

## 帮助每一个企业安全、便捷地使用数字资产

HELP EVERY ENTERPRISE USE  
DIGITAL ASSETS SAFELY AND EASILY

### Company News

#### HashKey Exchange and SINOHOPE officially announce a strategic partnership and sign an MOU agreement

HashKey Exchange, a licensed virtual asset trading platform in Hong Kong, has officially entered into a strategic partnership and signed a MOU with SINOHOPE (stock code: 1611.HK). Both parties will carry out in-depth cooperation in sectors such as secure storage and custody of virtual assets, OpenLoop clearing and settlement networks, compliant virtual asset funds, STO, RWA, and public blockchain technology. In accordance with the MOU agreement signed by both parties, it is mutually agreed to complement each other's strengths at the product solution level, leveraging their respective years of experience in virtual asset storage, custody, and Web3 products and solutions. The collaboration aims to assist customers in conveniently experiencing virtual asset services.



新火科技  
SINOHOPE



**HASHKEY**  
▶ EXCHANGE

## SINOHOPE and MetaTrust Announce Strategic Partnership to Enhance Web3 Security

On December 21, 2023, SINOHOPE and leading blockchain security solution provider MetaTrust announced the establishment of a strategic partnership to jointly strengthen the security of Web3. One of the key elements of this collaboration is the integration of MetaTrust's cutting-edge security feature, MetaScout, into SINOHOPE's platform. By incorporating these advanced security measures, SINOHOPE aims to provide enhanced protection for its clients, preventing potential threats and vulnerabilities within the digital asset ecosystem.



## SINOHOPE Wins "Best Infrastructure Award"

On December 27, SINOHOPE was awarded the "Best Infrastructure Award" at the Hong Kong Web 3.0 Security Technology Summit and Web 3.0 Annual Awards Ceremony, presented by the organizer MetaEra. SINOHOPE expressed its commitment to continue providing customers with secure and reliable digital asset products and services.



## Industry Updates

In December 2023, the overall cryptocurrency market experienced a rise, with the majority of Altcoins outperforming BTC. BTC maintained its momentum from November in the first week of December, surging significantly and reaching a new high for the year at 44,700 on December 8. Despite trading sideways in the second half of the month, BTC still yielded a +12.1% return for December, while ETH had a +11.2% return during the same period. The average return of the top 30 cryptocurrencies by market capitalization was +31.9%, with 26 of them seeing price increases. The highest returns were observed in ICP (+192.6%), NEAR (+94.2%), and AVAX (+80.2%), while the lowest returns were in TON (-3.3%), XMR (-2.8%), and OKB (-2.7%). The S&P Cryptocurrency BDM Ex-MegaCap Index, reflecting the performance of Altcoins excluding BTC and ETH, increased by +37.9%, and the S&P Cryptocurrency DeFi Index, representing the decentralized sector, rose by +26.5%. The total cryptocurrency market capitalization significantly increased to \$1.73 trillion at the end of December. The Binance BTC/USDT spot trading volume increased from 1.05 million in November to 1.2 million in December.

On the macroeconomic front, on December 13, the Federal Reserve announced a pause in interest rate hikes, in line with market expectations, and indicated three rate cuts in 2024, providing a boost to the financial markets. The price index in November remained relatively stable, indicating controlled inflation, with CPI year-on-year at 3.1%, slightly lower than the previous value of 3.2% but in line with expectations. PPI year-on-year was 0.9%, below the previous value of 1.3% and the expected 1.0%. Employment data showed improvement, with non-farm employment reaching 199,000 in November, exceeding the expected 180,000. As of the end of December, FedWatch indicated a high probability of no interest rate hike in January 2024. The Nasdaq index increased by +5.5% in December, with notable gains in various sectors. Marathon Digital rose by +96.2%, Coinbase by +39.4%, and Unity Software by +38.6%.

## ➤ Crypto News

- On December 21, several Japanese-speaking users took to social media to announce that they have received compensation from Mt.Gox, including bitFlyer's founder Yusuke Otsuka. Based on the disclosures from multiple users, the reimbursement is in fiat currency (Japanese Yen), and the channel used is through PayPal. According to the previously disclosed compensation plan by Mt.Gox, in September of this year, the deadline for reimbursements (basic repayment, early lump-sum repayment, and midterm repayment) originally set for October 31, 2023, was extended to October 31, 2024. Mt.Gox also mentioned that for creditors who have provided the necessary information, compensation is expected to begin sequentially by the end of this year.
- A federal judge in the United States has approved the settlement agreement between Binance and the Commodity Futures Trading Commission (CFTC). According to the order signed by Judge Manish Shah of the U.S. District Court for the Northern District of Illinois on December 14, former Binance CEO CZ is required to pay \$150 million, with one-third to be paid within the next 30 days. Binance is obligated to pay a \$1.35 billion fine to the CFTC and forfeit \$1.35 billion in "illegally gained trading proceeds." The order also mandates Binance and CZ to ensure the implementation of corporate governance structures, including a board of directors with independent members, a compliance committee, and an audit committee.
- Tether CEO Paolo Ardoino posted on X platform, stating that the market capitalization of USDT has reached a new high of approximately \$91 billion, with an additional excess reserve of around \$4 billion. In addition to consolidating its leadership in the stablecoin market, Tether is involved in several innovative projects, including:

Holepunch: Dedicated to building a new generation of the internet layer, advancing the development of P2P technology.

Synonym: Focused on bringing Bitcoin products to the public and reshaping the social network space.

Exploring AI infrastructure business in collaboration with Northern Data.

Tether Energy has made significant progress in the Bitcoin mining sector.

- On December 22, the Hong Kong Securities and Futures Commission issued a "Joint Circular on Virtual Asset-Related Activities of Intermediaries" and a "Circular on SFC-authorized Funds Investing in Virtual Assets," stating that it is "prepared to accept applications for the authorization of virtual asset spot ETFs." Overall, the issuance of products needs to meet the requirements of the "Hong Kong Unit Trusts and Mutual Funds Ordinance + Joint Circular + Fund Circular." The first document mainly involves traditional regulatory requirements, as ETFs in the Hong Kong region primarily use Unit Trust as the main issuance vehicle. Regarding the "Joint Circular," it mainly introduces regulatory requirements related to virtual asset distribution, trading, asset management, and advisory, covering a wide range. As for the "Fund Circular," it clearly stipulates that the regulatory scope includes (1) publicly issued funds and (2) funds that invest 10% or more of their total assets in virtual currencies, including Bitcoin spot ETFs.

## ➤ Giant Moves

- Hong Kong-listed company Delin Holdings is set to launch AI family office services, with Executive Director and Chief Marketing Officer Aikway Yiu stating that the relevant systems and applications are expected to be available as early as the first quarter of next year. The initial capacity of the system is a maximum of 10,000 clients, with a customer asset threshold of \$1 million. The ultimate goal is to have no asset threshold and provide family office services to all. Additionally, Delin Holdings will also launch the investment data system "DL-GPT," where all asset data will be stored on an immutable blockchain, and the company will not have viewing access.
- ETHW Core has released an announcement stating its dissolution, and EthereumPoW will achieve complete autonomy. For existing servers, they will be temporarily transferred to OneDao for transitional maintenance until a long-term ecological partner is found.
- The official statement from INJS on X platform indicates that the issuance of INJS has been terminated due to widespread bot abuse on the Injective Chain, preventing genuine community members from minting coins. Recognizing the unfairness, the decision was made to stop the issuance. The team expresses a commitment to fairness and will learn from other industry projects to adjust their strategy for a better, friendlier, and more equitable return.

- The Avalanche Foundation announces its intention to use Culture Catalyst to create a collection by purchasing selected Avalanche-based meme coins, identifying and encouraging the culture and fun symbolized by meme coins. This initiative complements the foundation's ongoing engagement in the ecosystem, including NFTs, RWA, and other types of crypto assets, expanding its portfolio to embrace more possibilities. The selection process for this series is based on key criteria, including the number of holders, liquidity thresholds, project maturity, fair distribution principles, overall social sentiment, and more.

## ➤ Regulatory Update

### In the West

- The Financial Accounting Standards Board (FASB) in the United States has released the first cryptocurrency accounting rules. Companies will be required to calculate the fair value of their held cryptocurrencies and report it in their quarterly and annual financial reports. This new rule allows companies holding cryptocurrencies to record the highs and lows of the cryptocurrency, potentially encouraging more companies to consider cryptocurrencies in their investment decisions.

### In the East

- According to the Hong Kong Monetary Authority's consultation paper on stablecoins, it is considered a criminal offense to issue stablecoins without a license in Hong Kong and to advertise and promote stablecoins issued by unlicensed issuers. For institutions that obtain a license to qualify for issuing stablecoins, the paper also suggests that a regulatory regime should introduce a range of civil and regulatory sanctions. The Monetary Authority may consider imposing appropriate penalties based on the severity and duration of the violations, including temporary or permanent license revocation, fines not exceeding HKD 10 million, or a fine equivalent to three times the profit gained or loss avoided due to the violation, whichever is higher.
- The Financial Services Commission (FSC) in South Korea has issued a legislative notice regarding the establishment of the "Virtual Asset User Protection Act Enforcement Regulation" and the "Virtual Asset Industry Regulation." The legislative notice outlines the details authorized by law, and the enforcement regulation is expected to be legislated and announced from December 11, 2023, to January 22, 2024. After undergoing procedures such as review by the National Tax Service, it is scheduled to come into effect on July 19, 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

## Investor Inquiry

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