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新火科技
SINOHOPE

SINOHOPE TECHNOLOGY HOLDINGS LIMITED

新火科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 1611)

**DISCLOSABLE TRANSACTION
IN RELATION TO DISPOSAL OF FTX CLAIM**

Reference is made to the announcements of Sinohope Technology Holdings Limited (the “**Company**”) dated 14 November 2022 and 22 February 2024 in relation to, among others, the FTX Incident and its impact on the Group’s financial position, and the annual results announcement of the Company for the year ended 30 September 2023 dated 28 December 2023 (collectively, the “**Announcements**”) and the annual report for the year ended 30 September 2023 dated 29 January 2024 (the “**Annual Report**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements and the Annual Report.

THE DISPOSAL

On 24 May 2024 (after trading hours of the Stock Exchange), the Seller, a wholly-owned subsidiary of the Company, entered into the Agreement with the Buyer in relation to the Disposal, pursuant to which the Seller has agreed to sell, and the Buyer has agreed to purchase, all the rights, title and interest of the Seller in the FTX Claim at a consideration of US\$19,500,088.87 (equivalent to approximately HK\$152,219,643.73).

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders’ approval requirement under Chapter 14 of the Listing Rules.

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THE AGREEMENT

The principal terms of the Agreement are summarized below:

Date

24 May 2024 (after trading hours of the Stock Exchange)

Parties

1. Hbit Limited, as the Seller; and
2. Ceratosaurus Investors, L.L.C., as the Buyer.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Buyer and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Subject Matter

The Seller has agreed to sell, and the Buyer has agreed to purchase all the rights, title and interest of the Seller in and to the FTX Claim which is a customer entitlement claim in the amount of not less than US\$18,089,136.25 against the Debtors, arising out of certain deposits held in accounts with the Debtors, having “Customer Code” 01416793 with assigned schedule number 5481938 of the US Debtor’s Schedule of Assets and Liabilities, with confirmation ID 3265-70-BAXEM-615492747 and 3265-70-QNROG-676514417, respectively, and claim numbers 55462 and 94681, respectively.

Consideration

Pursuant to the Agreement, the Consideration for the disposal of all the rights, title and interest in and to FTX Claim is US\$19,500,088.87, payable by the Buyer to the Seller in cash upon the completion of the Disposal.

The Consideration was determined after arm's length negotiations between the Buyer and the Seller, after taking into account (i) the original amount of HK\$141,748,000 for the FTX Deposits (the "**Claim Amount**"), (ii) the previous and current market prices for realising the FTX Deposits, the withdrawal of which have been restricted, and (iii) the net book value of the FTX Claim as at 30 September 2023 valued at HK\$55,851,000 by the Company. The Directors are of the view that the Consideration is fair and reasonable and on normal commercial term.

Completion

Within two (2) Business Days of the delivery of (i) Evidence of Transfer, and (ii) the power of attorney (the "**Power of Attorney**"), both substantially in the forms as set out in the Agreement, the Buyer shall pay the Consideration by wire transfer in immediately available funds to the account specified by the Seller. Upon the receipt of such payment by the Seller, the Completion takes place and the Evidence of Transfer and the Power of Attorney become effective. The Seller shall provide the Buyer with the Login Credentials within one (1) Business Day thereafter and the Buyer could file the Evidence of Transfer with the relevant bankruptcy court in the United States (the "**US Bankruptcy Court**").

Termination

Pursuant to the Agreement, the Seller shall be entitled to terminate the Agreement ab initio by delivering a notice to the Buyer if the payment of Consideration was not received by the Seller before the close of business in New York on the seventh (7th) Business Day following the date of entering into the Agreement.

Disallowance and Restitution Payment

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

INFORMATION ON THE PARTIES

Information on the Seller

The Seller is a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company. It is primarily engaged in investment holding.

Information on the Buyer

The Buyer is a Delaware limited liability company which principally engages in holding debt investments.

INFORMATION ON THE FTX CLAIM, FINANCIAL EFFECT OF THE DISPOSAL AND THE USE OF PROCEEDS

As disclosed in the Announcements, since FTX Deposits of the Seller, namely fiat currencies and cryptocurrencies deposited in FTX with original amounts of HK\$107,169,000 and HK\$34,579,000, respectively, could not be withdrawn due to the ongoing bankruptcy proceedings, the Seller completed the submission of a claim of FTX Deposits against the Debtors and had been continuously seeking potential purchaser(s) for the assignment of the FTX Claim. The Company had performed impairment assessment on the FTX Deposits and concluded that the recoverable amount of the FTX Deposits would be less than its original amounts deposited in FTX as at 30 September 2023. As set out in the Annual Report, for the purpose of impairment assessment, the recoverable amount of the FTX Deposits was determined with reference to the market price less incremental costs for assignment of the FTX Claim and the net value of the FTX Deposits was HK\$55,851,000 as at 30 September 2023.

There was no revenue or profit attributable to the FTX Claim for the year ended 30 September 2023, and the net loss (before and after taxation) from the impairment attributable to the FTX Claim for the year ended 30 September 2023 was approximately HK\$85,897,000.

The Board expects that upon Completion, the Disposal will result in a gain of approximately HK\$96,953,000, which includes the reversal of approximately HK\$85,897,000 from the provision of impairment of FTX Deposits and a surplus of approximately HK\$11,056,000 from the Consideration. The total assets of the Company will be increased by approximately HK\$96.65 million from approximately HK\$478.28 million to approximately HK\$574.93 million.

The Group intends to use the proceeds from the Disposal for business development, investment appreciation through time deposit and as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Among several competitive offers received by the Seller from potential purchasers for the assignment of the FTX Claim, the terms of the Disposal are the most favourable to the Company with the highest recoverable amount of the FTX Deposits upon Completion. Further, taking into account the uncertain and lengthy nature of bankruptcy proceedings, the Disposal provides an efficient one-off solution to the Seller to realise the FTX Deposits effectively with a gain of approximately HK\$96,953,000, eliminating the litigation risks associated with the FTX Claim.

In light of the aforesaid reasons and the terms of the Agreement disclosed in this announcement, the Board is of the view that the terms of the Agreement are fair and reasonable, on normal commercial terms, and are in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below:

“Agreement”	the Claim Sale and Purchase Agreement dated 24 May 2024 entered into between the Seller and the Buyer in relation to the FTX Claim
“Board”	the board of directors of the Company
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday in New York
“Buyer”	Ceratosaurus Investors, L.L.C., a Delaware limited liability company which principally engages in holding debt investments
“Company”	Sinohope Technology Holdings Limited (新火科技控股有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1611)
“Completion”	completion of the Disposal
“Debtors”	FTX Trading Ltd. together with certain affiliates and related entities and, together with FTX Digital Markets Ltd.
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Seller’s rights, title and interest in and to the FTX Claims under the Agreement
“Evidence of Transfer”	an evidence of transfer of claim pursuant to Rule 3001 of the Federal Rules of Bankruptcy Procedure, with respect to the proof of claim
“FTX Claim”	a customer entitlement claim in the amount of not less than US\$18,089,136.25, against the Debtors, arising out of certain deposits held in accounts with the Debtors

“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Login Credentials”	full access (including the Seller’s credentials, passwords and email address) to log in as the Seller on the FTX Claims Portal (https://claims.ftx.com) and to change the two-factor authentication (2FA) to the Buyer’s control
“Seller”	Hbit Limited, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States

By order of the Board
Sinohope Technology Holdings Limited
Du Jun
Executive Director

Hong Kong, 24 May 2024

For the purpose of illustration only and unless otherwise specified, conversion of US\$ to HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.8061. Such conversion should not be construed as a representation that any amount has been, could have been, or may be exchanged at this or any other rate.

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