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新火科技
SINOHOPE

SINOHOPE TECHNOLOGY HOLDINGS LIMITED

新火科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

(Stock code: 1611)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Financial Highlights	For the year ended 30 September		
	2023	2022	Change
	HK\$'000	HK\$'000	%
		<i>(re-presented)</i>	
Continuing Operations			
Revenue			
Cryptocurrency trading business	2,810,576	8,939,449	(68.6)%
Other business	22,993	117,277	(80.4)%
	2,833,569	9,056,726	(68.7)%
Gross profit	10,389	110,850	(90.6)%
Gross profit margin	0.4%	1.2%	(66.7)%
Loss before income tax	(282,173)	(189,513)	48.9%
Loss for the year attributable to owners of the Company from continuing operations	(275,959)	(186,868)	47.7%
Basic and diluted loss per share			
– from continuing operations	HK cents 88.29	HK cents 60.64	45.6%
– from discontinued operations	HK cents 3.65	HK cents 4.15	(12.0)%
Net cash	(147,044)	(144,487)	1.8%
Total equity	213,776	147,086	45.3%

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL EVENTS

Discloseable transaction – Disposal of Win Techno Inc.

On 1 November 2022, New Huo Investment Limited, a direct wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with Exonexa Limited which is an independent third party of the Company and its directors. Pursuant to the sale and purchase agreement, New Huo Investment Limited has conditionally agreed to sell, and Exonexa Limited has conditionally agreed to acquire 100% of the issued shares capital of Win Techno Inc., an indirect wholly-owned subsidiary of the Company, at a consideration of US\$3,270,000 (equivalent to approximately HK\$25.5 million). The disposal was completed in November 2022.

For details, please refer to the Company's announcement dated 1 November 2022.

Failure to withdraw cryptocurrency assets from crypto exchange FTX and financial assistance from controlling shareholder

On 14 November 2022, Hbit Limited, a wholly-owned subsidiary of the Company, had a balance of approximately US\$18.1 million cryptocurrencies deposited in cryptocurrency exchange FTX (the “**FTX**”), out of which approximately US\$13.2 million was clients' asset based on the clients' trading request and approximately US\$4.9 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for bankruptcy protection in the United States on 11 November 2022, the cryptocurrency assets may not be able to be withdrawn from FTX (the “**Incident**”).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 Group has engaged legal adviser to make enquiries with FTX and provide the Group with legal advice. The Group has also reached an agreement with Mr. Li Lin, the controlling shareholder and non-executive director of the Company, pursuant to which Mr. Li Lin agreed to make available to the Group an additional unsecured facility up to the maximum amount of US\$14 million (the “**Shareholder's Facility**”). The Shareholder's Facility does not bear any interest and will be utilised by the Company for the purpose of covering client asset liability arising from the Incident if necessary.

For details, please refer to the Company's announcement dated 14 November 2022.

During the year ended 30 September 2023, the Company has drawn down a loan under the Shareholder's Facility of approximately US\$13,199,455 (equivalent to approximately HK\$103,599,000) in form of USDT (being the fair value of the USDT units received at the date of drawdown).

Connected transaction – Disposal of Animoca Brands Corporation Limited

On 23 March 2023, the Company entered into a disposal agreement with Wechain Technology Limited, a company incorporated in Hong Kong with limited liability, whose ultimate beneficial owner is Mr. Li Lin, pursuant to which the Company has conditionally agreed to sell, and Wechain Technology Limited has conditionally agreed to acquire an investor option and 299,043 shares of Animoca Brands Corporation Limited which were the entire interest held by the Company, at a consideration of US\$809,000 (equivalent to approximately HK\$6,310,000).

For details, please refer to the Company's announcements dated 23 March 2023 and 12 April 2023. Completion has taken place in April 2023 and the Company ceased to have any interest in Animoca Brands Corporation Limited which was recognised as financial assets of the Company.

Major Transaction – Disposal of the Entire Equity Interest in the Target Companies

On 24 March 2023, the Company and New Wave Capital Limited entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and New Wave Capital Limited has conditionally agreed to acquire, the entire issued share capital of (i) Pantene Industrial Co. Limited, (ii) Pantronics International Holdings Limited, (iii) Panjet Service Company Limited, (iv) Grace Harvest Corporation Limited, (v) Panjet (Int'l) Limited, and (vi) Pantronics (Int'l) Limited (collectively the “**Target Companies**”) at the consideration of HK\$115,000,308.

On 19 June 2023, all the conditions precedent to the Sale and Purchase Agreement have been fulfilled and the disposal was completed. Upon completion, the Company ceased to hold any interests in the Target Companies and each of the Target Companies ceased to be a direct wholly-owned subsidiary of the Company. Accordingly, the financial results of each of the Target Companies had no longer been consolidated into the consolidated financial statements of the Company.

For details, please refer to the Company's announcements dated 24 March 2023, 19 April 2023, 16 June 2023 and 20 July 2023 and circular dated 25 May 2023.

Change of Address of Principal Place of Business in Hong Kong

The principal place of business of the Company in Hong Kong has been changed to Units 702–3, 7/F, 100 Queen's Road Central, Central, Hong Kong with effect from 1 July 2023.

For details, please refer to the Company's announcement dated 26 June 2023.

Business Cooperation with Bingo Group Holdings Limited

On 18 July 2023, Sinohope Asset Management (Hong Kong) Limited (formerly known as New Huo Asset Management (Hong Kong) Limited) (the “**SINOHOPE Asset Management**”), a wholly-owned subsidiary of the Company, and Bingo Success Limited (the “**Bingo**”), a wholly-owned subsidiary of Bingo Group Holdings Limited which is listed on the GEM Board of the Stock Exchange (stock code: 8220) entered into a technical consultancy services agreement (the “**Agreement**”) for a to-be-established limited partnership fund (the “**Fund**”) in which SINOHOPE Asset Management would be the investment manager and aimed to invest in businesses involving the development of intellectual property commercialisation for various products. Pursuant to the Agreement, Bingo would provide certain technical consultancy services to the Fund.

The partnership would combine the Company’s industry-leading virtual asset investment management services and its expertise in investment solutions with Bingo’s expertise in movie production, crossover marketing, provision of interactive content, and cinema investment.

For details, please refer to the Company’s announcement dated 18 July 2023.

Amendments to the Share Option Scheme

The Share Option Scheme was adopted on 27 October 2016 and amended on 17 November 2020, 30 March 2023 and 28 July 2023.

In March 2023, the Company amended the Share Option Scheme to align with the amendments to the Listing Rules relating to share schemes of listed issuers, which took effect on 1 January 2023 pursuant to the Consultation Conclusions on Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published on 29 July 2022.

For details, please refer to the Company’s announcements dated 1 March 2023, 30 March 2023 and circular dated 1 March 2023.

The vesting period of the Share Options has been amended and could be longer than one financial year which would allow the Company to assess the Grantee’s performance on a sustainable basis and encouraging the Grantee’s continuous growth with effect from 28 July 2023, after having been approved at the extraordinary general meeting held on 28 July 2023.

For details, please refer to the Company’s announcements dated 6 July 2023, 28 July 2023 and circular dated 6 July 2023.

Change of company name, logo, website and stock short name

On 28 October 2022, the Company has changed the English name of the Company from “Huobi Technology Holdings Limited” to “New Huo Technology Holdings Limited” and the Chinese name of the Company from “火幣科技控股有限公司” to “新火科技控股有限公司”.

The new stock short name of the Company has changed from “Huobi Tech” to “New Huo Tech” in English and from “火幣科技” to “新火科技控股” in Chinese under which the Shares were traded on the Stock Exchange with effect on 22 November 2022 and the corporate website address of the Company has changed from “www.huobitech.com” to “www.newhuotech.com” and the logo of the Company has changed to “ 新火科技 ”.

For details, please refer to the Company’s announcements dated 13 September 2022, 21 September 2022, 13 October 2022, 28 October 2022, 17 November 2022 and circular dated 21 September 2022.

On 13 September 2023, the Company has changed the English name of the Company from “New Huo Technology Holdings Limited” to “Sinohope Technology Holdings Limited”. As regards the dual foreign name in Chinese of the Company, it remains unchanged as “新火科技控股有限公司”.

The logo of the Company has changed to “ 新火科技 SINOHOPE ” with effect from 18 September 2023. The corporate website address of the Company has changed from “http://www.newhuotech.com” to “http://www.sinohope.com” with effect from 25 September 2023.

The new stock short name of the Company has changed from “NEW HUO TECH” to “SINOHOPE TECH” in English with effect from 9:00 a.m. on 16 October 2023. The Chinese stock short name remains unchanged.

For details, please refer to the Company’s announcements dated 3 August 2023, 31 August 2023, 18 September 2023, 12 October 2023 and circular dated 10 August 2023.

Connected Transaction In Relation to the Subscription of New Shares Under Specific Mandate And Subscription of New Shares Under Specific Mandate

On 26 April 2023, the Company and Mr. Du Jun entered into the Subscription Agreement I pursuant to which the parties conditionally agreed that Mr. Du Jun shall subscribe for, and the Company shall allot and issue, the Subscription Shares I at the Subscription Price. The Subscription Price is HK\$2.08 per Subscription Share, and the aggregate Subscription Price of all Subscription Shares I of HK\$155,376,000.00 payable by Mr. Du Jun shall be payable in cash upon completion of the Subscription I.

On 26 April 2023, the Company also entered into the Subscription Agreement II with ON CHAIN Technology LIMITED, pursuant to which the Company has conditionally agreed to allot and issue, and On Chain has conditionally agreed to subscribe for, an aggregate of 82,300,000 Subscription Shares II at the Subscription Price HK\$2.08.

On 10 October 2023, a total of 157,000,000 Subscription Shares have been allotted and issued to Mr. Du Jun and ON CHAIN Technology LIMITED, pursuant to the terms of Subscription Agreement I and Subscription Agreement II, at the Subscription Price of HK\$2.08 per Subscription Share.

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

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

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

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

- (i) the Company as Vendor I and Avenir Cayman Holding Limited as the Purchaser entered into the Sale and Purchase Agreement in relation to the disposal of equity interests in New Huo Solutions Limited (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 Limited, and (ii) Vendor I has conditionally agreed to assign the Solutions Sale Debt to the Purchaser, at the consideration of HK\$205,706,355.00; and

- (ii) Sinohope Digital Service Limited, formerly known as New Huo Digital Limited, a direct wholly owned subsidiary of the Company, as Vendor II, entered into the Sale and Purchase Agreement (HBTPower), 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 US\$6,624,740.00 (equivalent to approximately HK\$52,002,023.00).

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

Upon completion, the Group would cease to hold any interests in the issued share capital of New Huo Solutions Limited, HBTPower Limited and HBTPower Inc. (the "**Target Companies**") and each of the Target Companies would cease to be a subsidiary of the Company. Accordingly, the financial results of each of the Target Companies would no longer be consolidated into the consolidated financial statements of the Group.

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 circular dated 17 November 2023 and the terms defined above have the same meanings as those defined therein.

PERFORMANCE REVIEW

The Group recorded a total revenue from continuing operations of approximately HK\$2,833.6 million for the year ended 30 September 2023 ("**Year 2023**"), representing a significant decrease of approximately 68.7% or HK\$6,223.1 million from approximately HK\$9,056.7 million for the year ended 30 September 2022 ("**Year 2022**").

The gross profit of the Group was approximately HK\$10.4 million for Year 2023, representing a decrease of approximately 90.6% or approximately HK\$100.5 million from approximately HK\$110.9 million for Year 2022.

The Group recorded a net loss of approximately HK\$288.7 million for Year 2023 compared to the net loss of approximately HK\$206.5 million for Year 2022.

Basic and diluted loss per share of the Group for Year 2023 was HK91.94 cents (Year 2022: basic and diluted loss per share of HK64.79 cents).

BUSINESS REVIEW

Provision of technology solution services

The Group, through Win Techno Inc. which is a company with limited liability incorporated under the laws of Japan and was a wholly-owned subsidiary of the Company, and Sinohope APAC Limited, a wholly-owned subsidiary of the Company, provide data center cloud-based services, and other specific technology solution services to global customers in blockchain, virtual assets, fintech, big data as well as other innovative technology sectors.

The revenue from technology solution business was approximately HK\$10 million for Year 2023 compared to approximately HK\$80.4 million for Year 2022, representing a decrease of approximately HK\$70.4 million or 87.6%.

As a result of the global economy downturn and ongoing bear market in virtual asset, the revenue generated from the cloud-based services dropped significantly during Year 2023 due to the decrease of virtual asset price and the consequential drop of virtual asset transaction volume. The Group was not optimistic with its future performance and has disposed of Win Techno Inc. to Exonexa Limited, an independent third party of the Company, at the consideration of USD3,270,000 (equivalent to approximately HK\$25.5 million) in November 2022. The disposal was completed in November 2022. The Group will integrate resources and focus on providing other specific technology solution services, which generated a revenue of HK\$2.95 million in Year 2023, to global customers.

Virtual Asset Ecosystem

(i) Asset management

The Group has carried on asset management businesses through Sinohope Asset Management (Hong Kong) Limited (formerly known as New Huo Asset Management (Hong Kong) Limited) (the “**SINOHOPE Asset Management**”). SINOHOPE Asset Management was incorporated in Hong Kong with limited liability for carrying on businesses in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the “**SFO**”) and the “Proforma Terms and Conditions for Licensed Corporations which Manage Portfolios that Invest in Virtual Assets” (“**T&C**”).

SINOHOPE Asset Management’s vision is to bridge the gap between traditional and virtual asset investments and offer integrated investment solutions to professional investors. The products integrate traditional financial assets and virtual assets and cover the primary and secondary markets.

SINOHOPE Asset Management is managing six funds containing virtual assets as at the date of this announcement: Bitcoin tracker fund, Ethereum tracker fund, multi-strategy virtual asset fund, two private equity funds for blockchain mining-related businesses and one private equity fund for blockchain/web 3 businesses. SINOHOPE Asset Management shall only provide services to professional investors, as defined in the SFO and its subsidiary legislation.

The revenue generated from the provision of asset management services was approximately HK\$4.3 million for Year 2023, representing a decrease of approximately HK\$4.6 million or 51.7% as compared to approximately HK\$8.9 million for Year 2022 due to the decrease of virtual asset price and net asset value of the ongoing funds.

(ii) Trust and custodian business

The custodian business has included two types of business, centralized custodian and MPC self-custody business, which was being carried out through New Huo Trust Company Limited (“**New Huo Trust HK**”) and Sinohope Digital Limited separately during Year 2023.

New Huo Trust HK, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company, obtained a certificate issued by the Registrar of Companies under section 78(1) the Trustee Ordinance (Cap. 29 of the laws of Hong Kong) for registration as a trust company. The centralized custodian provided services including the safekeeping, settlement and other customised services of its clients’ assets.

Sinohope Digital Limited, a company incorporated in Seychelles and an indirectly wholly-owned by the Company, has registered as Money Service Business (MSB) pursuant to the Bank Secrecy Act (BSA) regulations at 31 CFR 1022.380(a)-(f), administered by the Financial crimes Enforcement Network (FinCEN). During Year 2023, the MPC self-custody business launched WaaS (Wallet-as-a-Service), which is a comprehensive set of MPC digital asset custody wallet infrastructure for Web3 developers. Institutions can construct and compile MPC enterprise-level wallets in a more secure and swift manner to serve the tens of millions of users and help the business develop rapidly.

The revenue generated from the provision of custodial, compliance and consultancy services was approximately HK\$1.1 million for Year 2023, representing a decrease of approximately HK\$24.3 million or 95.7% as compared to approximately HK\$25.4 million for Year 2022 due to the decrease of custodian size arising from the drop of virtual asset price and stricter KYC requirements.

(iii) Virtual asset lending and cryptocurrency trading business

During Year 2023, the Group has provided (i) virtual asset lending management business to clients and the Group received virtual assets collateral under its virtual asset lending arrangements with clients; (ii) over-the-counter (the “**OTC**”) virtual asset trading business to trade virtual assets with corporate and individual customers through its trading platforms; and (iii) trade virtual assets in cryptocurrency exchange. The revenue and lending management services income generated from the virtual asset lending and trading business was approximately HK\$1.6 million and HK\$2,810.6 million respectively.

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

During Year 2023, the cost of sales of OTC trading business was approximately HK\$2,813.3 million and recognised a loss of approximately HK\$2.7 million due to market fluctuation.

(iv) Virtual asset mining-related business

The Group has its own compliant virtual asset mining-related business including but not limited to investing in virtual asset mining related fund. During Year 2023, the Group has, through New Huo Solutions Limited (the “**New Huo Solutions**”), invested in the funds below.

New Huo Solutions invested in New World Pioneer Mining Fund 1 LPF which has been established for the purpose of making investment in the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was USD10 million (equivalent to approximately HK\$78 million). The New World Pioneer Mining Fund 1 LPF, through an intermediate entity, invested in 100% equity interest in FIL Limited. FIL Limited was accounted as a joint venture and recorded a share of profit of approximately HK\$3.8 million for Year 2023.

New Huo Solutions invested in New Era Pioneer Mining Fund 1 LPF (the “**New Era Fund**”) which has been established for the purpose of making investment in the cryptocurrency mining ecosystem. The total subscription amount made by New Huo Solutions was approximately USD4.8 million (equivalent to approximately HK\$37.5 million). The New Era Fund recorded a loss of approximately HK\$4.2 million during Year 2023.

(v) *Virtual asset trading platform*

In Hong Kong, the SFC has implemented a licensing regime for the regulation and licensing of virtual asset trading platform. The Group has submitted an application to the SFC for licenses to conduct Type 1 and Type 7 regulated activities under the SFO as a virtual asset trading platform in Hong Kong. Due to the change in business focus and planning, the Group has withdrawn the application in January 2023.

In Singapore, the Group has submitted an application to the Monetary Authority of Singapore to be licensed under the Payment Services Act 2019 as a Major Payment Institution providing, amongst other things, digital payment token services. Due to the change in business focus and planning, the Group has withdrawn the application in November 2022.

Power-related & electrical/electronic products business

During Year 2023, the revenue of the Group from power-related & electrical/electronic products business was approximately HK\$160.9 million, representing a decrease of approximately HK\$235.2 million or 59.4% as compared to approximately HK\$396.1 million for Year 2022. The decrease was primarily due to the sluggish global economic recovery.

During Year 2023, cost of sales, mainly comprising raw materials, direct labour and manufacturing overheads, amounted to approximately HK\$150.8 million, representing a decrease of approximately HK\$171.5 million or approximately 53.2% from approximately HK\$322.3 million for Year 2022.

The gross profit was approximately HK\$10.1 million and approximately HK\$73.8 million, representing a gross profit margin of approximately 6% and approximately 18.6% for Year 2023 and Year 2022 respectively.

On 24 March 2023, the Company and New Wave Capital Limited, an independent third party of the Company, entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell, and New Wave Capital Limited has conditionally agreed to acquire, the entire issued share capital of the Target Companies which were principally engaged in power-related electrical and electronic products business at the consideration of HK\$115,000,308.

On 19 June 2023, all the conditions precedent to the Sale and Purchase Agreement have been fulfilled and completed. Upon completion, the Company ceased to hold any interests in the Target Companies and each of the Target Companies ceased to be a direct wholly-owned subsidiary of the Company, and the Company ceased to engage any business under this segment. The Company recognised an approximately HK\$6 million gain on disposal of the Target Companies.

For details, please refer to the Company's announcements dated 24 March 2023, 19 April 2023, 16 June 2023 and 20 July 2023 and circular dated 25 May 2023.

In light of the macroeconomic challenges, the Group will continue to stay alert, but positive, to pursue its prudent strategy in developing its existing and new businesses.

NON-OPERATING EXPENSES OVERVIEW

Other income/(losses)

The Company recognised net other losses of approximately HK\$6.2 million for Year 2023 as compared to a net other income of approximately HK\$15.7 million for Year 2022.

Other losses mainly include a net loss on disposal of property, plant and equipment of approximately HK\$6 million due to the change of company office for cost management needs and a fair value loss on financial asset at fair value through profit or loss of approximately HK\$1 million.

Administrative expenses

Administrative expenses have decreased by approximately HK\$68.4 million or approximately 26.8% from approximately HK\$255.2 million for Year 2022 to approximately HK\$186.8 million for Year 2023 because of the implementation of cost management measures. The administrative expenses mainly consist of (1) employee salary and benefit expenses of approximately HK\$86.3 million and one-off severance fee of approximately HK\$10.0 million due to business restructuring and cost management plan and (2) legal, consulting and other professional fee of approximately HK\$7.2 million for business restructuring and license application.

Finance costs

Finance costs from continuing operations have increased by approximately HK\$3 million or approximately 24.8% from approximately HK\$12.1 million for Year 2022 to approximately HK\$15.1 million for Year 2023, in line with the increase of market interest rate.

Loss before income tax

The Group's loss before income tax from continuing operations for Year 2023 was approximately HK\$282.2 million as compared to the re-presented loss before income tax of approximately HK\$189.5 million for Year 2022. The loss before income tax was due to (i) an increase in the expenses for the development of new business of the Company; (ii) the provision of impairment loss of approximately HK\$86 million in relation to the failure to withdraw cryptocurrency assets from crypto exchange FTX as disclosed in the Company's announcement dated 14 November 2022, and (iii) employment severance expenses and one-off expenses in relation to company personnel restructuring and cost management plan of approximately HK\$15 million.

Income tax expense/(credit)

Income tax expense decreased from approximately HK\$4.2 million of tax expense for Year 2022 to approximately HK\$4.9 million of tax credit for Year 2023.

Loss after income tax

The Group's loss after income tax for Year 2023 from continuing operations was approximately HK\$277.3 million as compared to the re-presented loss after income tax from continuing operations of approximately HK\$193.7 million for Year 2022.

Dividend

The Directors do not recommend the payment of a final dividend for Year 2023 (Year 2022: Nil).

OUTLOOK

In October 2022, as Asia's financial centre, Hong Kong launched the Policy Statement on the Development of Virtual Assets in Hong Kong for Web3, comprehensively affirming that virtual assets will be the main direction of focus of Hong Kong in the future. In 2023, Hong Kong has made substantial progress in promoting the compliant and healthy development of Web3 and virtual assets. To summarize, the three key directions for the development of Web 3.0 in Hong Kong in 2023 are namely "VASP" licence, e-HKD and stablecoins.

In late May this year, the SFC announced the establishment of a new licencing regime (the "VASP" licence) for centralised virtual asset trading platforms which provide non-security token trading services. In October, HKMA published the "e-HKD Pilot Programme Phase 1 Report". In November, Mr Eddie Yue, the Chief Executive of the Hong Kong Monetary Authority, expressed at the eighth edition of Hong Kong FinTech Week that the first market consultation regarding the stablecoin regulatory framework has been completed, and further optimization will be done according to the opinions collected, and the second market consultation will soon be conducted. It is expected to be submitted to the Legislative Council for consideration at the beginning of next year.

From the above, we can see that Hong Kong is on the fast track in terms of virtual asset compliance, and has the first-mover advantage in the global scene. It is believed that Hong Kong will apply the experience and lessons learnt to the entire virtual asset industry in the future, so as to promote the overall healthy development of the market. However, the virtual asset market in Hong Kong and Asia as a whole is still at an early stage of development, and participation from more professional institutions and support from regulators are needed to nurture the blooming of the market. Based in Hong Kong, Sinohope firmly believes that compliance is crucial for the development of the virtual asset industry. With the support of the government, we believe that the future development of the Company is full of potential and imagination as long as we seize the opportunities to explore the business direction with a broad vision.

Adhering to the principles of security, compliance, professionalism and diversity of services, Sinohope provides diversified virtual asset compliance fund investment management services to institutional and high-net-worth customers on the basis of MPC self-custody and licenced virtual asset custody services. In addition, driven by the new "VASP" licencing regime in Hong Kong, Sinohope launched the "Hong Kong VASP Licensee Guardian Programme", which provides IT system level infrastructure facilitation for organizations and enterprises interested in applying for the "VASP" licence, and also provides consulting services on the process and business framework related to the Hong Kong Trust or Company Service Provider (TCSP) License based on its business and compliance experience, helping more organizations to develop compliant virtual currency and Web3 businesses in Hong Kong, and to seize the first opportunity in this emerging market.

In order to help more developers and enterprises enter the field of Web3 more quickly and conveniently, and attract more outstanding talents and develop more innovative applications for the development of Web3 in Hong Kong at the same time, Sinohope launched a one-stop Web3 product construction solution for developers based on its profound experience in digital asset custody and full-stack research and development of public chain. This solution provides full-stack blockchain technology and infrastructure support for developers, including complete L1 public chain design, L2 OP/ZK expansion, DeFi/NFT/GameFi applications, MPC/AA wallet service integration, etc., aiming to meet developers' needs for building Web3 products quickly, securely and conveniently with low barriers of entry.

Looking ahead, as the Eastern top financial centre out of “Nylonkong”, Web3 can carry many functions and duties in Hong Kong. The prosperity and development of Web3 will not only enhance Hong Kong's capital liquidity and attract global capital investment to the construction of Web3 in Hong Kong, but also enable Hong Kong's leading role in the field of Web3 and complete the historical deed of Hong Kong's FinTech transformation with innovative technologies such as blockchain. Sinohope has been committed to promoting the development of compliant virtual asset professional services and technology and creating inclusive value for the society. The Group believes that it will bring reasonable returns to the Group and shareholders as long as it adheres to the long-term principle, forward looking layout and steady development of compliance business.

The Board (the “**Board**”) of directors (the “**Director(s)**”) of Sinohope Technology Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 30 September 2023 together with the comparative figures for the year ended 30 September 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September

	Notes	2023 HK\$'000	2022 HK\$'000 (re-presented)
Continuing operations			
Revenue			
	4		
Cryptocurrency trading business		2,810,576	8,939,449
Other business		22,993	117,277
		2,833,569	9,056,726
Cost of sales and services			
Cryptocurrency trading business		(2,813,284)	(8,941,077)
Other business		(9,896)	(4,799)
		(2,823,180)	(8,945,876)
Gross profit		10,389	110,850
Other income and (losses)/gains	5	(6,206)	15,740
Fair value gains/(losses) on cryptocurrencies		14,044	(28,018)
Interest income	6	22	647
Impairment loss on other assets		(85,897)	–
Impairment loss on other receivables		(5,450)	–
Impairment loss on property, plant and equipment		(9,986)	–
Administrative expenses		(186,798)	(255,232)
Loss on disposal of subsidiaries		(1,108)	–
Share of result of a joint venture		3,877	(21,414)
Finance costs	7	(15,060)	(12,086)
Loss before income tax	8	(282,173)	(189,513)
Income tax credit/(expense)	9	4,891	(4,186)
Loss for the year from continuing operations		(277,282)	(193,699)

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Discontinued operations			
Loss for the year from discontinued operation	<i>10</i>	<u>(11,412)</u>	<u>(12,802)</u>
Loss for the year		<u>(288,694)</u>	<u>(206,501)</u>
Loss for the year attributable to owners of the Company			
– from continuing operations		(275,959)	(186,868)
– from discontinued operations		<u>(11,412)</u>	<u>(12,802)</u>
		<u>(287,371)</u>	<u>(199,670)</u>
Loss for the year attributable to non-controlling interests			
– from continuing operations		(1,323)	(6,831)
– from discontinued operations		<u>–</u>	<u>–</u>
		<u>(1,323)</u>	<u>(6,831)</u>
		<u>(288,694)</u>	<u>(206,501)</u>

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 September

	Note	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Loss for the year		(288,694)	(206,501)
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of financial statements of foreign operations		(1,009)	(15,131)
Reclassification of translation reserve upon disposal of subsidiaries		23,894	–
Item that will not be reclassified subsequently to profit or loss:			
Charge in fair value of equity instruments at fair value through other comprehensive income		(957)	2,609
Other comprehensive income/(loss) for the year, net of tax		21,928	(12,522)
Total comprehensive loss for the year		(266,766)	(219,023)
Total comprehensive loss attributable to:			
Owners of the Company		(265,443)	(212,192)
Non-controlling interests		(1,323)	(6,831)
		(266,766)	(219,023)
Total comprehensive loss attributable to owners of the Company:			
– from continuing operations		(251,625)	(189,578)
– from discontinued operations		(13,818)	(22,614)
		(265,443)	(212,192)
Loss per share	12	2023 <i>HK cents</i>	2022 <i>HK cents</i>
– from continuing operations		88.29	60.64
– from discontinued operations		3.65	4.15
Basic and diluted		91.94	64.79

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September

	Notes	2023 HK\$'000	2022 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,094	47,989
Right-of-use assets		–	120,001
Goodwill		–	174
Investment in a joint venture		–	53,154
Financial assets at fair value through other comprehensive income		–	38,962
Other receivables		76,063	–
Total non-current assets		77,157	260,280
Current assets			
Inventories		–	44,109
Cryptocurrencies		15,051	294,489
Trade and other receivables	13	64,411	135,467
Loan receivable		–	582
Amount due from a joint venture		–	54
Financial assets at fair value through profit or loss		–	1,328
Pledged bank deposit		–	7,850
Time deposits with original maturity of over three months		1,500	1,600
Cash and cash equivalents		320,161	322,633
Assets classified as held for sale	17	401,123 270,364	808,112 –
Total current assets		671,487	808,112
Current liabilities			
Trade and other payables	14	12,549	158,689
Collateral payables		–	124,758
Bank and other borrowings		359,107	678
Lease liabilities		–	90,491
Tax payable		412	40,947
Liabilities associated with assets classified as held for sale	17	372,068 52,562	415,563 –
Total current liabilities		424,630	415,563
Net current assets		246,857	392,549
Total assets less current liabilities		324,014	652,829

	<i>Notes</i>	2023 HK\$'000	2022 <i>HK\$'000</i>
Non-current liabilities			
Bank and other borrowings		108,098	466,442
Lease liabilities		–	32,588
Deferred tax liabilities		2,140	6,713
		<hr/>	<hr/>
Total non-current liabilities		110,238	505,743
		<hr/>	<hr/>
Net assets		213,776	147,086
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Share capital	<i>15</i>	309	309
Reserves		204,299	134,620
Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		1,742	–
		<hr/>	<hr/>
Total equity attributable to owners of the Company		206,350	134,929
Non-controlling interests		7,426	12,157
		<hr/>	<hr/>
Total equity		213,776	147,086
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2023

1. GENERAL INFORMATION

Sinohope Technology Holdings Limited (formerly known as New Huo Technology Holdings Limited) (the “**Company**”) was incorporated in the British Virgin Islands (the “**BVI**”) as a limited liability company on 27 December 1990 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange of Hong Kong**”) on 21 November 2016. The address of the Company’s registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its principal place of business is Unit 702-3, 100 Queen’s Road Central, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, referred to as the “**Group**”) are principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian business and cryptocurrency trading and the contract manufacturing, on electronic manufacturing services basis, of a wide range of power-related and electrical/electronic products. These business segments are the basis upon which the Group reports its primary segment information.

In the opinion of the directors, the ultimate controlling party is Mr. Li Lin (李林) (“**Mr. Li**”). Upon issuance of new ordinary shares of the Company on 10 October 2023, the effective interest of Mr. Li has decreased from 40.47% to 26.83%.

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

The consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”), unless otherwise stated.

2. ADOPTION OF NEW OR AMENDED HKFRSs

(a) Adoption of new or amended HKFRSs – effective from 1 October 2022

The Group has applied the following new or amended HKFRSs issued by the HKICPA that are relevant to the Group’s operations and first effective for the current accounting period of the Group.

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to HKFRSs 2018–2020	Amendments to HKFRS 1, HKFRS 9 and Illustrative Examples accompanying HKFRS 16
Amendments to Accounting Guideline 5	Merger Accounting to Common Control Combinations

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

(b) New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date become effective.

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ³
HK Interpretation 5 (2020)	Presentation of financial statement – classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ³
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules ¹
Amendments to HKAS 21	Lack of Exchangeability ⁴

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

⁴ Effective for annual periods beginning on or after 1 January 2025.

The above new and amendments to existing standards do not expect to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amended HKFRSs to existing standards when they become effective.

3. SEGMENT INFORMATION

As disclosed in Note 10, the Group ceased its existing contract manufacturing operations upon the disposal of the shareholding in Pantene Industrial Co. Limited (“**Pantene**”) and its subsidiaries (the “**Pantene Group**”) during the year ended 30 September 2023 and its contract manufacturing business was classified as discontinued operations. Comparative figures have been re-presented to reflect the cessation of the contract manufacturing business as discontinued operations, and segment information in this note includes only continuing operations.

The Group has determined its operating segments and prepared segmental information based on regular internal financial information reported to the chief operating decision makers, i.e. the executive Directors of the Company, who are responsible for making strategic decisions. The executive Directors review the Group’s internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

During the year ended 30 September 2023, the Group principally operated in one business segment, which is virtual assets ecosystem. Other businesses were considered relatively insignificant for the year ended 30 September 2023.

During the year ended 30 September 2022, the Group had two reportable and operating segments as follows:

- (i) Virtual asset ecosystem; and
- (ii) Provision of technology solution services.

Each of these operating segments is managed separately as each of them requires different resources.

The chief operating decision makers assess the performance of the operating segments based on a measure of operating profit. The measurement policies used by the Group for reporting segment results are consistent with those used in its financial statements prepared under HKFRSs, except for income tax expense and corporate income and expenses which are not directly attributable to the business activities of any operating segment and are not included in arriving at the operating results of the operating segment.

Segment assets include all assets other than unallocated corporate assets (mainly comprising certain property, plant and equipment, right-of-use assets, other receivables, financial assets at FVTOCI, financial assets at FVTPL, and cash and bank balances).

Segment liabilities include all liabilities other than unallocated corporate liabilities (mainly comprising certain other payables, tax payable, other borrowings, lease liabilities and deferred tax liabilities).

Information regarding the Group's reportable segments is set out below:

For the year ended 30 September 2022 (re-presented)

	Continuing Operations		
	Provision of technology solution services <i>HK\$'000</i>	Virtual asset ecosystem <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	80,561	8,976,165	9,056,726
Segment results	63,929	(142,430)	(78,501)
Unallocated corporate income			
Interest income			7
Sundry income			2,380
Fair value gain on financial assets			1,345
Unallocated corporate expenses			
Administrative expenses			(109,910)
Finance costs			(4,834)
Loss before income tax			189,513

There were no inter-segment transactions during the year ended 30 September 2022.

Unallocated administrative expenses mainly comprise legal and professional fees, share-based compensation expenses, exchange losses and salaries and allowances.

As at 30 September 2022 (re-presented)

	Continuing Operations		
	Provision of technology solution services <i>HK\$'000</i>	Virtual asset ecosystem <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	111,906	523,325	635,231
Assets allocated to discontinued operation			347,002
Unallocated corporate assets			
Property, plant and equipment			10,459
Right-of-use assets			7,776
Financial assets at FVTOCI			38,962
Financial assets at FVTPL			1,328
Other receivables			3,545
Cash and bank balances			<u>24,089</u>
Total assets			<u><u>1,068,392</u></u>
Segment liabilities	81,072	170,615	251,687
Liabilities allocated to discontinued operation			174,531
Unallocated corporate liabilities			
Other payables			6,256
Tax payable			8,166
Other borrowings			466,442
Lease liabilities			7,511
Deferred tax liabilities			<u>6,713</u>
Total liabilities			<u><u>921,306</u></u>

Other segment information

For the year ended 30 September 2022 (re-presented)

	Continuing Operations		
	Provision of technology solution services	Virtual asset ecosystem	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amortisation of other intangible asset	–	230	230
Net gain on derivatives	–	(8,171)	(8,171)
Depreciation of property, plant and equipment	2,055	2,851	4,906
Depreciation of right-of-use assets	5,242	6,661	11,903
Gains on lease modification	–	(1,128)	(1,128)
Capital expenditure	2,165	9,664	11,829
Loss on disposal of intangible assets	–	903	903
Loss on disposal of property, plant and equipment	–	11	11
Interest expenses	639	6,613	7,252
Interest income	(17)	(623)	(640)
Provision for impairment loss on inventories	–	–	–
Income tax expense/(credit)	<u>5,824</u>	<u>(1,017)</u>	<u>4,807</u>

Geographical information

The Group's operations are mainly located in the People's Republic of China (including Hong Kong Special Administrative Region ("HKSAR")). The revenue information is based on the location of the customers or location of trading cryptocurrencies.

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue for the year, is set out below:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Continuing operations:		
Customer A	–	7,284,622
Customer B	<u>1,913,019</u>	<u>–</u>

The following is an analysis of the carrying amount of non-current assets analysed by the geographical areas in which the assets are located:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
HKSAR	77,157	126,531
Mainland China	–	99,067
Japan	–	3,467
USA	–	31,215
	<u>77,157</u>	<u>260,280</u>

4. REVENUE

Revenue mainly includes cryptocurrency trading, provision of technology solution services and provision of virtual asset ecosystem for the year.

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
<u>Continuing operations</u>		
Cryptocurrency trading	<u>2,810,576</u>	<u>8,939,289</u>
Revenue recognised at a point in time	<u>2,810,576</u>	<u>8,939,289</u>
Cryptocurrency mining services	5,788	–
Provision of custodian services	1,103	25,393
Provision of asset management services	4,283	8,902
Provision of lending management services	1,618	1,952
Provision of technology solution services	10,000	80,398
Provision of consultancy services	201	792
Revenue recognised over time	<u>22,993</u>	<u>117,437</u>
Total revenue	<u>2,833,569</u>	<u>9,056,726</u>

5. OTHER INCOME AND (LOSSES)/GAINS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Continuing operations		
Net gain on derivatives	112	8,171
Gain on lease modification	251	1,128
Government grants (<i>note</i>)	301	1,669
Sundry income	164	4,341
Fair value gain on convertible loan receivable	–	262
Fair value (losses)/gains on financial asset at FVTPL	(1,001)	1,083
Loss on disposal of intangible asset	–	(903)
Loss on disposal of property, plant and equipment	(6,033)	(11)
	<u>(6,206)</u>	<u>15,740</u>

Note:

The government grants in the year ended 30 September 2023 mainly represent the subsidy amounting to HK\$277,000 (2022: HK\$1,350,000) under the Employment Support Scheme provided by the HKSAR Government and subsidies amounting to HK\$24,000 (2022: HK\$654,000) under the Job Growth Incentive and Wage Credit Scheme launched by the Singapore Government. There are no unfulfilled conditions relating to the grants.

6. INTEREST INCOME

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Continuing operations		
Interest income on bank deposits and balances	19	49
Interest income on loan receivable	3	598
	<u>22</u>	<u>647</u>

7. FINANCE COSTS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Continuing operations		
Interest on bank borrowings	1	9
Imputed interest on other loans from a related company	13,145	9,972
Interest on other loans from a related company	492	785
Interest expenses on lease liabilities	<u>1,422</u>	<u>1,320</u>
	<u><u>15,060</u></u>	<u><u>12,086</u></u>

8. LOSS BEFORE INCOME TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Loss before income tax is arrived at after charging/(crediting):		
Continuing operations		
Amortisation of other intangible asset (included in administrative expenses)	–	382
Auditors' remuneration		
– audit services	1,820	1,376
– other services	800	438
Cost of inventories recognised as expenses		
– cryptocurrency trading business	2,813,284	8,941,077
Depreciation of property, plant and equipment	8,317	7,971
Depreciation of right-of-use assets	11,463	17,795
Low-value assets lease expenses	–	698
Short-term lease expenses	1,362	1,300
Cloud storage and technical support expenses	30,181	21,092
Employee benefit expenses	<u>101,892</u>	<u>153,147</u>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
<u>Discontinued operations</u>		
Auditors' remuneration		
– audit services	–	527
Cost of inventories recognised as expenses		
– other business	146,720	318,490
Depreciation of property, plant and equipment	3,196	3,914
Depreciation of right-of-use assets	11,670	17,374
Short-term lease expenses	515	1,650
Provision for impairment loss on inventories	4,072	2,289
Employee benefit expenses	41,816	62,769
	<u>41,816</u>	<u>62,769</u>

9. INCOME TAX (CREDIT)/EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i> (re-presented)
Continuing operations		
Current tax income – HKSAR:		
Provision for the year	262	7
Over provision in respect of prior years	(2,887)	–
	<u>(2,625)</u>	<u>7</u>
Current income tax – Overseas:		
Provision for the year:		
Japan	(143)	5,816
Mainland China	–	9
	<u>(143)</u>	<u>5,825</u>
Deferred tax	(2,123)	(1,646)
Income tax (credit)/expense	<u>(4,891)</u>	<u>4,186</u>

Hong Kong profits tax is calculated at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits for the year, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at the rate of 8.25%, in accordance with the new two-tiered tax rate regime with effect from the year of assessment 2018/2019.

The PRC corporate income tax was determined in accordance with the relevant laws and regulations in Mainland China, and was assessed at a rate of 25% (2022: 25%).

Taxation arising in other jurisdictions is provided on the estimated taxable profits arising in those jurisdictions at the prevailing local rates.

10. DISCONTINUED OPERATION

Disposal of entire equity interest in the Pantene Group

The principal business and activity of the Pantene Group is sale and distribution of power-related and electrical/electronic products in the PRC (the “**Contract Manufacturing Business**”). Upon the completion of the disposal of the Pantene Group, the Group ceased to engage in the Contract Manufacturing Business. Accordingly, the operation of Contract Manufacturing Business was classified as discontinued operation.

The loss for the year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been re-presented as discontinued operations.

	2023	2022
	HK\$'000	HK\$'000
Loss of Contract Manufacturing Business for the period/year	(11,412)	(10,402)
Gain on disposal of subsidiaries	<u>5,955</u>	<u>–</u>
	<u>(5,457)</u>	<u>(10,402)</u>

The (loss)/profit for the period/year from discontinued operations

	2023	2022
	HK\$'000	HK\$'000
Revenue	160,926	396,138
Cost of sales	(150,792)	(322,294)
Gross profit	10,134	73,844
Other income and gains	1,716	9,989
Interest income	627	658
Selling and distribution expenses	(2,170)	(5,359)
Administrative expenses	(18,601)	(79,101)
Finance costs	(4,391)	(6,905)
Loss before income tax	(12,685)	(6,874)
Income tax credit/(expense)	1,273	(5,928)
Loss for the period/year	(11,412)	(12,802)
Gain on disposal of subsidiaries	5,955	–
Loss for the period/year from discontinued operations	(5,457)	(12,802)

The net cash flows incurred by discontinued operations are as follows:

	2023	2022
	HK\$'000	HK\$'000
Operating activities	10,334	43,082
Investing activities	(14,102)	(1,645)
Financing activities	(75,369)	(30,927)
Net cash (outflow)/inflow	(79,137)	10,510

11. DIVIDENDS

There was no interim dividend for the years ended 30 September 2023 and 2022.

The Directors do not recommend the payment of a final dividend for the years ended 30 September 2023 and 2022.

12. LOSS PER SHARE

Basic loss per share

The calculation of basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares of 312,564,775 (2022: 308,174,123) in issue or issuable during the year.

	2023 HK\$'000	2022 <i>HK\$'000</i> (re-presented)
Loss attributable to owners of the Company		
– for continuing operations	(275,959)	(186,868)
– for discontinuing operations	<u>(11,412)</u>	<u>(12,802)</u>
	<u>(287,371)</u>	<u>(199,670)</u>
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>312,564,775</u>	<u>308,174,123</u>

Diluted loss per share

There was no diluted loss per share for the year ended 30 September 2023 and 2022 as the exercise of share options would result in a reduction in loss per share for continuing operations for the year. Accordingly, the diluted loss per share was the same as the basic loss per share for the year ended 30 September 2023 and 2022.

13. TRADE AND OTHER RECEIVABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current portion		
Amount due from a former subsidiary (<i>note a</i>)	81,513	–
Less: provision for expected credit loss	<u>(5,430)</u>	<u>–</u>
	<u>76,063</u>	<u>–</u>
Current portion		
Other assets	141,748	–
Less: Provisions for impairment	<u>(85,897)</u>	<u>–</u>
Other assets, net (<i>note b</i>)	<u>55,851</u>	<u>–</u>
Trade receivables (<i>notes c, d and e</i>)	4,490	65,683
Rental and other deposit and prepayments	2,894	13,875
Deposit for purchase of property, plant and equipment	–	24,122
Other receivables (<i>note f</i>)	<u>1,176</u>	<u>31,787</u>
	<u>64,411</u>	<u>135,467</u>
	<u><u>140,474</u></u>	<u><u>135,467</u></u>

Notes:

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

The management of the Company considered that the credit risk has not increased significantly since initial recognition and the loss allowance is measured at an amount equal to 12-month ECLs. During the year ended 30 September 2023, loss allowances of HK\$5,450,000 have been recognised in profit or loss.

To ensure the adequacy of allowance for ECL on amount due from a former subsidiary, the Group engaged an independent firm of professional valuers to conduct a valuation on the allowance for ECL on amount due from a former subsidiary recognised for the year ended 30 September 2023.

- (b) On 11 November 2022, FTX group entities, including cryptocurrency exchange FTX (“FTX”), has filed for bankruptcy protection in the United States. For details, please refer to the Company’s announcement dated 14 November 2022.

As at 30 September 2023, the Group had fiat currencies and cryptocurrencies deposited in FTX with original amounts of HK\$107,169,000 and HK\$34,579,000, respectively (“**FTX Deposits**”). The Group completed the submission of a claim of FTX Deposits against FTX to the liquidator of FTX (“**FTX Claims**”).

Up to the date of this announcement, the Group is unable to withdraw the FTX Deposits from FTX and the bankruptcy proceedings of FTX have not yet been completed. The Group is in the process of disposing the FTX Claims and expected to complete within 12 months.

For the purpose of impairment assessment, the recoverable amount of Restricted Deposit has been determined based on their fair value less costs of disposal, which is calculated based on available market price less incremental costs for assignment of the FTX Claims.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the FTX Deposits was less than its deposited amount. Accordingly, an impairment loss of HK\$85,897,000 (2022: Nil) has been recognised in profit or loss for the year ended 30 September 2023.

- (c) As at 30 September 2023, included in trade receivables were amounts due from related companies amounting to HK\$2,950,000 (2022: HK\$5,074,000) in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and trade in nature.
- (d) The Group operates an asset-backed lending facility based on certain of its trade receivables. The discounting transactions are with recourse and accordingly, do not meet the requirements in HKFRS 9 for de-recognition of financial assets as the Group retains substantially all of the risks and rewards of ownership of the discounted trade receivables. At 30 September 2022, trade receivables of HK\$714,000 continue to be recognised in the consolidated statement of financial position even though they have been legally transferred to the financial institutions. The proceeds of the discounting transactions are included in borrowings as asset-backed financing until the trade receivables are collected or the Group settles any losses suffered by the financial institutions. At 30 September 2022, the asset-backed lending liabilities amounted to HK\$678,000.

As at 30 September 2023, the Group did not operate such asset-backed lending facility.

- (e) At the reporting date, the aged analysis of trade receivables, based on invoice date, is as follows:

	2023	2022
	HK\$'000	HK\$'000
0–60 days	1,484	52,623
61–90 days	1,005	11,339
91–120 days	1,007	1,721
More than 120 days	994	–
	4,490	65,683

The Group allows credit periods of 14 to 30 days (2022: 30 to 100 days) to its trade customers depending on their credit status and geographical location during the year. The Directors of the Company consider that the carrying amounts of trade and other receivables approximate to their fair values.

The aged analysis of the Group's trade receivables, based on due date, that were past due as at the reporting date but not impaired, is as follows:

	2023 HK\$'000	2022 <i>HK\$'000</i>
Neither past due nor impaired	747	54,236
0-60 days past due	1,005	10,160
61-90 days past due	1,007	1,287
91-120 days past due	994	-
Over 120 days past due	737	-
	<u>4,490</u>	<u>65,683</u>

Trade receivables that were neither past due nor impaired related to a number of customers for whom there has been no recent history of default. Based on past experience, the Directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit risk.

- (f) As at 30 September 2022, included in other receivables was an amount due from a related company amounting to HK\$23,706,000 in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amount is unsecured, interest-free repayable in 30 days.

14. TRADE AND OTHER PAYABLES

	2023 HK\$'000	2022 <i>HK\$'000</i>
Trade payables	-	25,331
Other payables and accruals	<u>12,549</u>	<u>133,358</u>
	<u>12,549</u>	<u>158,689</u>

Included in other payables were amounts due to related companies amounting to HK\$355,000 (2022: HK\$ nil) in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.

At the reporting date, the aged analysis of trade payables, based on invoice date, is as follows:

	2023 HK\$'000	2022 <i>HK\$'000</i>
0–60 days	–	21,402
61–90 days	–	2,891
More than 90 days	–	1,038
	<u>–</u>	<u>25,331</u>

The Directors of the Company consider that the carrying amounts of trade and other payables approximate to their fair values.

15. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each	Amount <i>HK\$'000</i>
Authorised:		
At 1 October 2021, 30 September 2022 and 30 September 2023	<u>500,000,000</u>	<u>500</u>
Issued and fully paid:		
At 1 October 2021	307,870,665	308
Issue of shares upon exercise of share options (<i>note (i)</i>)	<u>1,090,000</u>	<u>1</u>
At 30 September 2022, 1 October 2022 and 30 September 2023	<u>308,960,665</u>	<u>309</u>

Notes:

- (i) During the year ended 30 September 2022, the subscription rights attaching to 1,024,000 and 66,000 share options were exercised at a subscription price of HK\$3.13 and HK\$4.36 per share respectively, resulting in the issue of 1,090,000 new shares at par value of HK\$0.001 each for a total cash consideration of approximately HK\$3,493,000. Approximately HK\$3,492,000 representing the difference between the subscription price and the par value was credited to share premium. In addition, HK\$1,607,000 representing that portion of the share option reserve in relation to the exercise of the share options during the year ended 30 September 2022, was transferred from the share option reserve to share premium account.

- (ii) An extraordinary general meeting was held on 28 July 2023 in which the resolution to approve the proposed subscription of 157,000,000 new ordinary shares of par value of HK\$0.001 each (the “**Subscription Shares**”), at the subscription price of HK\$2.08 per Subscription Share (the “**Subscription**”) was passed by the shareholders of the Company.

The proceeds of the Subscription were fully received by the Company on 25 September 2023 and the proceeds, net of related expenses, of HK\$324,605,000 were credited to capital reserve.

Subsequent to the end of the reporting period, the Subscription was completed on 10 October 2023 and 157,000,000 ordinary shares have been issued on 10 October 2023. Approximately HK\$157,000 representing the par value of 157,000,000 new ordinary shares were credited to share capital from capital reserve. In addition, HK\$324,448,000 representing the difference between the subscription price and the par value was credited to share premium from capital reserve.

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

- (iii) All the shares issued ranked pari passu in all respects with the then existing shares in issue.

16. SHARE PREMIUM

	<i>HK\$'000</i>
At 1 October 2021	107,152
Arising from issue of shares on exercise of share options	<u>5,099</u>
At 30 September 2022, 1 October 2022 and 30 September 2023	<u><u>112,251</u></u>

17. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

On 25 August 2023, the Group and Avenir Cayman Holding Limited (the “**Purchaser**”), the then immediate holding company of the Company, entered into a sale and purchase agreement, pursuant to which the Group has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of New Huo Solutions Limited, at a consideration of approximately HK\$205,706,000, and the entire issued share capital of HBTPower Limited and HBTPower Inc., at a total consideration of approximately US\$6,625,000 (equivalent to HK\$52,002,000) (the “**Target Companies**”). The total consideration is approximately HK\$257,708,000. For details, please refer to the Company’s announcements dated 25 August 2023 and the circular dated 17 November 2023 respectively.

The disposal of the Target Companies were passed by the shareholders of the Company at the extraordinary general meeting held on 7 December 2023. The directors of the Company are of the view that the Target Companies will be disposed of within twelve months from the end of the reporting period. Accordingly, corresponding assets and liabilities associated with the Target Companies have been classified as held for sale and are presented separately in the consolidated statement of financial position (see below).

The major classes of assets and liabilities of the Target Companies classified as held for sale are as follows:

	<i>HK\$'000</i>
Property, plant and equipment	3,773
Right-of-use assets	27,144
Trade and other receivables	46,650
Investment in a joint venture	57,031
Cryptocurrencies	64,260
Financial assets at FVTOCI	7,961
Cash and bank balances	<u>63,545</u>
Total assets classified as held for sale	<u><u>270,364</u></u>
Trade and other payables	17,908
Amounts due to related parties	4,935
Lease liabilities	28,966
Tax payable	710
Deferred tax liabilities	<u>43</u>
Total liabilities associated with assets classified as held for sale	<u><u>52,562</u></u>

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

We finance our operations primarily through cash generated from operations, bank and other borrowings. The Group's net liquidity position as at 30 September 2023, together with the position as at 30 September 2022 is summarised below:

	30 September 2023 HK\$'000	30 September 2022 HK\$'000
Cash and cash equivalents	320,161	322,633
Less: Interest-bearing bank borrowings	–	(678)
Other borrowings	<u>(467,205)</u>	<u>(466,442)</u>
Net cash	<u>(147,044)</u>	<u>(144,487)</u>

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

As at 30 September 2023, the Group had no floating rate borrowing, the effective interest rates on the Group's floating rate borrowing range from 2.1% to 4.1% per annum as at 30 September 2022.

CASH FLOW FROM OPERATING ACTIVITIES

Net cash used in operating activities was approximately HK\$245.2 million for Year 2023 (Year 2022: approximately HK\$314.8 million). The decrease in cash outflow was due to the decrease of cash used in administrative expenses.

CASH FLOW FROM INVESTING ACTIVITIES

Net cash generated from investing activities was approximately HK\$11.5 million for Year 2023 compared to net cash used in investing activities of approximately HK\$133.9 million for Year 2022.

The cash inflows for Year 2023 mainly resulted from the approximately HK\$30 million proceeds from disposal of financial assets at fair value through other comprehensive income and the decrease in pledged bank deposit of approximately HK\$7.9 million.

CASH FLOW FROM FINANCING ACTIVITIES

Net cash generated from financing activities was approximately HK\$302.1 million for Year 2023 compared to approximately HK\$232.8 million generated from financing activities for Year 2022. The inflow for Year 2023 mainly includes approximately HK\$103.6 million in relation to proceeds from loan from a related company, and approximately HK\$324.6 million proceeds from issue of shares.

CAPITAL EXPENDITURE

Capital expenditure in Year 2023, financed by internal resources and credit facilities, amounted to approximately HK\$17.9 million (Year 2022: HK\$20.2 million).

TREASURY MANAGEMENT

During Year 2023, there has been no material change in the Group's funding and treasury policies. The Group had a sufficient level of cash and banking facilities for the conduct of its trade in the normal course of business.

We closely review our trade receivable balances and any overdue balances on an ongoing basis and only trade with creditworthy parties. To manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

For exchange risk management, the Group's foreign currency risk is mainly concentrated on the fluctuation of the US dollar against the Renminbi and Japanese Yen. The Group seeks to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency risks, when necessary.

CAPITAL STRUCTURE

As at 30 September 2023, the Group's gearing ratio was approximately 218.5% (2022: 317.5%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period. The total borrowings of approximately HK\$467.2 million included bank and other borrowings (2022: HK\$467.1 million).

CHARGE ON GROUP ASSETS

As at 30 September 2023, the banking facilities of the Company's wholly-owned subsidiaries which were based in mainland China and HKSAR amounted to HK\$nil (30 September 2022: HK\$23.6 million), comprising asset-backed lending facility. The facilities were secured against certain bank deposits and corporate guarantees from the Company and in the case of the asset-backed lending facility, an assignment over specific trade receivables. As at 30 September 2023, the amount drawn down under the asset-backed lending facility was HK\$nil (30 September 2022: HK\$0.7 million).

As at 30 September 2023, approximately 238,087 filecoins (2022: 238,087 filecoins) with carrying amount of HK\$6,255,000 (2022: HK\$10,613,000) were pledged for cryptocurrency mining business.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During Period 2023, save as disclosed above, there were no other material acquisitions or disposals of subsidiaries and associated companies by the Group.

CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any material contingent liabilities (30 September 2022: HK\$Nil).

COMMITMENTS

As at 30 September 2023, the Group has capital commitments amounting to HK\$nil in respect of purchase of property, plant and equipment (30 September 2022: HK\$62.4 million).

EVENTS AFTER THE REPORTING PERIOD

Grant of Share Options

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

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

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

On 25 August 2023 (after trading hours of the Stock Exchange), (i) the Company as Vendor I and Avenir Cayman Holding Limited as the Purchaser entered into the Sale and Purchase Agreement (Solutions) in relation to the disposal of equity interests of New Huo Solutions Limited, pursuant to which (i) Vendor I has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Solutions Sale Shares, representing the entire issued share capital of New Huo Solutions Limited, and (ii) Vendor I has conditionally agreed to assign the Solutions Sale Debt to the Purchaser, at the consideration of HK\$205,706,355.00; and (ii) Sinohope Digital Service Limited, a direct wholly owned subsidiary of the Company, as Vendor II, entered into the Sale and Purchase Agreement (HBTPower), 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.

Upon completion, the Group will cease to hold any interests in the issued share capital of New Huo Solutions Limited, HBTPower Limited and HBTPower Inc. (the “**Target Companies**”) and each of the Target Companies will cease to be a subsidiary of the Company. Accordingly, the financial results of each of the Target Companies will no longer be consolidated into the consolidated financial statements of the Group.

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 circular dated 17 November 2023 and the terms defined above have the same meanings as those defined therein.

FOREIGN CURRENCY RISK

The Group’s principal operating subsidiaries carry out their operations in the PRC (including HKSAR), Singapore and US. Entities in the Group regularly transact in currencies other than their respective functional currencies with regard to the selling and purchase of products. As a consequence of the various trading activities, certain trade receivables and borrowings of the Group are denominated in foreign currencies. While the Group has no formal hedging policy, it does seek to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency exposure risks.

RISK RELATED TO DIGITAL ASSETS AND RELATED DIGITAL ASSET BUSINESS

The fast-developing nature of digital asset markets including evolving regulations, custody and trading mechanisms, the dependency on information technology integrity and security, as well as valuation and volume volatility all subject the digital assets and business of the Group to unique risks. The Directors consider that such risks and uncertainties are largely related to information technology, safekeeping of digital assets, fluctuation of asset prices, compliance, and the ever-evolving nature of the markets. As the industry is in a growth stage, the Group has been implementing an operational infrastructure to support business development and growth. These initiatives include expanding IT infrastructure and hiring additional management personnel with an emphasis on experience in legal, regulatory, compliance, financial reporting, operations and technology development.

RISKS RELATED TO SAFEKEEPING OF DIGITAL ASSETS

The Group maintains digital assets in both “hot” (connected to the Internet) and “cold” (not connected to the Internet) wallets. “Hot” wallets are more susceptible to cyber-attacks or potential theft as they are connected to the public internet. To mitigate such risks, the Group has implemented a series of internal controls, including but not limited to the implementation of two-factor authentication, segregation of duties, and day-to-day wallet management.

PRICE RISK OF DIGITAL ASSETS

The Group received cryptocurrencies collateral under lending arrangements with counterparties (the “**Cryptocurrencies Collateral**”) that the Group provides lending management service but is not a party to originate such loan. Since the Group is able to utilise such collateral for its own economic benefits, it is recorded as cryptocurrencies of the Group. The corresponding liability due to the counterparties is recorded under “collateral payables” and is measured at fair value through profit or loss base on the fair value of relevant cryptocurrencies under current liabilities. The Group also held cryptocurrencies itself. The volatility and unpredictability of the price of cryptocurrencies relative to fiat currencies could cause impact to the Group’s performance. The Group provides trust and custody services to its clients. Such assets constitute trust assets and are not accounted for as assets of the Group and do not give rise to liabilities to the relevant customers. Accordingly, the Group has no price volatility exposure from these holdings.

RISKS RELATED TO ANTI-MONEY LAUNDERING

During Year 2023, the Group provides trust and custody services to its clients and is required to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the guidelines issued by the Companies Registry of Hong Kong. To mitigate such risks, the Group has implemented policies and procedures for Anti-Money-Laundering (AML) and Know-Your-Client (KYC) that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting. In enhancing these policies and procedures, we have also considered industry best-practice and the recommendations of the Financial Action Task Force (FATF).

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2023, the Group had 87 employees (30 September 2022: 192 employees for continuing operations and 594 employees for discontinued operations, totalling 786 employees) working in mainland China, HKSAR, Singapore and the USA. The total employment costs (including Directors' remuneration and mandatory provident fund contributions) for Year 2023 amounted to approximately HK\$101.9 million for continuing operations and HK\$41.8 million for discontinued operations, totalling HK\$143.7 million (Year 2022: HK\$153.1 million for continuing operations and HK\$62.8 million for discontinued operations, totalling HK\$215.9 million). The significant decrease in staff cost was mainly due to sales of business, restructuring and austerity. The Company's remuneration policy is set out by the Remuneration Committee on the basis of the employees' merit, qualifications and competence. The Group has also adopted certain bonus programmes, which are determined annually based on certain criteria including performance of the Company and individual employees. Other benefits including share option schemes, insurance policies, retirement benefit plans are offered to eligible employees.

CORPORATE GOVERNANCE CODE

During the year ended 30 September 2023, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the Corporate Governance Code (the "**CG Code**") under Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

On 30 November 2022, Mr. Wu Shupeng ("**Mr. Wu**") resigned and Mr. Du Jun ("**Mr. Du**") was appointed as the chief executive officer of the Company. The Company has complied with all the applicable code provisions set out in the CG Code and achieves better corporate governance pursuant to code provision A.2.1 of the CG Code. Mr. Du has extensive professional experience in the fields of strategic planning and management. The Board believes that he can effectively manage and develop the business of the Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year 2023.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) on 27 October 2016 with written terms of reference aligned with Rule 3.21 and 3.22 of the Listing Rules and code provision C.3 of the CG Code. The Audit Committee is to serve as a focal point for communication among other Directors, the external auditor, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, by satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits.

Currently, the Audit Committee comprised three independent non-executive Directors, namely Mr. Yip Wai Ming (Chairman of the Audit Committee), Mr. Yu Chun Kit and Dr. LAM, Lee G., BBS, JP.

The annual financial results of the Group for the year ended 30 September 2023 have been reviewed by Audit Committee.

SCOPE OF WORK PERFORMED BY THE AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, the consolidated statement of other comprehensive income and the related notes thereto for the year ended 30 September 2023 as set out in this announcement have been agreed by the Company's auditor, Moore CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 30 September 2023. The work performed by Moore CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Moore CPA Limited on this announcement.

PUBLICATION OF THE ANNUAL RESULTS ANNOUNCEMENT AND THE 2023 ANNUAL REPORT

This announcement is published on the website of the Stock Exchange of Hong Kong at www.hkexnews.hk and on the website of the Company at www.sinohope.com. The Company's 2023 Annual Report containing all of the information as required by the Listing Rules will be despatched to shareholders and published on the website of the Stock Exchange of Hong Kong and on the website of the Company in due course.

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

HKSAR, 28 December 2023

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