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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)

**DISCLOSEABLE TRANSACTION
ENTERING INTO QUANTITATIVE ARBITRAGE SERVICE AGREEMENT**

THE QUANTITATIVE ARBITRAGE SERVICE AGREEMENT

The Board is pleased to announce that, on 3 October 2024, HotGroup, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Top Value, pursuant to which HotGroup agreed to deposit a total of 8 million USDT (equivalent to US\$8 million and approximately HK\$62.4 million) into the Account, for Top Value to manage on behalf of HotGroup on a discretionary basis for spots and futures arbitrage trading.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, a series of 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. In July 2024, HotGroup has already deposited a total of 2 million USDT (equivalent to US\$2 million and approximately HK\$15.6 million) into the Account for Top Value's management. Such transaction shall be aggregated with the Investment. As the highest applicable percentage ratio in respect of the Investment on a standalone basis, or together with the Prior Investment on an aggregated basis, exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 3 October 2024, HotGroup, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Top Value, pursuant to which HotGroup agreed to deposit a total of 8 million USDT (equivalent to US\$8 million and approximately HK\$62.4 million) into the Account, for Top Value to manage on behalf of HotGroup on a discretionary basis for spots and futures arbitrage trading.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date

3 October 2024

Parties

- (1) HotGroup, an indirect wholly-owned subsidiary of the Company; and
- (2) Top Value.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Top Value and its ultimate beneficial owner are Independent Third Parties.

Investment amount

A total of 8 million USDT (equivalent to US\$8 million and approximately HK\$62.4 million), which will be satisfied by the Group's internal resources.

Term

Twelve months from 3 October 2024 to 2 October 2025, unless otherwise renewed or terminated in accordance with the Agreement.

Service scope

Top Value shall manage a portfolio of digital assets deposited into the Account by HotGroup on a discretionary basis for the purpose of spots and futures arbitrage trading of tokens and token derivatives by means of Top Value's software in accordance with the terms of the Agreement.

Top Value shall have the sole and exclusive right to place orders and manage the trading strategy depending on market condition, and it shall make sound decisions on execution of the trades. Top Value will be allowed to delegate management functions to its affiliates or any third parties as deemed appropriate. During the term of the Agreement, HotGroup may

log into the Account for inquiry purposes only, but cannot operate the Account or execute orders without Top Value's prior written permission. Top Value shall maintain confidentiality of HotGroup's account credentials, and if there is any unauthorized disclosure, Top Value will be liable for all resulting losses incurred by HotGroup.

Payment

Top Value shall be entitled to 20% of the net profit made from the performance of the management services as technical service fee and software provision fee (the "**Service Fee**"), which amount shall be calculated based on the actual amount of digital assets after redemption of all portfolios of digital assets in the Account either in case of an early withdrawal request or upon the expiration of the Agreement.

Top Value shall submit a final net asset value report in writing to HotGroup within 3 business days after redemption, and HotGroup shall complete the payment of the Service Fee to Top Value within 3 business days after HotGroup's confirmation of the final net asset value report.

Withdrawal

Subject to payment of the Service Fee, HotGroup has the right to withdraw its assets from the Account at any time and at its sole discretion by notifying Top Value in writing, specifying a time limit for the redemption of all portfolios, which must be between 2 hours and 7 days.

Upon HotGroup's withdrawal request, Top Value shall use its best efforts to provide HotGroup with the most favourable redemption proposal. Once HotGroup approves such proposal, Top Value must complete the redemption within the specified time limit.

Termination

The Agreement will automatically terminate upon expiration of the term. Further, the Agreement could be terminated if HotGroup or Top Value materially breaches the Agreement and fails to remedy the breach within 7 days of written notice.

REASONS FOR AND BENEFITS OF THE INVESTMENT

The Investment aims to enhance the management of the Company's cash, cash equivalents and cryptocurrencies, leveraging surplus capital without impacting operational cash flow. By entering into the Agreement with Top Value, a digital asset management expert with extensive experience in mining investments and digital assets management, the Group seeks to increase its rate of return of its cash, cash equivalents and cryptocurrencies, and improve investment income and overall profitability of the Group.

The Investment offers flexibility, enabling HotGroup to withdraw the Investment from the Account with a short redemption period. This empowers HotGroup to strategically allocate its funds to capitalize on emerging business opportunities as they arise.

The Investment amount is determined after taking into account the idle USDT of the Group available for investment, the prospect of the Investment and the terms of the Agreement. The Agreement presents a good opportunity for the Group to leverage its idle USDT for potential profit generation through Top Value's expertise in digital asset management.

The Agreement was negotiated by the parties on an arm's length basis. The Directors are of the view that the terms of the Agreement are fair and reasonable and are in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND HOTGROUP

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.

HotGroup is an indirect wholly-owned subsidiary of the Company. Save for entering into the Prior Investment and the Agreement, HotGroup currently has no business activity or operation.

INFORMATION OF TOP VALUE

Top Value, a company registered in the Cayman Islands, is a digital asset management platform with experience in mining investments and digital asset management. The ultimate beneficial owner of Top Value is Foo Juin Fang, an Independent Third Party.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 14.22 of the Listing Rules, a series of 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. In July 2024, HotGroup has already deposited a total of 2 million USDT (equivalent to US\$2 million and approximately HK\$15.6 million) into the Account for Top Value's management. Such transaction shall be aggregated with the Investment. As the highest applicable percentage ratio in respect of the Investment on a standalone basis, or together with the Prior Investment on an aggregated basis, exceeds 5% but is less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Account”	HotGroup’s digital asset account(s) maintained in the OKX Exchange
“Agreement”	the quantitative arbitrage service agreement dated 3 October 2024 entered into between HotGroup and Top Value in relation to the Investment
“Board”	the board of Directors
“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
“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
“HotGroup”	HotGroup Limited, a company incorporated in the British Virgin Islands, and an indirect wholly-owned subsidiary of the Company
“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”	the deposit of a total of 8 million USDT (equivalent to US\$8 million and approximately HK\$62.4 million) into the Account pursuant to the Agreement, for Top Value to manage on behalf of HotGroup on a discretionary basis for spots and futures arbitrage trading by means not limited to Top Value’s software
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Prior Investment”	the deposit of a total of 2 million USDT (equivalent to US\$2 million and approximately HK\$15.6 million) into the Account, for Top Value to manage on behalf of HotGroup on a discretionary basis for spots and futures arbitrage trading by means not limited to Top Value’s software in July 2024
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Top Value”	Top Value Limited, a company registered in the Cayman Islands
“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
“%”	per cent

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

Hong Kong, 3 October 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.