

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Sinohope Technology Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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)**

**(1) CONTINUING CONNECTED TRANSACTION  
ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and Independent Shareholders**



**Gram Capital Limited**  
**嘉林資本有限公司**

---

A letter from the Board is set out on pages 5 to 17 of this circular. A letter from the Independent Board Committee is set out on pages 18 to 19 of this circular. A letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 33 of this circular.

A notice convening the EGM to be held at 10:30 a.m. on Tuesday, 3 September 2024 at Unit 702-3, 7/F, 100 Queen's Road Central, Central, Hong Kong is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed herewith and published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinohope.com](http://www.sinohope.com)).

Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

9 August 2024

---

# CONTENT

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	5
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	18
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....	20
<b>APPENDIX I – GENERAL INFORMATION</b> .....	I-1
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	EGM-1

---

## DEFINITIONS

---

*In this circular, the following terms and expressions shall have the following respective meanings unless the context otherwise requires:*

“ABCDE Fund”	ABCDE Blockchain Fund LPF, a limited partnership fund registered in Hong Kong under the LPFO
“Asset Management Services Framework Agreement”	the asset management services framework agreement dated 11 July 2024 entered into by Sinohope Asset Management with Mr. Li
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Avenir Cayman”	Avenir Cayman Holding Limited, a company incorporated in the Cayman Islands with limited liability, the ultimate beneficial owner of which is Mr. Li
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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 issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1611)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the entire issued share capital of New Huo Solutions by the Company to Avenir Cayman, pursuant to a sale and purchase agreement dated 25 August 2023
“EGM”	an extraordinary general meeting or any adjournment thereof of the Company to be convened at 10:30 a.m. on Tuesday, 3 September 2024 at Unit 702-3, 7/F, 100 Queen’s Road Central, Central, Hong Kong to consider and, if thought fit, approve the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Existing Funds”	the collective investment schemes where Sinohope Asset Management acts as the investment manager and Mr. Li’s associates have subscribed for limited partnership interests or participating shares, as at the date of the Asset Management Services Framework Agreement, which consist of ABCDE Fund, New World Fund, New Era Fund and MS Fund

---

## DEFINITIONS

---

“Funds”	collectively, the Existing Funds and the Other Funds in which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests
“Group”	the Company and its subsidiaries
“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
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP, established to advise the Independent Shareholders in respect of the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM to approve the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder
“Independent Third Party(ies)”	an independent third party not connected with the Company and its subsidiaries, their respective directors, chief executives and substantial shareholders and any of their associates within the meaning of the Listing Rules
“Latest Practicable Date”	8 August 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“LPFO”	the Limited Partnership Fund Ordinance (Chapter 637 of the Laws of Hong Kong), as amended

---

## DEFINITIONS

---

“Mr. Li”	Mr. Li Lin, the chairman of the Board, a non-executive Director and a substantial shareholder of the Company
“MS Fund”	Sinohope Investment SPC, a segregated portfolio company incorporated in the Cayman Islands with limited liability, acting for the account of its segregated portfolio, Sinohope Multi-Strategy Crypto Fund SP
“New Era Fund”	New Era Pioneer Mining Fund 1 LPF, a limited partnership fund registered in Hong Kong under the LPFO
“New Huo Solutions”	New Huo Solutions Limited, a company incorporated in Hong Kong with limited liability
“New World Fund”	New World Pioneer Mining Fund 1 LPF, a limited partnership fund registered in Hong Kong under the LPFO
“Notice of EGM”	a notice convening the EGM set out on pages EGM-1 to EGM-2 of this circular
“Other Funds”	the collective investment schemes (including but not limited to private equity funds and/or mutual funds, etc., structured in the form of Cayman Islands exempt limited partnerships, segregated portfolio companies and exempt limited companies and/or Hong Kong limited partnership funds and open-ended fund companies and/or other forms) of which Sinohope Asset Management acts as or will act as the investment manager
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the Asset Management Services Framework Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	the shareholders of the Company
“Sinohope Asset Management”	Sinohope Asset Management (Hong Kong) Limited, a company incorporated in Hong Kong and a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, an indirect wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

---

## DEFINITIONS

---

“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

*Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.*

*Any reference in this circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Listing Rules, the SFO or any modification thereof and used in this circular shall, where applicable, have the meaning assigned to it under the Listing Rules, the SFO or any modification thereof, as the case may be.*

*In case of any discrepancy between the English version and the Chinese version of this circular, the English version shall prevail.*

---

## LETTER FROM THE BOARD

---



**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)**

*Non-executive Director:*

Mr. LI Lin (*Chairman*)

*Executive Director:*

Mr. DU Jun

Ms. ZHANG Li

*Independent Non-executive Directors:*

Mr. YU Chun Kit

Mr. YIP Wai Ming

Dr. LAM, Lee G., *BBS, JP*

*Registered office:*

Vistra Corporate Services Centre

Wickhams Cay II

Road Town, Tortola

BVI VG1110

*Head office and principal place of business*

*in Hong Kong:*

Unit 702-3, 7/F

100 Queen's Road Central

Central, Hong Kong

9 August 2024

*To the Shareholders*

Dear Sir or Madam,

**(1) CONTINUING CONNECTED TRANSACTION  
ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT  
AND  
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 11 July 2024 in relation to, among other things, the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

---

## LETTER FROM THE BOARD

---

The purpose of this circular is to provide you with, among others, (i) further information on the Asset Management Services Framework Agreement; (ii) the letter from Gram Capital containing its advice to the Independent Board Committee and the Independent Shareholders on the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder; (iii) the recommendation of the Independent Board Committee regarding the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder; (iv) general information of the Company; and (v) a notice for convening the EGM.

### 2. ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT

On 11 July 2024 (after trading hours), Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement with Mr. Li, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds and the Other Funds, in which Mr. Li and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive), conditional upon the Independent Shareholders' approval at the EGM having been obtained. The principal terms of the Asset Management Services Framework Agreement are set out as follows:

#### **Date**

11 July 2024 (after trading hours)

#### **Parties**

- (a) Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company;  
and
- (b) Mr. Li, a substantial shareholder and a connected person of the Company.

#### **Subject matter**

Pursuant to the Asset Management Services Framework Agreement, Sinohope Asset Management will (i) continue to provide asset management services to the Existing Funds; and (ii) provide asset management services to the Other Funds in which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive), conditional upon the Independent Shareholders' approval at the EGM having been obtained.

Mr. Li and/or his associates, Sinohope Asset Management and/or the Funds (or the general partner of the Funds) have entered into or will enter into separate documents (including but not limited to private placement memorandum, limited partnership agreement, subscription agreement and/or investment management agreement) to stipulate the details and terms of the provision of asset management services by Sinohope Asset Management to the Funds.



---

## LETTER FROM THE BOARD

---

### Particulars of the Existing Funds

The Existing Funds consist of ABCDE Fund, New World Fund, New Era Fund and MS Fund.

ABCDE Fund was formed on 27 March 2023 and Mr. Li subscribed limited partnership interests in ABCDE Fund through his associate on 28 April 2023. ABCDE Fund was established for the purpose of investing in early stage blockchain projects that Sinohope Asset Management believes will have an impact on and make a difference to the cryptocurrency ecosystem (“**Target Investments**”). Through these Target Investments, ABCDE Fund aims to contribute to the development of the blockchain community. The portfolio of ABCDE Fund consists of equity and equity-related securities issued by Target Investments; virtual assets; interests in other funds that invest directly or indirectly in equity or equity-related securities issued by Target Investments or virtual assets; and instruments that are convertible or exchangeable for virtual assets issued by Target Investments. As at 30 June 2024, the total asset-under-management of ABCDE Fund was US\$40 million and Mr. Li was beneficially interested in 31.25% of limited partnership interests in ABCDE Fund.

Each of New World Fund and New Era Fund was formed on 23 February 2021 and 6 May 2022, respectively. MS Fund was incorporated on 4 September 2020. Each of New World Fund, New Era Fund and MS Fund became interested by Mr. Li through his associate(s) upon the completion of the Disposal on 9 February 2024 where Avenir Cayman, which was ultimately controlled by Mr. Li, became the sole shareholder of New Huo Solutions which held interests in such Existing Funds.

New World Fund was established for the purpose of making investments in the cryptocurrency mining ecosystem by acquiring interests in companies that are engaged in cryptocurrency mining activities and companies that support or facilitate the cryptocurrency mining ecosystem and acquiring interests in mining equipment directly or indirectly. The portfolio of New World Fund consists of equity interests in a portfolio company which principally engages in the businesses that generate income streams from performing cryptocurrency mining activities. As at 30 June 2024, the total asset-under-management of New World Fund was US\$20 million and Mr. Li was beneficially interested in 50.00% of limited partnership interests in New World Fund.

New Era Fund was established for the purpose of making investments in the cryptocurrency mining ecosystem by acquiring interests in companies that are engaged in cryptocurrency mining activities and companies that support or facilitate the cryptocurrency mining ecosystem. The portfolio of New Era Fund consists of equity interests in portfolio companies. As at 30 June 2024, the total asset-under-management of New World Fund was US\$4.83 million and Mr. Li was beneficially interested in 100.00% of limited partnership interests in New Era Fund.

MS Fund is an actively managed fund which adopts a multi-strategy approach which includes, without limitation, quantitative trading, arbitrage, technical analysis and fundamental analysis of directional market movements. The portfolio of MS Fund consists of cash and cryptocurrency assets acquired on the secondary market including Top 200 Coins and virtual assets futures including cryptocurrencies or derivatives that are linked to the Top 50 Coins. As at 30 June 2024, the total asset-under-management of MS Fund was US\$18.1 million and Mr. Li was beneficially interested in 96.13% of participating shares attributable to MS Fund.

---

## LETTER FROM THE BOARD

---

Sinohope Asset Management has entered into investment management agreement with MS Fund and limited partnership agreement with each of ABCDE Fund, New World Fund, New Era Fund (the “**Other Existing Funds**”), pursuant to which Sinohope Asset Management has been appointed as the investment manager of each of the Existing Funds to provide discretionary management services to each of the Existing Funds (the “**Existing Fund Documents**”).

Under the Existing Fund Documents,

- (a) in respect of New World Fund and New Era Fund, a management fee equal to 2% per annum of the total commitment amount of the investors will be payable quarterly in arrears;
- (b) in respect of ABCDE Fund, a management fee equal to 2% per annum of the total commitment amount of the investors during the investment period and thereafter 1.5% per annum of the invested capital of the investors will be payable quarterly in advance;
- (c) in respect of MS Fund, a management fee equal to 1% per annum of the net asset value of the participating shares in MS Fund will be payable monthly in arrears; and a performance fee equal to 20% to 40% of the appreciation of the net asset value of the participating shares in MS Fund above the high water mark will be payable in arrears at the end of the performance period or upon a redemption of the participating shares; and
- (d) in respect of the Other Existing Funds, 20% to 30% of the remaining distributable proceeds from portfolio investments (after the investors receive their respective investment amounts and the preferred return on their investments) will be distributed to Sinohope Asset Management as carried interest.

### **Pricing policy**

In connection with the provision of the asset management services, Sinohope Asset Management will charge management fees and/or performance fees and/or receive carried interest distributions from the Funds pursuant to the relevant fund documents, where different fee rates may be applicable to different classes of investors. The asset management service fees charged by Sinohope Asset Management shall be determined through arm’s length negotiations and based on normal commercial terms in accordance with the following pricing policy:

- (a) the management fee charged by Sinohope Asset Management as the investment manager of a Fund shall be calculated by multiplying the total investment or commitment amount of the investors of such Fund or the net asset value of such Fund with the relevant management fee rate;
- (b) the performance fee charged by Sinohope Asset Management as the investment manager of a Fund shall be calculated by multiplying the appreciation in the net asset value of such Fund for the relevant performance period (subject to high water mark, hurdle or other benchmark, if any) with the relevant performance fee rate;

---

## LETTER FROM THE BOARD

---

- (c) the carried interest distributions received by Sinohope Asset Management as the investment manager or the special limited partner (solely for the purpose of receiving such carried interest distributions) of a Fund shall be calculated by multiplying the remaining distributable proceeds from the portfolio investments of such Fund (after distributions to such Fund's limited partners for a return of their capital contributions and to provide them with a preferred return, if any) with the relevant rate of carried interest distributions; and
- (d) the management fee rates, performance fee rates and rates of carried interest distributions applicable to Mr. Li and/or his associates as stipulated in the relevant fund documents shall be applicable to other independent third party investors participating in the same class of interests in the Funds equally and evenly; and such management fee rates, performance fee rates and rates of carried interest distributions are comparable to, or no less favourable than, the management fee rates, performance fee rates and rates of carried interest distributions charged by Sinohope Asset Management on any other independent third party investors for other similar collective investment schemes.

The management fee rates, performance fee rates and rates of carried interest distributions shall be determined with reference to multiple factors including (i) investment strategies of the Funds; (ii) the performance fee structure of the Funds (if applicable) (whether it will be subject to high water mark, hurdle or other benchmark); (iii) fee rates charged by fund managers in respect of collective investment schemes with similar nature in the market; and (iv) target asset-under-management of the Funds. The range of the fee rates will be 1% to 2% for management fee; 20% to 40% for performance fee; and 20% to 30% for carried interest distributions.

The asset management service fees shall be payable by the Funds to Sinohope Asset Management in such manner as stipulated in the relevant fund documents. For open-ended mutual funds, the management fee and the performance fee (if applicable) will normally be paid on a monthly basis. For private equity funds, the management fee will normally be paid on a quarterly basis and the carried interests will be distributed upon the termination of the fund.

### **Historical transaction amounts**

Mr. Li subscribed limited partnership interests in ABCDE Fund through his associate on 28 April 2023. Since then, the provision of asset management services by Sinohope Asset Management to ABCDE Fund has constituted continuing connected transactions of the Company but fell within the de minimis threshold under Rule 14A.76 of the Listing Rules. Following completion of the Disposal on 9 February 2024, the provision of asset management services by Sinohope Asset Management to each of New World Fund, New Era Fund and MS Fund (the “**Transactions**”) became continuing connected transactions of the Company, and when aggregated with the transactions with ABCDE Fund, such transactions would be subject to announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

---

## LETTER FROM THE BOARD

---

Due to misinterpretation of the Listing Rules, the Company did not comply with the aforesaid requirements in a timely manner, and such misinterpretation was unintentional. Upon becoming aware of the incident and being informed by the management that the above transactions were not disclosed in a timely manner, the Company negotiated with Mr. Li to enter into the Asset Management Services Framework Agreement with the Proposed Annual Caps to commence retrospectively from 1 October 2023 to cover the actual transaction amount between Sinohope Asset Management and the Existing Funds and accordingly issued an announcement on 11 July 2024.

In order to prevent similar incidents from occurring in the future, the Company has taken the following remedial measures to enhance its internal control procedures:

- (a) arranging internal training courses to relevant personnel of the Company and its subsidiaries on the requirements under the Listing Rules with regard to connected transactions, the identification of connected persons and the nature of transactions before entering into any agreement and the reporting procedures of connected transactions;
- (b) designating management of the Company to identify connected persons and connected transactions of the Group and to review and monitor transactions of the Group to ensure compliance with the requirements of the Listing Rules in a timely manner;
- (c) maintaining and regularly updating a list of connected persons which will be circulated to relevant business personnel to check against such list before conducting any transactions and report any potential connected transaction to management of the Company in advance in order to ascertain whether there will be any implications under the Listing Rules;
- (d) enhancing the reporting and monitoring procedures for the transaction amounts of connected transactions, and improving the procedures and frequency of data collection and cross-checking to ensure that the transaction amounts do not exceed the relevant annual caps or any minimum exemption level; and
- (e) consulting legal counsel and the Stock Exchange in respect of any proposed transaction in a timely manner (if necessary) before entering into such transactions that may constitute new connected transactions of the Company.

## LETTER FROM THE BOARD

Furthermore, the historical annual management fee charged by the Group in respect of the Existing Funds amounted to approximately HK\$573,635 for the year ended 30 September 2021, approximately HK\$3,497,648 for the year ended 30 September 2022 and approximately HK\$6,456,791 for the year ended 30 September 2023. For the three years ended 30 September 2023, the management fee rates charged by the Group in respect of the Existing Funds were 1% for open-ended funds and 2% for private equity funds, and such management fee rates and the performance fee rates and the rates of carried interest distributions (if applicable) remained unchanged and were applicable to both connected person(s) of the Company (including Mr. Li's associates) and other Independent Third Party investors. For the period from 1 October 2023 to 30 June 2024, the actual transaction amount between Sinohope Asset Management and the Existing Funds was approximately HK\$19,803,501, which consisted of (i) approximately HK\$6,383,873 of aggregate management fees payable by the Existing Funds to the Group; and (ii) approximately HK\$13,419,628 of performance fees payable by MS Fund to the Group.

### Proposed annual caps

The Proposed Annual Caps for the transactions contemplated under the Asset Management Services Framework Agreement are set out as follows:

	<b>For the year ending 30 September</b>		
	<b>2024</b>	<b>2025</b>	<b>2026</b>
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
<i>Asset management service fees in respect of</i>			
Existing Funds	35,454,545	56,363,636	60,000,000
Other Funds	3,545,455	5,636,364	6,000,000
Total	39,000,000	62,000,000	66,000,000

The Proposed Annual Caps for the transactions contemplated under the Asset Management Services Framework Agreement as set out above is determined with reference to (a) the pricing policy of the total asset management service fees to be charged under the relevant fund documents contemplated under the Asset Management Services Framework Agreement, particulars of which have been set out above; (b) the historical annual management fee rate charged by Sinohope Asset Management in respect of the Existing Funds and the size of the Existing Funds; (c) the maximum annual management fee rate of 2% to be charged by Sinohope Asset Management in respect of the Existing Funds; (d) a buffer of 10% to cater for the new funds in which Mr. Li and/or his associates will invest and of which Sinohope Asset Management will act as investment manager; and (e) the historical management fees and performance fees of MS Fund and an expected growth rate of 10% on the expected performance and change in net asset values of MS Fund.

---

## LETTER FROM THE BOARD

---

The Proposed Annual Caps were calculated based on the following:

- (a) the estimated management fees and performance fees of MS Fund for the period from 9 February 2024 up to 30 September 2026, which were calculated by multiplying (i) the monthly average management fees of MS Fund for the four months ended 31 May 2024 being approximately HK\$123,222 per month, and (ii) the monthly average performance fees of MS Fund for the four months ended 31 May 2024 being approximately HK\$3,354,907 per month, with the number of months in the relevant period and a growth rate of 10% for each of the three years ending 30 September 2026 would be applied to cater for the increase in net asset values of MS Fund, where the 10% growth rate was adopted based on the closing price trend of Bitcoin which is the largest investment among the investment portfolio of MS Fund and gives a representation of the price movement trend of Top 200 Coins;
- (b) the estimated management fees of the Other Existing Funds for the period from 1 October 2023 (for ABCDE Fund) or 9 February 2024 (for New World Fund and New Era Fund) up to 30 September 2026, which were calculated by multiplying the expected asset-under-management of such Other Existing Funds with the applicable management fee rates, where the expected asset-under-management of ABCDE Fund, New World Fund and New Era Fund would be US\$40 million, US\$20 million and US\$4.83 million, respectively; and
- (c) a buffer of 10% on the aggregate of (a) and (b) above was made to cater for any fees payable by the Other Funds, in which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests, to the Group.

For the three years ending 30 September 2026, the estimated asset management service fees in respect of MS Fund would account for 78% to 84% of the total estimated asset management service fees of the Existing Funds despite having a lower total asset-under-management than the aggregate of the Other Existing Funds because MS Fund is subject to payment of performance fees and the Other Existing Funds are only subject to carried interest distributions which were not accounted for in the Proposed Annual Caps on the basis that the portfolio investments of the Other Existing Funds are not expected to be disposed of before the expiry of the Asset Management Services Framework Agreement.

There is a more significant percentage increase in the Proposed Annual Cap for the year ending 30 September 2025 compared with the Proposed Annual Cap for the year ending 30 September 2024 since the Transactions accounted for a substantial portion of the asset management service transactions between Sinohope Asset Management and all of the Existing Funds, and the Transactions only became connected on 9 February 2024 (where less than eight months of the transaction amounts would be accounted for in the Proposed Annual Cap for the year ending 30 September 2024).

---

## LETTER FROM THE BOARD

---

### 3. INTERNAL CONTROL MEASURES

The Company has also established the following internal control measures to ensure that continuing connected transactions under the Asset Management Services Framework Agreement are conducted in accordance with the Listing Rules and to safeguard the interests of the Company and the Shareholders as a whole:

- (a) before entering into any fund documents under the Asset Management Services Framework Agreement, the business personnel of the Group will review and assess the specific terms and conditions of such fund documents, with reference to transaction information of previous similar collective investment schemes managed by Sinohope Asset Management including the fees charged in respect of independent third party investors and market information of fee rates charged by fund managers in respect of collective investment schemes with similar nature in the market, to ensure that (i) the fund documents will be in accordance with the terms of the Asset Management Services Framework Agreement including the pricing policy; and (ii) the asset management service fees charged in respect of the connected person will be no less favourable to the Group than that charged in respect of the Independent Third Parties;
- (b) financial manager in the finance division of the Company will be designated to be responsible for closely monitoring the aggregated amount of fees receivable under the fund documents entered into under the Asset Management Services Framework Agreement on a monthly basis to ensure that it does not exceed the Proposed Annual Caps. If the actual transaction amounts reach approximately 85% of the Proposed Annual Caps at any time of the year, the finance division of the Company will report to the senior management of the Company, which will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures to revise the Proposed Annual Caps and comply with the relevant announcement and/or independent shareholders' approval requirements in accordance with the Listing Rules;
- (c) the internal audit department of the Company is responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the Asset Management Services Framework Agreement on an annual basis. In addition, the internal audit department will prepare an internal control report and submit to the Board for review and approval;
- (d) the Company's external auditors will conduct an annual review on the pricing and the Proposed Annual Caps of the transactions contemplated under the Asset Management Services Framework Agreement in accordance with the Listing Rules; and

---

## LETTER FROM THE BOARD

---

- (e) the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions under the Asset Management Services Framework Agreement to ensure that (i) such transactions are conducted in the ordinary and usual course of business of the Group, (ii) the internal control policies and measures are in place, and (iii) the terms and conditions under the Asset Management Services Framework Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Company will facilitate the provision of necessary information to the independent non-executive Directors and the auditors for the purpose of such review.

In view of the above, and given the involvement of various internal departments of the Group on different levels including business personnel, personnel in the finance division of the Company, personnel in the internal audit department and the Board, and external auditors to monitor before and after transactions are entered into under the Asset Management Services Framework Agreement, the Directors consider that there are adequate pricing and internal control procedures and external supervision measures to ensure that the continuing connected transactions under the Asset Management Services Framework Agreement will comply with the relevant regulatory guidelines and the transactions contemplated thereunder will be negotiated on an arm's length basis and conducted on normal commercial terms and not prejudicial to the interest of the Company and its minority Shareholders.

#### **4. INFORMATION OF THE PARTIES**

Sinohope Asset Management, a company incorporated in Hong Kong with limited liability and licensed with the Securities and Futures Commission of Hong Kong to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, is principally engaged in asset management businesses. Sinohope Asset Management is an indirect wholly-owned subsidiary of the Company. The principal activities of the Group are the provision of technology solution services and varieties of services in virtual asset ecosystem, such as asset management, trust and custodian business.

Mr. Li, an individual and a merchant, is the chairman of the Board, a non-executive Director and a substantial shareholder of the Company.

#### **5. REASONS FOR AND BENEFITS OF THE ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

By entering into the Asset Management Services Framework Agreement, the Company can further expand its asset management scale and enrich the fund products. Besides, it enabled itself to grasp and capture the opportunity, resulting from the strong market demand for asset management services, to strengthen the business of Sinohope Asset Management in the asset management market. The Directors further believe that the engagements secured under the Asset Management Services Framework Agreements will contribute to increasing the competitiveness of Sinohope Asset Management in the market, which the Directors consider to be essential to the future business growth of the Group in the area of asset management business.



---

## LETTER FROM THE BOARD

---

The terms of the Asset Management Services Framework Agreement have been arrived at after arm's length negotiations between the parties. The Directors (excluding all the independent non-executive Directors who will give their opinion based on the recommendations from Gram Capital) have confirmed that the transactions contemplated under the Asset Management Services Framework Agreement (including the Proposed Annual Caps) are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interests of the Company and the Shareholders as a whole.

### 6. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Mr. Li is a non-executive Director and indirectly holds 19.53% of the issued Shares of the Company and is therefore a substantial shareholder of the Company. As such, Mr. Li is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the entering into of the Asset Management Services Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest of all applicable percentage ratios in respect of the Proposed Annual Caps under the Asset Management Services Framework Agreement is higher than 5% on an annual basis, the entering into of the Asset Management Services Framework Agreement and the transactions contemplated thereunder is subject to reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Li was required to abstain from voting in the Board meeting in respect of the resolutions to approve the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. Save for Mr. Li, none of the other Directors has a material interest in the transactions contemplated under the Asset Management Services Framework Agreement, and none of the Directors (save for Mr. Li) is required to abstain from voting on the relevant Board resolution.

### 7. EGM

The EGM will be held at 10:30 a.m. on Tuesday, 3 September 2024 at Unit 702-3, 7/F, 100 Queen's Road Central, Central, Hong Kong for the purpose of allowing Shareholders to consider and, if thought fit, approve the resolution as set out in the Notice of EGM on pages EGM-1 to EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed herewith and published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinohope.com](http://www.sinohope.com)). Whether or not you are able to attend the EGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

---

## LETTER FROM THE BOARD

---

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Asset Management Services Framework Agreement (including the Proposed Annual Caps) and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders a whole, and to advise the Independent Shareholders as to how to vote at the EGM.

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

As at the Latest Practicable Date, Mr. Li and his associates are interested in approximately 19.53% of the issued Shares of the Company, and are required to abstain from voting on the relevant resolution approving the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the relevant resolution approving the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder at the EGM.

### **8. CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 29 August 2024 to Tuesday, 3 September 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order for the Shareholders to qualify for attending and voting at the EGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and in any case no later than 4:30 p.m. on Wednesday, 28 August 2024.

### **9. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions put forward at the EGM will be voted on by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Poll results will be announced by the Company in accordance with Rule 13.39(5) of the Listing Rules after the EGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholders; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it/he/she has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its/his/her Shares to a third party, either generally or on a case-by-case basis.

---

## LETTER FROM THE BOARD

---

### 10. RECOMMENDATIONS

The Board (including the independent non-executive Directors whose views have been set out in this circular after taking into consideration the advice of Gram Capital) is of the view that: (i) the Asset Management Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) recommends the Independent Shareholders to vote in favour of the resolution for approving the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

### 11. FURTHER INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular, the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders set out on pages 20 to 33 of this circular, the additional information as set out in the appendix to this circular and the Notice of EGM.

Yours faithfully,  
By Order of the Board  
**SINOHOPE TECHNOLOGY HOLDINGS LIMITED**  
**Du Jun**  
*Executive Director*

---

# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---



## 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)**

9 August 2024

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTION ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT**

We refer to the circular dated 9 August 2024 (the “**Circular**”) issued by the Company to its Shareholders of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to consider and to advise the Independent Shareholders on the terms of the Asset Management Services Framework Agreement (together with the Proposed Annual Caps) and the transactions contemplated thereunder as set out in the Circular as to the fairness and reasonableness and to recommend whether or not the Independent Shareholders should approve the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder as set out in the Circular. Gram Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in this regard. Details of the independent advice of the Independent Financial Adviser, together with the principal factors and reasons the Independent Financial Adviser has taken into consideration, are set out in pages 20 to 33 of the Circular.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder. Your attention is also drawn to the additional information set out in the appendices to the Circular.

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Having considered the terms of the Asset Management Services Framework Agreement (together with the Proposed Annual Caps) and the transactions contemplated thereunder, the advice and recommendation of the Independent Financial Adviser and the relevant information contained in the Letter from the Board, we are of the view that: (i) the Asset Management Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution at the EGM so as to approve the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder.

Yours faithfully,

**The Independent Board Committee of  
SINOHOPE TECHNOLOGY HOLDINGS LIMITED**

**Mr. YU Chun Kit**  
*Independent non-executive  
Director*

**Mr. YIP Wai Ming**  
*Independent non-executive  
Director*

**Dr. LAM, Lee G., BBS, JP**  
*Independent non-executive  
Director*

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

9 August 2024

*To: The independent board committee and the independent shareholders  
of Sinohope Technology Holdings Limited*

Dear Sir/Madam,

### CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Asset Management Services Framework Agreement (including the Proposed Annual Caps) (the “**Transaction**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 9 August 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 11 July 2024 (after trading hours) (the “**Agreement Date**”), Sinohope Asset Management (an indirect wholly-owned subsidiary of the Company) entered into the Asset Management Services Framework Agreement with Mr. Li, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds and the Other Funds, in which Mr. Li and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive), conditional upon the Independent Shareholders’ approval at the EGM having been obtained.

With reference to the Board Letter, the Transaction constitutes continuing connected transaction of the Company and is subject to the reporting, annual review, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

---

## **LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

---

The Independent Board Committee comprising Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transaction are on normal commercial terms and are fair and reasonable; (ii) whether the Transaction is conducted in the ordinary and usual course of the business of the Group and is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transaction at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

### **INDEPENDENCE**

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in relation to a connected transaction (details of which are set out in the Company's circular dated 6 July 2023). Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that (i) none of the circumstances as set out under Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial advisory engagement and would not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

### **BASIS OF OUR OPINION**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transaction. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, Mr. Li or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transaction. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Transaction, we have taken into consideration the following principal factors and reasons:

#### **Information on the Group**

With reference to the Board Letter, the Group is principally engaged in the provision of technology solution services and varieties of services in virtual asset ecosystem, such as asset management, trust and custodian businesses.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the consolidated financial information of the Group for the two years ended 30 September 2023 and the six months ended 31 March 2024, as extracted from the Company's annual report for the year ended 30 September 2023 (the "2022/23 Annual Report") and the Company interim report for the six months ended 31 March 2024 ("2023/24 Interim Report"):

	<b>For the six months ended 31 March 2024 ("1H2023/24") HK\$'000 (unaudited)</b>	<b>For the year ended 30 September 2023 ("FY2022/23") HK\$'000 (audited)</b>	<b>For the year ended 30 September 2022 ("FY2021/22") HK\$'000 (audited)</b>	<b>Year-on-year change %</b>
Revenue from continuing operations	655,608	2,833,569	9,056,726	(68.71)
– <i>Cryptocurrency trading business</i>	620,989	2,810,576	8,939,449	(68.56)
– <i>Other business</i>	34,619	22,993	117,277	(80.39)
Gross profit from continuing operations	32,141	10,389	110,850	(90.63)
Profit/(loss) for the year/period	101,167	(288,694)	(206,501)	39.80

As depicted from the table above, the Group's revenue from continuing operations was approximately HK\$2,833.6 million for FY2022/23, representing a decrease of approximately 68.71% as compared to that for FY2021/22, mainly attributable to the decrease in the Group's revenue from cryptocurrency trading business. Along with the decrease in the Group's revenue and gross profit from continuing operations, and the recognition of impairment losses on (i) fiat currencies and cryptocurrencies deposited in cryptocurrency exchange FTX; (ii) other receivables; and (iii) property, plant and equipment, the Group's loss for FY2022/23 increased by approximately 39.80% as compared to that for FY2021/22.

With reference to 2023/24 Interim Report:

- (i) the Group's revenue from continuing operations for 1H2023/24 was contributed as to approximately 94.72% by cryptocurrency trading business and approximately 5.28% by other business (including cryptocurrency mining, asset management, custodian, lending management, technology solution, consultancy services); and
- (ii) in 2024, the Group will continue to utilize the expertise and experience of the Group in the aspect of virtual asset custody core technology and compliant virtual asset fund management. For the purposes of providing customers with more professional one-stop virtual asset services experience and establishing a leading profile of the Group in the financial technical services industry of Web3 in the Asia-pacific region and across the globe, the Group will focus its business on three core aspects, namely innovative development of one-stop product solutions, comprehensive deepening of compliant asset management business and diversified development of public chain ecosystem.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With reference to the Board Letter, Sinohope Asset Management, a company incorporated in Hong Kong with limited liability and licensed with the Securities and Futures Commission of Hong Kong to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities, is principally engaged in asset management businesses. Sinohope Asset Management is an indirect wholly-owned subsidiary of the Company.

### **Information on Mr. Li**

With reference to the Board Letter, Mr. Li, an individual and a merchant, is the chairman of the Board, a non-executive Director and a substantial shareholder beneficially interested in approximately 19.53% of the issued Shares of the Company as at the Latest Practicable Date.

### **Reasons for and benefits of the Transaction**

With reference to the Board Letter, by entering into the Asset Management Services Framework Agreement, the Group can further expand its asset management scale and enrich the fund products. Besides, it enabled the Group to grasp and capture the opportunity, resulting from the strong market demand for asset management services, to strengthen the business of Sinohope Asset Management in the asset management market. The Directors further believe that the engagements secured under the Asset Management Services Framework Agreements will contribute to increasing the competitiveness of Sinohope Asset Management in the market, which the Directors consider to be essential to the future business growth of the Group in the area of asset management business.

As aforementioned, the Group's revenue from continuing operations for 1H2023/24 was contributed as to approximately 5.28% by other business (including cryptocurrency mining, asset management, custodian, lending management, technology solution, consultancy services). With reference to 2023/24 Interim Report, the Group's revenue generated from provision of asset management services were approximately HK\$17 million for 1H2023/24.

As advised by the Directors, Sinohope Asset Management (i) had been providing the asset management services to, among others, investors of the Existing Funds; and (ii) had been or will be charging management fee, performance fee and carried interest distributions for investors of the same fund on the same terms.

Having considered the above, we are of the view that Transaction is conducted in the ordinary and usual course of business of the Group, and it is in the interest of the Company and the Shareholders as a whole.

---

# LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

## **Principal terms of the Transaction**

Set out below are the summarised terms of the Transaction, details of which are set out under the section headed “2. ASSET MANAGEMENT SERVICES FRAMEWORK AGREEMENT” of the Board Letter.

### ***Date***

11 July 2024 (after trading hours)

### ***Parties***

- (a) Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company; and
- (b) Mr. Li, a substantial shareholder and a connected person of the Company.

### ***Subject matter***

Pursuant to the Asset Management Services Framework Agreement, Sinohope Asset Management will (i) continue to provide asset management services to the Existing Funds; and (ii) provide asset management services to the Other Funds in which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive), conditional upon the Independent Shareholders’ approval at the EGM having been obtained.

Mr. Li and/or his associates, Sinohope Asset Management and/or the Funds (or the general partner of the Funds) having entered into or will enter into separate documents (including but not limited to private placement memorandum, limited partnership agreement, subscription agreement and/or investment management agreement) to stipulate the details and terms of the provision of asset management services by Sinohope Asset Management to the Funds.

### ***Pricing policy and internal control***

In connection with the provision of the asset management services, Sinohope Asset Management will charge management fees and/or performance fees and/or receive carried interest distributions from the Funds pursuant to the relevant fund documents, where different fee rates may be applicable to different classes of investors. The asset management service fees charged by Sinohope Asset Management shall be determined through arm’s length negotiations and based on normal commercial terms in accordance with the following pricing policy:

- (a) the management fee charged by Sinohope Asset Management as the investment manager of a Fund shall be calculated by multiplying the total investment or commitment amount of the investors of such fund or the net asset value of such fund with the relevant management fee rate;

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (b) the performance fee charged by Sinohope Asset Management as the investment manager of a fund shall be calculated by multiplying the appreciation in the net asset value of such fund for the relevant performance period (subject to high water mark, hurdle or other benchmark, if any) with the relevant performance fee rate;
- (c) the carried interest distributions received by Sinohope Asset Management as the investment manager or the special limited partner (solely for the purpose of receiving such carried interest distributions) of a fund shall be calculated by multiplying the remaining distributable proceeds from the portfolio investments of such fund (after distributions to such fund's limited partners for a return of their capital contributions and to provide them with a preferred return, if any) with the relevant rate of carried interest distributions; and
- (d) the management fee rates, performance fee rates and rates of carried interest distributions applicable to Mr. Li and/or his associates as stipulated in the relevant fund documents shall be applicable to other independent third party investors participating in the same class of interests in the funds equally and evenly; and such management fee rates, performance fee rates and rates of carried interest distributions are comparable to, or no less favourable than, the management fee rates, performance fee rates and rates of carried interest distributions charged by Sinohope Asset Management on any other independent third party investors for other similar collective investment schemes.

The management fee rates, performance fee rates and rates of carried interest distributions shall be determined with reference to multiple factors including (i) investment strategies of the Funds; (ii) the performance fee structure of the Funds (if applicable) (whether it will be subject to high water mark, hurdle or other benchmark); (iii) fee rates charged by fund managers in respect of collective investment schemes with similar nature in the market; and (iv) target asset-under-management of the Funds. The range of the fee rates will be 1% to 2% for management fee; 20% to 40% for performance fee; and 20% to 30% for carried interest distributions.

For our due diligence purpose, we obtained and reviewed Existing Funds Documents of all the Existing Funds (four Existing Funds in total). We noted that the same management fee rate, performance fee rate and/or rate of carried interest distribution are charged by Sinohope Asset Management to investors of the same class of interests for the same fund, irrespective of whether they are connected persons or independent third parties, thus the fee rates charged to Mr. Li and/or his associates were no less favourable to the Group than those charged by the Group to independent third parties under the same fund.

To assess the fairness and reasonableness of the fee rates of the asset management services for the Existing Funds, we obtained from the Company certain fund documents of four other funds that principally invest in cryptocurrency or derivatives that are linked to cryptocurrencies (the latest supplemental memorandums setting out the latest terms of the relevant funds were filed to the relevant authority in 2024) (the “**Independent Funds Documents**”), which Sinohope Asset Management acts as the investment manager and provide similar asset management services as those underlying the Existing Funds, whereby the investors were independent third parties of the Group (the “**Independent Funds**”). We noted from the Independent Funds Documents that (i) these Independent Funds are not subject to carried interest distributions; and (ii) the range of fee rates for the asset management services of the Independent Funds ranged from (a) 0.8% to 2% for management fee; and (b) 20% to 50% for performance fee. We consider the management fee rates and performance fee rates of the Existing Funds are in line with those under the Independent Funds.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

With reference to the Board Letter, the Company established certain internal control measures to ensure that the Transaction is conducted in accordance with the Listing Rules to safeguard the interest of the Company and the Shareholders as a whole, including:

- (1) the business personnel of the Group will review and assess the specific terms and conditions of the fund documents before entering into any fund documents under the Asset Management Services Framework Agreement, with reference to transaction information of previous similar collective investment schemes managed by Sinohope Asset Management including the fees charged in respect of independent third-party investors and market information of fee rates charged by fund managers in respect of collective investment schemes with similar nature in the market;
- (2) financial manager of the Company's finance division will be designated to be responsible for closely monitoring the aggregated amount of fees receivable under the Transaction on monthly basis to ensure that it does not exceed the Proposed Annual Caps. If the actual transaction amounts reach approximately 85% of the Proposed Annual Caps at any time of the year, the finance division of the Company will report to the senior management of the Company, which will seek advice from the audit committee of the Company, and the Board will consider taking appropriate measures to revise the Proposed Annual Caps and comply with the relevant announcement and/or independent shareholders' approval requirements in accordance with the Listing Rules;
- (3) the internal audit department of the Company is responsible for reviewing and assessing the internal control procedures of the Group, including but not limited to the relevant information in relation to the Asset Management Services Framework Agreement on an annual basis;
- (4) the Company's external auditors will conduct an annual review on the pricing and the Proposed Annual Caps of the Transaction in accordance with the Listing Rules; and
- (5) the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the Transaction to ensure that, among other things, the internal control policies and measures are in place.

Details of the internal control measures (the “**IC Measures**”) are set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter.

As noted from the Board Letter, the asset management service transaction between Sinohope Asset Management and the Existing Funds became connected transaction on 28 April 2023 upon the investment in ABCDE Fund by Mr. Li through his associate, where the IC Measures in respect of the asset management services were not implemented as advised by the Directors.

However, having considered the IC Measures as set out above, which had been implemented as at the Latest Practicable Date, we consider the effective execution of the IC Measures would help to ensure that the Transaction shall be entered into according to the pricing policies.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### *Proposed Annual Caps*

Set out below are the Proposed Annual Caps of the Transaction for the three years ending 30 September 2026:

	<b>For the year ending 30 September 2024 HK\$</b>	<b>For the year ending 30 September 2025 HK\$</b>	<b>For the year ending 30 September 2026 HK\$</b>
Asset management service fees in respect of:			
– Existing Funds	35,454,545	56,363,636	60,000,000
– Other Funds	<u>3,545,455</u>	<u>5,636,364</u>	<u>6,000,000</u>
	<u><u>39,000,000</u></u>	<u><u>62,000,000</u></u>	<u><u>66,000,000</u></u>

With reference to the Board Letter, the Proposed Annual Caps were determined with reference to, among other things, (i) the pricing policy of the total asset management service fees to be charged under the relevant fund documents contemplated under the Asset Management Services Framework Agreement; (ii) the historical annual management fee rate charged by Sinohope Asset Management in respect of the Existing Funds and the size of the Existing Funds; (iii) a buffer of 10% to cater for the Other Funds in which Mr. Li and/or his associates will invest and of which Sinohope Asset Management will act as investment manager; and (iv) an expected growth rate of 10% on the expected performance and change in net asset values of MS Fund. There is a more significant percentage increase in the Proposed Annual Cap for the year ending 30 September 2025 compared with the Proposed Annual Cap for the year ending 30 September 2024 since the Transaction accounted for a substantial portion of the asset management service transactions between Sinohope Asset Management and all of the Existing Funds and the Transaction only became connected on 9 February 2024 (where less than eight months of the transaction amounts would be accounted for in the Proposed Annual Cap for the year ending 30 September 2024).

For our due diligence purpose, we obtained from the Company the calculation of the Proposed Annual Caps (the “**Calculation**”). We noted from the Calculation that the Proposed Annual Caps were formulated based on:

- (i) the estimated performance fees and management fees of MS Fund (which principally invest in the top 200 coins and virtual assets future), the estimated performance fees and management fees of which accounted for approximately 78% to 84% of the total estimated asset management service fees of the Existing Funds for the three years ending 30 September 2026 from the date which the underlying transaction became connected transaction (i.e., 9 February 2024) up to 30 September 2026;

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

- (ii) the estimated management fees of the Existing Funds other than MS Fund (namely, ABCDE Fund, New World Fund and New Era Fund (i.e. the Other Existing Funds), which are not subject to performance fees) (the estimated management fees of which accounted for approximately 16% to 22% of the total estimated asset management service fees of the Existing Funds for the three years ending 30 September 2026) from the date of the year which the underlying transaction became/treated as connected transaction (i.e. 9 February 2024 for New World Fund and New Era Fund and 1 October 2023 for ABCDE Fund) up to the earlier of (a) 30 September 2026; or (b) the end of the relevant investment period; and
- (iii) the buffer of 10% on the aggregate of (i) and (ii) above to cater for any fees payable by Mr. Li and/or his associates in respect of Other Funds which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests.

We also noted from the Existing Fund Documents that (i) management fees are applicable for all of the Existing Funds; (ii) performance fees are only applicable for MS Fund; and (iii) carried interest distributions are only applicable for the Other Existing Funds when there are remaining proceeds available for distribution after the investors received their respective investment amounts and the preferred return on their investments.

With reference to the Board Letter, despite MS Fund has a lower total asset-under-management than the aggregate of the Other Existing Funds, given that MS Fund is subject to payment of performance fees and the Other Existing Funds are subject to carried interest distributions which were not accounted for in the Proposed Annual Caps on the basis that the portfolio investments of the Other Existing Funds are not expected to be disposed of before the expiry of the Asset Management Services Framework Agreement, the estimated performance fees and management fees of MS Fund account for 78% to 84% of the total estimated asset management service fees of the Existing Funds.

### *Estimated performance fees and management fees of MS Fund*

We noted from the Calculation that the performance fees and management fees of MS Fund were formulated based on the average performance fees and management fees of MS Fund for the four months ended 31 May 2024, being approximately HK\$123,222 per month and approximately HK\$3,354,907 per month, respectively (the Transaction in respect of MS Fund has become connected transaction since February 2024), with a growth of 10% (the “**Growth Rate**”) adopted for each of the three years ending 30 September 2026 to cater for the possible appreciation in net asset value (thereby resulting in increase in performance and management fees).

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

As aforementioned, MS Fund principally invests in the top 200 coins and virtual assets future. We also understood from the Directors that the investment Bitcoin represents the largest investment among the investment portfolio of MS Fund, and it represented approximately 25% of its total asset-under-management (i.e. approximately US\$4.5 million) as at 30 June 2024. To facilitate our analysis on the fairness and reasonableness of the Growth Rate, we conducted our independent research and found certain statistics from CoinMarketCap. According to CoinMarketCap's website (<https://coinmarketcap.com/>), CoinMarketCap was founded in May 2013 and is a highly referenced price-tracking website for cryptoassets in the rapidly growing cryptocurrency space with a mission to make crypto discoverable and efficient globally by empowering retail users with unbiased, high quality and accurate information for drawing their own informed conclusions. CoinMarketCap has quickly grown to become a trusted source by users, institutions, and media for comparing thousands of cryptoassets and is commonly cited by CNBC, Bloomberg, and other major news outlets.

According to CoinMarketCap's website, the total market capitalisation of all cryptocurrency were approximately US\$2.12 trillion as at the Agreement Date, among which approximately 53% of the total market capitalisation of all cryptocurrency were attributed by Bitcoin. As MS Fund principally invest in top 200 coins and virtual assets future, while a significant portion of the market capitalisation of the top 200 coins were attributed by Bitcoin, we consider the market capitalisation of Bitcoin is a fair representation of the price movement of the top 200 coins and thus we searched for the daily closing price of Bitcoin for approximately one year from 1 July 2023 up to and including the Agreement Date (the "Review Period").



Source: *CoinMarketCap.com*



---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

The closing price of Bitcoin increased from US\$30,590.08 per Bitcoin as recorded on 1 July 2023 to US\$57,344.91 per Bitcoin as recorded on 11 July 2024, representing an increase of approximately 87.46%. From the start of the Review Period up to mid-August 2023, the closing price of Bitcoin fluctuated between US\$28,701.78 per Bitcoin to US\$31,476.05 per Bitcoin before the closing price of Bitcoin dropped and reached the lowest of US\$25,162.66 per Bitcoin as recorded on 11 September 2023. Thereafter, the closing price of Bitcoin formed a general increasing trend and reached the highest closing price of US\$73,083.50 per Bitcoin on 13 March 2024. From 14 March 2024 up to the Agreement Date, the closing price of Bitcoin fluctuated significantly between US\$55,849.11 per Bitcoin to US\$71,631.36 per Bitcoin.

Although the closing price of Bitcoin fluctuated significantly during the Review Period, particularly in the recent period prior to the Agreement Date, given that Bitcoin is a fair representation of the price movement trend of the top 200 coins, we do not doubt the reasonableness of the Growth Rate adopted.

### *Estimated management fees of the Other Existing Funds*

The estimated management fees of the Other Existing Funds were formulated based on (i) the relevant management fee rate of each of the Other Existing Funds (ranging from 1.5% to 2% for the relevant period of the Other Existing Funds); and (ii) the relevant investment amount (which also represents the expected asset-under-management) of the Other Existing Funds, according to the calculation basis as set out in the relevant Existing Funds Documents.

For our due diligence purpose, we reviewed the relevant investment agreement to verify the relevant investment amounts of the Other Existing Funds. We understood from the Directors that the Other Existing Funds principally invest in cryptocurrency mining ecosystems and their asset-under-management shall be the same as the relevant investment amounts. We noted that the estimated management fees of such Existing Funds were formulated in accordance to the applicable management fee rates as set out in the relevant Existing Funds Documents.

### *Buffer of 10%*

As mentioned above, the Company applied a buffer of 10% to the estimated performance fees and management fees of the Existing Funds for each of the three years ending 30 September 2026 to cater for any fees payable by Mr. Li and/or his associates in respect of Other Funds which Mr. Li and/or his associates will from time to time subscribe for participating shares, limited partnership interests or other interests.

We noted from other Hong Kong listed companies' circulars regarding continuing connected transactions that the incorporation of buffer of 10% in proposed annual caps are not uncommon among companies listed on the Stock Exchange. Accordingly, we consider incorporation of buffer of 10% in the Proposed Annual Caps is justifiable.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

Having reviewed the Calculation and considered the above, particularly (i) the estimated performance fees and management fees of MS Fund for the three years ending 30 September 2026 were formulated based on the average performance fees and management fees of MS Fund for the four months ended 31 May 2024 and the Growth Rate (which were reasonable based on our analysis on the closing price of Bitcoin); (ii) the estimated management fees of the Other Existing Funds were reasonable based on our due diligence work on the relevant fund documents and the respective investment amounts; and (iii) the buffer of 10% to cater for any fees payable by Mr. Li and/or his associates in respect of Other Funds is justifiable, we are of the view that the Proposed Annual Caps for the three years ending 30 September 2026 and their mathematical calculation are fair and reasonable.

Shareholders should note that as the Proposed Annual Caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 30 September 2026, and they do not represent forecasts of revenue to be generated from the Transaction. Consequently, we express no opinion as to how closely the actual transaction amount to be incurred from the Transaction will correspond with the Proposed Annual Caps.

In light of the above, we consider that the terms of the Transaction (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable.

### **Listing Rules implication**

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the amount of Transaction must be restricted by the Proposed Annual Caps; (ii) the terms of the Transaction must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transaction must be included in the Company's subsequent published annual report. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transaction: (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the proposed annual caps. In the event that the maximum amount of the Transaction is anticipated to exceed the Proposed Annual Caps, or that there is any proposed material amendment to the terms of the Transaction, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transaction and thus the interest of the Independent Shareholders would be safeguarded.

---

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

---

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transaction are on normal commercial terms and are fair and reasonable; and (ii) the Transaction is conducted in the ordinary and usual course of business of the Group and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transaction and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note:* Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. MATERIAL ADVERSE CHANGE

On 14 November 2022, Hbit Limited, a wholly-owned subsidiary of the Company, had a balance of approximately USD18.1 million cryptocurrencies deposited in cryptocurrency exchange FTX (“**FTX**”), out of which approximately USD13.2 million was client’s asset based on the clients’ trading request and approximately USD4.9 million was asset of Hbit Limited. As FTX group entities, including FTX, filed for bankruptcy protection in the United States on 11 November 2022, the cryptocurrency assets may not be able to be withdrawn from FTX (the “**Incident**”). The Company had performed impairment assessment on the FTX Deposits and concluded that the recoverable amount of the FTX Deposits (the “**Recoverable Amount**”) would be less than its original amounts deposited in FTX.

As set out in the annual report for the year ended 30 September 2023 dated 28 December 2023, for the purpose of impairment assessment, the Recoverable Amount was determined with reference to the market price less incremental costs for assignment of the FTX Claims. An impairment loss of approximately HK\$85,897,000 was recognised for the year ended 30 September 2023, representing approximately 60.6% of the original amounts.

During the six months ended 31 March 2024, a reversal of impairment loss of HK\$78,810,000 has been recognised in profit or loss based on the re-assessment. In order to preserve the value of the FTX Deposits, the Company began to search for buyers to purchase the FTX Claims. On 24 May 2024, Hbit Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a Buyer (whose ultimate beneficial owner is an independent third party) to dispose of the FTX Claim at a consideration of US\$19,500,088.87 (equivalent to approximately HK\$152,219,643.73). On 28 May 2024, the said disposal was completed and the Company received the said consideration. For details, please refer to the Company’s announcements dated 14 November 2022, 22 February 2024, 24 May 2024 and 4 June 2024 and the terms defined above have the same meanings as those defined therein.

Save as disclosed above, the Directors confirm that, as at the Latest Practicable Date, there had been no material adverse change in the financial or trading position of the Company since 30 September 2023, the date to which the latest published audited financial statements of the Company were made up.

## 3. DISCLOSURE OF INTERESTS

**Interests and Short Positions of the Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the Shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Number of the Shares (L) (Note 1)	Approximate percentage of the Shares to total issued shares	Number of the underlying shares involved (L) (Note 1)	Total number of Shares and underlying shares involved (L) (Note 1)	Approximate Percentage of total number of Shares and underlying shares to total issued shares
Mr. Li (Note 2)	Interest in controlled corporation (Note 3)	90,990,474	19.53%	–	90,990,474	19.53%
Mr. Du Jun (“Mr. Du”) (Note 4)	Beneficial owner	80,682,305	17.32%	3,000,000	83,682,305 (Note 5)	17.96%

*Notes:*

1. The letter “L” denotes the person’s long position in the Shares.
2. Mr. Li is the non-executive director of the Company.
3. Avenir Investment Limited is a beneficial owner holding 90,990,474 Shares. Since Avenir Investment Limited is wholly owned by Avenir View Limited, which is in turn wholly owned by Avenir Investment Holdings Limited, and Avenir Investment Holdings Limited is wholly owned by Mr. Li, Mr. Li therefore is deemed to be interested in the Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
4. Mr. Du is an executive Director and chief executive officer of the Company.
5. Mr. Du is interested in 83,682,305 Shares. He is a beneficial owner of 80,682,305 Shares and has been granted 3,000,000 share options of the Company, which shall entitle him to subscribe for 3,000,000 Shares upon exercise of all such share options.

Save as disclosed above, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

**Interests and Short Positions of the Substantial Shareholders and Other Persons in Shares, Underlying Shares and Debentures of the Company**

As at the Latest Practicable Date, the interests or short positions of those persons (other than the Directors or chief executive of the Company whose interests are disclosed above) in the Shares or underlying shares or debentures of the Company as recorded in the register required to be kept pursuant to section 336 of the SFO were as follows:

<b>Name of Shareholders</b>	<b>Capacity</b>	<b>Number of Shares interested (L)</b> <i>(Note 4)</i>	<b>Approximate percentage of shareholding</b>
Avenir Investment Holdings Limited	Interest in controlled corporation <i>(Note 1)</i>	90,990,474	19.53%
Avenir View Limited	Interest in controlled corporation <i>(Note 1)</i>	90,990,474	19.53%
Avenir Investment Limited	Beneficial owner <i>(Note 1)</i>	90,990,474	19.53%
Mr. Zhong Gengfa	Interest in controlled corporation <i>(Note 2)</i>	82,300,000	17.66%
ON CHAIN Technology LIMITED	Beneficial owner <i>(Note 2)</i>	82,300,000	17.66%
Mr. Shen Nan Peng (“Mr. Shen”)	Interest in controlled corporation <i>(Note 3)</i>	39,000,629	8.37%
SNP China Enterprises Limited	Interest in controlled corporation <i>(Note 3)</i>	39,000,629	8.37%
HSG Holding Limited	Interest in controlled corporation <i>(Note 3)</i>	39,000,629	8.37%

Name of Shareholders	Capacity	Number of Shares interested (L) (Note 4)	Approximate percentage of shareholding
HongShan Capital Venture Fund IV, L.P.	Interest in controlled corporation (Note 3)	30,529,406	6.55%
HSG Venture IV Management, L.P.	Interest in controlled corporation (Note 3)	30,529,406	6.55%
HSG CV IV Senior Holdco, Ltd.	Interest in controlled corporation (Note 4)	30,529,406	6.55%
HSG CV IV Holdco, Ltd.	Beneficial owner	30,529,406	6.55%

*Notes:*

1. Avenir Investment Limited holds 90,990,474 Shares, representing approximately 19.53% of the total issued share capital of the Company. Avenir Investment Limited is a wholly-owned subsidiary of Avenir View Limited, whose sole shareholder is Avenir Investment Holdings Limited, and hence each of Avenir View Limited and Avenir Investment Holdings Limited is deemed to be interested in 90,990,474 Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
2. Mr. Zhong Gengfa holds 100% interest in the total issued share capital of ON CHAIN Technology LIMITED. Therefore, Mr. Zhong is deemed to be interested in the 82,300,000 Shares held by ON CHAIN Technology LIMITED for the purpose of Part XV of the SFO.
3. HSG CV IV Holdco, Ltd. holds 30,529,406 Shares, representing approximately 6.55% of the total issued share capital of the Company. HSG CV IV Holdco, Ltd. is a wholly-owned subsidiary of HSG CV IV Senior Holdco, Ltd., whose sole shareholder is HongShan Capital Venture Fund IV, L.P. The general partner of HongShan Capital Venture Fund IV, L.P. is HSG Venture IV Management, L.P., whose general partner is HSG Holding Limited. HSG Holding Limited is a wholly-owned subsidiary of SNP China Enterprises Limited, a company wholly owned by Mr. Shen. In addition, Zhen Partners Fund I, L.P. (“**Zhen Partners**”) holds 8,471,223 Shares, representing approximately 1.82% of the total issued share capital of the Company. HSG Holding Limited, through several intermediate entities is interested in more than 33.3% limited partnership interest in Zhen Partners, and therefore HSG Holding Limited is deemed to be interested in the 8,471,223 Shares. Since HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which is in turn wholly owned by Mr. Shen, both SNP China Enterprises Limited and Mr. Shen are deemed to be interested in such 8,471,223 Shares as well. In light of the above, pursuant to Part XV of the SFO, Mr. Shen, SNP China Enterprises Limited and HSG Holding Limited are deemed to be interested in a total number of 39,000,629 Shares, representing approximately 8.37% of the total issued share capital of the Company as at the Latest Practicable Date.
4. The letter “L” denotes the long position in the Shares.

**4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDER**

As at the Latest Practicable Date, the following Director is a director of the following companies, which have interests or short positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Li, a non-executive Director, is the director of Avenir Investment Limited, Avenir View Limited and Avenir Investment Holdings Limited.

As at the Latest Practicable Date, none of the other Directors and chief executive was a director or employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**5. INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, the businesses of the Group involve the provision of technology solution services to clients. Mr. Du held equity interests in a company engaging in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's businesses.

**6. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation)).

**7. INTERESTS IN ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE COMPANY**

On 25 August 2023,

- (i) the Company as Vendor I and Avenir Cayman, which was ultimately controlled by Mr. Li, as the Purchaser entered into the Sale and Purchase Agreement (Solutions) in relation to the disposal of equity interests of New Huo Solutions, pursuant to which (i) Vendor I has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Solutions Sale Shares, representing the entire issued share capital of New Huo Solutions, and (ii) Vendor I has conditionally agreed to assign the Solutions Sale Debt to the Purchaser, at the consideration of HK\$205,706,355.00; and



- (ii) Sinohope Digital Service Limited (formerly known as New Huo Digital Limited), a direct wholly owned subsidiary of the Company, as Vendor II, entered into the Sale and Purchase Agreement (HBTPower) (together with the Sale and Purchase Agreement (Solutions), the “**Disposal Agreements**”), pursuant to which (i) Vendor II has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the HBTPower Sale Shares, representing 80% of the entire issued share capital of HBTPower Limited and 80% of the entire issued share capital of HBTPower Inc., and (ii) Vendor II has conditionally agreed to assign the HBTPower Sale Debt to the Purchaser, at the consideration of USD6,624,740.00 (equivalent to approximately HK\$52,002,023.00).

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

On 11 January 2024, the disposal of HBTPower Limited was completed. On 9 February 2024, the disposal of New Huo Solutions was completed. On 12 March 2024, the disposal of HBTPower Inc. was completed. Upon completion of the said disposal, the three target companies, namely HBTPower Limited, New Huo Solutions and HBTPower Inc. (collectively, the “**Target Companies**”) ceased to be subsidiaries of the Company. For details, please refer to the Company’s announcements dated 25 August 2023, 15 September 2023, 16 October 2023, 17 November 2023, 7 December 2023 and 12 March 2024 and circular dated 17 November 2023 and the terms defined above have the same meanings as those defined therein.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interest in any assets which have been, since 30 September 2023 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting, which is significant in relation to the business of the Group.

## 8. EXPERT’S QUALIFICATION AND CONSENT

- (a) The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Gram Capital Limited	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO

- (b) As at the Latest Practicable Date, Gram Capital Limited did not have any shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

- (c) Gram Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and opinion dated 9 August 2024 and reference to its name in the form and context in which they appear.
- (d) The letter and recommendation given by Gram Capital Limited are given as at the date of this circular for incorporation herein.
- (e) As at the Latest Practicable Date, Gram Capital Limited has no direct or indirect interest in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 September 2023, being the date to which the latest published audited accounts of the Company were made up.

**9. DOCUMENTS ON DISPLAY**

A copy of the Asset Management Services Framework Agreement will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company ([www.sinohope.com](http://www.sinohope.com)) for a period of 14 days from the date of this circular (both days inclusive).

---

# NOTICE OF EXTRAORDINARY GENERAL MEETING

---



**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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (“EGM”) of Sinohope Technology Holdings Limited (the “**Company**”) will be held at 10:30 a.m. on Tuesday, 3 September 2024 at Unit 702-3, 7/F, 100 Queen’s Road Central, Central, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the circular of the Company dated 9 August 2024 (the “**Circular**”).

### ORDINARY RESOLUTION

1. To consider and approve the resolution in relation to the Asset Management Services Framework Agreement, further details of which are set out in the Circular:

“**THAT**

- (a) the Asset Management Services Framework Agreement, the Proposed Annual Caps and the transactions contemplated thereunder, together with the terms and conditions agreed by the parties and appended thereto, be and is hereby approved, confirmed and ratified; and
- (b) any director of the Company (the “**Director(s)**”) be and are hereby authorised to sign, execute, perfect and deliver all such documents, and do all such actions which are in their opinion necessary, appropriate, desirable or expedient for the implementation and completion of the Asset Management Services Framework Agreement, and the transactions and the annual caps contemplated thereunder or incidental to the Asset Management Services Framework Agreement and all other matters incidental thereto or in connection therewith and to agree to the variation and waiver of any of the matters relating thereto that are, in the opinion of the Directors, appropriate, desirable or expedient in the context of the Asset Management Services Framework Agreement and are in the best interests of the Company.”

By Order of the Board

**SINOHOPE TECHNOLOGY HOLDINGS LIMITED**

**Du Jun**

*Executive Director*

Hong Kong, 9 August 2024

---

# NOTICE OF EXTRAORDINARY GENERAL MEETING

---

*Notes:*

1. A form of proxy for use at the EGM or any adjournment thereof is enclosed herewith and published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.sinohope.com](http://www.sinohope.com)). The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
2. A member entitled to attend and vote at the EGM is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
3. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the EGM or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. For the purpose of determining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, 29 August 2024 to Tuesday, 3 September 2024 (both dates inclusive), during which period no transfer of Shares will be registered. In order for the Shareholders to qualify for attending and voting at the EGM, all completed share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. (Hong Kong time) on Wednesday, 28 August 2024.
5. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
7. Pursuant to Rule 13.39(4) of the Listing Rules, all resolutions set out in this notice will be decided by poll at the above meeting.

*As at the date of this notice, the board of directors of the Company 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.*