individual employees. Other benefits including share option schemes, insurance policies, retirement benefit plans are offered to eligible employees.

EVENTS AFTER THE REPORTING PERIOD

Disclosable transaction in relation to disposal of FTX Claim

On 24 May 2024, Hbit limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Ceratosaurus Investors, L.L.C., an independent third party of the Company, in relation to the disposal of the entire interest in FTX claim at a consideration of US\$19,500,088.87 (equivalent to approximately HK\$152,219,643.73) representing approximately 107.8% of original amounts of the FTX Claim. Upon the receipt of such payment by the Seller, the completion shall take place and the relevant evidence of transfer and the power of attorney shall become effective.

For details, please refer to the Company's announcements dated 14 November 2022, 22 February 2024, and 24 May 2024.

OUTLOOK

In 2024, we will continue to utilize the expertise and experience of Sinohope Tech in the aspects of virtual asset custody core technology and compliant virtual asset fund management. For the purposes of providing customers with more professional one-stop virtual asset services experience and establishing a leading profile of Sinohope Tech 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 innovative development of one-stop product solutions, comprehensive deepening of compliant asset management business and diversified development of public chain ecosystem.

In the aspect of virtual asset custody and transaction, Sinohope Tech will integrate the one-stop product solutions, expand the business scope of TCSP compliant custody and activate the virtual asset custody and transaction services to enable customers to complete all the business procedures via one product entry. Sinohope Tech will provide customers with comprehensive procedure service from deposit and withdrawal and asset custody to asset management through the integration of upstream and downstream products.

In the aspect of virtual asset custody technology, Sinohope Tech 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.

In the aspect of compliant asset management business, with the compliant license, Sinohope Tech will continue to optimize the virtual asset fund product mix of Sinohope Asset Management in order to provide a more diversified virtual asset investment fund portfolio for customers. Furthermore, Sinohope Asset Management will also continue to deepen cooperation on the innovation of ETF product diversification with the spot virtual asset ETF issuers in Hong Kong, bringing customers regularized, safe and smooth investment experience.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules. Specific enquiries have been made of all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during Period 2024 and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

During the Period 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 Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) comprises three independent non-executive Directors, namely Mr. Yip Wai Ming (Chairman), Mr. Yu Chun Kit and Dr. LAM, Lee G., *BBS, JP*.

The principal duties of the Audit Committee include the review and supervision of the Group’s financial reporting systems and internal control procedures and review of the Group’s financial information. The Interim Financial Statements of the Group for the six months ended 31 March 2024 have been reviewed by the Audit Committee.

PUBLICATION OF RESULTS ANNOUNCEMENT AND THE INTERIM REPORT

This results announcement is available for viewing on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and on the website of the Company (www.sinohope.com). The Company's interim report for the six months ended 31 March 2024 will be dispatched to the shareholders of the Company and will be published on the above websites in due course.

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

Hong Kong, 27 May 2024

As at the date of this announcement, the Board comprises (1) Mr. Li Lin as a non-executive Director; (2) Mr. Du Jun 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.