

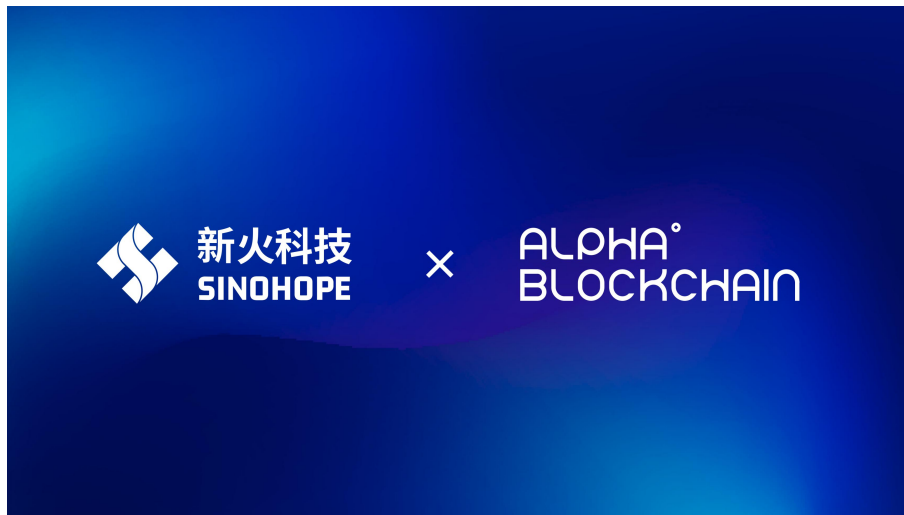
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HELP EVERY ENTERPRISE USE
DIGITAL ASSETS SAFELY AND EASILY

Company News

SINOHOPE collaborates with Alpha Blockchain Capital to launch a 100% virtual asset investment fund

On October 31, 2023, on the eve of the 8th Hong Kong Fintech Week, SINOHOPE (Stock Code: 1611.HK) announced a partnership with Alpha Blockchain Capital (referred to as "ABC") to launch a 100% virtual asset investment fund—Alpha Blockchain SP1. The fund aims to provide eligible professional investors with a portfolio for investing in 100% virtual assets.



SINOHOPE Empowering Developers with the Launch of the Web3 Full-stack Suite

On November 9, SINOHOPE, an all-in-one platform for digital assets custody, is proud to launch "Web3 Full-stack Suite" to offer a full-stack blockchain technology and infrastructure support for the developers in Web3 field. This solution provides full stack blockchain technology and infrastructure support for developers, including complete layer1 public chain design, layer2 OP/ZK extension, DeFi/NFT/GameFi application, MPC/AA wallet service integration, etc. It aims to meet the needs of developers to quickly build Web3 products with low threshold, safe and convenient services. It is worth mentioning that in addition to the Ethereum developer ecosystem, this solution extends the scope of services to the Bitcoin ecosystem that has more space for developers to explore and innovate, and helps developers build business applications that lead the future of the industry on a more mature and convenient technical foundation.

SINOHOPE collaborates with SlowMist for a strategic partnership

On November 22, 2023, SINOHOPE announced a strategic partnership with SlowMist, a globally leading blockchain security company. Both parties will actively collaborate on security business aspects such as MPC (Multi-Party Computation) security audits, Anti-Money Laundering (AML) for digital assets, Web3 threat intelligence cooperation networks, and the security of the digital asset ecosystem. They aim to jointly contribute to the security infrastructure for the development of Web3 in Hong Kong. In addition, based on SINOHOPE's recent launch of the "Hong Kong VASP Guardian Program", both parties will deepen their cooperation. This program aims to provide IT infrastructure support for institutions and companies intending to apply for a license as a Virtual Asset Service Provider (VASP) in Hong Kong.



Industry Updates

In November 2023, the overall cryptocurrency market experienced an uptrend, with Altcoins notably outperforming BTC. On November 9th, the successful registration of the iShares Ethereum Trust by BlackRock in Delaware marked a significant step towards applying for an Ethereum spot ETF, boosting Ethereum (ETH) prices by +12% on the day, surpassing \$2000. On the same day, BTC also saw a rise of +3%. Although ETH experienced some retracement afterward, it still yielded a monthly return of +13.0%, slightly higher than BTC's +8.8%. The average return of the top 30 cryptocurrencies by market capitalization was +17.2%, with 26 coins experiencing price increases. The highest performers were AVAX (+88.9%), SOL (+53.8%), and UNI (+43.5%), while the lowest performers were BCH (-9.5%), XLM (-2.4%), and XMR (-1.5%). The S&P Cryptocurrency BDM Ex-MegaCap Index, reflecting the performance of Altcoins excluding BTC and ETH, rose by +21.6%, and the S&P Cryptocurrency DeFi Index, representing the decentralized sector, rose by +37.3%. The total cryptocurrency market capitalization significantly increased, reaching \$1.49 trillion at the end of November. Binance BTC/USDT spot trading volume slightly decreased from 1.15 million in October to 1.05 million in November.

In terms of the macroeconomic landscape, on November 1st, the Federal Reserve announced a temporary halt to interest rate hikes, aligning with market expectations. The Consumer Price Index (CPI) for October showed a significant decline, with a year-on-year change of 3.2%, markedly lower than the previous 3.7% and the expected 3.3%. The Producer Price Index (PPI) year-on-year change was 1.3%, significantly lower than the previous 2.2% and the expected 1.9%. However, employment data worsened, with non-farm payrolls at 150,000 for October, below the expected 180,000. As of the end of November, FedWatch indicated a high probability of no interest rate hike in December. The Nasdaq index surged by +10.7% in November, with sector-specific stocks experiencing substantial gains: Coinbase (+61.7%), Marathon Digital (+35.9%), and ARK Innovation ETF (+31.4%). Additionally, institutional holdings in CME BTC futures long positions reached a historic high of \$1.98 billion, indicating continued inflow of funds from traditional institutions.

➤ Crypto News

- Binance and its CEO, CZ, have agreed to plead guilty to criminal and civil charges as part of an agreement reached with the U.S. Department of Justice. According to reports from Bloomberg citing The Wall Street Journal, CZ has agreed to step down as CEO while retaining majority ownership of Binance. He will admit to violating anti-money laundering regulations, and the agreement also involves the U.S. Department of the Treasury and the Commodity Futures Trading Commission (CFTC). Acknowledging these charges and CZ's resignation are part of the settlement. As per the settlement agreement, Binance will be allowed to continue its operations, resolving a range of criminal allegations, including money laundering, bank fraud, and violations of sanctions. The new CEO of Binance, Richard Teng, stated that the fundamentals of Binance's business are robust, and it continues to operate the world's largest cryptocurrency exchange by global trading volume. Despite low fees charged to users, Binance boasts strong revenue and profits, with a debt-free capital structure.
- According to James Seyffart on the X platform, the U.S. SEC has postponed a resolution on Franklin and Hashdex Bitcoin ETF applications, soliciting public feedback on whether the proposed ETFs should be approved or rejected. The SEC aims to analyze whether the applications comply with "rules of national securities exchanges" and if they can prevent fraud and manipulation while safeguarding investor and public interests. Feedback needs to be submitted within 21 days, followed by a two-week rebuttal period. Franklin Templeton is the only applicant yet to submit a revised S-1 document, and the SEC has opened a comment period for its application. Scott Johnsson, General Partner at Van Buren Capital, suggests they may choose to do so early, potentially concluding the comment period before January 10, 2024, to approve all applications simultaneously.
- Nasdaq has submitted an application to the U.S. SEC for BlackRock's proposed Ethereum ETF, "iShares Ethereum Trust." The ETF will use Coinbase Custody Trust Company as a custodian and reference the CME CF Ether-Dollar Index. Other asset management firms, including Grayscale, Ark Invest, ProShares, and Valkyrie, have also submitted applications for Ethereum ETFs. Approval, if granted, may take several months, and the SEC has repeatedly delayed existing applications for proposed Bitcoin spot ETFs.

- FTX and its debtors have requested approval from the Delaware bankruptcy court to sell a portion of trust assets, namely Grayscale and Bitwise fund shares, with an estimated total value of \$744 million. According to court documents, the "trust assets" involve five Grayscale trusts, totaling approximately \$691 million at the market price on October 25, and a Bitwise-managed trust, amounting to \$53 million. This move aims to prepare for the imminent monetization distribution to creditors and enables FTX to swiftly sell these trust assets when appropriate. Additionally, by establishing a pricing committee, all stakeholders will have representation, easing the cost and delay associated with individually selling each asset. The debtors believe that actively reducing the risk of price fluctuations will maximize the value of trust assets, thereby optimizing returns for creditors and facilitating fair allocation of funds in the debtors' restructuring plan.

➤ Giant Moves

- SC Ventures, the investment arm of Standard Chartered Bank, is collaborating with Japanese financial group SBI Holdings to establish a \$100 million cryptocurrency fund in the United Arab Emirates. The fund, to be set up as a joint venture, plans to invest in crypto startups in areas such as decentralized finance, tokenization, infrastructure, payments, and the metaverse. The objective is to make investments globally, covering companies from seed rounds to Series C financing.
- Bithumb is reportedly making another attempt to go public, aiming to enhance governance and management transparency. The move also involves external validation of its internal control system to boost market trust in its exchange operations. The IPO is likely driven by the goal of improving the company's structure, and it is not primarily intended for fundraising. According to Bithumb's half-year report, the company holds assets valued at over 400 billion Korean won, suggesting it does not require external financing for its operations. The push for an IPO has initiated efforts to improve the company's structure, with former Chairman Lee Jung-hoon returning to Bithumb Holdings as a registered director to enhance control and initiate internal integration for the IPO's success.
- TMt. Gox is planning to commence cash repayments to creditors in 2023, with the process potentially extending into 2024. Nobuaki Kobayashi, the trustee of the exchange, mentioned in an email that the specific repayment timeline has not been determined due

to the large number of creditors. Creditors can check the repayment status in the claim filing system. Mt. Gox, once the largest Bitcoin exchange globally, filed for bankruptcy protection in 2014 after halting all withdrawals in early 2014 and losing over 800,000 bitcoins.

- Hong Kong-listed BC Technology announced that its licensed virtual asset trading platform, OSL, is expanding its collaboration with Victory Securities to the Hong Kong retail market. Victory Securities, the first licensed corporation in Hong Kong approved by the Securities and Futures Commission to offer virtual asset trading and advisory services to retail investors, will now support Hong Kong retail clients in trading Bitcoin (BTC) and Ethereum (ETH) through the OSL platform.

➤ Regulatory Update

In the West

- According to a statement from **the Office of Inspector General of the U.S. SEC**, the SEC's ability to maintain effective oversight requires continuous monitoring of the market environment and adjustments to its expertise, rules, regulations, and supervisory tools and activities when appropriate. Given the rapid rise of innovation, the SEC must continually adapt and build new expertise and capabilities. The SEC's comments on the draft report from the Government Accountability Office (GAO) indicate ongoing efforts to coordinate cooperation among federal financial regulatory agencies through FSOC, the President's Working Group on Financial Markets, the Financial Literacy and Education Commission, active participation in international organizations, and other bilateral and multilateral efforts.

In the East

- **Ashley Alder, the CEO of the Hong Kong Securities and Futures Commission (SFC)**, stated in an international media interview that Hong Kong is considering allowing retail investors to participate in spot cryptocurrency ETFs if regulatory issues are resolved. Alder indicated that Hong Kong welcomes solutions that use innovative technology to enhance efficiency and customer experience, as long as new risks are mitigated, and Hong Kong is willing to experiment.

- **The Monetary Authority of Singapore (MAS)** stated that digital payment token service providers are not allowed to offer any incentives for retail cryptocurrency trading. They are also prohibited from providing financing, margin, or leveraged trading and cannot accept credit card payments issued locally. The regulator expanded retail trading rules to include all investors regardless of residence; previously, these restrictions only covered investors located in Singapore. MAS explicitly stated that incentives such as referrals, earn-and-learn programs, and similar marketing efforts will be restricted. The new measures will be gradually implemented starting from mid-2024.

** Note: The terms "virtual assets", "digital assets" and "crypto assets" mentioned above may vary from region to region, but they actually have the same concept.*

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About SINOHOPE

Sinohope Technology Holdings Limited (1611.HK) serves as an all-in-one digital asset custody platform, committed to help every enterprise use digital assets safely and easily. Adhering to the principles of "Secure, Compliant, Professional and All-in-one", SINOHOPE provides easy-to-use services, covering MPC self-custody, OTC Desk, digital asset custody and virtual asset management.

SINOHOPE understands the importance of compliance. We have been actively applying for various virtual asset and finance-related licenses in major global markets. Up to now, SINOHOPE' s subsidiaries have successfully obtained: (i) approval from the Securities and Futures Commission of Hong Kong to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities and to manage portfolios that invest 100% in virtual assets; (ii) obtained a Trust or Company Service Provider ("TCSP") License (Hong Kong) and registered as a Trust Company in Hong Kong; (iii) registered the Money Services Business (MSB) from the Financial Crimes Enforcement Network (FinCEN) in the United States

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