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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)**

**CONNECTED TRANSACTION**  
**SUBSCRIPTION OF INTEREST IN A FUND**

**THE SUBSCRIPTION AGREEMENT**

The Board is pleased to announce that, on 18 September 2024, the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for approximately 1,120 Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund Company, at a total subscription amount of 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million).

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Li is a non-executive Director and a substantial shareholder of the Company holding 19.53% of the issued shares of the Company. Mr. Li is also beneficially interested in 93.74% of the Participating Shares of the Segregated Portfolio. The Fund Company is an associate of Mr. Li pursuant to Rule 14A.12(1)(c) of the Listing Rules, and thus a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the Subscription constitutes a connected transaction of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. On 1 August 2024, the Subscriber has already subscribed for 380 Class A Shares at US\$0.38 million (equivalent to approximately HK\$2.964 million). Such transaction shall be aggregated with the Subscription. As the highest applicable percentage ratio in respect of the Subscription on a standalone basis, or together with the Prior Investment on an aggregated basis, exceeds 0.1% but is less than 5%, the Subscription is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The Board is pleased to announce that, on 18 September 2024, the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for approximately 1,120 Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund Company, at a total subscription amount of 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million).

## **THE SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are summarised as follows:

### **Date**

18 September 2024

### **Parties**

- (1) Sinohope Hong Kong Limited, a direct wholly-owned subsidiary of the Company, as the Subscriber; and
- (2) the Fund Company.

### **The subscription amount**

Pursuant to the Subscription Agreement, the Subscriber agreed to subscribe for approximately 1,120 Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund Company, at a total subscription amount of 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million). The subscription amount is fixed at U\$1 to 1 USDT. The aforesaid subscription amount will be satisfied by the Group's internal resources.

The subscription amount was determined after arm's length negotiations between the parties with reference to, among other things, the terms of the Subscription Agreement, the prospects of the Segregated Portfolio, the financial resources available to the Group as well as the redemption mechanism of the Fund Company that allows the investor to redeem on every monthly Redemption Day after Lock-up Period. More particularly:

- (i) *as regards the prospects of the Segregated Portfolio*: The Segregated Portfolio will be invested in the Top 200 Coins and virtual assets futures, including cryptocurrencies or derivatives that are linked to the Top 200 Coins. The Company views the prospects of the cryptocurrency industry with positivity, and therefore hopes to further invest in Top 200 Coins and virtual assets futures through a fund channel to enhance its financial returns. As one of the business segments of the Company involves crypto ecosystem (including asset management), investing in the Segregated Portfolio may create synergy effect for the Company's business. Further, with professional experts from the cryptocurrency mining industry being part of the management team of the Segregated Portfolio, the Company is confident in the prospects of the Segregated Portfolio;
- (ii) *as regards the financial resources available to the Group*: the Company has also taken into consideration the estimation and forecast of current and future cash flows of the Group; and
- (iii) *as regards the redemption mechanism of the Segregated Portfolio*: having considered the redemption mechanism of the Fund Company (details of which are set forth in the section headed "*Redemption*" in this announcement), the Company considers that the option to redeem at a price (unless otherwise determined by the directors of the Fund Company) equal to the net asset value per share of the relevant class on the relevant Redemption Day is a term beneficial to the Company and its shareholders as a whole.

Taking into account the above factors, the Company considers 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million) to be an appropriate subscription amount at this stage.

### **Terms of the Segregated Portfolio**

The key terms of the Segregated Portfolio, which are set out in the Supplement (which shall be read in conjunction with the Private Placement Memorandum), are as follows:

- Name of the Segregated Portfolio : Sinohope Investment SPC — Sinohope Multi-Strategy Crypto Fund SP
- Investment objective and strategies : The primary investment objective of the Segregated Portfolio is to deliver superior, risk-adjusted returns and to outperform passive allocations to the major cryptocurrencies from time to time.

The Segregated Portfolio will be actively managed. The Investment Manager will seek to attain the investment objective of the Segregated Portfolio by adopting a multi-strategy approach which will include, without limitation, quantitative trading, arbitrage, technical analysis and fundamental analysis of directional market movements.

The Investment Manager generally expects the Segregated Portfolio to be invested in the Top 200 Coins and virtual assets futures. The composition of the Segregated Portfolio may change from time to time, in exceptional circumstances or as the Investment Manager considers appropriate. In particular, up to 100% of the Segregated Portfolio's assets may be virtual assets (or interests in virtual assets).

The Segregated Portfolio reserves the right to use futures (including index futures), options, warrants, swaps and other derivative instruments either exchange-traded or over-the-counter traded and other techniques and instruments, for hedging purposes to cover market risk arising from price fluctuation and other risk exposures arising from its investments and for efficient portfolio management.

The Investment Manager does not expect to employ leverage on behalf of the Segregated Portfolio, other than leverage that is inherent in derivative instruments.

- Participating Shares : Participating Share in respect of the Segregated Portfolio, being Class A Shares, are being offered under the terms of the Subscription Agreement, the Private Placement Memorandum and the Supplement. The Segregated Portfolio only offers one class of Participating Shares as at the date of the Supplement, being Class A Shares. In the future, the Segregated Portfolio may determine to offer additional classes of Participating Shares.
- Distribution and reinvestment policy : The directors of the Fund Company may, but do not intend to, declare any dividends on the Class A Shares. Income and gains from investments in relation to the Class A Shares will be reinvested in the Segregated Portfolio.

Management : The Fund Company has entered into an Investment Management Agreement with the Investment Manager on behalf of the Segregated Portfolio, pursuant to which the Fund Company has retained the services of the Investment Manager in relation to the management of investments, and the Investment Manager has full discretionary power and authority to identify, evaluate, acquire, manage and realise the investments as well as to monitor the performance of the investments.

Subscription fee : A subscription fee equal to 3% of the subscription price will be charged by the Investment Manager in connection with the subscription for each Class A Share, unless the Investment Manager reduces or waives the subscription fee in its discretion.

Management fee : The Fund Company will pay the Investment Manager a management fee, out of the assets of the Segregated Portfolio, equal to 1% per annum of the net asset value of the Segregated Portfolio (before accrual of unearned performance fees) as at the valuation point on each Valuation Day. The management fee will be calculated and payable monthly in arrears on each Valuation Day.

The Investment Manager may in its discretion waive, rebate or otherwise vary (but not increase) the management fee.

Performance fee : The Fund Company will also pay a performance fee to the Investment Manager in respect of each performance period during which the net asset value per Class A Share is greater than the highest net asset value per Class A Share as at the end of any preceding performance period after payment of any performance fee (the “Appreciation”).

If the Appreciation (calculated on a projected annual basis and pro-rated for the relevant performance period) is of less than or equal to 50%, the performance fee payable to the Investment Manager will be 20% of the Appreciation; if such Appreciation is of more than 50% but less than 80%, the performance fee will be 30% of the Appreciation; and if such Appreciation is 80% or more, the performance fee will be 40% of the Appreciation.

The performance fee will be payable in arrears at the end of the performance period or upon a redemption of the Participating Shares.

- Redemption : Subject to any suspension of redemption by the directors of the Fund Company, the lock-up period, the redemption fee and redemption gate (i.e. the discretion of the directors of the Fund Company to reduce the number of Class A Shares to be redeemed under specified circumstances), Class A Shares may be redeemed at the option of their holders on any Redemption Day at the relevant redemption price equal to (unless otherwise determined by the directors of the Fund Company) the net asset value per share of the Class A Share as at the designated time on the relevant Redemption Day.
- Lock-up period : In respect of any Class A Shares, a period of six (6) months following the subscription day, during which any redemption will be subject to a redemption fee of 2% of the redemption price.
- Restriction on the transfer of Participating Shares : Participating Shares may not be transferred without the prior written consent of the directors of the Fund Company.
- Risk control measures to safeguard investors' interests : The Investment Manager will establish risk management policies and adopt the following operational mechanisms to manage and control risks related to the investments:
- In respect of market risk, the Investment Manager will follow guidelines containing pre-defined position sizing and stop loss mechanisms.
  - In respect of concentration risk, the Segregated Portfolio plans to diversify investments across the Top 200 Coins. Allocations to each cryptocurrency will be rebalanced on a monthly basis or at such other times as the Investment Manager considers appropriate.
  - In respect of liquidity risk, the Investment Manager generally intends that a significant portion of the Segregated Portfolio's assets will be invested in the Top 200 Coins.

- The counterparty risk is expected to be relatively low given that the Investment Manager will only work with a few carefully selected virtual asset trading platforms whom the Investment Manager believes to be sizeable and legally compliant with proven track records.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The principal purpose of the Subscription is to diversify the investment portfolio of the Company with the aim of enhancing its profitability and return by utilising internal resources of the Company.

Having considered the investment objective of the Fund Company as well as the prospects of Segregated Portfolio and by leveraging the experience and skills of the Investment Manager, the Directors (including the independent non-executive Directors) believe that the terms of the Subscription and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and are in the best interests of the Company and the shareholders of the Company as a whole.

Mr. Li, being a beneficial owner of the Segregated Portfolio, has abstained from voting on the relevant board resolutions approving the Subscription Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has a material interest in the Subscription which required them to abstain from voting on the said board resolutions.

## **INFORMATION OF THE GROUP AND THE SUBSCRIBER**

The Company is an investment holding company and the Group is principally engaged in the provision of technology solution services and a variety of services in virtual asset ecosystem, such as asset management, trust and custodian businesses and cryptocurrency trading.

The Subscriber, a direct wholly-owned subsidiary of the Company, the principal activity of which is the provision of management services to fellow subsidiaries.

## **INFORMATION OF THE FUND COMPANY AND THE SEGREGATED PORTFOLIO**

The Fund Company is a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability on 4 September 2020. As at the date of this announcement, the Fund Company issued 1 Management Share, which represents 100% of the issued Management Shares, to Mr. Chi Hang Szeto, an Independent Third Party.

The Segregated Portfolio was established on 29 March 2021. As at the date of this announcement, the portfolio of the Segregated Portfolio consists of cash and virtual assets acquired on the secondary market. The total number of issued Class A Shares attributable to the Segregated Portfolio is 16,176.22, (i) 380 of which, representing 2.35% of the issued Class A Shares, are issued to the Subscriber; (ii) 15,164.08 of which, representing 93.74% of the issued Class A Shares, are issued to New Huo Solutions Limited, which is an indirect wholly-owned company of Mr. Li; (iii) 632.14 of which, representing 3.91% of the issued Class A Shares, are issued to an Independent Third Party.

Following completion of the Subscription, the Class A Shares attributable to the Segregated Portfolio in issue will be held as to approximately 8.68% by the Subscriber, as to approximately 87.66% by New Huo Solutions Limited, which is an indirect wholly-owned company of Mr. Li and as to approximately 3.66% by the Independent Third Party.

Set out below is the summary of financial information of the Segregated Portfolio for the two years ended 31 December, 2022 and 2023 as extracted from the audited financial statements of the Segregated Portfolio for the year ended 31 December 2023:

|                          | <b>For the year<br/>ended<br/>31 December<br/>2023</b> | <b>For the year<br/>ended<br/>31 December<br/>2022</b> |
|--------------------------|--|--|
|                          | (audited)  | (audited)  |
|                          | <i>US\$ million</i>                                    | <i>US\$ million</i>                                    |
| Profit/(Loss) before tax | 6.318  | (4.579)  |
| Profit/(Loss) after tax  | 6.318  | (4.579)  |

As at 1 August 2024, the net asset value per Class A Share attributable to the Segregated Portfolio was approximately US\$1,132 (equivalent to approximately HK\$8,829.6).

## **INFORMATION OF THE INVESTMENT MANAGER**

The Investment Manager is Sinohope Asset Management (Hong Kong) Limited, a company with limited liability incorporated in Hong Kong and licensed with the Securities and Futures Commission of Hong Kong to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. The Investment Manager is an indirect wholly-owned subsidiary of the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Mr. Li is a non-executive Director and a substantial shareholder of the Company holding 19.53% of the issued shares of the Company. Mr. Li is also beneficially interested in 93.74% of the Participating Shares of the Segregated Portfolio.



The Fund Company is an associate of Mr. Li pursuant to Rule 14A.12(1)(c) of the Listing Rules, and thus a connected person of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the Subscription constitutes a connected transaction of the Company.

Pursuant to Rule 14A.81 of the Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. On 1 August 2024, the Subscriber has already subscribed for 380 Class A Shares at US\$0.38 million (equivalent to approximately HK\$2.964 million). Such transaction shall be aggregated with the Subscription. As the highest applicable percentage ratio in respect of the Subscription on a standalone basis, or together with the Prior Investment on an aggregated basis, exceeds 0.1% but is less than 5%, the Subscription is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless otherwise defined, terms used herein shall have the following meaning:

|                    |   |
|--------------------|---|
| “Board”            | the board of Directors  |
| “Class A Share(s)” | the class of Participating Share(s) designated as Class A Share(s)  |
| “Company”          | Sinohope Technology Holdings Limited (新火科技控股有限公司), a company incorporated in the British Virgin Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1611) |
| “Director(s)”      | the director(s) of the Company  |
| “Fund Company”     | Sinohope Investment SPC, an exempted company incorporated with limited liability in the Cayman Islands and registered as a segregated portfolio company under the laws of the Cayman Islands                              |
| “Group”            | the Company and its subsidiaries  |
| “HK\$”             | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”        | the Hong Kong Special Administrative Region of the People's Republic of China   |

|                                   |   |
|-----------------------------------|---|
| “Independent Third Party(ies)”    | party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of and not connected with the Company and its connected persons (within the meaning of the Listing Rules)  |
| “Investment Management Agreement” | the amended and restated investment management agreement dated 14 April 2021 entered into between the Investment Manager and the Fund Company in respect of the Segregated Portfolio  |
| “Investment Manager”              | Sinohope Asset Management (Hong Kong) Limited, a company with limited liability incorporated in Hong Kong and licensed with Securities and Futures Commission of Hong Kong to conduct Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities                            |
| “Listing Rules”                   | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Management Share(s)”             | the voting, non-participating share(s) in the Fund Company of a par value of US\$1.00 each  |
| “Mr. Li”                          | Mr. Li Lin, the chairman of the Board, a non-executive Director and a substantial shareholder of the Company  |
| “Participating Share(s)”          | the non-voting, redeemable, participating share(s) of the Fund Company with a par value of US\$0.0001, attributable to the Segregated Portfolio   |
| “Prior Investment”                | the subscription of 380 Class A Shares at US\$0.38 million (equivalent to approximately HK\$2.964 million) by the Subscriber on 1 August 2024   |
| “Private Placement Memorandum”    | the amended and restated private placement memorandum of the Fund Company dated December 2023 (as may be further amended or supplemented from time to time) setting out, among other things, the offer for subscription of Class A Shares in the capital of the Fund Company which shall be read in conjunction with the Supplement |
| “Redemption Day”                  | the last Valuation Day or such other day of each calendar month or any other day as may be determined by the directors of the Fund Company  |

|                          |   |
|--------------------------|---|
| “Segregated Portfolio”   | Sinohope Investment SPC — Sinohope Multi-Strategy Crypto Fund SP, a segregated portfolio of the Fund Company  |
| “Subscriber”             | Sinohope Hong Kong Limited, a company with limited liability incorporated in Hong Kong and a direct wholly-owned subsidiary of the Company  |
| “Subscription”           | the subscription of approximately 1,120 Class A Shares by the Subscriber at a total subscription amount of 1.12 million USDT (equivalent to US\$1.12 million and approximately HK\$8.736 million) pursuant to the terms of the Subscription Agreement                                     |
| “Subscription Agreement” | the subscription agreement dated 18 September 2024 entered into between the Subscriber and the Fund Company in relation to the Subscription   |
| “subsidiary”             | has the meaning ascribed to it under the Listing Rules  |
| “Supplement”             | a supplement to the Private Placement Memorandum describing the offering terms of Class A Shares attributable to the Segregated Portfolio, as amended or supplemented from time to time, which also forms part of and should be read in conjunction with the Private Placement Memorandum |
| “Stock Exchange”         | The Stock Exchange of Hong Kong Limited   |
| “Top 200 Coins”          | the top 200 cryptocurrencies by liquidity, in accordance with major third party data aggregators such as CoinMarketCap or such other third party data aggregators as the Investment Manager determines from time to time in its discretion  |
| “US\$”                   | United States dollar, the lawful currency of United States of America   |
| ”USDT”                   | Tether, a stablecoin which is a type of block-chain based cryptocurrency  |

“Valuation Day” the calendar day immediately prior to a subscription day or such other day as the directors of the Segregated Portfolio or the Investment Manager may determine in any particular case or generally

“%” per cent

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

Hong Kong, 18 September 2024

*For the purpose of illustration only, conversion of USDT to US\$ in this announcement is based on the rate of 1USDT = US\$1 and conversion of US\$ to HK\$ in this announcement is based on the exchange rate of US\$1 = HK\$7.80. This should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.*

*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.*