

Business Valuation Report

Our Reference Code

BV9895-2306

Client Company Name

Sinohope Technology Holdings Ltd

Subject of Valuation

Fair Value of 100% Equity Interest and Amount Due to the Related Companies in New Huo Solutions Limited, 80% Equity Interest and Amount Due to the Related Companies in HBTPower Limited and 80% Equity Interest in HBTPower Inc

Report Date

17 November 2023

Valuation Date

31 March 2023

Standard

HKFRS 13 / IFRS 13 - Fair Value Measurement



Machine Learning



Global Thinking



Problem Solving



AI Valuation



Technology

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17 November 2023

Sinohope Technology Holdings Ltd
Unit 702-3, 7/F,
100 Queen's Road, Central,
Central, Hong Kong

Dear Sir/Madam,

Valuation of Fair Value of 100% Equity Interest and Amount Due to the Related Companies in New Huo Solutions Limited, 80% Equity Interest and Amount Due to the Related Companies in HBTPower Limited and 80% Equity Interest HBTPower Inc

In accordance with the instructions from Sinohope Technology Holdings Ltd (the "Company"), we have been engaged by the Company to assist to determine the fair value ("Fair Value") of following subject of valuation (the "Subject of Valuation") as at 31 March 2023 (the "Valuation Date") for transaction reference purpose.

- 100% Equity Interest and Amount Due to the Related Companies in New Huo Solutions Limited (the "Target Company 1") which comprises of 4 target investments (the "Target Investments"):
 - 1) 96.61% equity interest in Sinohope Investment SPC-Multi-Strategy Fund ("Target Investment 1")
 - 2) 100% equity interest in New Era Pioneer Mining Fund 1 LPF ("Target Investment 2")
 - 3) Capital investment in New World Pioneer Mining Fund 1 LPF ("Target Investment 3")
 - 4) 92,908 Preferred Share in SR Saphirstein AG ("Target Investment 4")
- 80% Equity Interest and Amount Due to the Related Companies in HBTPower Limited (the "Target Company 2"); and
- 80% Equity Interest in HBTPower Inc (the "Target Company 3").

In the following valuation, The Target Company 1, Target Company 2 and Target Company 3 are collectively referred to as target group (the "Target Group").

Our analyses are substantially based on the information provided to us by the existing management of the Company (the "Management"). It is our understanding that our analyses, and the subsequent appraised estimation of Fair Value (as defined in the section Standard and Basis of Value), will be used by the Management solely for their purpose of transaction reference. Our analyses were conducted for the above stated purpose. As such, this report should not be used by the Company for any other purpose other than those that are expressly stated herein without our expressed prior written consent.

The approaches and methodologies used in our work did not comprise an examination to ascertain whether the Company or the Target Group's presented financial information were constructed in accordance with generally accepted accounting principles. The objective of the aforesaid examination is of course to determine whether

existing current financial statements or other financial information, historical or prospective, which are provided to us by the Management, are being expressed as a fair presentation of the Target Group's financial position. As such, we express no opinion and accept no responsibility on the accuracy and/or completeness of the historical and projected financial information of the Target Group, and of the marketing materials or other data provided to us by the Management.

Our conclusion on Fair Value do not constitute nor shall they be construed to be an investment advice or an offer to invest. Prior to making any decisions on any investments, a prospective investor should independently consult with their own investment, accounting, legal and tax advisers to critically evaluate the risks, consequences, and suitability of such investment.

Valtech Valuation Advisory Limited, and each of its staff involved in this valuation report, is independent of the Group, the Purchaser and its connected persons.

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SCOPE AND PURPOSE OF ENGAGEMENT

We were engaged by the Management to assist to determine the Fair Value of the equity interests in the Target Group as at the Valuation Date. It is our understanding that our analysis will be used by the Management solely for their transaction reference purpose.

STANDARD AND BASIS OF VALUE

This valuation was prepared on the basis of Fair Value. In accordance with HKFRS 13 / IFRS 13 - Fair Value Measurement, Fair Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When appropriate, we might also make cross reference to the International Valuation Standards (“IVS”) published by the International Valuation Standards Council. The IVS details the general guideline on the basis and valuation approaches used in valuation.

PREMISE OF VALUE

Premise of value relates to the concept of valuing a subject, i.e., a business, in a manner which would generate the greatest return to the owner, taking account what is physically tangible, financially feasible, and legally permissible. Premise of value includes the following scenarios:

Highest and Best Use:	is the use that would produce the highest and best use for an asset, and it must be financially feasible, legally allowed and result in the highest value;
Current Use/Existing Use:	is the current way an asset, liability, or group of assets and/or liabilities is used, maybe yet not necessarily the highest and best use;
Orderly Liquidation:	describes the value of a group of assets that could be realized in a liquidation sale, given a reasonable period of time to find a purchaser/(s), with the seller being compelled to sell on an as-is, where-is basis; and
Forced Sale:	is in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence.

After having reviewed all background and financial information and taken into consideration all relevant facts, valuation of the Subject of Valuation should be prepared on a “Highest and Best Use” basis.

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LEVEL OF VALUE

Current valuation theories suggest that there are at least four basic “levels” of value applicable to a business or business interest. The four most common levels of value are as follows:

Controlling Interest:	Value of the controlling interest, always evaluate an enterprise as a whole;
Non-controlling Interest:	Value of the non-controlling interest of a business;
As if Freely Tradable Interest:	Value of a business that or business interest enjoys the benefit of market liquidity; and
Non-marketable Interest:	Value of a business that or business interest lacking market liquidity.

After having reviewed all background and financial information and take into consideration all relevant and objective facts, we reasonably believe Subject of Valuation should be valued and reported in this valuation as a Controlling Interest and Non-marketable Interest.

ECONOMIC OVERVIEW

To substantiate the economic background of the country where the Target Group with principal place of business is located, we have reviewed the economic condition of Hong Kong where the Target Group will derive its future income from.

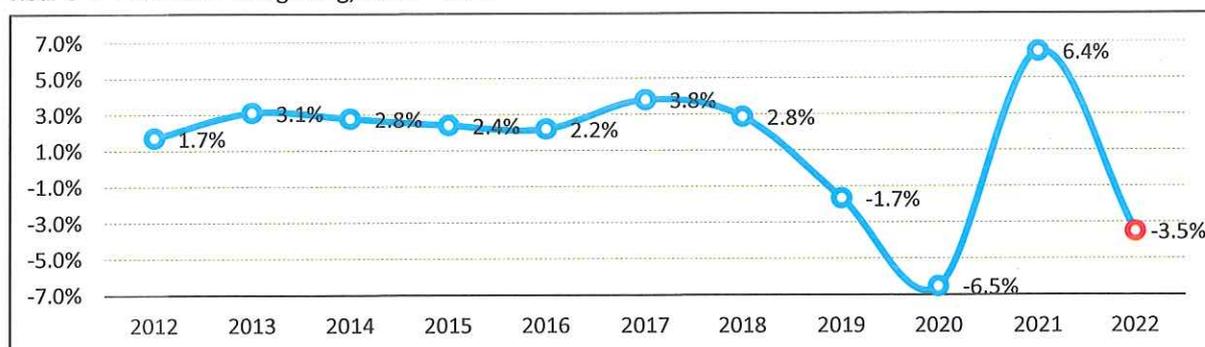
Economic Overview of Hong Kong

Hong Kong is widely recognized as the world’s freest economy and most services-oriented economy, with services sectors accounting for more than 90% of Gross Domestic Product (“GDP”). Hong Kong is an important financial center in the Asia Pacific and the 6th leading global financial center, according to the Global Financial Centre Index. Hong Kong is also a global offshore RMB business hub and largest offshore RMB clearing center sharing about 74% of the world’s RMB payments.

GDP Growth in Hong Kong

Hong Kong’s economy contracted visibly by over 4% year on year in the second half of 2022. The economic contraction mainly reflected sizeable declines in merchandise exports and aggregate investment along with a weaker global economy and tightened financial conditions. Private consumption was supportive to growth, and exports of services improved slightly following the relaxation of the compulsory quarantine requirements for overseas visitors since late September 2022. For 2022 as a whole, real GDP fell by 3.5%, contrasting with the 6.4% growth in 2021, according to World Economic Outlook Database published by International Monetary Fund (“IMF”). Riding on the reopening of Mainland China and Hong Kong, economic growth for 2023 is expected to recover from a low base. IMF forecasts the economy would grow by 3.5% and 3.1% in 2023 and 2024 respectively.

Real GDP Growth in Hong Kong, 2011 – 2022



Source: World Economic Outlook Database (April 2023), International Monetary Fund

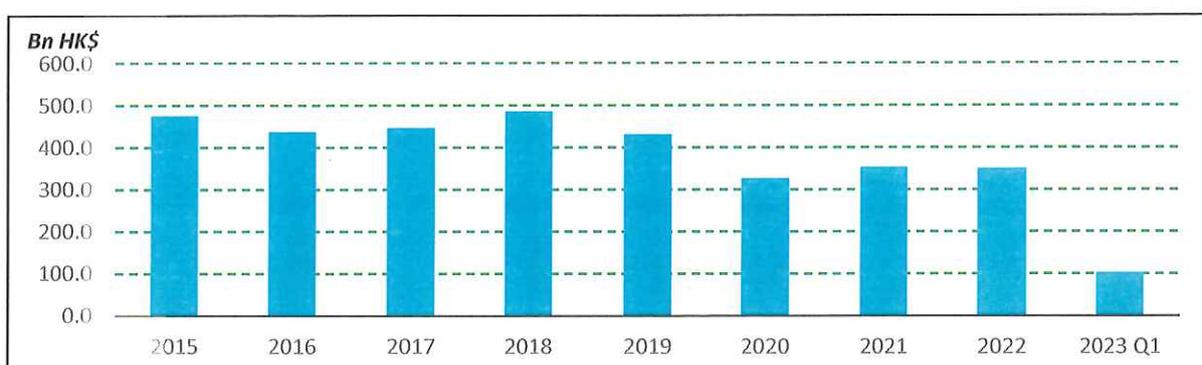
Real GDP Annual Growth Rate and Inflation Forecasts of Hong Kong

	2023F	2024F	2025F	2026F	2027F
Real GDP Annual Growth Rate (%)	3.5	3.1	2.9	2.8	2.7
Inflation (%)	2.3	2.4	2.4	2.5	2.5

Source: World Economic Outlook Database (April 2023), International Monetary Fund

Visitor arrivals have picked up especially after Mainland China’s reopening since January 2023, and inbound tourism is still likely to take time to recover. The value of retail sales, in nominal terms, contracted by 0.9% year-on-year in 2022 over a year earlier.

Retail Sales in Hong Kong, 2015 – 2023 Q1

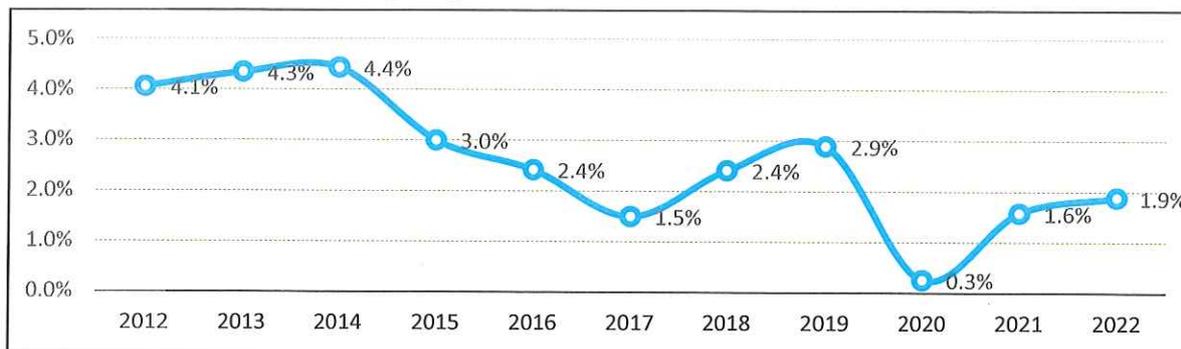


Source: Census and Statistics Department of Hong Kong

Inflation

Local inflationary pressures remained moderate in 2022. The year-on-year underlying composite consumer price index (“CCPI”) increased by 1.8% in both the third and fourth quarters of 2022, mainly driven by prices of energy-related items, food, clothing, and footwear. Inflation momentum, as measured by the annualized three-month-on-three-month underlying inflation rate, also stayed mild recently. In conjunction with the soft housing market, the housing rental component of the CCPI has exerted downward pressure on overall inflation. In the near term, local inflation is expected to edge up, but should stay mild, reflecting offsetting forces. For 2023, the Government projects the underlying inflation rate to be 2.0% and the estimates by IMF analysts was around 2.3%.

Year-over-Year CPI Inflation in Hong Kong, 2012 – 2022

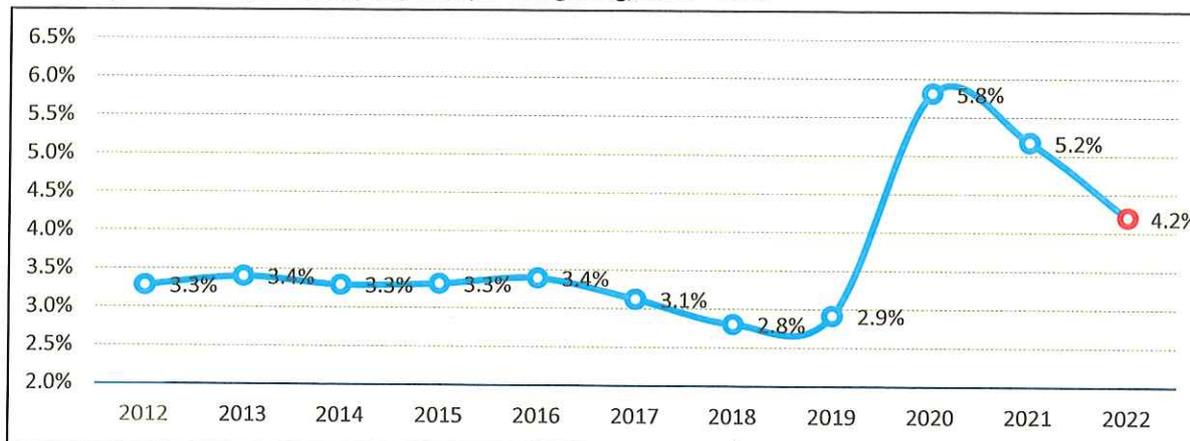


Source: World Economic Outlook Database (April 2023), International Monetary Fund

Labour Market Conditions

Alongside the further relaxation of social distancing measures, local labour market conditions continued to improve in the second half of 2022 and early 2023. The seasonally adjusted unemployment rate declined further to 3.3% in February 2023. Total employment also rebounded from a recent low in May 2022, albeit still below its pre-pandemic level. Looking ahead, the labour market is likely to improve further as local economic activities return to normal.

Unemployment Rate (Seasonally Adjusted) in Hong Kong, 2012 – 2022



Source: World Economic Outlook Database (April 2023), International Monetary Fund

Monetary Policy

The Hong Kong dollar softened during the review period amid risk-off sentiment in the local equity market and concerns over US monetary policy normalisation. With abundant Hong Kong dollar liquidity, the HIBORs continued to stay at low levels. Overall, the Hong Kong dollar exchange and money markets continued to trade in a smooth and orderly manner. In the near term, while the expectation of a stronger US dollar along with the Fed’s hawkish shift in its monetary policy outlook, the pandemic and the rising geopolitical tensions may heighten the volatility in fund flows, Hong Kong is well-positioned to withstand the volatility given its ample foreign reserves and robust banking system.

Government Initiatives

The Financial Secretary, Mr. Paul Chan, unveiled his 2023-24 Budget on 22 February 2023. Below are some highlights:

- Issue electronic consumption vouchers with a total value of HK\$5,000 by instalment to each eligible Hong Kong residents.
- Provide additional funding of HK\$550 million in total to the HKTDC in the five financial years starting from 2023-24 to facilitate Hong Kong entrepreneurs in seizing opportunities arising from the B&R Initiative and the GBA development and tapping into emerging markets.
- Further inject HK\$500 million into the Branding, Upgrading and Domestic Sales (BUD Fund) and launch "BUD Easy" to expedite the processing of applications.
- \$6 billion for universities and research institutes to set up thematic research centres related to life and health technology.
- Establish a Microelectronics Research and Development Institute to enhance collaboration among universities, R&D centres, and the industry, expediting "1 to N" transformation.
- Step up investment in technology start-ups, the HKSTPC will inject HK\$400 million into its Corporate Venture Fund.
- Earmark HK\$265 million for Cyberport to launch a dedicated incubation programme for smart living startups, under which a maximum grant of HK\$500,000.
- Provide \$100 million to InvestHK to attract more family offices to Hong Kong.
- Plan to issue no less than HK\$50 billion of Silver Bond and HK\$15 billion of retail green bonds in the next financial year.
- Introduce a listing regime for advanced technology companies in the first quarter of 2023.
- Set up a Green Technology and Finance Development Committee to formulate an action agenda covering green technology, green finance, green standard certification, etc.
- Allocate more than \$150 million to support Hong Kong artists in taking part in performances and productions in the GBA, and to organise the GBA Culture and Arts Festival in 2024.
- Inject an additional HK\$500 million into the CreateSmart Initiative ("CSI") to support the development of creative industries.

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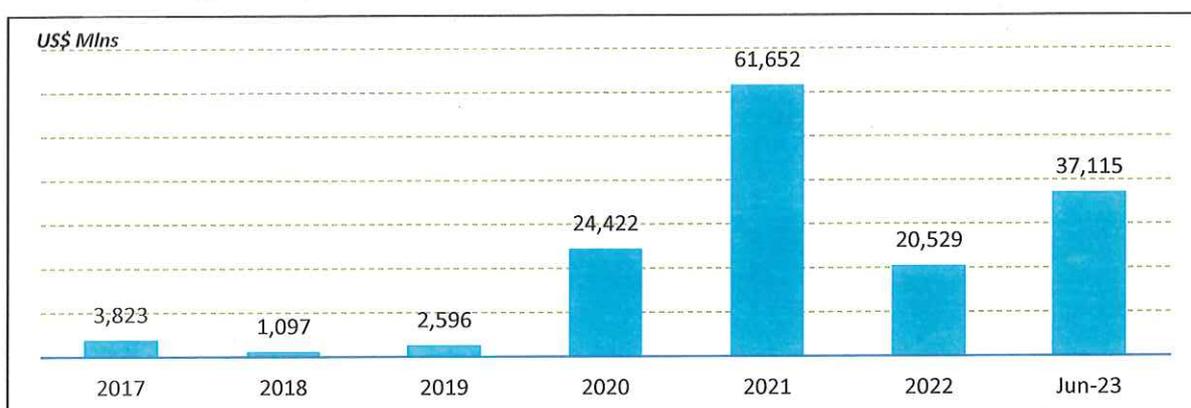
INDUSTRY OVERVIEW

Virtual Asset Mining-related Business

Crypto Funds are investment vehicles that specialize in allocating capital to digital assets, including cryptocurrencies like Bitcoin, Ethereum, and other blockchain-based tokens. These funds provide individuals, institutional investors, and even traditional asset managers with an avenue to gain exposure to the crypto market while delegating the complexities of managing digital assets to experienced professionals.

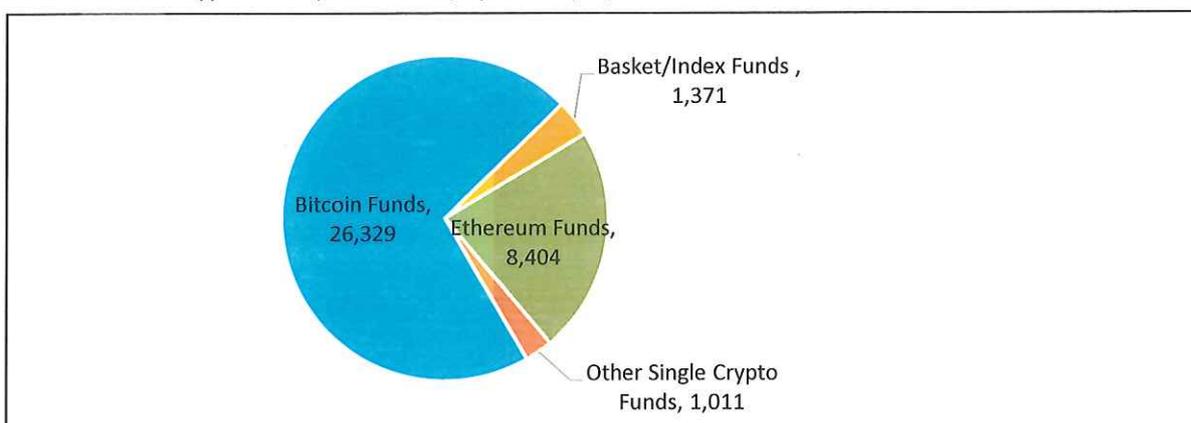
In recent years, Crypto Funds have emerged as a significant player in the global financial landscape, offering investors exposure to the rapidly growing world of cryptocurrencies. Propelled by increasing investor demand, rising institutional participation, and the maturation of cryptocurrency markets, the Crypto Fund industry has witnessed substantial growth. With reference to the data from Bloomberg, the total assets under management ("AUM") of global Crypto Fund have surged significantly and have reached 37.1 billion USD by June 2023.

AUM of Global Crypto Fund, 2017-June 2023



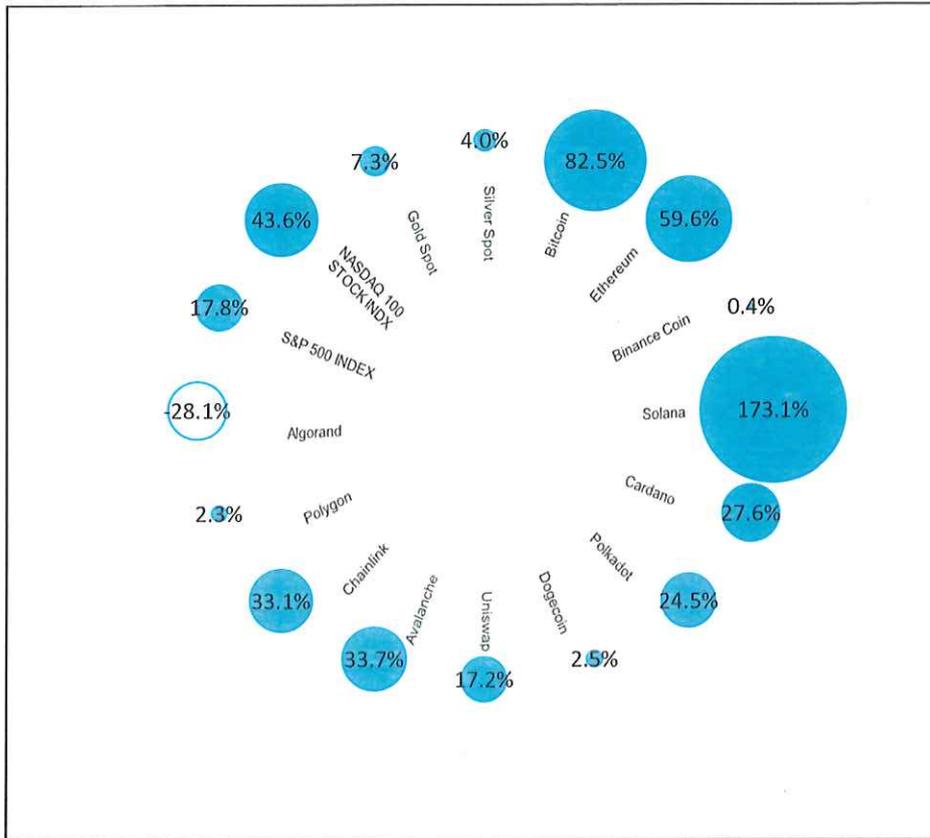
Source: Valtech Analysis, with reference to data from Bloomberg

AUM of Global Crypto Fund (Million USD) by Underlying Assets as at June 2023



Source: Valtech Analysis, with reference to data from Bloomberg

Year-to-Date Return of Different Asset Classes¹



Source: Valtech Analysis, with reference to data from Bloomberg

Types of Crypto Funds

The Crypto Fund industry encompasses a diverse range of funds, catering to different investor profiles and strategies. Some common types of Crypto Funds include:

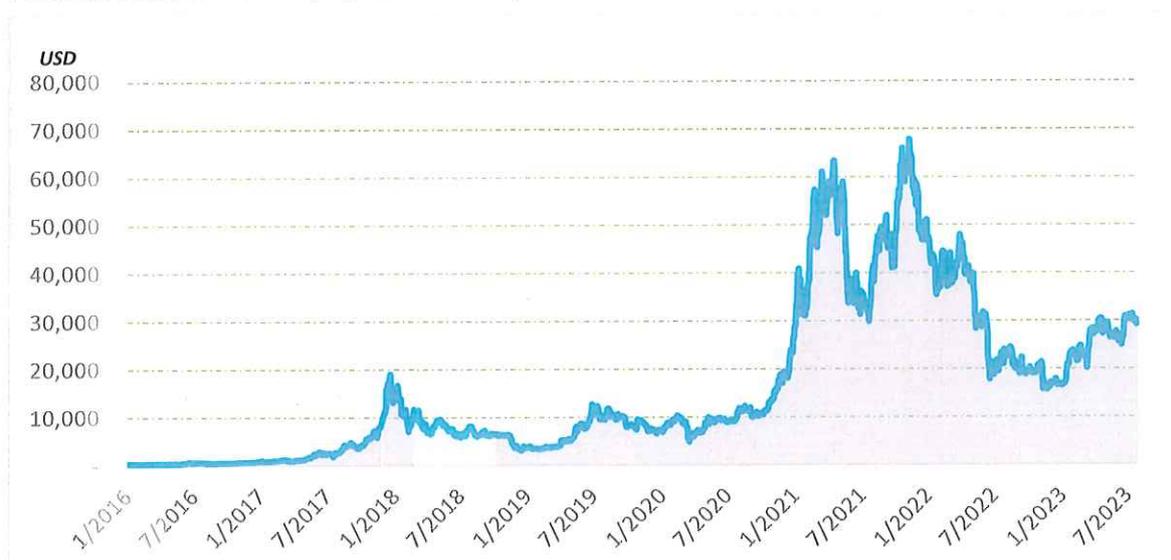
- **Cryptocurrency Hedge Funds:** These funds actively manage portfolios of digital assets, aiming to generate superior returns by leveraging various investment strategies such as long-term holdings, active trading, arbitrage, and algorithmic trading.
- **Venture Capital Funds:** These funds invest in early-stage blockchain and cryptocurrency-related startups, providing capital and expertise to fuel their growth. They seek to capitalize on the potential of emerging technologies and disruptive business models.
- **Index Funds:** Similar to traditional index funds, these Crypto Funds aim to replicate the performance of a specific cryptocurrency index or a diversified basket of digital assets. They provide investors with exposure to the overall market without active management.
- **Tokenized Funds:** These funds issue their own tradable tokens on blockchain platforms, representing ownership or shares in the fund. Tokenized funds enable fractional ownership, liquidity, and programmable features, offering increased accessibility to investors.

¹ As at 18 July 2023

Cryptocurrency Industry

As the underlying asset class for Crypto Funds, cryptocurrency offers unique opportunities and risks. It continues to innovate and evolve, driven by technological advancements, regulatory developments, and market demand. Cryptocurrencies, such as Bitcoin, Ethereum, and Litecoin, are decentralized digital currencies that utilize cryptographic techniques to secure transactions and control the creation of new units. Cryptocurrencies enable fast and borderless transactions. With internet access, individuals can participate in the cryptocurrency ecosystem from anywhere in the world, fostering financial inclusion and empowering unbanked populations.

Price Evolutions of Bitcoin Spot, Jan 2016 – July 2023



Source: Valtech Analysis, with reference to data from Bloomberg

The cryptocurrency market has experienced significant growth since the introduction of Bitcoin in 2009. Market capitalization, which represents the total value of all cryptocurrencies combined, has witnessed substantial expansion. While subject to fluctuations, the total market capitalization reached hundreds of billions of dollars, and at times, even trillions of dollars. The growth of the cryptocurrency market can be attributed to several factors, including increased public awareness, institutional adoption, regulatory developments, and technological advancements. The entry of institutional investors, such as hedge funds, asset managers, and major financial institutions, has brought additional liquidity and credibility to the market.

Regulatory Environment

The Crypto Fund industry operates in a complex and evolving regulatory environment. Authorities worldwide have been grappling with how to regulate cryptocurrencies and related investment vehicles. Regulations vary significantly across jurisdictions, ranging from outright bans to comprehensive frameworks governing the operation of Crypto Funds. In some countries, regulatory bodies have started to provide clarity and guidelines for Crypto Funds, which has helped foster investor confidence and attract institutional participation. However, regulatory uncertainties, compliance challenges, and the risk of regulatory changes remain significant considerations for both fund managers and investors.

Challenges and Risks

The Crypto Fund industry faces several challenges and risks that should be taken into account:

- **Volatility:** Cryptocurrency markets are known for their high volatility, which can lead to significant fluctuations in fund performance. This volatility poses risks but also provides opportunities for skilled fund managers to generate alpha.
- **Security:** The security of digital assets is paramount in the Crypto Fund industry. The risk of cyberattacks, hacking incidents, and fraudulent activities requires robust security measures, including secure custody solutions and best practices for safeguarding private keys.
- **Regulatory Uncertainty:** As mentioned earlier, the evolving regulatory landscape poses challenges for Crypto Funds. Changes in regulations or inconsistent global standards can impact fund operations and investor confidence.
- **Market Liquidity:** While cryptocurrency markets have improved in terms of liquidity, certain digital assets can still suffer from limited liquidity, especially during periods of market stress. This can affect the ability of funds to enter or exit positions at desired prices.

Outlook

The Crypto Fund industry is expected to continue evolving and expanding as cryptocurrencies become more mainstream and institutional investors seek exposure to digital assets. Increased regulatory clarity, the development of reliable infrastructure, and the introduction of innovative investment products are likely to attract a broader range of investors.

As the industry matures, we can expect to see greater institutional participation, improved risk management practices, and increased product diversification. Moreover, the integration of blockchain technology within traditional financial systems and the potential for decentralized finance (“DeFi”) could further shape the future of Crypto Funds and their role in the global financial landscape.

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COMPANY OVERVIEW

SINOHOPE TECHNOLOGY HOLDINGS LTD

Sinohope Technology Holdings Ltd (Vendor I), formerly New Huo Technology Holdings Ltd, is an investment holding company incorporated in the British Virgin Islands (“BVI”), whose shares are listed on the main board of the Stock Exchange. Sinohope Technology Holdings Ltd is principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian businesses and cryptocurrency trading and the contract manufacturing, on electronic manufacturing services basis, of a wide range of power-related electrical and electronic products.

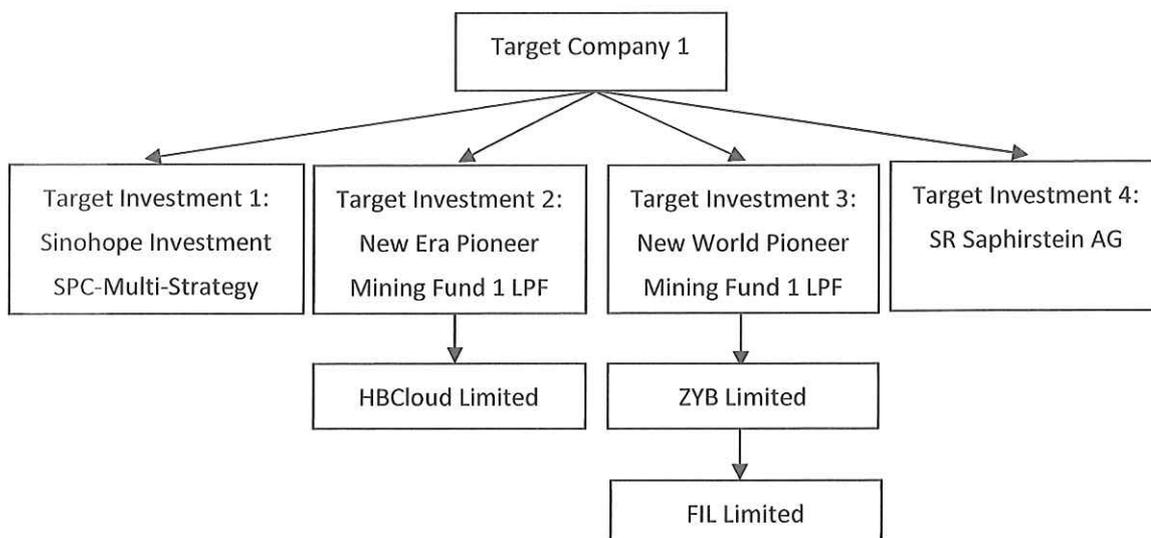
SINOHOPE DIGITAL SERVICE LIMITED

Sinohope Digital Service Limited (Vendor II) is a company incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company. It is primarily engaged in investing holding.

TARGET COMPANY 1: NEW HUO SOLUTIONS LIMITED

New Huo Solutions Limited is a direct wholly-owned subsidiary of the Company. It is an investment holding company and it comprises 4 Target Investments detailed as follows:

Holding Structure of Target Company 1



Sinohope Investment SPC-Multi-Strategy Crypto Fund SP (“Multi Strategy Fund”)

On 21 February 2022, New Huo Solutions Limited entered into a subscription agreement with Sinohope Investment SPC, pursuant to which New Huo Solutions Limited subscribed for the shares attributable to NH Multi Strategy Crypto Fund SP, a segregated portfolio of Sinohope Investment SPC, at a consideration of US\$15 million (equivalent to approximately HK\$117 million).

Sinohope Investment SPC is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability on 4 September 2020. The segregated portfolio consisted of cash and cryptocurrency assets acquired on the secondary market and principally invests in the Top 200 Coins and virtual assets futures,

including cryptocurrencies or derivatives that are linked to the Top 50 Coins. As at the Valuation Date, the Target Company 1 held 96.61% equity interests in the Multi Strategy Fund.

New Era Pioneer Mining Fund 1 LPF (“New Era Fund”)

New Huo Solutions invested in New Era Pioneer Mining Fund 1 LPF which is established for the purpose of making investment in the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was 249,992 Filecoin, which approximately USD4.8 million (equivalent to approximately HK\$37.5 million). As at the Valuation Date, the core investment of Target Investment 2 is the equity interest in HBCloud Limited.

HBCloud Limited (“HBCloud”)

HBCloud, a private company incorporated with limited liability in the British Virgin Islands and having its registered office at CCS Trustees Limited, Mandar House, 3rd Floor, Johnson’s Ghut, Tortola, British Virgin Islands. As at the Valuation Date, New Era Pioneer Mining Fund 1 LPF held Class B1 shares in the capital of HBCloud, while Cloud Fortune Limited held Class B2 shares in the capital of HBCloud. HBCloud is principally engaged in Filecoin mining. As at the Valuation Date, the core asset of HBCloud is the cryptocurrency, which is Filecoin.

New World Pioneer Mining Fund 1 LPF (“New World Fund”)

On 7 February 2022, New Huo Solutions entered into a subscription agreement with HB Venture Management Limited, invested in 100% equity interest in New World Pioneer Mining Fund 1 LPF. The Fund is established for the purpose of making investments in the industry of the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was USD10 million (equivalent to approximately HK\$78 million). As at the Valuation Date, the core investment of the Target Investment 3 is the equity interest in ZYB Limited.

On 4 March 2022, Chainup Technic Limited (“Chainup Technic”), an independent third party to the Company pursuant to which Chainup Technic also subscribed for partnership interest in the New World Fund at a consideration of USDT 10 million (equivalent to approximately HK\$78 million). Upon completion thereof, the partnership interest in the New World Fund held by New Huo Solutions Limited was diluted from 100% to 50%. As at 31 March 2023, the Target Company 1 held 50% equity interests in the New World Fund.

ZYB Limited

As at the Valuation Date, the Target Investment 3 held 100% equity interest in ZYB Limited, and the core investment of ZYB Limited is the equity interest in FIL Limited.

FIL Limited

FIL Limited is a company incorporated in Hong Kong with limited liability, which principally engages in the businesses that generate income streams from performing cryptocurrency mining activities. As at the Valuation Date, ZYB Limited held Class B1 shares in the capital of FIL Limited, while Chainup Technic held Class B2 shares in the capital of FIL Limited.

SR Saphirstein AG

On 13 July 2021, New Huo Solutions entered into a convertible loan agreement with SR Saphirstein AG (“SR”) and invested total loan amount of CHF 1,162,279.08 in two tranches. Upon being granted fintech license by FINMA, the loan investment was converted into equity class of 92,908 preferred B shares of SR according to the terms and conditions prescribed.

SR Saphirstein AG is a financial institution with a FinTech license focused on Swiss banking in Web3. It is incorporated in Switzerland and authorized and regulated by the Swiss Financial Market Supervisory Authority (FINMA). It is principally engaged in offering instant payments, currency exchange, crypto top-ups, and multi-currency accounts. It operates its business using the trademark “Fiat24”, which enables clients to both manage their fiat and crypto assets in one dashboard, as well as to make transactions using both assets.

TARGET COMPANY 2: HBTPOWER LIMITED

HBTPower Limited, an indirect non-wholly owned subsidiary of the Company, is incorporated in the British Virgin Islands with limited liability. The Target Company 2 is principally engaged in the business of Cryptocurrency Mining. As at the Valuation Date, the business has not yet commenced.

TARGET COMPANY 3: HBTPOWER INC

HBTPower Inc is a holding company incorporated in the State of Kentucky as of 27 May 2022. As at the Valuation Date, the business has not yet commenced.

TRANSACTION OVERVIEW

The Company (the “Vendor I”), and Avenir Cayman Holding Limited (the “Purchaser”) entered into the Sale and Purchase Agreement (Solutions) dated on 25 August 2023, pursuant to which (i) the 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, 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

Sinohope Digital Service, a direct wholly owned subsidiary of the Company, (the “Vendor II”) and the Purchaser entered into the Sale and Purchase Agreement (HBTPower) dated on 25 August 2023, 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 (BVI) and 80% of the entire issued share capital of HBTPower (US), 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).

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SOURCE OF INFORMATION

Our analysis and conclusion of opinion on value were based on continued discussions with, and having obtained pertinent key documents and records provided by the Management, and conducted certain procedures including but not limited to:

Information of Target Company 1

- The shareholding chart of the Target Company 1;
- The trial balance of the Target Company 1 as at the Valuation Date; and
- The PowerPoint presentation with Fund Products Introduction.

Information of Multi Strategy Fund

- The trial balance of Multi Strategy Fund as at the Valuation Date;
- The statement of net assets of Multi Strategy Fund as at the Valuation Date; and
- The signed subscription agreement of Multi Strategy Fund dated 11 February 2022.

Information of New Era Fund

- The statement of net assets of New Era Fund as at the Valuation Date;
- The signed subscription agreement of New Era Fund dated 4 May 2022;
- The letter agreement of New Era Fund dated 23 May 2022; and
- The loan agreement between the Target Company 1 and Avenir Cayman Holding Limited dated 3 March 2022.

Information of HBCloud

- The statement of net assets of HBCloud as at the Valuation Date;
- The PPE breakdown of HBCloud as at the Valuation Date;
- The signed shareholders agreement in relation to HBCloud dated 20 April 2022;
- The deed of guarantee dated 20 April 2022; and
- The supplement agreement in relation to the signed Shareholders Agreement and the Deed of Guarantee.

Information of New World Fund

- The statement of net assets of New World Fund as at the Valuation Date;
- The financial statement of New World Fund for the period ended 31 December 2022; and
- The signed subscription agreement of New World Fund dated 7 February 2022.

Information of ZYB Limited

- The statement of net assets of ZYB Limited as at the Valuation Date.

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Information of FIL Limited

- The statement of net assets of FIL Limited as at the Valuation Date;
- The Filecoin storage service and equipment procurement contracts between FIL Limited and Origin Storage Pte. Ltd dated 7th March 2022, 25th March 2022 and 20th May 2022; and
- The loan term sheet between FIL Limited and Top Value Limited.

Information of SR Saphirstein AG

- Latest capitalization table of Target Investment 4;
- Financial Statements of the Target Investment 4 for the year ended 31 December 2021 and 31 December 2022 and for the period ended 31 March 2023;
- The convertible loan agreement between the Target Company 1 and the Target Investment 4; and
- The shareholder agreement of the Target Investment 4.

Information of Target Company 2

- The balance sheet of the Target Company 2 as at the Valuation Date;
- The income statement of the Target Company 2 for the period from 1 October 2022 to 31 March 2023; and
- The detailed breakdown of retention account.

Information of Target Company 3

- The balance sheet of the Target Company 3 as at the Valuation Date; and
- The income statement of the Target Company 3 for the period from registration date to 31 March 2023.

We have also relied upon publicly available information from sources in capital markets, including industry reports, news and various databases of publicly traded companies.

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VALUATION METHODOLOGY OVERVIEW

The valuation of any asset can be broadly classified into one of the three approaches, namely the cost approach, the market approach and the income approach. In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed most relevant will then be selected for use in the analysis of that asset.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain a business, business ownership interest, security, or intangible asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Summation method is one of the methods under the cost approach. The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings. The key steps in the summation method are:

- (a) value each of the component assets that are part of the subject asset using the appropriate valuation approaches and methods, and
- (b) add the value of the component assets together to reach the value of the subject asset.

Market Approach

The market approach provides an indication of value by comparing a business, business ownership interest, security, or intangible asset with identical or comparable (that is similar) subjects for which price information is available.

Value is established based on the principle of comparison. This simply means that if one thing is similar to another and could be used for the other, then they must be similar. Furthermore, the price of two alike and similar items should be approximate to one another.

Income Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods that convert anticipated benefits into a present value amount.

In the income approach, an economic benefit stream of the asset under analysis is selected, usually based on historical and/or forecasted cash flow. The focus is to determine a benefit stream that is reasonably reflective of the asset's most likely future benefit stream. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate.

Discount rate factors often include general market rates of return at the Valuation Date, business risks associated with the industry in which the Target Group operates, and other risks specific to the asset being valued.

Selected Valuation Method – Target Company 1

Valuation Subject	Methodology	Reason
Valuation of 100% Equity Interest in Target Company 1	Cost Approach – Summation Method	<p>The market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case.</p> <p>The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Company 1.</p> <p>Target Company 1 is an investment company for which its value is mainly derived from the value of its investments, specifically the value of Target Investment 1, Target Investment 2, Target Investment 3 and Target Investment 4. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities adjusted for the lack of marketability was a fair representative presentation of the fair value of Target Company 1.</p> <p>In accordance with the IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, in which case the summation method is a method that calculate the value of an asset by the addition of the separate values of its component parts.</p> <p>Based on the above reason, the summation method under the cost approach meets the requirement of the IVS and is applicable to valuation.</p>

Selected Valuation Method – Target Company 2

Valuation Subject	Methodology	Reason
Valuation of 80% Equity Interest in Target Company 2	Cost Approach – Summation Method	<p>The market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case.</p> <p>The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Company 2.</p> <p>The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings.</p> <p>In accordance with the IVS, the cost approach is applied in the valuation of business when the business is an early stage or start-up business where profits and/ or cash flow cannot be reliably determined and comparisons with other businesses under the market approach is impractical or unreliable.</p> <p>Target Company 2 was set up primarily to engage in the business of cryptocurrency mining. However, it has not yet commenced the business as at the Valuation Date. Therefore, its value is primarily derived from the value of its component assets.</p> <p>Based on the above reason, the summation method under the cost approach meets the requirement of the IVS and is applicable to valuation.</p>

Selected Valuation Method – Target Company 3

Valuation Subject	Methodology	Reason
Valuation of 80% Equity Interest in Target Company 3	Cost Approach – Summation Method	<p>The market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case.</p> <p>The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Company 3.</p> <p>The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings.</p> <p>In accordance with the IVS, the cost approach is applied in the valuation of business when the business is an early stage or start-up business where profits and/ or cash flow cannot be reliably determined and comparisons with other businesses under the market approach is impractical or unreliable.</p> <p>Target Company 3 was set up primarily as a holding company with no commencement of business as at the Valuation Date. Therefore, its value is primarily derived from the value of its component assets.</p> <p>Based on the above reason, the summation method under the cost approach meets the requirement of the IVS and is applicable to valuation.</p>

GENERAL ASSUMPTIONS

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the existing political, legal, commercial and banking regulations, fiscal policies, foreign trade and economic conditions in countries/regions where the Target Group currently operates in and in new markets that the Target Group may potentially expand into as proposed by the Management;
- There are no deviations, the aggregate of which when viewed together, may be construed to be a material adverse change in industry demand and/or market conditions;
- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the fluctuation of interest rates or currency exchange rates in any country which would be deemed to have a negative impact or the ability to hinder the existing and/or potentially future operations of the Target Group;
- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the current laws of taxation in those countries in which the Target Group operates in or the Target Group may potentially operate in;
- All relevant legal approvals, business certificates, trade and import permits, bank credit approval have been procured, in place and in good standing prior to commencement of operations by the Target Group under the normal course of business;
- The Target Group will be able to retain existing and competent management, key personnel, and technical staff to support all facets of the ongoing business and future operations; and
- Trademarks, patents, technology, copyrights and other valuable technical and management knowhow will not be infringed in countries/regions where the Target Group is or will be carrying on business.

MAJOR ASSUMPTIONS

A number of major assumptions were established to sufficiently support our application of the Summation Method. The major assumptions adopted are:

- Unaudited management accounts are accurate and no material different will be cause if audit is performed;
- The investment period of Target Investment 1, Target Investment 2 and Target Investment 3 are assumed to mature as agreed and that the general partner has no incentive to extend the investment periods;
- The Target Investment 2 and Target Investment 3 will not engage in Filecoin speculative trading during the investment period;
- The mining operation of Target Investment 2 and Target Investment 3 will not be expanded during the investment period;
- No deferred tax asset and liabilities arising from fair value change of the asset and liabilities considering the uncertainty on the future profit and loss of the Target Group and hence respective deferred tax asset/liabilities may not be benefit to/paid by the Target Group;
- Performance of the Target Group would not deviate from the performance of its industry peers.

VALUATION OF 100% EQUITY INTEREST IN TARGET COMPANY 1

Summation method under the cost approach is adopted in the valuation of Target Company 1. Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Company 1. As of the Valuation Date, the core assets were the 4 Investments:

- 1) Target Investment 1 - 96.61% equity interest in Multi-Strategy Fund
- 2) Target Investment 2 - 100% equity interest in New Era Fund
- 3) Target Investment 3 - Capital investment in New World Fund
- 4) Target Investment 4 - 92,908 Preferred Share in SR Saphirstein AG

Details of the financial position of the Target Company 1 as at the Valuation Date were as follows:

Valuation Summary for the Target Company 1

	Carrying Amount HKD	Adjustment HKD	Fair Value HKD
CURRENT ASSETS			
Cryptocurrencies - platform account	337,102	-	337,102
Investment in Target investments 1 <Note 1>	119,179,261	(5,185)	119,174,075
Investment in Target investments 2 <Note 1>	26,630,406	(2,053,843)	24,576,563
Investment in Target investments 3 <Note 1>	67,317,602	(3,967,015)	63,350,587
	213,464,370	(6,026,043)	207,438,327
NON-CURRENT ASSETS			
Investment in Target investments 4 <Note 1>	8,899,944	(1,714,143)	7,185,801
TOTAL ASSETS	222,364,314	(7,740,186)	214,624,128

CURRENT LIABILITIES			
Amount due to related companies <Note 2>	(205,413,496)	-	(205,413,496)
Amount due to Schub Technology Limited	(12,568,308)	-	(12,568,308)
Accruals	(90,000)	-	(90,000)
TOTAL LIABILITIES	(218,071,803)	-	(218,071,803)
Net Asset Value of the Target Company 1			(3,447,675)
Fair Value of 100% Equity Interest in the Target Company 1 (rounded)			No Economic Value
Add: Fair value of Amount due to the Related Companies <Note 3>			201,965,820
Fair Value of 100% Equity Interest and Amount due to the Related Companies in the Target Company 1 (rounded)			201,966,000

*Sum may not equal to total due to rounding.

- <Note 1> Valuation on the Fair Value of the 4 target investments under the current and non-current assets are individually performed. For details, please refer to the sections below.
- <Note 2> Amount due to the related companies included current accounts of Sinohope Technology Holdings Limited, Sinohope Hong Kong Limited, Sinohope Digital Service Limited and New Huo Trust Company Limited. These current accounts will be assigned to the purchaser in this transaction. From Target Company 1's perspective, the actual liabilities in relations to the amount due to the related companies is the same as it's carrying amount and not fair value adjustment is necessary to make.
- <Note 3> A fair value downward adjustment is made. After assignment of the amount due to the related companies, the purchaser held the receivables form Target Company 1. From the purchaser's perspective, such receivables cannot be fully recovered as Target Company 1 recorded net liabilities of HK\$3,447,675, after fair value adjustment. Excluding the amount due to related companies of HK\$205,413,496, the fair value adjusted net asset value is only HK\$201,965,820.

1. VALUATION OF TARGET INVESTMENT 1

Target Investment 1 represents the investment of 96.61% Equity Interest in Multi-Strategy Fund, which is a fund that principally engaged in investment holdings. As at the Valuation Date, the core investments are the Top 200 Coins and virtual assets futures, including cryptocurrencies or derivatives that are linked to the Top 50 Coins.

For the valuation of Target Investment 1, the market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Investment 1.

Summation method under the cost approach is considered and adopted. The core assets of Target Investment 1 are the cryptocurrencies, which market price is publicly available. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities was a fair representative presentation of the fair value of Target Investment 1. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, Target Investment 1 as an investment holding company fulfils

the requirement of the IVS and applied for this valuation.

We noticed that the investment in cryptocurrencies represents the principal assets of the Target Investment 1. Given that (i) the investment in cryptocurrencies are the core assets which accounted for the majority of Target Investment 1's total assets as of the Valuation Date; and (ii) the book value of each of the assets and liabilities of the Target Investment 1 could be analyzed, adjusted, and appraised individually.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Investment 1. Details of the financial position of the Target Investment 1 as at the Valuation Date were as follows:

Valuation Result - Target Investment 1 (96.61% Equity Interest in Multi-Strategy Fund)

	Carrying Amount USD	Adjustment USD	Fair Value USD
CURRENT ASSETS			
Investments			
Coinbase Prime <Note 1>	13,043,452	(1,423)	13,042,029
Coinbase - Operating Account <Note 1>	96	(1)	95
HEX Trust - Operating Account <Note 1>	10,861	7	10,868
Government Bonds <Note 2>	2,790,479	773	2,791,252
	15,844,887	(644)	15,844,243
Cash			
Signature Bank - Operating Account	4,350	-	4,350
Interactive Brokers - Operating Account	16,132	-	16,132
	20,482	-	20,482
Fund Receivables			
Prepaid Expenses	52,446	-	52,446
	52,446	-	52,446
TOTAL ASSETS	15,917,815	(644)	15,917,171
LIABILITIES			
Fund Payables			
Accrued Expenses	(61,627)	-	(61,627)
Due To Manager	(762)	-	(762)
Management Fees Payable	(43,888)	-	(43,888)
Capital Payable to Huobi Innovation Lab	(90,646)	-	(90,646)
Capital Payable to 2021 Investors	(5,427)	-	(5,427)
	(202,350)	-	(202,350)
TOTAL LIABILITIES	(202,350)	-	(202,350)
Net Asset Value of Multi-Strategy Fund, after fair value adjustment			15,714,820
Fair Value of Target Investment 1 (in USD)		96.61%	15,182,049
Fair Value of Target Investment 1 (in HKD)			119,174,075

*Sum may not equal to total due to rounding.

<Note 1> The fair value of cryptocurrencies is calculated by taking the average of the market prices of Yahoo Finance and Cointelegraph as of the Valuation Date.

<Note 2> The fair value of government bonds is calculated by taking the average of the Government Index Price from Bloomberg and the End of Day Price from Treasury Direct.gov as of the Valuation Date.

2. VALUATION OF TARGET INVESTMENT 2

Target Investment 2 represents the investment of 100% Equity Interest in New Era Fund, which is a fund that principally engaged in investment holdings. Target Investment 2 was established for the purpose of making investment in the cryptocurrency mining ecosystem. As at the Valuation Date, the core investment of Target Investment 2 is the Class B1 shares in HBCloud, which is principally engaged in Filecoin mining.

For the valuation of Target Investment 2, the market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Investment 2. Summation method under the cost approach is considered and adopted. The core asset of Target Investment 2 is the Class B1 shares in HBCloud. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities was a fair representative presentation of the fair value of Target Investment 2. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, Target Investment 2 as an investment holding company fulfils the requirement of the IVS and applied for this valuation.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Investment 2. Details of the financial position of the Target Investment 2 as at the Valuation Date were as follows:

Valuation Result - Target Investment 2 (100% Equity Interest in New Era Fund)

	Carrying Amount USD	Adjustment USD	Fair Value USD
ASSETS			
Bank Accounts <Note 1>	45,443	4	45,448
Investment in HBCloud <Note 2>	3,454,917	(261,651)	3,193,266
TOTAL ASSETS	3,500,361	(261,647)	3,238,714
LIABILITIES			
Accruals and Other Payable	(105,692)	-	(105,692)
Due To IM	(2,118)	-	(2,118)
TOTAL LIABILITIES	(107,810)	-	(107,810)
Net Asset Value of New Era Fund, after fair value adjustment			3,130,904
Fair Value of Target Investment 2 (in USD)			3,130,904
Fair Value of Target Investment 2 (in HKD)			24,576,563

*Sum may not equal to total due to rounding.

<Note 1> Per the Management’s classification, bank accounts consist of several types of cryptocurrencies. The fair value of cryptocurrencies is calculated by taking the average of the market prices of Yahoo Finance and Cointelegraph as of the Valuation Date.

<Note 2> This represents the investment of Class B1 shares in HBCloud. Valuation on the Fair Value of the investment is individually performed. For details, please refer to the sections below.

Valuation of Class B1 Shares in HBCloud

HBCloud is principally engaged in Filecoin mining. As at the Valuation Date, the core asset of HBCloud is the cryptocurrency, which is Filecoin. Per the Management, no Filecoin speculative trading will be expected during the investment period of New Era Fund. The fund commenced on 6 May 2022 and will end on the fourth anniversary of the commencement date (i.e., 6 May 2026). It is expected the operation of HBCloud will also end on 6 May 2026.

For the valuation of Class B1 Shares in HBCloud, the income approach is considered and rejected. Considering the high volatility in the market price of Filecoin, reasonable projections of the amount and timing of future income are not available for HBCloud. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. Furthermore, there are specific terms in the fund, e.g., the investment period and the distribution arrangement. It is difficult to make adjustments to the special circumstances of HBCloud when comparing with comparable companies. As such, the market approach is considered and rejected. However, there were available listed companies which engaged in cryptocurrencies mining. The market approach is applied to form a reasonable valuation analysis for cross-checking purpose.

Summation method under the cost approach is considered and adopted. The core assets of HBCloud are the Filecoin, which market price is available. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities was a fair representative presentation of the fair value of HBCloud. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, HBCloud as an investment holding company fulfils the requirement of the IVS and applied for this valuation.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual assets in HBCloud. After fair value adjustments are made, the fair value adjusted net assets are allocated to Class B1 and Class B2 shares. Details of the financial position of HBCloud as at the Valuation Date were as follows:

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Financial Position of HBCloud as at the Valuation Date

	Carrying Amount USD	Adjustment USD	Fair Value USD
ASSETS			
Bank Accounts <Note 1>	220,414	35	220,448
Crypto-Storage Miner <Note 2>	1,667,360	(306,954)	1,360,406
Crypto-Subscription Node f01399133 <Note 3>	269,066	43	269,109
Property, plant and equipment <Note 4>	912,534	(216,384)	696,150
TOTAL ASSETS	3,069,374	(523,260)	2,546,113
LIABILITIES			
Accruals and Payable	(7,806)	-	(7,806)
TOTAL LIABILITIES	(7,806)	-	(7,806)
Net Asset Value of HBCloud, after fair value adjustment			2,538,308

Valuation Result – Class B1 Shares in HBCloud

	Net Asset Value USD	Adjustment USD	Fair Value USD
Class B1 Shares	3,454,917	(261,651)	3,193,266
Class B2 Shares	(393,349)	(261,609)	(654,958)
Total	3,061,568	(523,260)	2,538,308

*Sum may not equal to total due to rounding.

<Note 1> Per the Management’s classification, bank accounts consist of several types of cryptocurrencies. The fair value of cryptocurrencies is calculated by taking the average of the market prices of Yahoo Finance and Cointelegraph as of the Valuation Date.

<Note 2> For the valuation of Crypto-Storage Miner, please refer to the below section.

<Note 3> This crypto subscription node is subscribed by the shareholder of Class B2. Hence, the respective movement is not allocated to shareholders of Class B1, i.e., New Era Pioneer Mining Fund 1 LPF. Other than this, all the movement on assets and liabilities are shared between Class B1 and Class B2 shares.

<Note 4> This represents cryptocurrencies mining machines. The cost approach is adopted for the determination of fair value. Under the cost approach, we estimate the costs that would be incurred to create an exact replica of the property, plant and equipment. Depreciation is calculated to reflect functional and external obsolescence. For the calculation of depreciation, the useful life is assumed to be the same as the fund operating period, i.e. ended on 6 May 2026.

Valuation of Crypto-Storage Miner

Crypto-Storage Miner represents Filecoin on hand. Per the Management, part of Filecoin had trading restriction. Some of the Filecoin were pledged for an agreed period of time to support continuous mining operation. As at the Valuation Date, there were 4 mining nodes with difference maturity date. The restriction duration ranged from 8 months to 10 months. Besides, some of the mining rewards are locked. In the mining operation, 75% of

the mining rewards were locked and released on straight-line basis for 180 days. If the mining operation ceased before the pledged/locked maturity date, all of the pledged/locked Filecoin will be confiscated. For the consideration of the restriction discount, it may be quantified using any reasonable method, but are typically calculated using option pricing models, studies that compare the value of publicly-traded shares and restricted shares in the same company, or studies that compare the value of shares in a company before and after an initial public offering (IPO).

The studies that compare the value of publicly-traded shares and restricted shares in the same company is considered and rejected. Restricted stock studies rely on the private placement or transaction of stock in publicly traded companies. Selecting a discount through restricted stock studies requires qualitative consideration. The studies compare the value of shares in a company before and after an IPO is considered and rejected, this approach tends to compare the private holdings of the same company more directly with its publicly issued shares. Finnerty model is adopted since it exactly measures the marketability discount for which the approximated period of each group of the Filecoin is restricted with different terms. As such, we consider that the discount derived would be a reasonable one.

The Finnerty model is a method to estimate the discount for lack of marketability (“DLOM”) of an asset that is not easily traded or sold. It is based on the idea that the holder of the asset has the option to sell it at any time during a certain period, and the optimal time to sell is when the asset price is highest. The model uses an average strike put option to calculate the DLOM, where the strike price is the average value of the asset over the period. The strike price is based on the predetermined period average value of the underlying asset. The model has been revised several times, with the latest version being the 2012 model. The Finnerty model can be applied to various types of securities, such as preferred stock, common units, and options on common stock.

The following is the formula for calculating DLOM using the Finnerty model:

$$DLOM = Ve^{-qT} \left[N\left(\frac{v\sqrt{T}}{2}\right) - N\left(-\frac{v\sqrt{T}}{2}\right) \right]$$

Where,

$$v\sqrt{T} = \sqrt{\sigma^2 T + \ln[2(e^{T\sigma^2} - \sigma^2 T - 1)] - 2\ln(e^{T\sigma^2} - 1)}$$

And the key assumptions used in the Finnerty model:

T = Holding period

r = risk free rate

q = Annualized dividend yield

σ = Annualized volatility of the underlying

V = Value of an unrestricted interest

The option pricing model is considered as the appropriate method in quantifying DLOMs in this case since it exactly measures the marketability discount for which the approximated period of each group of the Filecoin is restricted with different terms. Volatility is determined by referenced to Yahoo Finance’s historical weekly Filecoin return. For the determination of risk-free rate, it is made reference to 3 different Filecoin staking platforms’ reward rates taking average of Binance, Kucoin and OKX platforms’ annual percentage rate. It is assumed the dividend yield is 0% as there is no dividend payout for cryptocurrency.

The following tables show the details of parameters adopted for each mining node:

Major Valuation Parameters – Pledged Mining Node of HBCloud

	Mining Node	Time to expiration (year)	Volatility	Risk-free Rate	Dividend Yield	DLOM
1	f01768970	0.65	111.00%	1.27%	0.00%	19%
2	f01885260	0.82	114.00%	1.27%	0.00%	21%
3	f01885280	0.81	115.00%	1.27%	0.00%	21%
4	f01845679	0.83	114.00%	1.27%	0.00%	21%

Major Valuation Parameters – Locked Reward of HBCloud

Mining Node	Time to expiration(year)	Volatility	Risk-free Rate	Dividend Yield	DLOM
Node 1- Node 4	0.25	126.00%	1.27%	0.00%	14%

Cross-checking - Valuation of HBCloud

As previously mentioned, we considered summation method as the most appropriate valuation method and applied in the valuation of HBCloud. As HBCloud is capital intensive, price to book multiple is also a relevant multiple of valuation. To access the reasonableness of the valuation result, we also performed the market approach to cross-check our result by price to book multiples of the comparable companies.

We have calculated the implied Price to Book (“P/B”) multiple of HBCloud based on the valuation result (i.e., Implied fair value of the 100% equity interest in HBCloud). Then, we obtained the P/B multiple of the Guideline Public Companies and compared with that of HBCloud.

We have exercise due care on searching the Guideline Public Companies of which the companies (1) listed on a stock exchange; (2) be principally engaged in cryptocurrency mining with majority of their revenue generated from cryptocurrency mining business segment; and (3) net asset value is positive. 16 Guideline Public Companies were identified. Among these 16 Guideline Public Companies, majority of them listed in United States or Canada. The implied P/B multiple of HBCloud was 0.83x which is within the range of the lower quartile (i.e., 0.68x) and upper quartile (i.e., 1.58x). Such cross-check result suggests that the valuation result derived from the cost approach is fair and fall within a reasonable range.

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3. VALUATION OF TARGET INVESTMENT 3

Target Investment 3 represents the capital investment in New World Pioneer Mining Fund 1 LPF, which is a fund that principally engaged in investment holdings. Target Investment 3 was established for the purpose of making investment in the cryptocurrency mining ecosystem. As at the Valuation Date, the core investment of Target Investment 3 is the equity interest in FIL Limited, which is principally engaged in Filecoin mining. Target Investments 3 indirectly invested in FIL Limited through ZYB Limited, which is an investment holding company.

For the valuation of Target Investment 3, the market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for Target Investment 3.

Summation method under the cost approach is considered and adopted. The core asset of Target Investment 3 is the equity interests in ZYB Limited. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities was a fair representative presentation of the fair value of Target Investment 3. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, Target Investment 3 as an investment holding company fulfils the requirement of the IVS and applied for this valuation.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Investment 3. After fair value adjustments are made, the fair value adjusted net assets are allocated to the capital investment of Target Company 1. Details of the financial position of the Target Investment 3 as at the Valuation Date were as follows:

Financial Position of New World Pioneer Mining Fund 1 LPF as at the Valuation Date

	Carrying Amount USD	Adjustment USD	Fair Value USD
ASSETS			
Bank Accounts	779,824	-	779,824
Investment in ZYB Limited <Note 1>	16,696,176	(1,010,747)	15,685,429
Due from	18,267		18,267
TOTAL ASSETS	17,494,266	(1,010,747)	16,483,519
LIABILITIES			
Accruals and Payables	(223,277)	-	(223,277)
Due To FIL Limited and ZYB Limited	(112,019)	-	(112,019)
TOTAL LIABILITIES	(335,296)	-	(335,296)
Net Asset Value of Target Investment 3, after fair value adjustment			<u>16,148,223</u>

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Valuation Result – Target Investment 3 (Capital Investment in New World Pioneer Mining Fund 1 LPF)

	Net Asset Value	Adjustment	Fair Value	Fair Value
	USD	USD	USD	HKD
Target Company 1- New Huo Solutions Limited	8,575,851	(505,373)	8,070,478	63,350,587
Chainup Technic Limited	8,583,119	(505,373)	8,077,745	
Total	17,158,970	(1,010,747)	16,148,223	

*Sum may not equal to total due to rounding.

<Note 1> This represents the investment of 100% equity interest in ZYB Limited. Valuation on the Fair Value of the investment is individually performed. For details, please refer to the sections below.

3.1 Valuation of 100% Equity Interest in ZYB Limited

ZYB Limited is a fund which was principally engaged in investment holdings. As at the Valuation Date, the core investment of ZYB Limited is the equity interest in FIL Limited, which is principally engaged in Filecoin mining.

For the valuation of ZYB Limited, the market approach is considered and rejected. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. The income approach is considered and rejected. As at the Valuation Date, reasonable projections of the amount and timing of future income are not available for ZYB Limited.

Summation method under the cost approach is considered and adopted. The core asset of ZYB Limited is the equity interest in FIL Limited. Without forecasting the gain or loss, the sum of the fair value of the assets net of liabilities was a fair representative presentation of the fair value of ZYB Limited. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, ZYB Limited as an investment holding company fulfils the requirement of the IVS and applied for this valuation.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in ZYB Limited. Details of the financial position of ZYB Limited as at the Valuation Date were as follows:

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Valuation Result – 100% Equity Interest in ZYB Limited

	Carrying Amount USD	Adjustment USD	Fair Value USD
ASSETS			
Bank Accounts <Note 1>	32,745	(2)	32,743
Investment in FIL Limited <Note 2>	16,672,505	(1,010,745)	15,661,760
Due from	3,237		3,237
TOTAL ASSETS	16,708,486	(1,010,747)	15,697,739
LIABILITIES			
Accruals and Payables	(6,116)	-	(6,116)
Amount Due to HEX Trust and Ascent Fund Services	(6,194)	-	(6,194)
TOTAL LIABILITIES	(12,311)	-	(12,311)
Net Asset Value of ZYB, after fair value adjustment			15,685,429
Fair Value of 100% Equity Interest in ZYB Limited			<u>15,685,429</u>

*Sum may not equal to total due to rounding.

<Note 1> Per the Management's classification, bank accounts consist of several types of cryptocurrencies. The fair value of cryptocurrencies is calculated by taking the average of the market prices of Yahoo Finance and Cointelegraph as of the Valuation Date.

<Note 2> This represents the investment of Class B1 shares in FIL Limited. Valuation on the Fair Value of the investment is individually performed. For details, please refer to the sections below.

3.2 Valuation of Class B1 Shares in FIL Limited

FIL Limited is principally engaged in Filecoin mining. As at the Valuation Date, the core asset of FIL Limited is the cryptocurrency, which is Filecoin. Per the Management, no Filecoin speculative trading will be expected during the investment period of New World Fund. The fund commenced on 30 April 2021 and will end on the third anniversary of the commencement date (i.e. 30 April 2024). It is expected the operation of FIL Limited will also end on 30 April 2024.

For the valuation of FIL Limited, the income approach is considered and rejected. Considering the high volatility in the market price of Filecoin, reasonable projections of the amount and timing of future income are not available for FIL Limited. We exercised due care on searching comparable transaction, in which no existence of historical transactions which similar to the circumstances of this case. Furthermore, there are specific terms in the fund, e.g., the investment period and the distribution arrangement, it is difficult to make adjustments to the special circumstances of FIL Limited when comparing with comparable companies. As such, the market approach is considered and rejected. However, there were available listed companies which engaged in cryptocurrencies mining. The market approach is applied to form a reasonable valuation analysis for cross-checking purpose.

Summation method under the cost approach is considered and adopted. The core assets of FIL Limited are Filecoin, which market price is available. Without forecasting the gain or loss, the sum of the fair value of the

assets net of liabilities adjusted for the lack of marketability was a fair representative presentation of the fair value of FIL Limited. Besides, in accordance with IVS, the cost approach is applied in the valuation of business when the business is an investment or holding business, FIL Limited as an investment holding company fulfils the requirement of the IVS and applied for this valuation.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual assets in FIL Limited. After fair value adjustments are made, the fair value adjusted net assets are allocated to Class B1 and Class B2 shares. Details of the financial position of the core investment in FIL Limited as at the Valuation Date were as follows:

Financial Position of FIL Limited as at the Valuation Date

	Carrying Amount USD	Adjustment USD	Fair Value USD
ASSETS			
Bank Accounts <Note 1>	4,611,964	(271)	4,611,693
Collateral Cash	3,573,005	-	3,573,005
Crypto <Note 2>	4,393,949	(919,267)	3,474,681
Crypto-Subscription Node f01469945 <Note 3>	568,820	-	568,820
Due from New World Pioneer and Top Value Limited	450,083	-	450,083
Property, plant and equipment <Note 4>	7,208,784	(91,206)	7,117,577
TOTAL ASSETS	20,806,605	(1,010,745)	19,795,860
LIABILITIES			
Interest Payable-Loans	(63,667)	-	(63,667)
Loans Payable	(3,435,671)	-	(3,435,671)
Accruals and Payable	(58,158)	-	(58,158)
Due to	(7,783)	-	(7,783)
TOTAL LIABILITIES	(3,565,280)	-	(3,565,280)
Net Asset Value of FIL Limited, after fair value adjustment			16,230,581

Valuation Result – Class B1 Shares in FIL Limited

	Net Asset Value USD	Adjustment USD	Fair Value USD
Class B1 Shares	16,672,505	(1,010,745)	15,661,760
Class B2 Shares	568,820	-	568,820
Total	17,241,326	(1,010,745)	16,230,581

*Sum may not equal to total due to rounding.

<Note 1> Per the Management's classification, bank accounts consist of several types of cryptocurrencies. The fair value of cryptocurrencies is calculated by taking the average of the market prices of Yahoo Finance and Cointelegraph as of the Valuation Date.

<Note 2> For the valuation of Crypto, please refer to the below section.

<Note 3> This crypto subscription node is subscribed by the shareholder of Class B2. Hence, the respective ownership and movement are not allocated to shareholders of Class B1, i.e. ZYB Limited. Other than this, all the movement on assets and liabilities are allocated to Class B1 shares.

<Note 4> This represents cryptocurrencies mining machines. The cost approach is adopted for the determination of fair value. Under the cost approach, we estimate the costs that would be incurred to create an exact replica of the property, plant and equipment. Depreciation is calculated to reflect functional and external obsolescence. For the calculation of depreciation, the useful life is assumed to be the same as the fund operating period, i.e. ended on 30 April 2024.

Valuation of Crypto

Crypto represents Filecoin on hand. Per the Management, part of Filecoin had trading restriction. Some of the Filecoin were pledged for an agreed period of time to support continuous mining operation. As at the Valuation Date, there were 7 mining nodes with difference maturity dates. The restriction duration ranged from 10 months to 18 months. Besides, some of the mining rewards are locked. In the mining operation, 75% of the mining rewards were locked and released on straight-line basis for 180 days. If the mining operation ceased before the pledged/locked maturity date, all of the pledged/locked Filecoin will be confiscated. For the consideration of the restriction discount, it may be quantified using any reasonable method, but are typically calculated using option pricing models, studies that compare the value of publicly-traded shares and restricted shares in the same company, or studies that compare the value of shares in a company before and after an initial public offering (IPO).

The studies that compare the value of publicly-traded shares and restricted shares in the same company is considered and rejected. Restricted stock studies rely on the private placement or transaction of stock in publicly traded companies. Selecting a discount through restricted stock studies requires qualitative consideration. The studies compare the value of shares in a company before and after an IPO is considered and rejected, this approach tends to compare the private holdings of the same company more directly with its publicly issued shares. Finnerty model is adopted since it exactly measures the marketability discount for which the approximated period of each group of the Filecoin is restricted with different terms. As such, we consider that the discount derived would be a reasonable one.

The option pricing model is considered as the appropriate method in quantifying DLOMs in this case since it exactly measures the marketability discount for which the approximated period of each group of the Filecoin is restricted with different terms. Volatility is determined by referenced to Yahoo Finance's historical weekly Filecoin return. For the determination of risk-free rate, it is made reference to 3 different Filecoin staking platforms' reward rates and taking average of Binance, Kucoin and OKX platforms' annual percentage rate. It is assumed the dividend yield is 0% as there is no dividend payout for cryptocurrency.

The following tables show the details of parameters adopted for each mining node:

Major Valuation Parameters – Pledged Mining Node of FIL

	Mining Node	Time to expiration (year)	Volatility	Risk-free Rate	Dividend Yield	DLOM
1	f01488667	0.93	119.00%	1.27%	0.00%	23%
2	f01791896	0.83	113.00%	1.27%	0.00%	21%
3	f02045964	1.48	113.00%	1.27%	0.00%	26%
4	f02058557	1.49	113.00%	1.27%	0.00%	26%
5	f02059055	1.49	113.00%	1.27%	0.00%	26%
6	f02063202	1.49	113.00%	1.27%	0.00%	26%
7	f02064089	1.49	113.00%	1.27%	0.00%	26%

Major Valuation Parameters – Locked Reward of FIL

Mining Node	Time to expiration(year)	Volatility	Risk-free Rate	Dividend Yield	DLOM
Node 1- Node 7	0.25	126.00%	1.27%	0.00%	14%

Cross-checking - Valuation of FIL Limited

As previously mentioned, we considered summation method as the most appropriate valuation method and applied in the valuation of FIL Limited. As FIL Limited is capital intensive, price to book multiple is also a relevant multiple of valuation. To access the reasonableness of the valuation result, we also performed the market approach to cross-check our result by price to book multiples of the comparable companies.

We have calculated the implied Price to Book (“P/B”) multiple of FIL Limited based on the valuation result (i.e., Implied fair value of the 100% equity interest in FIL Limited). Then, we obtained the P/B multiple of the Guideline Public Companies and compared with that of FIL Limited.

We have exercise due care on searching the Guideline Public Companies of which the companies (1) listed on a stock exchange; (2) be principally engaged in cryptocurrency mining with majority of their revenue generated from cryptocurrency mining business segment; and (3) net asset value is positive. 16 Guideline Public Companies were identified. Among these 16 Guideline Public Companies , majority of them listed in United States or Canada. The implied P/B multiple of HBCloud was 0.94x which close to the market median and within the range of the lower quartile (i.e., 0.68x) and upper quartile (i.e., 1.58x). Such cross-check result suggests that the valuation result derived from the cost approach is fair and fall within a reasonable range.

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4. VALUATION OF TARGET INVESTMENT 4

Target Investment 4 represents the investment in 92,908 preferred B shares in SR Saphirstein AG. The equity value of SR Saphirstein AG is one of the key inputs for the valuation of the preferred B shares. We considered the market approach to derive the equity value of SR Saphirstein AG. As SR Saphirstein AG is a newly startup fintech company providing multi-currency digital wallet, crypto and fiat currency money transfer, cryptocurrency top-up and account services, through implementation of blockchain technology, both revenue and earnings are not ready in valuation multiple derivation in view of sustainable perspective. Instead, its niche service provision draws attention of numerous users from the market, hence valuation multiple of price-to-users (“P/User”) is selected to form valuation of SR Saphirstein AG. We have exercised due care on searching the guideline comparable transactions and public companies of which the subjects (1) have publicly available financing round information or listed on a stock exchange; (2) have publicly available user information and (3) are involved in providing multi-currency wallet, fiat and crypto currency money transfer and cryptocurrency account services and 16 comparable subjects are identified. The comparable subjects are listed as follows:

P/User Multiple of the Comparable Subjects

#	Comparable Company	Company Description	P/User (rounded)
1	Coinbase Global Inc	Coinbase is a cryptocurrency exchange and wallet service provider that allows users to buy, sell, transfer, and store cryptocurrency. Coinbase serves clients worldwide. Coinbase Wallet is a self-custody crypto wallet, putting its customers in full control of the private keys to their assets on the blockchain. Coinbase also accepts fiat currencies for depositing funds into wallet.	106.0x
2	Wise Plc	Wise PLC offers platform to make crypto and fiat currency money transfers. Wise serves customers worldwide. Wise users can use their Wise card to deposit funds into cryptocurrency exchanges such as Binance, Coinbase and Kraken. Moreover, Wise users can receive money from a platform (regulated or supervised in the EU or UK) that deals with cryptocurrencies to their Wise account.	841.2x
3	PayPal Holdings Inc	PayPal Holdings, Inc. operates as a holding company. The Company supports the transfer of cryptocurrencies between PayPal, Venmo and other wallets and exchanges. PayPal users can also convert the cryptocurrency to fiat currency in paying the merchants. PayPal Holdings serves customers worldwide.	148.0x
4	Payoneer Global Inc	Payoneer Global Inc. provides online payment solutions. Payoneer Global serves customers worldwide. The Company is crypto-friendly as the users can use their debit or credit card to deposit fiat currencies to globally regulated cryptocurrency exchanges and purchase digital assets.	331.9x
5	The Green Dot Corporation	Green Dot Corporation operates as a bank holding company. Green Dot offers its products and services to consumers across the United States. Green Dot Bank allows customers to invest in cryptocurrencies via credible platforms that are registered with the Financial Crimes Enforcement Network (FinCEN) and accept USD deposits.	159.7x
6	Nu Holdings Ltd	Nu Holdings Ltd is a Brazil-based company that provides a digital banking platform. NU Holdings serves clients worldwide. Nu Holdings entered the crypto market by launching the Nucrypto platform, which offers trading in a range of tokens including Bitcoin and Ethereum. Customers will be able to trade Nucoins for fiat currency through the platform.	210.7x
7	Remitly Global Inc	Remitly Global, Inc. provides financial services. The Company serves customers worldwide. Remitly Global serves as a channel for users to fund accounts on compliant exchanges, investing in various cryptocurrencies with USD, CAD, EUR and other currencies.	478.7x

8	Revolut Bank UAB	Revolut is a UK-based online bank that is an alternative to traditional banking products. It is registered with the Financial Conduct Authority in the UK to offer services for buying, selling and exchanging cryptocurrency, like Bitcoin and Ethereum. Revolut users can exchange fiat currencies to Ethereum or Bitcoin and vice versa, based on a predetermined target rate.	1,970.3x
9	Venmo Inc	Venmo, LLC provides payments services. Venmo operates in the United States. Customers in the US (except Hawaii) can buy, sell, transfer, and hold Bitcoin, Ethereum, Litecoin and Bitcoin Cash on Venmo. Venmo enable fiat-to-crypto payments as well.	646.9x
10	Cash App Investing LLC (Square/Block)	Cash App is a multipurpose financial app, offers various capabilities, including money transfers, investment options and cryptocurrency purchases. Cash App acts as a Bitcoin wallet, providing users the capacity to handle transactions, invest in stocks, and explore Bitcoin.	2,470.2x
11	Zepz (formerly WorldRemit group)	Worldremit Group Limited provides digital payment processing services. Worldremit Group serves customers worldwide. The Company is powering two leading global payment brands , WorldRemit and Sendwave. WorldRemit/Sendwave both are popular method of payment for buying and selling Bitcoin on a number of marketplaces.	390.5x
12	WeSwap.com Ltd	WeSwap.com Ltd. , an instant peer-to-peer token exchange where users can buy and sell Ethereum tokens in a decentralized manner. The Company offers currency exchange solution that helps to exchange currencies.	81.9x
13	Monzo Bank Ltd	Monzo Bank Limited provides digital banking services. Monzo Bank serves customers in the United Kingdom. The Company is crypto-friendly as Monzo users can actively engage in the crypto market by transferring British Pounds via ACH or Card Transfer to Financial Conduct Authority (FCA) regulated cryptocurrency exchanges.	524.4x
14	Starling Bank Limited	Starling Bank Limited is a mobile application focused bank. Starling Bank operates in the United Kingdom. The Company is crypto-friendly as Starling customers have option to purchase cryptocurrencies via UK-regulated exchanges, using either the Faster Payments Service (FPS) or their debit card.	1,062.2x
15	N26 GmbH	N26 GmbH provides financial services. The Company serves customers worldwide. N26 Crypto serves as a fiat and crypto currency wallet, which allows users to manage and monitor both cash and crypto in N26 app. N26 users can buy and sell almost 200 coins, including Bitcoin, Ethereum and Cardano with N26 Crypto. All coins purchased with N26 Crypto are safely stored in a custodial storage.	935.5x
16	Chime Financial Inc	Chime Financial, Inc. develops online banking software. Chime Financial serves customers in the State of California. The Company is crypto-friendly as Chime customers can explore digital assets through licensed exchanges, utilizing USD transferred from their Chime accounts to purchase cryptocurrencies on the platform of their choosing.	1,862.6x

The median P/User multiple was 501.5x, together with best available 13,437 users of Fiat24, the equity value of SR Saphirstein AG was concluded to be CHF 6,738,976.

After determining the fair value of the equity interest in SR Saphirstein AG as at the Valuation Date, we can then determine the fair value of the Target Investment 4. The option pricing method considers the various terms of the stockholder agreements that would affect the distributions to each class of equity upon a liquidity event, including the level of seniority among the securities, dividend policy, conversion ratios, and cash allocations.

In the liquidity event, we adopted the following procedures:

1. Identify the critical terms of the Target Investment 4, including the liquidation preferences, the conversion

- rights and the participation rights;
2. Determine the breakpoints, the point at which each class of equity reaches in-the-money status;
 3. Determine the parameters that would be adopted in the Black-Scholes model, including stock price (equity value of the Company), exercise price (the breakpoints determined in step 2), time to settlement, volatility and risk-free rate;
 4. Calculate the breakpoint value by the Black Scholes model;
 5. Allocate the incremental option values to respective equity classes.

To facilitate the valuation under Black-Scholes model, the following major assumptions are made:

- i. The expected liquidity date as at the Valuation Date is assumed to be 12 April 2027, which is the 5-year from the conversion date of preferred B shares held by the Target Company 1;
- ii. The short-term interest rates are known and constant through time;
- iii. There is no arbitrage opportunity;
- iv. The stock price of SR Saphirstein AG follows a continuous-time random walk;
- v. The variance of the rate of return on the stock is constant;
- vi. The stock returns resemble a log-normal distribution;
- vii. There are no taxes, commissions or other transaction costs in buying or selling the stock or option.

Major Valuation Parameters

Valuation Date	31 March 2023
Equity Value of SR Saphirstein AG (CHF)	6,738,976
	Breakpoint #1: 5,603,467
Exercise Price (CHF)	Breakpoint #2: 14,310,716
	Breakpoint #3: 27,762,116
Volatility	57.11%
Risk-free rate	1.18%
Dividend yield	0.00%
Time to liquidity (year)	4.03

Valuation Result - Target Investment 4: SR Saphirstein AG

Valuation Date	31 March 2023
Equity Structure	
Preferred B Share (CHF/per share)	9.02
Number of Preferred B Share held by Target Company 1	92,908
Fair Value of Target Investment 4 (CHF)	837,829
Fair Value of Target Investment 4 (USD)	915,412

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VALUATION OF 80% EQUITY INTEREST IN TARGET COMPANY 2

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings. The key steps in the summation method are:

- a) value each of the component assets that are part of the subject asset using the appropriate valuation approaches and methods, and
- b) add the value of the component assets together to reach the value of the subject asset.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Company 2. Details of the financial position of the Target Company 2 as at the Valuation Date were as follows:

Valuation Result - Target Company 2: HBTPower Limited

	Carrying Amount HKD	Adjustment HKD	Fair Value HKD
CURRENT ASSETS			
Deposit <Note 1>	46,313,053	-	46,313,053
TOTAL ASSETS	46,313,053	-	46,313,053
CURRENT LIABILITIES			
Amount due to related companies <Note 2>	(1,001,806)	-	(1,001,806)
Amount due to Mcore Limited	(2,119,411)	-	(2,119,411)
Accruals	(706,470)	-	(706,470)
	(3,827,687)		(3,827,687)
NON-CURRENT LIABILITIES			
Amount due to related companies <Note 2>	(39,248,350)	-	(39,248,350)
TOTAL LIABILITIES	(43,076,037)		(43,076,037)
Net Asset Value of the Target Company 2			3,237,016
Fair Value of 80% Equity Interest in the Target Company 2		80%	2,589,613
Add: Amount due to the Related Companies <Note 2>			40,250,156
Fair Value of 80% Equity Interest and Amount due to the Related Companies in the Target Company 2 (rounded)			42,840,000

*Sum may not equal to total due to rounding.

<Note 1> This represents deposits paid for purchasing cryptocurrencies mining equipment and assume the carrying amount can reflect its fair value.

<Note 2> Amount due to the related companies included current accounts of Sinohope Hong Kong Limited, Sinohope APAC Limited, Hainan HuoDong Technology Ltd and Hbit Limited. These current accounts will be assigned to the purchaser in this transaction.

VALUATION OF 80% EQUITY INTEREST IN TARGET COMPANY 3

Summation Method

The summation method, also referred to as the underlying asset method, is typically used for investment companies or other types of assets or entities for which value is primarily a factor of the value of their holdings. The key steps in the summation method are:

- a) value each of the component assets that are part of the subject asset using the appropriate valuation approaches and methods, and
- b) add the value of the component assets together to reach the value of the subject asset.

Fair Value is determined by the sum-of-parts, which are the Fair Value of individual asset in Target Company 3. Details of the financial position of the Target Company 3 as at the Valuation Date were as follows:

Valuation Result - Target Company 3: HBTPower Inc

	Carrying Amount USD	Adjustment USD	Fair Value USD
CURRENT LIABILITIES			
C/A with shareholders	(1,250)	-	(1,250)
TOTAL LIABILITIES	(1,250)	-	(1,250)
Net Asset Value of the Target Company 3			(1,250)
Fair Value of 80% Equity Interest in the Target Company 3		80%	(1,000)
Fair Value of 80% Equity Interest in the Target Company 3 (rounded)			No Economic Value

*Sum may not equal to total due to rounding.

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SUMMARY OF VALUATION RESULT

As the final step of our valuation, we consolidated our above findings and discussions into the following summary of valuation result:

Subject of Valuation	Valuation Result (HKD)
Fair Value of 100% Equity Interest in Target Company 1	No Economic Value
Fair Value of Amount Due to Related Companies in Target Company 1	201,966,000
Fair Value of 100% Equity Interest and Amount due to the Related Companies in the Target Company 1 (rounded)	201,966,000

Subject of Valuation	Valuation Result (HKD)
Fair Value of 80% Equity Interest in Target Company 2	2,589,613
Fair Value of Amount Due to Related Companies in Target Company 2	40,250,156
Fair Value of 80% Equity Interest and Amount due to the Related Companies in the Target Company 2 (rounded)	42,840,000

Subject of Valuation	Valuation Result (HKD)
Fair Value of 80% Equity Interest in Target Company 3	No Economic Value

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RISK FACTORS

Price Risk

The profitability of the Target Group is directly related to the current and future market price of cryptocurrency; a decline in the market prices for coins could negatively impact the Target Group's future operations. The cryptocurrency prices are subject to various forces including global supply and demand, exchanges rates, global political and economic conditions. Global economy crisis may lead to increased inflation and have the effect of discouraging investment in virtual assets and investors might shift their investments to less volatile or traditional assets. There may be a significant decline in virtual assets activities, which could adversely affect digital asset networks and the Target Group's operation.

Liquidity Risk

Two of the major investments of the Target Company 1 are primarily engaged in the cryptocurrency mining industry, a highly volatile market with significant inherent risk. Declines in the market prices of cryptocurrencies, an increase in the difficulty of cryptocurrency mining, delays in the delivery of mining equipment, changes in the regulatory environment and other adverse changes in the industry could have a material and negative impact on the Target Company 1's operations and cash flows and its ability to maintain sufficient liquidity to meet its financial obligations. In addition, the Target Company 1 may not be able liquidate its inventory of cryptocurrency at its desired price if required. Adverse changes to the factors mentioned above might impact the recoverability of the Target Company 1's digital assets, resulting in impairment losses.

Regulatory Risk

Digital asset market is a rapidly evolving sector, the regulatory approach to which is not always certain and is still developing. Regulatory changes or actions in foreign jurisdictions may affect the Target Group's business or restrict the use of digital assets, mining activity or the operation of the digital asset exchange market in a manner that adversely affects the Target Group's business. If regulators take actions that restrict digital asset mining activities, breach of any regulatory requirements may give rise to reputational, financial, or other sanctions against the Target Group.

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STATEMENT OF LIMITING CONDITIONS

- Absent a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the Target Group or its assets. However, we are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same.
- The business interest and subject business assets have been valued free and clear of any lines or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject business assets or their ownership are assumed to exist.
- All information provided by the client and others is thought to be accurate. However, we offer no assurance as to its accuracy.
- Unless stated otherwise in this report, we have assumed compliance with the applicable local laws and regulations.
- We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable.
- The report may not fully disclose all the information sources, discussions and business valuation methodologies used to reach the conclusion of value. Supporting information concerning this report is on file with our company.
- The valuation analysis and conclusion of value presented in the report are for the purpose of this engagement only and are not to be used for any other reason, any other context or by any other person except the client to whom the report is addressed.
- The opinion of value expressed in this report does not obligate us to attend court proceedings with regard to the subject business assets, properties or business interests, unless such arrangements have been made previously.
- Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.
- We have only considered circumstances existing as at the Valuation Date. An event that could affect the value may occur subsequent to the Valuation Date. Such an occurrence is referred to as a subsequent event which is not considered in the valuation.

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CONCLUSION OF VALUE

In conclusion, based on the analyses as fully described in this valuation report and the valuing methodologies which we have employed, we are of the opinion that the Fair Value of 100% Equity Interest and amount due to the related companies in New Huo Solutions Limited, 80% Equity Interest and amount due to the related companies in HBTPower Limited and 80% Equity Interest in HBTPower Inc as at 31 March 2023 are as follows.

Subject of Valuation	Valuation Result (HKD)
1) Fair Value of 100% Equity Interest and amount due to the related companies in New Huo Solutions Limited 2) 80% Equity Interest and amount due to the related companies in HBTPower Limited 3) 80% Equity Interest in HBTPower Inc	244,806,000

The opinion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained. We hereby certify that we have neither present nor any prospective interests in the subject under valuation. Moreover, we have neither personal interests nor any bias with respect to the any of the parties involved.

This valuation report is issued subject to our general service conditions.

Yours faithfully,

For and on behalf of

VALTECH VALUATION ADVISORY LIMITED

For and on behalf of
Valtech Valuation Advisory Limited
方 程 評 估 有 限 公 司

Valtech Valuation Advisory Ltd
.....
Authorized Signature(s)

INVOLVED STAFF BIOGRAPHY

Marvin Wong, CPA

Mr. Wong has over ten years of experience in the professional service industry, including auditing, internal control advisory, financial due diligence, and with a focus on business valuation services. Mr. Wong is experienced in performing business valuation for State-owned enterprises, private and public companies. He provides valuation services mainly to support the purpose of financial reporting, mergers and acquisitions, tax filing and fund raising. He has performed valuation of projects for State-owned Assets Supervision and Administration Commission of the State Council (SASAC) filing in the PRC, listed companies' circular filing in Hong Kong and Singapore.

He has earned valuation experience in industries including but not limited to food and beverage, education, financial service, hotel, toll road, mining, ship building, pharmacy, agriculture, trading, e- platform, marketing, person-to-person microlending, waste management, intelligent parking, etc. He is also experienced in intangible asset valuation including customer relationship, trademark, franchise agreement, mining right, patent, distribution network and concession right.

Max Tsang, CPA, CFA, FRM, MRICS, MStat

Mr. Tsang has been working in the professional valuation field since 2011. Before joining the valuation field, he worked in banking and finance sector from 2008 to 2010. Mr. Tsang has been leading a team of business valuation for private and listed companies for the purposes of financial reporting, initial public offerings, mergers and acquisitions, financing, tax and litigation support. The scope of services includes business valuation and intangible asset valuation. He has performed valuation and provided fairness opinion for listed companies in the United States, Australia and Germany. He has participated in many representative projects, such as valuation of global luxury brands, oil and gas extraction in the United States and Canada, BOT infrastructural project, solar and wind power plants, banks, logistic hub in Singapore, toll road in the United Kingdom, container port in Brazil and premium food manufacturer in Spain.

He has provided valuation advisory services for private equity funds in Hong Kong and the PRC regarding market value assessment of the general partner's stakes and investment portfolios for valuation control and financial reporting purposes (including compliance with IFRS 9). The investment portfolios included renowned internet and technology companies as well as infrastructural projects in China. He has also served as the expert witness for litigation. He is also experienced in valuation of overseas projects for State-owned Assets Supervision and Administration Commission of the State Council (SASAC) filing in the PRC. The valuation reports prepared by Mr. Tsang and his team have been regularly referenced by Hong Kong listed companies in their circulars, including companies in agriculture, retail, mining, internet, automobile, education, financial services, multimedia, internet, real estate, entertainment, electronic equipment and infrastructural sectors.

Keith Lui, CFA, FRM

Mr. Lui is a Bachelor of Science in quantitative finance and risk management science in university and has been working in the professional valuation field since 2013. Mr. Lui has been joining in business valuation industries for private and listed companies for the purposes of financial reporting, initial public offerings, mergers and acquisitions and financing since graduation. The scope of services includes business valuation, intangible asset valuation and financial instruments valuation.

He is also experienced in valuation of overseas projects for State-owned Assets Supervision and Administration Commission of the State Council (SASAC) filing in the PRC. The valuation reports prepared by Mr. Lui has been referenced by Hong Kong listed companies in their circulars, including companies in agriculture, mining, internet and real estate sectors.

Bobby Zhu

Mr. Zhu has valuation experience in various industries including but not limited to clean energy, manufacturing, utility and infrastructure, mining, etc. Prior to joining Valtech Valuation, he worked in another valuation firm where he participated in many business valuation projects to support clients for the purpose of financial reporting, mergers and acquisitions. He has also gained experience in performing valuation of projects for State-owned Assets Supervision and Administration Commission of the State Council (SASAC) filing in the PRC. Earlier to that, he worked as Corporate Financial analyst in Sony and Dell and Corporate Auditor in Natuzzi China. Bobby earned his Financial Management Degree from Shanghai University of Finance & Economics.

Carmen Goh

Ms. Goh completed her Financial Services Degree with various internships and academic experience in Hong Kong, Shanghai, and Germany. Before joining the valuation field, she gained experience in the Corporate Development department, responsible for market research and financial analysis, supporting business development for new ventures. Since joining Valtech Valuation, she gained experience in different industries but not limited to food and beverage, sports, lighting, financial services, etc. She is accumulating and enriching her experience in providing valuation services for public and private companies in China and Hong Kong.

GENERAL SERVICE CONDITIONS

The service(s) we provide will conform to the professional appraisal standard. The proposed service fee is not contingent in any way upon our conclusions of value or result. All the data provided to us is assumed to be accurate without independent verification. As an independent contractor, we have and will reserve the right to use subcontractors. Furthermore, we have the right to retain all files, working papers or documents developed by us during the engagement for as long as we wish, which will also be our property.

The report we prepare is prohibited for any other use but only for the specific purpose stated herein. No reliance may be made by any third party on the report or part thereof without our prior written consent. The report along with this General Services Conditions could be shown to the third parties who need to review the information contained herein.

No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including all fees of lawyers, including ours and the parties successfully suing us, to which we may become subject in connection with this engagement except in respect of our own negligence. Your obligation for indemnification and reimbursement shall extend to any of our management and employees, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of the nature of the claim, such liability will be limited to the amount of fees we received for this engagement.

We will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative processes or proceedings. Meanwhile, we reserve the right to include your company/firm name in our client list.

The conditions stated in this section can only be modified by written documents executed by both parties.

End of Report