

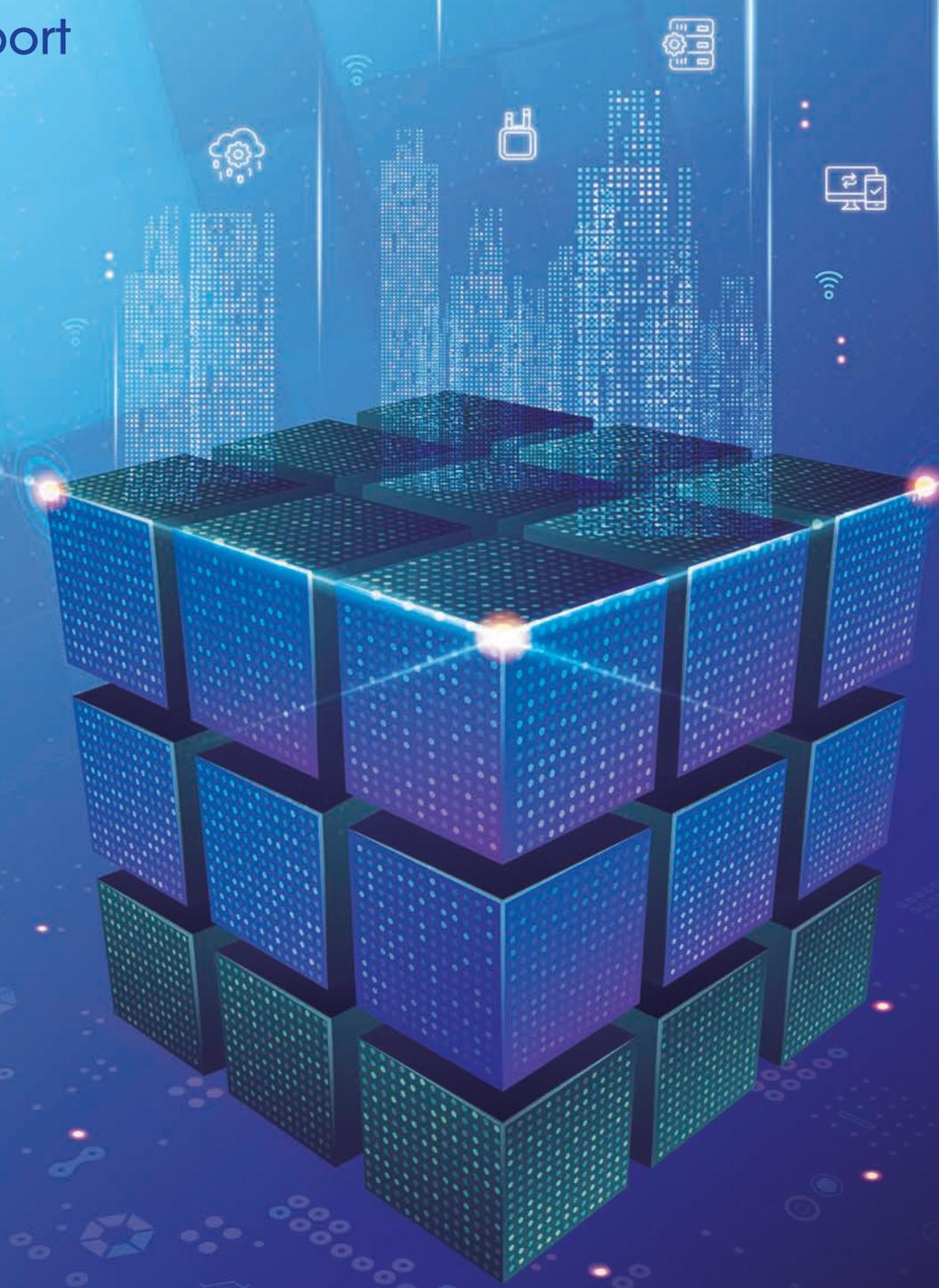


新火科技
SINOHOPE

SINOHOPE TECHNOLOGY HOLDINGS LIMITED
新火科技控股有限公司

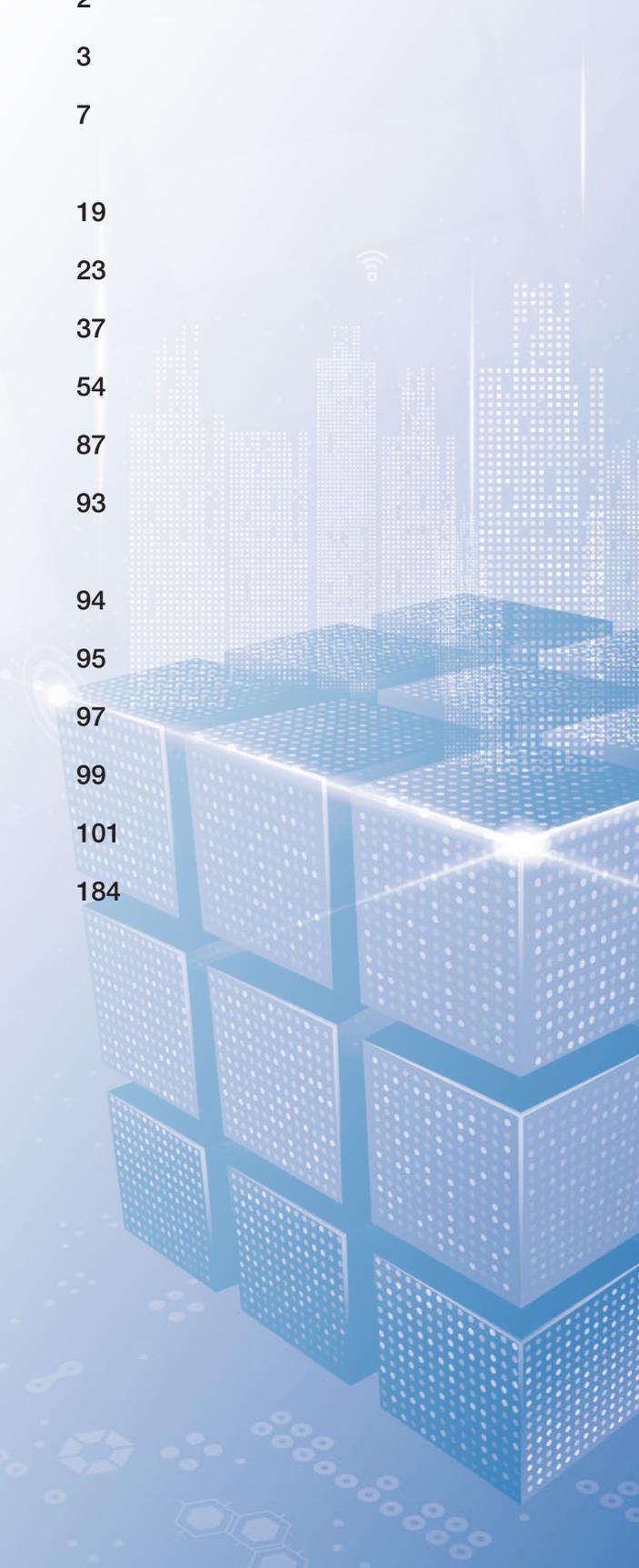
(Incorporated in the British Virgin Islands with limited liability)
(Stock code: 1611)

Annual Report
2024



CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	7
Biographical Details of Directors and Senior Management	19
Corporate Governance Report	23
Directors' Report	37
Environmental, Social and Governance Report	54
Independent Auditor's Report	87
Consolidated Statement of Profit or Loss	93
Consolidated Statement of Other Comprehensive Income	94
Consolidated Statement of Financial Position	95
Consolidated Statement of Changes in Equity	97
Consolidated Statement of Cash Flows	99
Notes to the Consolidated Financial Statements	101
Five Years Financial Summary	184



CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Director

Mr. Li Lin (*Chairman*)

Executive Directors

Mr. Du Jun (*Chief Executive Officer*)

Ms. Zhang Li (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. Yip Wai Ming

Dr. LAM Lee G., *BBS, JP*

Mr. Yu Chun Kit

AUDIT COMMITTEE

Mr. Yip Wai Ming (*Chairman*)

Dr. LAM Lee G., *BBS, JP*

Mr. Yu Chun Kit

REMUNERATION COMMITTEE

Dr. LAM Lee G., *BBS, JP (Chairman)*

Mr. Yip Wai Ming

Mr. Yu Chun Kit

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Yu Chun Kit (*Chairman*)

Mr. Yip Wai Ming

Dr. LAM Lee G., *BBS, JP*

REGISTERED OFFICE

Vistra Corporate Services Centre

Wickhams Cay II

Road Town, Tortola

BVI VG 1110

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 702-3, 7/F

100 Queen's Road Central, Central

Hong Kong

CORPORATE WEBSITES

<http://www.sinohope.com>

<http://www.irasia.com/listco/hk/sinohope/>

PRINCIPAL BANKER

DBS Bank Ltd., Hong Kong Branch

BVI PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited

PO Box 1093, Boundary Hall

Cricket Square

Grand Cayman

KY1-1102

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

AUDITORS

Moore CPA Limited

COMPANY SECRETARY

Ms. Peng Sisi

AUTHORISED REPRESENTATIVES

Mr. Du Jun

Ms. Peng Sisi

INVESTOR RELATIONS CONTACT

Email: ir@sinohope.com

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Sinohope Technology Holdings Limited (the "Company", together with its subsidiaries, the "Group" or the "Sinohope Tech"), I am pleased to present the annual report of the Group for the twelve months ended 30 September 2024.

EXTERNAL ENVIRONMENT

2024 is destined to be a turning point year, with the Federal Reserve's interest rate cut finally taking effect and Trump winning the 47th US presidential election.

The decision to reduce interest rates essentially indicates that the United States has relatively well-controlled inflation. If we consider the partial and interim success of Europe in controlling inflation, then the global concern about runaway inflation and the economic impact it brings seems to have come to an end, which is undoubtedly a major positive development for the global economy. In addition, with the implementation of interest rate reduction decisions by mainstream economies such as the US and the EU, the global supply of liquidity should become more abundant, which will be an upward driving force for the global financial market. Especially for open financial markets, such as the cryptocurrency market, the increase in liquidity brought by the benefits of interest rate reductions may trigger a bull market. This is a result we can expect.

Trump, who is a staunch supporter of the cryptocurrency industry, won the US presidential election, further pushing Bitcoin to a new all-time high, breaking the US\$100,000 mark, and the total market capitalization of the crypto currency market exceeded US\$3.9 trillion for the first time. In this year's election, Trump demonstrated a completely new pro-cryptocurrency stance and, for the first time, made cryptocurrency policy a key agenda item, making a series of commitments. Trump pledged to establish the United States as the global capital for cryptocurrencies, designate Bitcoin as a strategic reserve asset, and appoint regulators who have a passion for digital assets. Trump may partially fulfill his campaign promises by easing the regulatory policy on cryptocurrencies, such as passing the FIT21 Act and implementing the Token Safe Harbor mechanism, thereby bringing new development opportunities to the industry.

With the global trend of Web3.0 development, Hong Kong introduced innovative products such as Bitcoin and Ethereum spot ETFs in 2024, instilling confidence in traditional financial institutions and gradually gaining acceptance of crypto assets by more institutions. Product innovation and the establishment of compliance channels in Hong Kong's cryptocurrency market have effectively lowered the entry threshold for ordinary investors and facilitated cooperation between traditional finance and cryptocurrency asset management institutions. Driven by products such as ETFs and compliant funds, traditional capital has gained more opportunities to enter the cryptocurrency market, thereby achieving higher returns and a more diversified investment portfolio.

BUSINESS OVERVIEW

During the reporting period, driven by the positive Virtual Asset Spot ETF and a new cycle of interest rate cuts, SINOHOPE, the MPC self-custody platform of Sinohope Tech, has served more than 150 high-net-worth institutional customers, with an overall custody asset scale of tens of millions of US dollars. Meanwhile, it cooperates with a number of leading exchanges to open up the entire chain of custody, credit and trading, so that customers no longer have to worry about the security of funds.

CHAIRMAN'S STATEMENT

By using MPC-CMP technology to support users' distributed private key fragments and collaborative signatures, SINOHOPE mitigated the single-point failure risk of private keys and effectively improved transparency and accessibility. In February 2024, SINOHOPE launched the new function of MPC wallet equal rights organization, which supports stakeholders in the organization to achieve true equality at the private key level, and stakeholders have real control over funds, rather than relying only on centralized approval and control mechanisms to achieve multi-party equal rights and joint management. In April 2024, SINOHOPE released the BTC Layer 2 co-managed product, which provides multi-party joint custody of Bitcoin ecological assets in the form of WaaS access, including BTC Layer 1 asset custody, multi-chain asset custody, cross-chain bridge custody, BTC layer 2 custody, etc., to jointly maintain asset security through MPC co-management solutions, and help BTC Layer 2 solutions to implement the Bitcoin Layer 2 network infrastructure more securely and quickly, covering a wide range of assets and scenarios.

At the same time, relying on SINOHOPE's MPC custody technology, Sinohope Tech upgraded the "Hong Kong VASP Licensee Guardian Programme" in September 2024, which helps applicants focus more on solving the key privatization issues in the VASP application process, greatly improving the application efficiency, and providing more comprehensive and convenient services for institutions and enterprises applying for Hong Kong virtual asset service provider (VASP) licenses.

Since the official launch of the "Hong Kong VASP Licensee Guardian Programme" in October 2023, based on its own business and compliance experience, Sinohope Tech has provided consulting and advice to a number of institutions and enterprises applying for a Hong Kong Virtual Asset Service Provider (VASP) license on the process and business framework related to setting up a Hong Kong Trust or Company Service Provider (TCSP) license, and has exported industry-leading basic technical architecture solutions to help institutions carry out virtual currency and Web3 business in Hong Kong compliantly.

In terms of the ecological territory, in order to enhance our market competitiveness in the fast-growing cryptocurrency field, in August 2024, the Company intended to acquire a majority equity in BitTrade, a Japanese cryptocurrency exchange at a consideration of more than US\$33.23 million by acquiring the entire issued share capital of Avenir Asset Holding and approximately 7.69% of issued share capital in BitTrade from Goldenway, aiming to expand the Company's ecological territory and improve our influence in the global cryptocurrency market. The consideration will be settled by issuing up to 119,909,000 new shares in total. After the completion of the acquisition, Sinohope Tech will indirectly hold 92.31% of BitTrade's equity.

In terms of compliance asset management business, as of the end of 2024, Sinohope Asset Management and its partners have jointly been managed a total of 12 funds, with a total AUM of more than US\$99.1 million. At the end of this April, the first batch of Hong Kong Bitcoin and Ethereum Spot ETF products applied by ChinaAMC, Bosera Fund and Harvest Global were approved by the Hong Kong Securities and Futures Commission for official listing and trading. In order to further promote the in-depth development of virtual asset spot ETFs in Hong Kong, Sinohope Asset Management has successively announced in-depth cooperation with ChinaAMC, Bosera International and Harvest International on Bitcoin and Ethereum Spot ETF products. Based on the accumulated professional knowledge and professional market information of each party, we will promote full business cooperation in the fields of product development, customer service and related support, and investment consulting.

In terms of compliance process, in August 2024, Sinohope Asset Management obtained the approval from the Hong Kong Securities and Futures Commission for the application for Type 1 (dealing in securities) and the upgrade of Type 4 (advising on securities) to develop structured products, and from multiple perspectives such as risk control and compliance, through a strict due diligence process, to screen out qualified and competitive virtual asset structured products and funds. As one of the first batch of institutions in the market to obtain multiple licenses for Type 1, Type 4 and Type 9, Sinohope Asset Management will give full play to its first-mover advantage and further expand its business footprint in the Hong Kong market.

Finally, the one-stop public chain ecological solution launched by Sinohope Tech this year has provided services for dozens of leading enterprises in the industry, helping enterprises and developers build and prosper the Web3 ecosystem safely, conveniently and comprehensively. The public chain ecological solution provides developers with full-stack blockchain technology and infrastructure support, including complete L1 public chain design, L2 OP/ZK extension, DeFi/NFT/GameFi applications, MPC/AA wallet service integration, etc., aiming to meet the needs of developers to quickly build Web3 products with low threshold, security and convenient services.

MACROCOSMIC POINT

Trump's win in the United States presidential election has attracted widespread attention globally, particularly in the cryptocurrency sector. While the regulatory environment for cryptocurrencies in the United States has been relatively strict and uncertain over the past few years, Trump's re-election is seen as an opportunity for a major turn in United States' crypto policy. During his campaign, Trump repeatedly expressed his support for cryptocurrencies, promising to make the U.S. the 'cryptocurrency capital of the world' and proposing the establishment of a national strategic Bitcoin reserve, among other policy ideas.

Anticipation of a series of improved crypto policies following the election of Trump has made investors full of expectations for the future of the crypto industry, and the cryptocurrency market has risen significantly in a short period of time, with Bitcoin breaking US\$100,000, and other cryptocurrencies also enjoying a general upswing. Cryptocurrency and virtual asset spot ETFs also performed positively. In terms of exchanges, major compliant exchanges such as Coinbase and Robinhood saw significant increase, while miners such as Cipher Mining, Riot Platforms, and Canaan ADR also saw significant growth due to Trump's advocacy of developing Bitcoin mining on continental United States. United States Bitcoin spot ETFs and Ether spot ETFs have also seen significant net inflows upon the announcement of the election.

The cryptocurrency and Web3.0 industries have begun to exert influence in the political circles of the United States, reversing the disadvantage of being suppressed by the government in the past, and becoming a part of the timocracy. Hong Kong has been competing with Singapore and the Middle East to become a third-generation Internet centre. Now that the United States has entered the competition, consider we shall pay more efforts to promote technological innovation and drive economic growth.

As a global financial centre, Hong Kong is actively positioning itself as a global hub for the development of Web3.0 by virtue of its unique geographical, policy and economic advantages. The Policy Statement on development of Virtual Assets in Hong Kong issued by the Government of the Hong Kong Special Administrative Region clearly sets out the objective of making Hong Kong a global digital asset centre which demonstrates Hong Kong's vision in the Web3.0 field, not only to hope to consolidate its position as a regional innovation centre, but also to occupy a central position in the global digital asset ecosystem.

Since June 2023, when the Hong Kong Securities and Futures Commission of Hong Kong (SFC) introduced the Virtual Asset Service Providers, the development of the crypto industry has embraced new opportunities. The new policy requires platforms to operate in compliance and be subject to stringent regulations to enhance market security and transparency. At the same time, innovative products like ETFs and virtual asset funds are gradually opening to average investors which lowers the investment threshold and attracts a large amount of institutional capital. Hong Kong's crypto-friendly policies have laid the foundation for its position as a crypto-finance hub and have promoted co-operation between traditional financial institutions and crypto asset management institutions, injecting new growth momentum into the industry.

CHAIRMAN'S STATEMENT

Sinohope Tech is based in Hong Kong and explore business direction with a broad vision. We will continue to be optimistic about the development prospects of Hong Kong in the fields of virtual assets, financial technology and Web 3.0 in the future. We will continuously monitor the regulatory developments, using our three core products and services, namely, virtual asset exchanges, custody and asset management, to expand the ecological footprint of Sinohope Tech and enhance business synergies, and ultimately strengthen core competitiveness of Sinohope Tech in the Asia-Pacific region.

Li Lin
Chairman
Hong Kong
16 December 2024

MANAGEMENT DISCUSSION AND ANALYSIS

MATERIAL EVENTS

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 74,700,000 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 Technology LIMITED 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 were 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.

For details, please refer to the Company's announcements dated 26 April 2023, 30 June 2023, 28 July 2023 and 10 October 2023, and the circular of the Company dated 6 July 2023. The terms defined above have the same meanings as those defined therein.

Change of the Company's name and stock short name

On 13 September 2023, the Company changed its English name 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".

With effect from 9:00 a.m. on 16 October 2023, the Company changed its stock short name from "NEW HUO TECH" to "SINOHOPE TECH" in English. 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 and 12 October 2023, and circular dated 10 August 2023.

Major and Connected Transactions in Relation to the Disposal of Equity Interests in New Huo Solutions Limited, HBTPower Limited, and HBTPower Inc.

- (i) On 25 August 2023, 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

MANAGEMENT DISCUSSION AND ANALYSIS

- (ii) On 25 August 2023, 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) (together with the Sale and Purchase Agreement (Solutions), the “Disposal Agreements”), 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 extraordinary general meeting of the Company held on 17 November 2023 passed the related resolutions. And on 11 January 2024, the disposal of HBTPower Limited was completed, on 9 February 2024, the disposal of New Huo Solutions Limited was completed and on 12 March 2024, the disposal of HBTPower Inc. was completed. The net proceeds from the Disposal, after deducting the administrative and external expenses, were approximately HK\$257.1 million.

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 12 March 2024, and circular dated 17 November 2023. The terms defined above have the same meanings as those defined therein.

FTX Incident Update

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, out of which approximately US\$13.2 million was client’s asset based on 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 Company had performed impairment assessment on the FTX Deposits and concluded that the recoverable amount of the FTX Deposits would be less than its original amounts deposited in FTX. As set out in the annual report for the year ended 30 September 2023 dated 28 December 2023, for the purpose of impairment assessment, the Recoverable Amount was determined with reference to the market price less incremental costs for assignment of the FTX Claim. An impairment loss of approximately HK\$85,897,000 was recognised for the year ended 30 September 2023, representing approximately 60.6% of the original amount.

In order to preserve the value of the FTX Deposits, the Company began to search for buyers to purchase the FTX Claim. On 24 May 2024, Hbit Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a buyer (whose ultimate beneficial owner is an independent third party) to dispose of the FTX Claim at a consideration of approximately US\$19,500,000 (equivalent to approximately HK\$152,125,000).

As a result of the disposal, a reversal of impairment loss of HK\$85,897,000 has been recognised in profit or loss for the year ended 30 September 2024.

For details, please refer to the Company’s announcements dated 14 November 2022, 22 February 2024 and 24 May 2024. The terms defined above have the same meanings as those defined therein.

Continuing Connected Transaction Involving Asset Management Services Framework Agreements

On 11 July 2024, Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement I with Mr. Li, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds I and the Other Funds, in which Mr. Li and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from the 1 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$39,000,000. The extraordinary general meeting of the Company held on 3 September 2024 passed the related resolutions.

On 11 July 2024, Sinohope Asset Management, entered into the Asset Management Services Framework Agreement II with Mr. Du, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds II and the Other Funds, in which Mr. Du and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from the 1 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$6,000,000, but the actual transaction amount was HK\$7,321,753.58. On 13 December 2024, the Board resolved to revise the existing annual caps and made an announcement.

On 11 July 2024, Sinohope Asset Management, entered into the Asset Management Services Framework Agreement III with Mr. Zhong, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds III and the Other Funds, in which Mr. Zhong and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term commencing retrospectively from the 10 October 2023 to 30 September 2026 (both days inclusive). The annual cap of asset management service fee for 2024 was agreed to be HK\$8,100,000.

For details, please refer to the Company's announcements dated 11 July 2024, 3 September 2024 and 13 December 2024, and the circular dated 9 August 2024. The terms defined above have the same meanings as those defined therein.

Connected Transactions in Relation to the Subscription of Interest in Funds

1. On 18 September 2024, Sinohope Hong Kong Limited (a direct wholly-owned subsidiary of the Company) as a subscriber, 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).

For details, please refer to the Company's announcement dated 18 September 2024. The terms defined above have the same meanings as those defined therein.

2. On 23 September 2024, Sinohope Hong Kong Limited as a subscriber, entered into (i) the Smart Beta Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 1,120 Smart Beta Class A Shares attributable to the Smart Beta Segregated Portfolio, a segregated portfolio of the fund company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 600 Delta Neutral Class A Shares attributable to the Delta Neutral Segregated Portfolio, another segregated portfolio of the fund company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

MANAGEMENT DISCUSSION AND ANALYSIS

After entering into the Smart Beta Subscription Agreement and the Delta Neutral Subscription Agreement, on the same day (i) the Smart Beta Segregated Portfolio entered into the ChainUp Smart Subscription Agreement, pursuant to which the Smart Beta Segregated Portfolio agreed to subscribe for approximately 1,120 ChainUp Smart Class A Shares attributable to the ChainUp Smart Segregated Portfolio, a segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Segregated Portfolio entered into the ChainUp Delta Subscription Agreement, pursuant to which the Delta Neutral Segregated Portfolio agreed to subscribe for approximately 600 ChainUp Delta Class A Shares attributable to the ChainUp Delta Segregated Portfolio, another segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

For details, please refer to the Company's announcement dated 23 September 2024. The terms defined above have the same meanings as those defined therein.

Very Substantial Acquisition and Connected Transactions

On 16 August 2024, the Company as BVI Purchaser and FCCR, Lightning Pay, Sky Fort, Tekne, Vision Leader, Hong Jia, Zhen Partners, HSG, Avenir Investment, Mr. Song, Mr. Hu and Mr. Du collectively as BVI Vendors entered into the BVI Agreement, pursuant to which BVI Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire the BVI Sale Shares, representing the entire issued share capital of BVI Company, at the consideration of US\$30,462,086.38 (equivalent to approximately HK\$237,604,273.76), which shall be satisfied by the allotment and issue of the Consideration Shares A at the Issue Price to BVI Vendors (or their nominees) at completion.

On 16 August 2024, the Company as BitTrade Purchaser and Goldenway as BitTrade Vendor entered into the BitTrade Agreement, pursuant to which Goldenway has conditionally agreed to sell, and the Company has conditionally agreed to acquire the BitTrade Sale Shares, representing approximately 7.69% of the entire issued share capital of BitTrade, at the consideration of US\$2,769,435.22 (equivalent to approximately HK\$21,601,594.72), which shall be satisfied by the allotment and issue of the Consideration Shares B at the Issue Price to Goldenway (or its nominees) at completion.

Immediately after completion, the BVI Company will become a wholly-owned subsidiary of the Company and BitTrade will become an indirect subsidiary of the Company, and the financial results of the BVI Company and the BitTrade will be consolidated to the financial statements of the Group. As at the date of this report, the acquisition has not been completed.

For details, please refer to the Company's announcement dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024 and 31 December 2024. The terms defined above have the same meanings as those defined therein.

Litigation Order

On 13 September 2024, the Company received an order from the High Court of England and Wales relating to a claim by a claimant against a number of named and unnamed defendants ordering the Company, as the fourth defendant, to deliver up to the Claimant up to the limit of 43.0717024 Bitcoin (equivalent to US\$2,590,108.21 and approximately HK\$20,202,844.03) or the sterling equivalent of GBP1,936,146.68 (equivalent to approximately HK\$19,915,204.75) and 1,167.093718 Ethereum (equivalent to US\$2,705,451.62 and approximately HK\$21,102,522.63) or the sterling equivalent of GBP2,526,126.44 (equivalent to approximately HK\$25,983,736.56) to the nominated wallet addresses. The UK Action was originally instituted by the Claimant against Huobi Global Limited (a company registered in the Seychelles) as the fourth defendant, and was subsequently amended by substituting the Company for Huobi Global Limited as the fourth defendant.

The Company has engaged United Kingdom legal advisors to assess the situation and consider possible options. Having considered the information and document provided by the Company, the UK Legal Advisors are of the view that the UK Action made against the Company was on weak evidential basis and the Company has a good chance of success to set aside the UK Order.

For details, please refer to the Company's announcement dated 20 September 2024. 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\$1,569.4 million for the year ended 30 September 2024 ("Year 2024"), representing a decrease of approximately 44.6% or HK\$1,264.2 million from approximately HK\$2,833.6 million for the year ended 30 September 2023 ("Year 2023").

The gross profit of the Group was approximately HK\$44.2 million for Year 2024, representing an increase of approximately 325.7% or approximately HK\$33.8 million from approximately HK\$10.4 million for Year 2023.

The Group recorded a net profit of approximately HK\$56.3 million for Year 2024 compared to a net loss of approximately HK\$288.7 million for Year 2023.

Basic and diluted earning per share of the Group for Year 2024 was HK\$11.66 cents and HK\$11.63 respectively (Year 2023: basic and diluted loss per share of HK\$91.94 cents and HK\$91.94 cents, respectively).

BUSINESS REVIEW

Provision of Technology Solution Services

The Group, through Sinohope APAC Limited and Sinohope Digital limited, both wholly-owned subsidiaries of the Company, provide specific technology solution services including blockchain solutions, peripheral accessories such as browser, faucet and official website, fundamental Dapps and Software-as-a-Service 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\$6.8 million for Year 2024 compared to approximately HK\$10 million for Year 2023, representing a decrease of approximately HK\$3.2 million or 32%. The decrease is due to the suspension of data center and cloud based services because of the disposal of Win Techno Inc. completed in November 2022. If only compared to the revenue from specific technology solutions services of HK\$2.95 million in Year 2023, the revenue increased by approximately HK\$3.8 million or 129% benefiting from effective marketing and brand building.

Virtual Asset Ecosystem

(i) *Asset management*

The Group has carried on asset management businesses through Sinohope 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 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO").

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.

MANAGEMENT DISCUSSION AND ANALYSIS

SINOHOPE Asset Management is managing twelve funds containing virtual assets as at the date of this report compared to eight funds disclosed in Company's Interim Report 2024. The funds include seven virtual assets funds named BitMind Trend Fund SP, Evolving Investment Crypto Multi-Strategy Fund SP, SINOHOPE Multi Strategy Crypto Fund SP, Progressive Asset Management SP, Alpha Blockchain SP1 (as sub-investment manager), Metastone Crypto Multi-Strategy Fund SP and Whizard Future Fund SP, two private equity funds for blockchain mining related businesses, one private equity fund for blockchain/web3 businesses and two FOF funds for virtual assets investment. 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\$25.6 million for Year 2024, representing a significant increase of approximately HK\$21.3 million or 495.3% as compared to approximately HK\$4.3 million for Year 2023. This growth was primarily driven by fund performance fee income resulting from the rise in virtual asset prices and effective asset management strategies, as well as increased management fee income due to the growth in assets under management of the ongoing funds.

The total assets under management was approximately US\$99.1 million as at the date of this report compared to approximately US\$81.8 million as at 31 March 2024.

(ii) *Trust and custodian business*

The custodian business includes two types of business, centralised custodian and MPC self-custody business, which was being carried out through Sinohope Trust Company Limited ("**Sinohope Trust HK**", which was formerly known as "New Huo Trust Company Limited") and Sinohope Digital Limited separately during Year 2024.

Sinohope 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 centralised custodian provided services including safekeeping, settlement and other customised services of its clients' assets.

Sinohope Digital Limited, a company incorporated in Seychelles and an indirectly wholly-owned subsidiary of 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). 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 types of assets custodied under the business include virtual asset, fiat currency, financial instrument or any type of other assets.

The revenue generated from the provision of custodian services was approximately HK\$1.2 million for Year 2024, representing an increase of approximately HK\$0.1 million or 6.8% as compared to approximately HK\$1.1 million for Year 2023 arising from the increase of custodian size driven by the increase of virtual asset price.

(iii) *Virtual asset lending and cryptocurrency trading business*

During Year 2024, the Group has provided (i) virtual asset lending management business to clients; (ii) over-the-counter (the “OTC”) virtual asset trading business to trade virtual assets with corporate and individual customers; and (iii) trade virtual assets in cryptocurrency exchanges. The lending management services income generated from the virtual asset lending was approximately HK\$1.1 million.

The OTC trading business generates income through the trading spreads from clients who buy and/or sell virtual assets using the Group’s services. Its current clients include high-net-worth individuals, institutional investors and firms to execute large trades with more privacy, reduced slippage, and potentially better pricing. During Year 2024, the Group also generates income from commission earned by matching clients with suppliers.

During Year 2024, the revenue from cryptocurrency trading business was approximately HK\$1,520.3 million and the cost of sales of OTC trading business was approximately HK\$1,511.1 million. The Group recognised a gross profit of approximately HK\$9.2 million during Year 2024 compared to a net gross loss of approximately HK\$2.7 million for Year 2023 from the cryptocurrency trading business. The growth in the gross profit of the cryptocurrency trading business is attributed to the company’s enhanced control over transaction cost estimation for each trade and its proactive development of suppliers in Year 2024.

(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 2024, 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 US\$10 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.

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 US\$4.8 million (equivalent to approximately HK\$37.5 million) and the New Era Fund recorded a profit of approximately HK\$5.2 million for Year 2024.

As a result of the global economy downturn and ongoing bear market in virtual assets, the Group disposed the cryptocurrency mining related business and funds to Avenir Cayman Holding Limited, the ultimate beneficial owner of which is Mr. Li Lin, and to settle part of the outstanding loans. The disposal of New Huo Solutions was completed in February 2024 at the consideration of HK\$205,706,355.00.

(v) *Consultancy services income*

During Year 2024, the Group has provided consultancy services in relation to Blockchain and Web3 business to its customers. The consultancy services cover different types of consultancy projects based on the terms stated in the corresponding contracts.

The revenue generated from consultancy services income was approximately HK\$1.7 million for Year 2024, representing an increase of approximately HK\$1.5 million as compared to approximately HK\$0.2 million for Year 2023 due to the effective marketing and brand building.

MANAGEMENT DISCUSSION AND ANALYSIS

NON-OPERATING EXPENSES OVERVIEW

Other income and (losses)/gains

Other income and (losses)/gains, which includes exchange difference, fair value gains on crypto investments, marketing income, government grants, fair value change on financial assets through profit or loss, sundry income and interest income, has increased by approximately HK\$11.3 million to net other income of approximately HK\$4.8 million for Year 2024 from a net other losses of approximately HK\$6.2 million for Year 2023. The other income mainly includes the fair value gains on crypto investments benefiting from the rise of crypto prices and marketing income from selling sponsorship of events held by the Group.

Administrative expenses

Administrative expenses have decreased significantly by approximately HK\$80.6 million or approximately 43.1% to approximately HK\$106.2 million for Year 2024 from approximately HK\$186.8 million for Year 2023 because of the implementation of cost management measures. The administrative expenses mainly consist of employee salary and benefit expenses of approximately HK\$67.5 million for Year 2024 compared to approximately HK\$101.9 million for Year 2023.

Finance costs

Finance costs have decreased by approximately HK\$10.3 million or approximately 68.4% to approximately HK\$4.8 million for Year 2024 from approximately HK\$15.1 million for Year 2023, in line with the decrease of other borrowings.

Profit/(loss) before income tax

The Group's profit before income tax for Year 2024 was approximately HK\$56.4 million as compared to the net loss before income tax of approximately HK\$282.2 million from continuing operations for Year 2023. The profit before income tax was mainly arisen from reversal of provision of impairment of the FTX Deposit amounting to approximately HK\$85.9 million as the disposal of FTX Claim has been completed in June 2024. The profit before income tax also derived from the fund performance fee income resulting from the rise in virtual asset prices and effective asset management strategies, as well as the increased management fee income due to the growth in assets under management of the ongoing funds.

Income tax (expenses)/credit

The Group recorded income tax expenses of approximately HK\$43,000 for Year 2024 compared to an income tax credit of approximately HK\$4.9 million for Year 2023.

Profit/(loss) after income tax

The Group's profit after income tax for Year 2024 from continuing operations was approximately HK\$56.3 million as compared with a net loss after income tax from continuing operations of approximately HK\$277.3 million for Year 2023.

Dividend

The Directors do not recommend the payment of a final dividend for Year 2024 (Year 2023: Nil).

FINANCIAL REVIEW

Cash Flow from Operating Activities

Net cash used in operating activities was approximately HK\$10.7 million for Year 2024 (Year 2023: approximately HK\$245.2 million). The decrease in cash outflow was due to the decrease of cash used in administrative expenses and the settlement of trade and other receivables.

Cash Flow from Investing Activities

Net cash used in investing activities was approximately HK\$21.9 million for Year 2024 compared to net cash generated from investing activities of approximately HK\$11.5 million for Year 2023.

The cash outflows for Year 2024 mainly resulted from the approximately HK\$5.6 million payment for purchase of financial assets at fair value through profit or loss and HK\$17.8 million for deposits paid for acquisition of investments.

Cash Flow from Financing Activities

Net cash used in financing activities was approximately HK\$223.8 million for Year 2024 compared to approximately HK\$302.1 million cash generated from financing activities for Year 2023. The outflow for Year 2024 mainly includes approximately HK\$223.0 million net cash outflow in relation to return of other loans from a related company.

Capital Expenditure

There is no capital expenditure in Year 2024 (Year 2023: HK\$17.9 million) financed by internal resources and credit facilities.

Treasury Management

During Year 2024, there has been no material change in the Group's funding and treasury policies. The Group had a sufficient level of cash 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 Renminbi. During Year 2024, the Group did not enter into any financial instrument for hedging purpose. 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 2024, the Group has no outstanding borrowings (30 September 2023: HK\$467.2 million). The Group's gearing ratio was approximately Nil (2023: 218.5%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period.

Charge on Group Assets

As at 30 September 2024, there is no banking facilities of the Company's wholly-owned subsidiaries which were based in mainland China and HKSAR (30 September 2023: HK\$Nil).

As at 30 September 2024, there is no other asset pledged. (30 September 2023: approximately 238,087 filecoins with carrying amount of HK\$6,255,000 were pledged for cryptocurrency mining business).

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investments, Material Acquisitions and Disposals, and Future Plans For Significant Investment or Acquisition of Capital Assets

During Year 2024, save as disclosed in the section “MANAGEMENT DISCUSSION AND ANALYSIS” of this report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures or significant investments, and the Company does not have any specific plans for material investments or acquisitions of capital assets in the coming year.

Contingent Liabilities

As at 30 September 2024, except for certain matters related to litigations disclosed in Note 44 to the consolidated financial statements in this report, the Group did not have any material contingent liabilities (30 September 2023: HK\$Nil). Moreover, on 14 January 2025 and 15 January 2025, the Company received two sealed consent orders from Business and Property Court in Bristol Circuit Commercial Court and Business and Property Court of England and Wales London Circuit Commercial Court (KBD) in relation to Litigation A and Litigation B (which are disclosed in Note 44 to the consolidated financial statements in this report) and confirmed that all the claimants’ claims in relation to these two litigations against the Company are dismissed.

Major Customers and Major Suppliers

Sales to the largest customer and the five major customers respectively accounted for 29.3% and 69.1% of total revenue of the Group for Year 2024. Purchases from the largest supplier and the five largest suppliers respectively accounted for 30.1% and 71.8% of total purchases of the Group for Year 2024. As at the date of this report, as far as the Directors were aware of, none of the Directors, their associates, or any shareholder of the Company had any interest in the aforementioned customers or suppliers of the Company.

Changes in Principal Subsidiaries and Major Non-controlling Interests

During Year 2024, save as disclosed in the section “MANAGEMENT DISCUSSION AND ANALYSIS” of this report, there has been no material change in the Company’s principal subsidiaries and the Group’s major non-controlling interests.

Capital Commitments

As at 30 September 2024, the Group has no capital commitments in respect of purchase of property, plant and equipment (30 September 2023: HK\$Nil).

Liquidity, Financial Resources and Funding

We finance our operations primarily through cash generated from operations and other borrowings. The Group’s net liquidity position as at 30 September 2024, together with the position as at 30 September 2023 is summarised below:

	30 September 2024 HK\$’000	30 September 2023 HK\$’000
Cash and cash equivalents	62,282	320,161
Other borrowings	–	(467,205)
Net cash	62,282	(147,044)

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

RISK REVIEW

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 bank balances and trade receivables of the Group are denominated in foreign currencies. Exposure to movements in exchange rates for such trading transactions may affect the Group's financial position. 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. Changes in regulations and laws in particular may impact the Group's operation and increase the need for monitoring compliance. 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. Given the Group's business activities and involvement in digital asset, the risks related to safekeeping may adversely affect the Group's operation and business plan. 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 holds cryptocurrencies for daily operation and businesses. 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 2024, 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. The risks of failure to comply with such anti-money laundering requirements and consequences of breach may undermine the Group's performance. 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).

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

In Year 2025, we will continue to utilize the expertise and experience of the Group in the aspects of virtual asset custody core technology and compliant virtual asset fund management. For the purpose of providing customers with more professional one-stop virtual asset services experience and establishing a leading profile of the Group in the financial technical services industry of Web3 in Asia-Pacific region and across the globe, we will focus the Company's business on three core aspects, namely comprehensive deepening of compliant asset management business, the innovative development of MPC one-stop custody products, and the expansion of compliance virtual asset exchange. It is expected that the source of funding will continue to be from cash generated from operations, banks and other borrowings, and there is no tentative fund raising activities in the coming year.

In the aspect of virtual asset custody technology, the Group will continue to innovate and research the core custody technologies, such as distributed key derivation and threshold signature, which will ensure a high security and operational transparency for the assets of customers while providing customers with more efficient and convenient experience and continuously promoting the integration of traditional finance and emerging finance in different situations. Moreover, the Group will expand the business scope of TCSP compliant custody and activate the virtual asset custody and transaction services, which enable customers to complete all the business procedures via one product entry; through the integration of upstream and downstream products, the Group will provide customers with comprehensive procedure service from deposit and withdrawal, asset custody to asset management.

In the aspect of compliant asset management business, the Group will further expand the business in the Hong Kong market with our first-mover advantage. Furthermore, the Group will continue to optimize the virtual asset fund product mix of SINOHOPE Asset Management to provide a more diversified virtual asset investment fund portfolio for customers. In a market with increasingly rich investment targets and diverse demands, SINOHOPE Asset Management hopes to provide a wide range of product choices for professional investor (PI) clients, such as family offices, high net worth individuals and professional institutions.

In Year 2025, SINOHOPE Asset Management will add the business of distributing virtual asset (VA) related products to PIs, including but not limited to VA funds, Bitcoin and Ether ETFs, and VA structured products, in addition to its existing business of compliant VA funds under Type 9 license. For example: 1) Income Enhanced Wealth Management products; 2) Bitcoin and Ether Bullish Shark Fin Wealth Management products; and 3) Bitcoin and Ether Dual Currency Investments. With the approved upgrade to License 4, the Company also plans to offer the following types of virtual asset (VA) advisory services to PIs only: 1) issuing research reports (including regular subscriptions or ad hoc recommendations based on client requests); and 2) providing investment advisory services to clients, including VA funds and their managers.

In the aspect of exchange business, upon the formal completion of the acquisition of BitTrade, the Group will leverage its existing technology and resources to enhance BitTrade's market position as well as plan to expand its compliant business in Japan and other regions. Besides, the Group will also be able to capitalize on the acquisition to improve its asset management services, thereby providing the Group with a good opportunity to enter the crypto-asset exchange business and enhance its market competitiveness in the fast-developing cryptocurrency sector.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The profiles of Directors and Senior Management as at the date of this annual report are as follows:

NON-EXECUTIVE DIRECTOR

Mr. Li Lin (“Mr. Li”), aged 42, was appointed as the chairman of the Board, an executive Director and chief executive officer (the “CEO”) of the Company on 10 September 2019. Mr. Li resigned as CEO and re-designated as non-executive Director with effect from 18 December 2021.

Mr. Li founded Huobi Group in 2013. Prior to establishing Huobi Group, Mr. Li worked at Oracle, the world’s largest database service company. After that, Mr. Li worked at Beijing Saide Yunbo Technology Co., Ltd. (北京百德雲博技術有限公司), a technology company specialising in Search Engine Optimisation, from August 2007 to August 2011. Thereafter, Mr. Li served as the General Manager of Beijing Zhongke Huishang Electronic Commerce Co., Ltd. (北京中科匯商電子商務有限公司), an e-commerce company targeting retail customers, from September 2011 to April 2013.

Mr. Li obtained a Bachelor’s Degree in automation from Tongji University (同濟大學) in July 2005, and a Master’s Degree in control science and engineering from Tsinghua University (清華大學) in June 2007. Mr. Li possesses over 10 years of experiences in technology, blockchain and corporate management, which has been a great asset to the Company.

Apart from being the non-executive Director and the chairman of the Board, Mr. Li is also the ultimate beneficial owner and a director of Avenir Investment Limited which holds 19.53% equity interest in the Company.

EXECUTIVE DIRECTORS

Mr. Du Jun (“Mr. Du”), aged 38, was appointed as the chief executive officer of the Company and executive Director with effect from 30 November 2022.

Mr. Du has served as the co-founder of Huobi Group since November 2013 and was responsible for the strategic planning and management of Huobi Group. During this period, Mr. Du has also served as the co-founder and managing partner of ABCDE Capital since May 2022, responsible for the strategy planning and management of ABCDE Capital, and as the co-founder and director of Chainup Technic Limited since September 2017, responsible for the company’s strategic planning. Prior to that, Mr. Du served as a senior product manager at Tencent between October 2010 and November 2013 and was responsible for Discuz! product design and operation and managing a team of more than 20 people. Before that, Mr. Du served as a product manager at Comsenz Technology Inc. from April 2007 to October 2010 and was responsible for Discuz! product design, and managing a team of more than 10 people.

Mr. Du obtained an EMBA from National University of Singapore in 2023. He has published “Blockchain+: Application and Future of Blockchain from 50 cases in the world” and “Blockchain+: Technological Ecology, Token Economy and Community Autonomy from 50 cases in the world”, both of which are among the best selling books in JD.com’s internet finance field.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Ms. Zhang Li (“Ms. Zhang”), aged 39, was appointed as the chief financial officer of the Company on 26 August 2020. Ms. Zhang was also appointed as executive Director with effect from 18 December 2021.

Ms. Zhang is currently an independent director of Nano Labs Ltd. (Stock Code: NA.Nasdaq), whose shares are listed on Nasdaq Stock Market. Prior to joining the Group, from December 2017 to August 2020, Ms. Zhang had been responsible for the listing of Hangzhou Canaan Creative Information Technology Co., Ltd. (Stock Code: CAN.Nasdaq) on Nasdaq Stock Market and had subsequently served as the vice president of that company from March 2018 to August 2020. From September 2015 to May 2019, Ms. Zhang served as a director of Ci Wen Media Co., Ltd. (Stock Code: 002343.SZ). From June 2014 to August 2017, Ms. Zhang served as the vice president and the secretary of the board of directors of Hangzhou Shunwang Technology Co., Ltd. (Stock Code: 300113.SZ), during which time Ms. Zhang was responsible for the formulation of its strategic planning, capital market communications and numerous merger and acquisition deals in the gaming industry. From December 2012 to June 2014, Ms. Zhang served as the senior manager of the acquisition and financing department of Guotai Junan Securities Co., Ltd., during which time Ms. Zhang was responsible for the mergers and acquisitions of numerous well-established companies in the technology, media and telecommunications and environmental industries. From October 2009 to September 2012, Ms. Zhang served as a senior auditor of PricewaterhouseCoopers Zhong Tian LLP (普華永道中天會計師事務所(特殊普通合夥)), during which time Ms. Zhang had handled audit work of numerous multinational companies.

Ms. Zhang is a non-practicing member of the Chinese Institute of Certified Public Accountants. She graduated from the Department of Automotive Engineering of Tsinghua University in 2009 holding a bachelor’s degree and a master’s degree in automotive engineering. She obtained an EMBA from Peking University in July 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yu Chun Kit (“Mr. Yu”), aged 35, was appointed as an independent non-executive Director, a chairman of the nomination and corporate governance committee (the “NCGC”), and a member of the audit committee (the “AC”) and the remuneration committee (the “RC”) of the Company on 1 April 2022.

Mr. Yu is the financial controller and company secretary of Boltek Holdings Limited (Stock Code: 8601.HK) since 2018. Since September 2019, he has been appointed as a company secretary of Global Uin Intelligence Holdings Limited (formerly known as Global Dining Holdings Limited, Stock Code: 8496.HK). Since March 2024, he has been appointed as independent non-executive director of WK Group (Holdings) Limited (Stock Code: 2535.HK). Mr. Yu obtained a Bachelor of Business Administration (Hons) in Accounting & Finance from the Hong Kong Polytechnic University in October 2011. Mr. Yu has been admitted as a member of the Hong Kong Institute of Certified Public Accountants since July 2015.

Mr. Yip Wai Ming (“Mr. Yip”), aged 59, was appointed as an independent non-executive Director, the chairman of the AC and a member of the NCGC and the RC on 11 October 2018.

Mr. Yip is currently an independent non-executive director of the following companies listed on the Stock Exchange: PAX Global Technology Limited (Stock Code: 0327.HK), Ju Teng International Holdings Limited (Stock Code: 3336.HK), Far East Horizon Limited (Stock Code: 3360.HK), and Peijia Medical Limited (Stock Code: 9996.HK). Mr. Yip has more than 30 years of experience in finance and accounting. Mr. Yip graduated from the University of Hong Kong with a bachelor’s degree in social sciences in 1987. He also holds a bachelor’s degree in law from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Dr. LAM, Lee G., *BBS, JP* (“Dr. Lam”), age 65, was appointed as an independent non-executive Director, chairman of the RC and a member of the NCGC and the AC on 21 April 2023.

Dr. Lam served as the Chairman of Hong Kong Cyberport, a member of the Chief Executive’s Policy Unit Expert Group, the Committee on Innovation, Technology and Re-Industrialization, the Development Bureau Common Spatial Data Advisory Committee and the Sir Murray MacLehose Trust Fund Investment Advisory Committee, Convenor of the Panel of Advisors on Building Management Disputes of the Home Affairs Department, and a Part-time Member of the Central Policy Unit of the Hong Kong Special Administrative Region (HKSAR) Government. Dr. Lam is a member of the Green Technology and Finance Development Committee and the Governance Committee of the Hong Kong Growth Portfolio of the HKSAR Government. He is also a member of the Belt and Road and Greater Bay Area Committee of the Hong Kong Trade Development Council, Advisor to Our Hong Kong Foundation, Advisor to Hong Kong Investor Relations Association, Chair of the United Nations ESCAP Sustainable Business Network, and a member of the Board of Directors and Chairman of the Permanent Commission on Economic and Financial Issues of the World Union of Small and Medium Enterprises.

Dr. Lam is an independent non-executive director of each of Mei Ah Entertainment Group Limited (Stock Code: 391), RENHENG Enterprise Holdings Limited (Stock Code: 3628), and Sinohope Technology Holdings Limited (Stock Code: 1611); and a non-executive director of Mingfa Group (International) Company Limited (Stock Code: 846; he was re-designated from independent non-executive director on 23 April 2020), the shares of all of which are listed on the Stock Exchange. He is also an independent non-executive director of AustChina Holdings Limited (Stock Code: AUH) whose shares are listed on the Australian Securities Exchange.

In the past three years, Dr. Lam was an executive director of USPACE Technology Group Limited (Stock Code: 1725, FKA Hong Kong Aerospace Technology Group Limited; he was re-designated from non-executive director on 3 January 2022) up to May 2024, a non-executive director of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188) and China Hong Kong Power Smart Energy Group Limited (FKA China LNG Group Limited, Stock Code: 931) both up to February 2024, National Arts Group Holdings Limited (Stock Code: 8228) up to July 2022, and Tianda Pharmaceuticals Limited (Stock Code: 455) up to August 2021. He was also an independent non-executive director of Hang Pin Living Technology Company Limited (Stock Code: 1682) up to October 2024, Greenland Hong Kong Holdings Limited (Stock Code: 337) up to May 2024, Kidsland International Holdings Limited (Stock Code: 2122) up to April 2024, Huarong International Financial Holdings Limited (Stock Code: 993) and CSI Properties Limited (Stock Code: 497) both up to March 2024, Vongroup Limited (Stock Code: 318), MOS House Group Limited (Stock Code: 1653) and Elife Holdings Limited (Stock Code: 223) up to February 2024, Haitong Securities Company Limited (Stock Code: 6837; also listed on the Shanghai Stock Exchange Stock Code: 600837) up to October 2023, and Aurum Pacific (China) Group Limited (Stock Code: 8148) up to March 2021, the shares of all of which are listed on the Stock Exchange. He was a non-executive director of Jade Road Investments Limited (Stock Code: JADE, listed on the London Securities Exchange) up to July 2024, an independent non-executive director of each of TMC Life Sciences Berhad (Stock Code: 0101, listed on the Bursa Malaysia) up to May 2023, Asia-Pacific Strategic Investments Limited (Stock Code: 5RA) up to October 2024, Thomson Medical Group Limited (Stock Code: A50) and Alset International Limited (Stock Code: 40V; re-designated from non-executive director on 2 July 2020), both up to November 2023, Beverly JCG Ltd. (Stock Code: VFP) up to April 2023, and Top Global Limited (Stock Code: BHO) up to August 2021 (the shares of all of which are listed on the Singapore Exchange), and Sunwah International Limited (Stock Code: SWH, listed on the Toronto Stock Exchange) up to June 2021.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

COMPANY SECRETARY

Ms. Peng Sisi (“Ms. Peng”), aged 37, was appointed as the company secretary of the Company on 30 August 2024. Ms. Peng is a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She has over 10 years of experience in the company secretarial field. She obtained a master’s degree in Science in Information Technology in Education from the University of Hong Kong in 2011, and a master’s degree in Corporate Governance from the Open University of Hong Kong (currently known as Hong Kong Metropolitan University) in 2017.

SENIOR MANAGEMENT

Mr. Zhang Zirong (“Mr. Zhang”), aged 39, was appointed as the chief technology officer of the Company on 22 November 2022. As a senior technical expert, Mr. Zhang has worked at Alibaba and Ant Group for nearly 10 years, specializing in designing high-performance and highly available distributed systems. Mr. Zhang graduated from the School of Computer Science and Technology of Harbin Institute of Technology with a master’s degree.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding high standards of corporate governance practices and business ethics in the Company, believing that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the shareholders of the Company (the “Shareholders”). The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The Board reviews the Company’s corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

CORPORATE GOVERNANCE FUNCTIONS

The Company adopted the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its policies and practices on corporate governance.

The Board is responsible for performing the corporate governance duties, including developing and reviewing the Company’s policies and practices on corporate governance, reviewing and monitoring the trainings and continuous professional development of the Directors and senior management, reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements and reviewing the Company’s compliance with the CG Code and disclosure in the Corporate Governance Report. In addition, the Board has also designated three committees under the Board to assist in the performance of corporate governance duties.

For the year ended 30 September 2024, the Company complied with the requirements under the code provisions set out in the CG Code and the continuing obligations requirements of a listed issuer pursuant to the Listing Rules, except for the following deviations:

- (a) Under the code provision F.2.2 under Part 2 of the CG Code, the chairman of the board should attend the annual general meetings of the company. The Chairman was unable to attend the 2023 annual general meeting due to urgent business matters. Instead, the 2023 annual general meeting was chaired by an executive Director, together with the management of the Company, answered the questions from the Shareholders.

THE BOARD

The Board is responsible for the overall leadership of the Group, overseeing the Group’s strategic decisions and monitoring business and performance. The Board shoulders the responsibilities of improving the financial performance of the Company and making decisions in the best interest of the Company. The Board is also responsible for formulating the development strategies as well as medium and long-term development plans, establishing and maintaining the Group’s operation policies and objectives, monitoring the performance of the management, reviewing the delegated functions and assignments regularly, ensuring that the Company implements a prudent and effective control framework to assess and manage risks, ensuring that the financial statements truly and fairly reflect the financial position of the Group as well as performing its corporate governance duties.

The Board has delegated the authority and responsibility for the day-to-day management, administration and operations of the Group to the management of the Group (the “Management”). The Management follows the Board’s policies and strategies, and execute the Board’s decisions.

The Company has purchased suitable and adequate insurance coverage for all Directors against the litigation liabilities that may arise due to the performance of their duties. The Company reviews the insurance purchased annually to ensure the provision of reasonable and sufficient protection.

CORPORATE GOVERNANCE REPORT

1. Board composition

As at the date of this report, the Board comprised six Directors, consisting of one non-executive Director, two executive Directors and three independent non-executive Directors. The Directors during the year and up to the date of this report are as follows:

Non-executive Director

Mr. Li Lin (*Chairman*)

Executive Directors

Mr. Du Jun (*Chief Executive Officer*)

Ms. Zhang Li (*Chief Financial Officer*)

Independent non-executive Directors

Mr. Yip Wai Ming

Mr. Yu Chun Kit

Dr. LAM Lee G., *BBS, JP*

There is no financial, business, family or other material/relevant relationship among members of the Board. The biographical details of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 19 to 22 of this annual report. The latest list of Directors setting out their roles and responsibilities is available for inspection at the websites of the Company and the Stock Exchange.

The Company endeavours to ensure that the Board can obtain independent views and opinions. As such, the Company reviews the structure and the composition of the Board, and evaluates the performance of the independent non-executive Directors regarding independence on an annual basis. The Company is of the view that the current mechanism can effectively ensure independent views and input are available to the Board.

2. Chairman and chief executive officer

To avoid concentrating power on one person, the Chairman and the Chief Executive Officer are each held by two individuals. The Chairman is mainly responsible for taking the lead in the Board to ensure its effective operation, providing adequate, complete and reliable information for all Directors in a timely manner, establishing good corporate governance practices and procedures, and ensuring that proper approaches are adopted to maintain effective communication with the Shareholders. The Chief Executive Officer, on the other hand, is mainly responsible for the day-to-day operations and overall management of the Group, implementing the business policies and objectives determined and adopted by the Board, and reporting to the Board on the Group’s overall operations.

3. Non-executive director and independent non-executive directors

Each of the non-executive Director and independent non-executive Directors has signed a three-year service contract with the Company setting out the key terms and conditions of their appointments which shall start on the date of appointment, subject to the provision on retirement by rotation of Directors under the memorandum and articles of association of the Company (the “Articles”).

During the year ended 30 September 2024, the Board has at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors, the number of which must represent at least one-third of the Board, with at least one independent non-executive Director possessing appropriate professional qualifications and accounting and related financial management expertise.

The views of the independent non-executive Directors carry weight in the Board's decisions, and their participation helps the Board exercise judgement, make decisions and act objectively in the interests of the Company and its Shareholders as a whole.

As at the date of this annual report, the Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Board has assessed the independence of all the independent non-executive Directors and the Company considers all of them to be independent having regard to (i) their annual confirmation on independence as required under the Listing Rules; (ii) their absence of involvement in the daily management of the Company; and (iii) the absence of any relationships or circumstances which would interfere with the exercise of their independent judgement.

4. Board diversity

The Board has adopted a board diversity policy (the "Diversity Policy") with a view to achieving a sustainable and balanced development of the Group. The Diversity Policy is reviewed annually by the nomination and corporate governance committee of the Company (the "NCGC"), and where appropriate, revisions will be made with the approval from the Board.

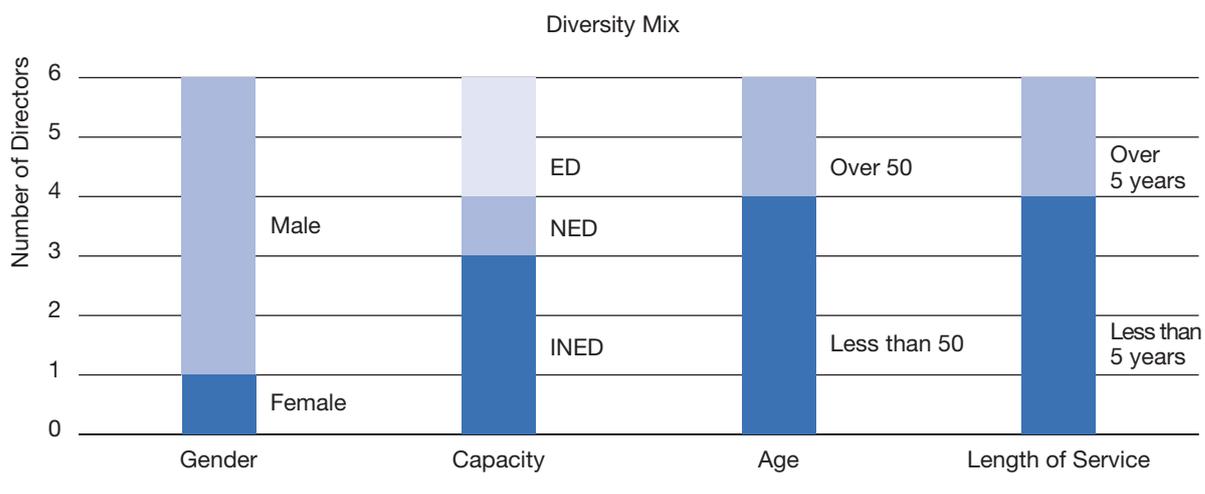
According to the Diversity Policy, the Company recognizes and embraces the benefits of having a diverse Board, and also sees increasing diversity at Board level as an essential element in maintaining its competitive advantage and supporting its sustainable development.

In determining an optimum composition of the Board, the Company will consider all aspects of diversity, and take into account the Company's own business model and specific needs from time to time. The selection of candidates is based on a range of measurable objectives, including but not limited to gender, skills, industry experience, educational background, professional experience, as well as length of service. The ultimate decision will be based on the merit and contribution that the candidates will bring to the Board.

The Board targets to maintain at least the current level of female representation, and would ensure that appropriate balance of gender diversity is achieved with reference to stakeholders' expectation. Based on its business model and specific needs, the Company is of the view that the gender diversity in respect of the current composition of the Board is satisfactory.

CORPORATE GOVERNANCE REPORT

The current composition and structure of members of the Board are implemented based on the Diversity Policy formulated by the Company. The diversity mix of the Board as at the date of this report is summarized in the following chart:



Remarks:
 INED – Independent non-executive Director
 NED – Non-executive Director
 ED – Executive Director

The Group also adhered to the diversity concept, including but not limited to the gender perspective, in recruitment of employees. For the year ended 30 September 2024, the Group had 86 employees (including senior management), of which approximately 36% were female. The Company is of the view that, the gender diversity in respect of the current composition of the workforce is satisfactory.

5. Operation of the board

During the year, the Board held 5 meetings. At these Board meetings, the Directors discussed and exchanged their views on key issues and general operation of the Group, reviewed the financial and business performance of the Group and reviewed the performance of corporate governance functions. The Board also reviewed the risk management and internal control system, remuneration policy and environmental, social and governance report of the Group. During the year, the Directors have deliberated carefully and approved certain matters of the Company by reviewing the written resolutions with supporting documents, supplemented by additional verbal and/or written information provided by the Company Secretary or other executives of the Company as needed. Whenever necessary, additional meetings are also held by the Board.

The Management also provides all Directors with monthly updates giving them a balanced and understandable assessment of the Company's performance, positions and prospects in sufficient details to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules.

6. Attendance records

The attendance records of all the Directors for Board and committee meetings for the year ended 30 September 2024 are set out below:

Directors	Number of meetings attended/Number of meetings held				
	The Board	Audit Committee	Nomination and Corporate Governance Committee	Remuneration Committee	General Meeting
Non-Executive Director					
Mr. Li Lin	5/5	–	–	–	2/3
Executive Directors					
Mr. Du Jun	5/5	–	–	–	3/3
Ms. Zhang Li	5/5	–	–	–	2/3
Independent Non-Executive Directors					
Mr. Yip Wai Ming	5/5	2/2	1/1	1/1	2/3
Mr. Yu Chun Kit	5/5	2/2	1/1	1/1	2/3
Dr. LAM, Lee G., <i>BBS, JP</i>	5/5	2/2	1/1	1/1	2/3

In addition, Mr. Li Lin, the chairman of the Board, held a meeting with independent non-executive Directors without the presence of executive Directors during the year.

7. Directors' continuing professional development programme

All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. Every newly appointed Director shall receive a formal, comprehensive and tailored induction to ensure that he or she has a proper understanding of the business and operations of the Group and that he or she is fully aware of his or her duties and responsibilities as a director under applicable statutory and regulatory rules and requirements.

All Directors are provided with regular updates on the Company's performance and financial position to enable the Board as a whole and each Director to discharge their duties. Meanwhile, the Company Secretary collates and sends information to the Directors on the updates of the Listing Rules and regulations to help and ensure that the Directors are kept informed of the latest changes in the legal and regulatory environment and their duties. The Board will also review and monitor the trainings and continuous professional development of the Directors and senior management from time to time.



CORPORATE GOVERNANCE REPORT

During the year, the Directors participated in sufficient continuing professional development by attending seminars and training courses, accessing online learning resources, etc. Below sets out a summary based on the information provided by the Directors to the Company:

	Scope		
	Laws and regulations	Corporate governance	The Group's business/ Directors' responsibilities
Non-Executive Director			
Mr. Li Lin	✓	✓	✓
Executive Directors			
Mr. Du Jun	✓	✓	✓
Ms. Zhang Li	✓	✓	✓
Independent Non-Executive Directors			
Mr. Yip Wai Ming	✓	✓	✓
Mr. Yu Chun Kit	✓	✓	✓
Dr. LAM, Lee G., <i>BBS, JP</i>	✓	✓	✓

8. Access to information

The Directors may seek independent professional advice in appropriate circumstances, at the Company's expense. The Company will, upon request, provide separate independent professional advice to the Directors to assist the relevant Directors to discharge their duties to the Company.

The Board or Board committees are supplied with relevant information by the Company's senior management pertaining to matters to be brought before the Board or Board committee for decision as well as reports relating to the operational and financial performance of the Group before each Board or Board committee meeting in a timely manner, to enable it to make informed decisions. Such information supplied shall be accurate, clear, complete and reliable. Where any Director requires more information than is volunteered by the management, each Director has the right to separately and independently access the Company's senior management to make further enquiries, if necessary.

The Directors are entitled to have access to board papers and related materials in a form and quality sufficient to enable the Board to make informal decisions on matters placed before it. The Directors will receive a prompt and full response to his/her enquiry, if any is raised.

9. Appointments and re-election of directors

New directors can be nominated by the NCGC according to the nomination policy of the Company, and approved by the Board to fill casual vacancies or as an addition to the existing Board.

According to the Articles, any Director so appointed by the Board shall hold office, in the case of filling a casual vacancy, only until the next following annual general meeting of the Company or, in the case of an addition to their number, until the next following annual general meeting of the Company who shall then be eligible for re-election at such general meeting. Every Director is appointed for a specific term and is subject to retirement by rotation at least once every three years.

10. Model code for securities transactions by directors

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during the year ended 30 September 2024.

BOARD COMMITTEES

1. Audit committee

The Company has established the audit committee (the "AC") of the Company on 27 October 2016 with written terms of reference aligned with the CG Code. The terms of reference of the AC are available for inspection at the websites of the Company and the Stock Exchange. The primary duties of the AC are to make recommendations to the Board on the appointment and removal of external auditors, review interim and annual financial statements and express material advice in respect of financial reporting matters, as well as review the effectiveness of financial control, internal control, risk management systems, and review environmental, social and governance matters of the Company. The AC has explicit authority to investigate any activity within its terms of reference and the authority to obtain outside legal or other independent professional advice if it considers necessary. It is given access to and assistance from the employees and reasonable resources to discharge its duties properly.

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

For the year ended 30 September 2024, the AC held two meetings with an attendance rate of 100%. Details of each committee member's attendance at the AC meetings are set out in "Attendance records" above. In addition, the AC members had two meetings with the external auditor during the year without the presence of the management.

The work of the AC for the year ended 30 September 2024 is summarized below:

- reviewed the interim and annual results of the Group, and recommended the Board to adopt the relevant results;
- made recommendations to the Board on the re-appointment of the external auditor, and to approve and review the remuneration and terms of engagement of the external auditor;
- reviewed the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

CORPORATE GOVERNANCE REPORT

- reviewed the effectiveness of the Group’s internal audit function;
- reviewed the integrity of financial statements and the annual report and accounts and interim report, and reviewed significant financial reporting judgements contained in them;
- discussed the risk management and the internal control systems with the management of the Group to ensure that the management of the Group has performed its duty to have effective internal control systems; and
- reviewed the connected transactions and continuing connected transactions during the year.

2. Nomination and corporate governance committee

The Company has established the NCGC with written terms of reference in compliance with the CG Code. The terms of reference of the NCGC are available for inspection at the websites of the Company and the Stock Exchange. The NCGC was set up on 25 September 2017 to replace the nomination committee of the Company to strengthen and monitor the corporate governance of our Company. The primary duties of the NCGC are to review the structure of the Board, make recommendations to the Board regarding candidates to fill vacancies on the Board, monitor the succession planning of Directors, assess the independence of independent non-executive Directors and develop and review the policies and practices on corporate governance of the Company.

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

For the year ended 30 September 2024, the NCGC held one meeting with an attendance rate of 100%. Details of each committee member’s attendance at the NCGC meetings are set out in “Attendance records” above.

The work of the NCGC for the year ended 30 September 2024 is summarized below:

- reviewed the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy;
- reviewed and amended the nomination policy and shareholders communication policy of the Company; and
- made recommendations to the Board on the re-appointment of Directors.

Nomination Policy

The Company has adopted the nomination policy (the “Nomination Policy”). The Board will also review and monitor the implementation of the Nomination Policy from time to time so as to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices. The selection of director will be based on merit and contribution such candidate can bring to complement other Directors and improve the overall capability, experience and perspective of the Board, taking into account the corporate strategy of the Group and the benefits of various aspects of diversity, including gender, age, culture, educational background, professional experience and other factors that the NCGC may consider relevant from time to time towards achieving a diversified Board. The NCGC is authorised by the Board to assist the Board to identify suitable candidates and make recommendations regarding the candidates for consideration by the Board and Shareholders. Shareholders may also nominate a person to stand for election as Director at a general meeting in accordance with the Articles and the applicable laws and regulations. Such nomination procedures are published on the Company’s website.

3. Remuneration committee

The Company has established the remuneration committee of the Company (the “RC”) on 27 October 2016 with written terms of reference in compliance with the CG Code. The terms of reference of the RC are available for inspection at the websites of the Company and the Stock Exchange. The primary duties of the RC are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management, review remuneration package of the Directors and senior management, assess performance of Executive Directors, approve the terms of executive directors’ service contracts, and review and/or propose matters relating to share option schemes.

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

For the year ended 30 September 2024, the RC held one meeting with an attendance rate of 100%. Details of each committee member’s attendance at the RC meetings are set out in “Attendance records” above.

The work of the RC for the year ended 30 September 2024 is summarized below:

- proposed to grant share options to the employees under the share option scheme of the Company;
- proposed the refreshment of the share mandate limit;
- reviewed the remuneration policy of directors and senior management; and
- made recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

CORPORATE GOVERNANCE REPORT

Directors' Remuneration Policy

The RC may consult with the Chairman about its proposals relating to the remuneration of other executive Directors. The RC takes into consideration industry practices and norms in compensation, in addition to the performance relative to the industry and the performance of the individual Directors. The Company reviews the remuneration package annually, taking into consideration market practice, competitive market position and individual performance.

The remuneration package of the non-executive Directors and independent non-executive Directors is determined by the Board under the recommendation of the RC by reference to their duties and responsibilities in the Group, time involvement and the prevailing market conditions.

Further details of Directors' remuneration package are set out in note 15 to the consolidated financial statements of this annual report.

Senior Management's Remuneration Policy

In order to ensure the employees are remunerated equitably and competitively, the Board has authorized the executive Directors to determine the remuneration and bonus of the employees in accordance with the achievement of their individual performance goals, the key business objectives at corporate level and the latest market terms.

Further details of senior management's remuneration package are set out in note 15 to the consolidated financial statements of this annual report.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors' responsibilities for the financial statements and the responsibilities of the external auditor to the Shareholders are set out on pages 90 to 92 of this annual report.

AUDITOR'S REMUNERATION

The Directors acknowledge the responsibilities of preparing the financial statements of the Group which give a true and fair view. The statement of the external auditor of the Company about its reporting responsibilities for consolidated financial statements is set out in the "Independent Auditor's Report" on pages 87 to 92.

The independent auditor's remuneration in respect of its audit service on audit of the consolidated financial statements of the Group for the year ended 30 September 2024 amounted to HK\$1,350,000. The remuneration paid by the Company in respect of assurance services in relation to the Proposed Acquisition and disposal of subsidiaries and non-assurance service amounted to HK\$660,000 and HK\$340,000 respectively.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has the overall responsibility for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group on an ongoing basis. The Board is of the opinion that sound internal control and risk management systems will contribute to the effectiveness and efficiency of the operations of the Group and to the safeguard of the Group's assets as well as the Shareholders' investment.

The Company improves its business and operational activities by identifying the areas of significant business risk by means of a regular review and taking appropriate measures to control and mitigate these risks. The management of the Company implements, monitors and reviews all significant control policies and procedures and highlights all significant matters to the Board and AC on a timely basis to ensure prompt appropriate actions are taken.

The Group has set up an internal audit function during the year ended 30 September 2024. The Group is committed to maintaining and upholding good corporate governance practice and internal control systems.

For the year ended 30 September 2024, the Board conducted an annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the extent and frequency of communication with the Board in relation to risk management and internal control review; the scope and quality of management's review on risk management (including ESG risks) and internal control systems; significant failures or weakness identified and their related implications; financial controls; and states of compliance with the Listing Rules. Taking into consideration the enhancement measures set out below, the Board considers the risk management and internal control systems effective and adequate. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Meanwhile, the financial department of the Company (the "Financial Department") would independently carry out the internal audit function on an ongoing basis and assess all material aspects including legal risks, compliance control, operational control, internal supervision and risks evaluated on each center of the Group. The Financial Department is also directly responsible to the AC and reports on the effectiveness of risk management and internal control.

To ensure compliance with the Listing Rules in relation to connected transactions disclosure requirements, the Company has taken the following measures to enhance its internal control procedures:

- (a) closely monitoring the aggregated transaction amounts under the relevant documents entered into on a monthly basis to ensure that the annual caps will not be exceeded. If the actual transaction amounts reach approximately 85% of the proposed annual caps at any time of the year, the Finance Department will alert the senior management of the Company, which will seek advice from the AC, and the Board will consider taking appropriate measures to revise the proposed annual caps and comply with the relevant announcement and/or independent shareholders' approval requirements in accordance with the Listing Rules;
- (b) arranging internal training courses to the relevant personnel on the requirements with regard to connected transactions under the Listing Rules and interpretation of the transaction documents;
- (c) designating the Company's management to identify connected persons and connected transactions and to review and monitor transactions of the Group;
- (d) maintaining a list of connected persons which will be checked against before the Company conducts any transactions;
- (e) enhancing the reporting and monitoring procedures for the transaction amounts of connected transactions, and improving the procedures and frequency of data collection and cross-checking to ensure that the transaction amounts do not exceed the relevant annual caps or any minimum exemption level;
- (f) conducting an annual review by the Company's external auditors on the pricing and the annual caps of the transactions contemplated under the relevant agreements;
- (g) conducting an annual review of the implementation and enforcement of the transactions by the independent non-executive Directors to ensure that, amongst others, the internal control policies and measures are in place; and
- (h) consulting legal counsel and the Stock Exchange in respect of potential connected transactions.



CORPORATE GOVERNANCE REPORT

As of the date of this report, the Financial Department has assessed the risk management and internal control of the Company and the assessment concluded unanimously that no significant or major weakness was found in the internal control of the Company. Nevertheless, the Company will continue to enhance and strengthen its internal control procedures and will also establish a more robust and effective internal control system in the future.

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities & Futures Ordinance (“SFO”) and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the Safe Harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements is not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMPANY SECRETARY

The Company Secretary assists the Chairman in preparing the agenda of the Board meetings and ensures compliance with all applicable rules and regulations of the procedures of such meetings. The Company Secretary shall file for and maintain the detailed minutes of each Board meeting, and make such minutes available to all Directors for inspection.

In accordance with Rule 3.29 of the Listing Rules, the Company Secretary received no less than 15 hours of relevant professional training for the year ended 30 September 2024.

SHAREHOLDERS’ RIGHTS

1. Procedures for shareholders to convene an extraordinary general meeting

Pursuant to the Articles, any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

2. Procedures for putting forward proposals at a shareholders’ meeting

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group at a general meeting. Proposals shall be sent to the Board or the Company Secretary by written requisition to the Company Secretary at the Company’s principal place of business in Hong Kong at Unit 702-3, 7/F, 100 Queen’s Road Central, Central, Hong Kong.

Procedures for nominating a person for election as director in general meeting

Pursuant to the Articles, no person, other than a retiring Director at an annual general meeting, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company at least seven days before the date of the general meeting.

If a shareholder (the “Proposer”) of the Company wishes to propose a person (the “Nominee”), for election as a Director at a general meeting, the minimum length of the period, during which notice to the Company signed by the Proposer of the intention to propose a person for election as a Director, and during which notice to the Company signed by such Nominee confirming his willingness to be elected may be given, will be at least seven days and the period for lodgement of the notices to the Company of the intention to propose a person for election as a Director will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

3. Shareholders’ enquiries

Shareholders may send their enquiries and concerns to the Board by addressing them to the Company Secretary or relevant personnel by mail to the Company’s principal place of business in Hong Kong at Unit 702-3, 7/F, 100 Queen’s Road Central, Central, Hong Kong.

4. Policy of dividend payment

The Company has adopted a dividend policy (the “Dividend Policy”), pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company’s profits.

The recommendation for the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of Shareholders. In proposing any dividend payout, the Board shall also take into account, among others, the financial results, the general financial condition, the current and future operations, the level of debts to equity ratio, the liquidity position and capital requirement of the Group and any other factors that the Board deems appropriate. The Company’s ability to pay dividends is also subject to the requirements of the Listing Rules and all relevant applicable laws, rules and regulations in the British Virgin Islands and Hong Kong, as well as the Articles.

The Board will continually review the Dividend Policy.

INVESTOR RELATIONS

The Company keeps on promoting good investor relations and enhancing communication with the Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Company by phone at (852) 3565 2308 during normal business hours, or by email at ir@sinohope.com.

1. Constitutional documents

During the year, no changes were made to the Articles, which are available to the Shareholders for inspection at the websites of the Company and the Stock Exchange.

CORPORATE GOVERNANCE REPORT

2. Communication with shareholders

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make informed investment decisions.

To promote effective communication, the Company maintains its website at <http://www.sinohope.com> where up to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. Latest information on the Group, such as annual and interim reports, announcements and press releases are updated on the Company's website and www.irasia.com/listco/hk/newhuotech in a timely fashion. Further, to further understand the views of Shareholders, the Company's branch registrar and Company secretary are available to collect feedback and answer questions. These channels are adopted for communication with Shareholders, to provide the Company with feedback and engage with the Company actively.

The general meetings of the Company provide an opportunity for communication between the Board and the Shareholders. The Chairman as well as chairmen of the AC, RC and NCGC and, in their absence, other members of the respective committees, will normally attend the annual general meetings and other general meetings to answer questions. The Company continues to enhance communications and relationships with its investors. Designated senior management maintains regular dialogue with institutional investors and analysts to keep them posted of the Company's developments.

The Company's shareholders' communication policy (which is available on the Company's website) is regularly reviewed to ensure its implementation and effectiveness. During the year, the Company has reviewed the shareholders' communication policy and confirmed that it has been effectively implemented.

The Directors are pleased to present this annual report and audited consolidated financial statements for the Group for the year ended 30 September 2024.

PRINCIPAL ACTIVITIES

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 cryptocurrencies trading.

BUSINESS REVIEW

Pursuant to the requirements of the Schedule 5 to the Hong Kong Companies Ordinance, an indication of likely future development in the Company's business, a fair review of the business of the Group, a description of the principal risks and uncertainties faced by the Company, a discussion and analysis of the Group's performance during the year including analysis using financial key performance indicators and the Group's compliance with relevant laws and regulations that have a significant impact on the Group are disclosed throughout this report, particularly in the sections headed "Five-Year Financial Summary", "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report".

Since 30 September 2024, the Board was not aware of any significant event affecting the Group.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 September 2024, prepared in accordance with the Hong Kong Institute of Certified Public Accountants (HKICPA) and disclosure provisions of the Hong Kong Companies Ordinance, are set out in the consolidated statement of profit or loss on page 93 of this report.

The Directors do not recommend the payment of any dividend for the year ended 30 September 2024.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for each of the last five financial years is set out in the Five Year Financial Summary on page 184 of this report. The summary does not form a part of the audited financial statements. The results published may not be comparable to the balance sheet.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 30 September 2024 are set out in note 18 to the consolidated financial statements on pages 137 to 138 of this report.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2024, the Group had a total of 86 employees (2023: 87 employees).

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.

DIRECTORS' REPORT

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognizes the importance of achieving environmental sustainability. The Group has complied with the applicable environmental laws and regulations of the places where the Group has business operations. The Group will review its environmental practices from time to time and will consider implementing further measures and practices in the Group's business operations to enhance sustainability.

The Group has always paid great attention to and has maintained a good working relationship with its suppliers of raw materials, and has been providing a satisfactory customer services for its customers. The aforementioned suppliers and customers are good working partners creating value for the Group. In addition, the Group also values the knowledge and skills of its employees, and continues to provide career development opportunities for its employees.

Further information in relation to the environmental policies and performance of the Company is set out in the section headed "Environmental, Social and Governance Report" on pages 54 to 86 in this annual report.

SHARE CAPITAL

Details of the Company's share capital are set out in note 30 to the consolidated financial statements on page 152 of this report.

RESERVES

Details of movements in the reserves of the Group during the year ended 30 September 2024 are set out in the consolidated statement of changes in equity on pages 97 to 98 to the consolidated financial statements of this report.

Details of the movement in the reserves of the Company are set out in note 42 to the consolidated financial statements on page 181 of this report.

At 30 September 2024, the Company's reserves, for distribution purposes, showed a surplus of HK\$279,452,000 comprising accumulated losses of HK\$312,895,000 and other reserves of HK\$592,347,000.

The Directors may only declare a distribution by the Company if they are satisfied, on reasonable grounds that, the Company will, immediately after the distribution, satisfy the solvency test set out in section 57(1) of the BVI Business Companies Act. The Company satisfies the solvency test if the value of its assets exceeds its liabilities and it is able to pay its debts as they fall due.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the largest customer and the five major customers respectively accounted for 29.3% and 69.1% of total revenue of the Group for the year ended 30 September 2024. Purchases from the largest supplier and the five largest suppliers respectively accounted for 30.1% and 71.8% of total purchases of the Group for the year ended 30 September 2024. As at the date of this report, as far as the Directors were aware of, none of the Directors, their close associates, or any shareholder of the Company had any interest in the aforementioned customers or suppliers of the Company.

OTHER BORROWINGS

Details of the other borrowings of the Group as at 30 September 2024 are set out in note 26 to the consolidated financial statements of this report.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the connected transactions and continuing connected transactions are set out in note 35 to the consolidated financial statements of this report.

CONNECTED TRANSACTIONS

Subscription of Interest in Funds

- On 23 September 2024, Sinohope Hong Kong Limited (a direct wholly-owned subsidiary of the Company) as a subscriber, entered into (i) the Smart Beta Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 1,120 Smart Beta Class A Shares attributable to the Smart Beta Segregated Portfolio, a segregated portfolio of the Fund Company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Subscription Agreement, pursuant to which the subscriber agreed to subscribe for approximately 600 Delta Neutral Class A Shares attributable to the Delta Neutral Segregated Portfolio, another segregated portfolio of the Fund Company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

After entering into the Smart Beta Subscription Agreement and the Delta Neutral Subscription Agreement, on the same day (i) the Smart Beta Segregated Portfolio entered into the ChainUp Smart Subscription Agreement, pursuant to which the Smart Beta Segregated Portfolio agreed to subscribe for approximately 1,120 ChainUp Smart Class A Shares attributable to the ChainUp Smart Segregated Portfolio, a segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$1.12 million (equivalent to approximately HK\$8.736 million) in cash; and (ii) the Delta Neutral Segregated Portfolio entered into the ChainUp Delta Subscription Agreement, pursuant to which the Delta Neutral Segregated Portfolio agreed to subscribe for approximately 600 ChainUp Delta Class A Shares attributable to the ChainUp Delta Segregated Portfolio, another segregated portfolio of the ChainUp Fund Company, at a total subscription amount of US\$0.6 million (equivalent to approximately HK\$4.68 million) in cash.

The Fund Company is managed by the investment manager, an indirect wholly-owned subsidiary of the Company and no connected person has any interest in the Fund Company. On the other hand, Mr. Zhong, a substantial shareholder of the Company holding 17.66% of the issued shares of the Company, is beneficially interested in 35.34% of the ChainUp Management Shares and 51.17% of the ChainUp Smart Participating Shares. The ChainUp Fund Company and the ChainUp Smart Segregated Portfolio are associates of Mr. Zhong pursuant to Rule 14A.12(1)(c) of the Listing Rules, and thus connected persons of the Company pursuant to Rule 14A.07 of the Listing Rules. As such, the ChainUp Smart Subscription and the ChainUp Delta Subscription constitutes connected transactions of the Company.

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

Details are set out in the announcement of the Company dated 23 September 2024. The terms used above have the same meanings as those defined therein.

- On 18 September 2024, Sinohope Hong Kong Limited (a direct wholly-owned subsidiary of the Company) as a subscriber, entered into a subscription agreement, pursuant to which the subscriber agreed to subscribe for approximately 1,120 Class A Shares attributable to 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).

DIRECTORS' REPORT

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.

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.

Details are set out in the announcement of the Company dated 18 September 2024. The terms used above have the same meanings as those defined therein.

The Proposed Acquisitions

On 16 August 2024 (after trading hours), the Company as BVI Purchaser and FCCR, Lightning Pay, Sky Fort, Tekne, Vision Leader, Hong Jia, Zhen Partners, HSG, Avenir Investment, Mr. Song, Mr. Hu and Mr. Du collectively as BVI Vendors entered into the BVI Agreement, pursuant to which BVI Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire the BVI Sale Shares, representing the entire issued share capital of the BVI Company, at the consideration of US\$30,462,086.38 (equivalent to approximately HK\$237,604,273.76), which shall be satisfied by the allotment and issue of the Consideration Shares A at the Issue Price to BVI Vendors (or their nominees) at completion.

On 16 August 2024 (after trading hours), the Company as BitTrade Purchaser and Goldenway as BitTrade Vendor entered into the BitTrade Agreement, pursuant to which Goldenway has conditionally agreed to sell, and the Company has conditionally agreed to acquire the BitTrade Sale Shares, representing approximately 7.69% of the entire issued share capital of BitTrade, at the consideration of US\$2,769,435.22 (equivalent to approximately HK\$21,601,594.72), which shall be satisfied by the allotment and issue of the Consideration Shares B at the Issue Price to Goldenway (or its nominees) at completion.

(i) Avenir Investment (which is indirectly wholly owned by Mr. Li, a non-executive Director), a substantial shareholder of the Company holding 90,990,474 Shares (representing approximately 19.53% of the total issued Shares), is interested in approximately 72.783% equity interest in the BVI Company. As such, Avenir Investment is a connected person of the Company; and (ii) Mr. Du, an executive Director and a substantial shareholder of the Company, is interested in 83,682,305 Shares (representing approximately 17.96% of the total issued Shares), and is also interested in approximately 1.692% equity interest in the BVI Company. As Avenir Investment and Mr. Du are connected persons of the Company, the BVI Agreement and the transactions contemplated thereunder constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Avenir Asset is a directly wholly-owned subsidiary of the BVI Company, which is interested in 57,306,800 ordinary shares of BitTrade (representing approximately 84.62% of the total issued shares of BitTrade). As such, Avenir Asset is an associate of Avenir Investment and hence a connected person of the Company. Therefore, the BitTrade Agreement and the transactions contemplated thereunder also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The principal purpose of the acquisitions is to further pursue the business direction of owning and operating a virtual currency trading platform, which will be beneficial to the long-term growth of the Company and promote the Company's business.

As at the date of this report, the proposed acquisition has not been completed. Details are set out in the announcements of the Company dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024 and 31 December 2024. The terms used above have the same meanings as those defined therein.

The Disposal

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, 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. Further, 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) with Avenir Cayman Holding Limited, 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).

Mr. Li was interested in approximately 40.47% of the issued shares of the Company as at the date of the said sale and purchase agreements, he was therefore a connected person of the Company under Rule 14A.07 of the Listing Rules. As Avenir Cayman Holding Limited was ultimately controlled by Mr. Li, Avenir Cayman Holding Limited was an associate of Mr. Li and therefore a connected person of the Company under Chapter 14A of the Listing Rules. As at the date of the said sale and purchase agreements, Sinohope Digital Service Limited was a wholly-owned subsidiary of the Company. Hence, the transaction contemplated under the Sale and Purchase Agreement (HBTPower) and the Sale and Purchase Agreement (Solutions) constituted connected transactions of the Company under Chapter 14A of the Listing Rules.

The purpose of the disposal was to reduce the debt burden of the Group and allow the Group to focus its resources on other core business given its financial position.

The disposal of HBTPower (BVI) and New Huo Solutions has been completed on 11 January 2024 and 9 February 2024 respectively. Details are set out in the announcements of the Company dated 25 August 2023, 15 September 2023, 16 October 2023, 7 December 2023 and 12 March 2024, and the circular of the Company dated 17 November 2023. The terms defined above have the same meanings as those defined therein.

The Subscription of New Shares Under Specific Mandate

On 26 April 2023, the Company and Mr. Du entered into the Subscription Agreement I pursuant to which the parties conditionally agreed that Mr. Du 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 shall be payable in cash upon completion of the Subscription I. Since Mr. Du is the chief executive officer and an executive director of the Company and therefore is a connected person of the Company under Chapter 14A of the Listing Rules, transactions contemplated under Subscription Agreement I constituted a connected transaction of the Company under Chapter 14A of the Listing Rules.

The purpose of the subscription is to raise capital in an efficient manner without increasing interest burden on the Group.

DIRECTORS' REPORT

The subscription has been completed on 10 October 2023. Details are set out in the announcements of the Company dated 26 April 2023, 30 June 2023, 28 July 2023 and 10 October 2023, and the circular of the Company dated 6 July 2023. The terms used above have the same meanings as those defined therein.

CONTINUING CONNECTED TRANSACTIONS

Asset Management Services

1. *Asset Management Services Framework Agreement I*

On 11 July 2024 (after trading hours), Sinohope Asset Management (Hong Kong) Limited, an indirect wholly owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement I with Mr. Li, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds I and the Other Funds, in which Mr. Li and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive).

Mr. Li is a non-executive Director, and indirectly holds approximately 19.53% of the issued Shares of the Company and is therefore a substantial shareholder of the Company. Mr. Li is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the entering into of the Asset Management Services Framework Agreement I and the transactions contemplated thereunder constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

Details are set out in the announcements of the Company dated 11 July 2024 and 3 September 2024, and the circular dated 9 August 2024. The terms used above have the same meanings as those defined therein. The annual cap of asset management service fee for 2024 was agreed to be HK\$39,000,000 and the total actual amount incurred was HK\$32,941,067, which did not exceed the annual cap.

2. *Asset Management Services Framework Agreement II*

On 11 July 2024 (after trading hours), Sinohope Asset Management (Hong Kong) Limited, an indirect wholly owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement II with Mr. Du, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds II and the Other Funds, in which Mr. Du and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive).

Mr. Du is an executive Director, and holds approximately 17.32% of the issued Shares of the Company and is therefore a substantial shareholder of the Company. Mr. Du is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the entering into of the Asset Management Services Framework Agreement II and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Details are set out in the announcements of the Company dated 11 July 2024 and 13 December 2024. The terms used above have the same meanings as those defined therein. The annual cap of asset management service fee for 2024 was agreed to be HK\$6,000,000 and the total actual amount incurred was HK\$7,321,754, which exceeded the annual cap due to the misinterpretation of the fund documents on the nature of the management fee. The Board has resolved to revise the annual caps for the years ending 30 September 2025 and 30 September 2026 from HK\$7,000,000 to HK\$8,000,000.

3. *Asset Management Services Framework Agreement III*

On 11 July 2024 (after trading hours), Sinohope Asset Management (Hong Kong) Limited, an indirect wholly owned subsidiary of the Company, entered into the Asset Management Services Framework Agreement III with Mr. Zhong, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds III and the Other Funds, in which Mr. Zhong and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term commencing retrospectively from 10 October 2023 to 30 September 2026 (both days inclusive).

Mr. Zhong indirectly holds approximately 17.66% of the issued Shares of the Company and is therefore a substantial shareholder of the Company. Mr. Zhong is a connected person of the Company under Rule 14A.07 of the Listing Rules. Therefore, the entering into of the Asset Management Services Framework Agreement III and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Details are set out in the announcement of the Company dated 11 July 2024. The terms used above have the same meanings as those defined therein. The annual cap of asset management service fee for 2024 was agreed to be HK\$8,100,000 and the total actual amount incurred was HK\$3,129,491, which did not exceed the annual cap.

The principal purpose of the transactions under the Asset Management Services Framework Agreements I, II and III is to expand the asset management scale of the Company and to enrich its fund products.

ANNUAL REVIEW OF CONTINUING CONNECTED TRANSACTIONS

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors have reviewed the above continuing connected transactions conducted during the year and confirmed that such transactions (a) were entered into in the ordinary and usual course of business of the Group; (b) were on normal commercial terms or better terms; and that (c) the agreements governing the transactions (the Asset Management Services Framework Agreements I, II and III) were on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole, and such transactions have been carried out in accordance with the agreements governing the transactions.

Pursuant to Rule 14A.56 of the Listing Rules, the Board has engaged the auditors of the Company to conduct an audit of the above continuing connected transactions. The auditors have issued a qualified letter containing their findings and conclusions in respect of the continuing connected transactions of the Group disclosed above in accordance with Rule 14A.56 of the Listing Rules. The basis of qualified conclusion is relating to the actual transaction amount under the Asset Management Services Framework Agreement II for the year ended 30 September 2024 (the "Asset Management Services Framework Agreement II Transaction") exceeded the relevant annual cap by HK\$1,321,754. The details of which are set out in the announcement of the Company dated 13 December 2024 and in the relevant section above. The Board hereby adds that the auditors of the Company confirmed that the continuing connected transactions (i) were approved by the Board; (ii) in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group; (iii) were conducted pursuant to the relevant agreements for such transactions; and (iv) except for the Asset Management Services Framework Agreement II Transaction, have not exceeded the caps. For the exceeded caps, the Company has announced and revised the annual caps immediately, details of which are set out in the Announcement dated 13 December 2024.

The Company confirmed that it has complied with the disclosure requirements under Chapter 14A of the Listing Rules in respect of the transactions set out above.

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

As at 30 September 2024, the Group has carried out several related party transactions, please refer to note 35 to the consolidated financial statements of this report, save as the connected transactions and continuing connected transactions disclosed above and note 35 to the consolidated financial statements, other transactions are not connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules.

ISSUE FOR CASH OF EQUITY SECURITIES

On 10 October 2023, the Company allotted and issued a total of 157,000,000 new shares to Mr. Du Ju, an executive Director and ON CHAIN Technology LIMITED, a substantial shareholder of the Company (each a "Subscription Share", and collectively, the "Subscription Shares"), a summary of which is set out below. Terms defined herein below 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 of the Company dated 26 April 2023, 30 June 2023, 28 July 2023 and 10 October 2023 and the circular of the Company dated 6 July 2023.

Date of completion	10 October 2023
Name of subscriber(s)	Mr. Du Jun and ON CHAIN Technology LIMITED
Number of Shares issued	74,700,000 ordinary shares to Mr. Du Jun (the "Subscription Shares I"); and 82,300,000 ordinary shares to ON CHAIN Technology LIMITED (the "Subscription Shares II")
Class of Subscription Shares issued	Ordinary shares
Aggregate nominal value of Share issued	HK\$74,700.00 for the Subscription Shares I; and HK\$82,300.00 for the Subscription Shares II
Issue price per Subscription Share	HK\$2.08
Net price per Subscription Share	HK\$2.07
Basis for determination of issue price of Subscription Shares	(i) the closing price of HK\$2.30 per Subscription Share as quoted on the Stock Exchange on 26 April 2023 (the date on which the terms of the issue were fixed); (ii) the average closing price of HK\$2.36 per Subscription Share as quoted on the Stock Exchange for the last five trading days up to and including 25 April 2023; and (iii) the closing price of HK\$2.05 per Subscription Share as quoted on the Stock Exchange on the 3 July 2023
Gross proceeds	HK\$155.4 million for the Subscription Shares I; and HK\$171.2 million for the Subscription Shares II
Net proceeds	HK\$154.4 million for the Subscription Shares I; and HK\$170.2 million for the Subscription Shares II

Intended use of proceeds	The Company intended to use the net proceeds of (1) approximately HK\$235 million for the repayment of outstanding loans; (2) approximately HK\$40 million for business development; and (3) approximately HK\$50 million for the general working capital of the Group.
Actual use of proceeds	During the year ended 30 September 2024, the Company used the net proceeds of (1) approximately HK\$223 million for the repayment of outstanding loans; (2) approximately HK\$16 million for business development; and (3) approximately HK\$62 million for general working capital of the Group.
Reasons for the issue	In light of the prevailing financial conditions of the Group, the Board considered the issue of the Subscription Shares I and the Subscription Shares II to be a suitable financial option as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group, strengthens the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company.
Amount of proceeds not yet utilized as at the date of this report and expected timeline of use	<p>As at the date of this report, approximately HK\$24 million of net proceeds has not been utilized, which will be used for business development in 2025.</p> <p>The net proceeds have been and will be applied in the manner consistent with the use of proceeds as disclosed in the circular of the Company dated 6 July 2023.</p>

DIRECTORS

The Directors of the Company during the year and up to the date of this annual report were as follows:

Non-executive Director

Mr. Li Lin (*Chairman*)

Executive Directors

Mr. Du Jun (*Chief Executive Officer*)

Ms. Zhang Li (*Chief Financial Officer*)

Independent non-executive Directors

Mr. Yip Wai Ming

Mr. Ngai Matthew Cheuk Yin

Mr. Yu Chun Kit

In accordance with the Articles, at every annual general meeting of the Company (the "AGM"), one-third of the Directors for the time being shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Pursuant to that, Ms. Zhang Li and Mr. Yip Wai Ming will be re-elected at the forthcoming AGM. Details regarding the re-election of directors will be set out in the circular of AGM to the Shareholders.



DIRECTORS' REPORT

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2024 Interim Report is set out below:

In July 2024, Mr. Yip Wai Ming, the independent non-executive Director, resigned as independent non-executive director of Yida China Holdings Ltd. (Stock Code: 3639.HK).

In March 2024, Mr. Yu Chun Kit, the independent non-executive Director, was appointed as independent non-executive director of WK Group (Holdings) Limited (Stock Code: 2535.HK).

In October 2024, Dr. LAM, Lee G., BBS, JP, the independent non-executive Director, resigned as independent non-executive director of Hang Pin Living Technology Company Limited (Stock Code: 1682), Hang Pin Living Technology Company Limited (Stock Code: 1682), Asia-Pacific Strategic Investments Limited (Stock Code: 5RA); on July 2024, he resigned as non-executive director of Jade Road Investments Limited (Stock Code: JADE, listed on the London Securities Exchange); on May 2024, he resigned as independent non-executive director of Greenland Hong Kong Holdings Limited (Stock Code: 337) and resigned as non-executive director of USPACE Technology Group Limited (Stock Code: 1725.HK); on April 2024, he resigned as independent non-executive director of Kidsland International Holdings Limited (Stock Code: 2122); on March 2024, he resigned as independent non-executive director of Huarong International Financial Holdings Limited (Stock Code: 993) and CSI Properties Limited (Stock Code: 497); on February 2024, he resigned as non-executive director of Sunwah Kingsway Capital Holdings Limited (Stock Code: 188) and China Hong Kong Power Smart Energy Group Limited (FKA China LNG Group Limited, Stock Code: 931) and resigned as independent non-executive director of Vongroup Limited (Stock Code: 318), MOS House Group Limited (Stock Code: 1653) and Elife Holdings Limited (Stock Code: 223).

PERMITTED INDEMNITY PROVISION

Directors shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, losses, damages and expenses which any of them shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices. During the year, the Company arranged appropriate directors' liability insurance for its Directors and senior management to cover their responsibilities arising from the legal actions against the Directors and senior management in relation to corporate activities.

DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

During the year, no Director entered into a service agreement with the Company which was not terminable by the Company within one year without payment of compensation (other than statutory compensation).

The Directors' remuneration package shall be determined by the Board with the recommendation of the RC with reference to the market rate, individual qualifications as well as contribution and commitments to the Company. The details of Directors' remuneration are set out in note 15 to the consolidated financial statements on pages 132 to 135 of this report.

RETIREMENT BENEFIT PLANS

Particulars of retirement benefit plans of the Group as at 30 September 2024 are set out in note 28 to the consolidated financial statements on page 149 of this report.

EMOLUMENTS OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and the five highest paid individuals in the Group are set out in note 15 to the consolidated financial statements on pages 132 to 135 of this report.

DIRECTORS' BIOGRAPHIES

The biographical details of the Directors are set out on pages 19 to 22 of this report.

DIRECTORS' INTERESTS IN SIGNIFICANT CONTRACTS, ARRANGEMENT OR TRANSACTION

Save as disclosed in the related party transactions in note 35 to the consolidated financial statements of this report and the section headed "Connected Transactions and Continuing Connected Transactions" in Directors' Report from pages 39 to 44, none of the Directors or their connected entities had a material interest, either directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or its subsidiaries was a party during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, the businesses of the Group involved the provision of technology solution services to clients. Mr. Du (the "Interested Director"), an executive Director as well as a substantial Shareholder, held equity interests in company engaging in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group ("Competing Business").

Notwithstanding the aforesaid interests, as the Board is independent of the board of companies/entities engaged in the Competing Business and has three independent non-executive Directors and the Interested Director is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and the Shareholders as a whole, the Group is capable of carrying on its businesses independently of, and at arm's length from, the Competing Businesses.

Apart from the above, none of the Directors or any their respective associates is interested in any business competing or is likely to compete with the Group's business.

MANAGEMENT CONTRACTS

During the year, no contracts were entered into or subsisted that concerned the management and administration of the whole or any substantial part of the business of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under "Directors' and Chief Executives' Interests and Short Positions in Shares and Underlying Shares of the Company", at no time during the year ended 30 September 2024, were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, or any of its holdings companies, subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DIRECTORS' REPORT

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the "Scheme") adopted by way of written resolutions passed on 27 October 2016 and amended with effect from 17 November 2020 and 30 March 2023 and 28 July 2023. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The Scheme is a share incentive scheme and has been established to recognise and acknowledge the contributions eligible participants have made to the Group. The Scheme is valid and effective for a period of ten years commencing on the date of adoption of the Scheme, unless terminated earlier by the Shareholders in general meeting.

Participants of the Scheme may include: (a) any full-time or part-time employee of the Company and its subsidiaries, and (b) any Director (including executive, non-executive or independent non-executive Directors) and chief executive officers of the Company and its subsidiaries.

Upon the passing of the resolution at the annual general meeting of the Company in 2021 for the approval of refreshment of share options limit (the "Refreshment"), the total number of Shares available for issue under the Scheme and any other share option schemes was 30,742,766, representing around 10% of the issued share capital of the Company as at the date of the said annual general meeting of the Company and 6.60% of the issued share capital of the Company as at the date of this report.

The number of share options available for grant under the Scheme at the date of this report is 4,342,766, representing 0.92% of the issued shares of the Company as at the date of this report. The aggregate number of shares which may be issued upon exercise of all outstanding options granted and to be exercised under the Scheme and any other share option schemes of the Company, must not in aggregate exceed 10% of the Company's shares in issue. The shareholders' approval may be sought by the Company in general meeting for refreshing the 10% limit under the Scheme after three years from the date of shareholders' approval for the last refreshment, such refreshment within the aforementioned three-year period must be approved by the Shareholders subject to the requirements under Rule 17.03C(1) of the Listing Rules.

The maximum entitlement of share options of each eligible person under the Scheme shall not exceed 1% of the shares of the Company. Where any grant of share options under the Scheme to an eligible person would result in the shares issued and to be issued in respect of all share options and awards granted under the share schemes of the Company (including the Scheme and any other share schemes of the Company (as defined under the Listing Rules), where applicable, but excluding any share option lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares of the Company in issue (i.e. the 1% Individual limit), such grant must be separately approved by the Shareholders in general meeting of the Company with such eligible person and his/ her close associates (or associates if the eligible person is a connected person) abstaining from voting.

Where any grant of share options or awards under the Scheme to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in the total number of Shares issued or to be issued upon exercise of all share options and share awards already granted and to be granted (including Options exercised, cancelled and outstanding) under the Scheme, and any other options or share awards under any other share schemes of the Company, to such person any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, any such further grant of share options must be approved by the Shareholders at a general meeting of the Company. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except where any core connected person intends to vote against the proposed grant and his intention to do so has been stated in the circular).

Upon acceptance of an option to subscribe for shares, the eligible participant shall pay HK\$1.00 to the Company as consideration for the grant. An offer of the grant of a share option shall remain open for acceptance within 7 days from the date of offer. The subscription price of a share subject to options granted under the Scheme shall be a price determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date which share options are offered, which must be a business day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) business days immediately preceding the date which share options are offered; and
- (iii) the nominal value of a Share.

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

The options may be exercised in accordance with the terms of the Scheme upon being vested at any time during a period as the Board may determine which shall not exceed 10 years from the date of offer subject to the provisions for early termination thereof.

One-third of the options granted on 3 April 2017, 3 April 2019, 16 October 2019, 2 July 2020 and 14 October 2020 shall be vested on each anniversary of the first 3 years immediately after the date of grant and the outstanding options of the aforesaid grants would have been fully vested on 2 July 2023 respectively.

On 17 November 2020, the Company has amended the schedule for vesting of options under the Scheme to the effect that one-fourth of the options shall be vested on each anniversary of the first 4 years from the date of grant (the "Amendments"). The Amendments have become effective from 17 November 2020 and shall not apply to the outstanding options as at 17 November 2020 which have already been granted but remain unexercised under the Scheme. For details, please refer to the announcements published by the Company dated 19 October 2020 and 17 November 2020 and the circular dated 22 October 2020.

On 30 March 2023, the Company has amended the schedule in relation to the vesting, performance and clawback mechanism of the Share Option Scheme. Under the Scheme, the vesting period of Share Options shall be no less than 12 months.

On 28 July 2023, the Share Option Scheme was further amended by allowing the vesting period of the Share Options to 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.

On 16 October 2023, an aggregate of 25,400,000 share options to subscribe for 25,400,000 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. For detail, please refer to the Company's announcement dated 16 October 2023.

On 22 August 2024, an aggregate of 1,000,000 share options to subscribe for 1,000,000 Shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.99 per share of the Company. For detail, please refer to the Company's announcement dated 22 August 2024.

DIRECTORS' REPORT

The number of Shares that may be issued in respect of the share options granted under the Scheme as at the date of 30 September 2024 divided by the weighted average number of shares in issue as at the date of 30 September 2024 is 4.4639%.

Please refer to note 32 on page 153 to page 159 for the details of the exercise price and number of share options outstanding as at the date of 30 September 2024 which have been granted to, exercised and forfeited by the eligible participants.

The Scheme has a remaining life of approximately 2 years as at the date of this annual report, commencing from 27 October 2016.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or applicable laws of the British Virgin Islands where the Company was incorporated, which make the Company obliged to offer new shares on a pro-rata basis to the existing Shareholders.

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 ended 30 September 2024.

DONATIONS

The Group has not made any donations during the year ended 30 September 2024 (2023: HK\$Nil).

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that requires the Company to enter into any agreements that will or may result in the Company issuing shares was entered into by the Company, or subsisting during the year ended 30 September 2024.

DEBENTURE, CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

Save for the share options granted as disclosed under the paragraph headed "Share Option Scheme" in the Directors' Report, no other debenture, convertible securities, options, warrants or similar rights were issued or granted by the Company, or subsisting, during the year ended 30 September 2024.

FUND RAISING ACTIVITIES

There were no fund-raising activities conducted by the Company during the year ended 30 September 2024.

TAX RELIEF AND EXEMPTIONS

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2024, to the knowledge of the Directors, the interests and short positions of each Director and chief executive of the Company in the Shares or underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Positions in the Company's shares and underlying shares

(a) Ordinary shares of HK\$0.001 each of the Company

Name of Directors	Capacity	Number of the Shares (L) (Note 1)	Approximate percentage of the Shares to total issued shares	Number of the underlying shares involved (L) (Note 1)	Total number of Shares and underlying shares involved (L) (Note 1)	Approximate Percentage of total number of Shares and underlying shares to total issued shares
Mr. Li (Note 2)	Interest of controlled corporation (Note 3)	90,990,474	19.53%	-	90,990,474	19.53%
Mr. Du (Note 4)	Beneficial owner	80,682,305	17.32%	3,000,000	83,682,305 (Note 5)	17.96%

Notes:

- The letter "L" denotes the person's long position in the shares.
- Mr. Li is also the non- executive Director.
- Avenir Investment Limited is a beneficial owner holding 90,990,474 Shares. Since Avenir Investment Limited is wholly owned by Avenir View Limited, which is in turn wholly owned by Avenir Investment Holdings Limited, and Avenir Investment Holdings Limited is wholly owned by Mr. Li, Mr. Li therefore is deemed to be interested in the Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
- Mr. Du is the executive Director and chief executive officer of the Company.
- Mr. Du is interested in 83,682,305 Shares. He is a beneficial owner of 80,682,305 Shares and has been granted 3,000,000 share options of the Company, which shall entitle him to subscribe for 3,000,000 Shares upon exercise of all such share options.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND SECURITIES OF THE COMPANY

As at 30 September 2024, to the knowledge of the Directors, the interests or short positions of those persons (other than the Director or chief executive of the Company whose interests are disclosed above) in the Shares or underlying shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO were as follows:

DIRECTORS' REPORT

Name of Shareholders	Capacity	Number of Shares interested (L) (Note 4)	Approximate percentage of shareholding
Avenir Investment Holdings Limited	Interest in controlled corporation (Note 1)	90,990,474	19.53%
Avenir View Limited	Interest in controlled corporation (Note 1)	90,990,474	19.53%
Avenir Investment Limited	Beneficial owner (Note 1)	90,990,474	19.53%
Mr. Zhong Gengfa	Interest in controlled corporation (Note 2)	82,300,000	17.66%
ON CHAIN Technology LIMITED	Beneficial owner (Note 2)	82,300,000	17.66%
Mr. Shen Nan Peng ("Mr. Shen")	Interest in controlled corporation (Note 3)	39,000,629	8.37%
SNP China Enterprises Limited	Interest in controlled corporation (Note 3)	39,000,629	8.37%
HSG Holding Limited	Interest in controlled corporation (Note 3)	39,000,629	8.37%
HSG Venture IV Management, L.P.	Interest in controlled corporation (Note 3)	30,529,406	6.55%
HongShan Capital Venture Fund IV, L.P.	Interest in controlled corporation (Note 3)	30,529,406	6.55%
HSG CV IV Senior Holdco, Ltd.	Interest in controlled corporation (Note 3)	30,529,406	6.55%
HSG CV IV Holdco, Ltd.	Beneficial owner	30,529,406	6.55%

Notes:

- (1) Avenir Investment Limited holds 90,990,474 Shares, representing approximately 19.53% of the total issued share capital of the Company. Avenir Investment Limited is a wholly-owned subsidiary of Avenir View Limited, whose sole shareholder is Avenir Investment Holdings Limited, and hence each of Avenir View Limited and Avenir Investment Holdings Limited is deemed to be interested in 90,990,474 Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
- (2) Mr. Zhong Gengfa holds 100% interest in the total issued share capital of ON CHAIN Technology LIMITED. Therefore, Mr. Zhong is deemed to be interested in the 82,300,000 Shares held by ON CHAIN Technology LIMITED for the purpose of Part XV of the SFO.
- (3) HSG CV IV Holdco, Ltd. holds 30,529,406 Shares, representing approximately 6.55% of the total issued share capital of the Company. HSG CV IV Holdco, Ltd. is a wholly-owned subsidiary of HSG CV IV Senior Holdco, Ltd., whose sole shareholder is HongShan Capital Venture Fund IV, L.P. The general partner of HongShan Capital Venture Fund IV, L.P. is HSG Venture IV Management, L.P., whose general partner is HSG Holding Limited. HSG Holding Limited is a wholly-owned subsidiary of SNP China Enterprises Limited, a company wholly owned by Mr. Shen. In addition, Zhen Partners Fund I, L.P. ("Zhen Partners") holds 8,471,223 Shares, representing approximately 1.82% of the total issued share capital of the Company. HSG Holding Limited, through several intermediate entities is interested in more than 33.3% limited partnership interest in Zhen Partners, and therefore HSG Holding Limited is deemed to be interested in the 8,471,223 Shares. Since HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which is in turn wholly owned by Mr. Shen, both SNP China Enterprises Limited and Mr. Shen are deemed to be interested in such 8,471,223 Shares as well. In light of the above, pursuant to Part XV of the SFO, Mr. Shen, SNP China Enterprises Limited and HSG Holding Limited are deemed to be interested in a total number of 39,000,629 Shares, representing approximately 8.37% of the total issued share capital of the Company as at 30 September 2024.
- (4) The letter "L" denotes the long position in the Shares.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, there was sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules during the year and up to the date of this report.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 23 to 36 of this report.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

As at the date of this report, the Company has received from each of the independent non-executive Directors in writing a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

AUDITOR

The financial statements of the Company for the year ended 30 September 2024 were audited by Moore CPA Limited ("Moore"). A resolution will be proposed at the forthcoming AGM to re-appoint Moore as auditor of the Company.

There has been no change in the auditors of the Company during the past three years.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year ended 30 September 2024, the Group was not aware of material non-compliance with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

On behalf of the Board

Li Lin
Chairman
Hong Kong
16 December 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE GROUP

Sinohope Technology Holdings Limited (the “Company”, together with its subsidiaries, collectively referred to as the “Group” or “we”) principally engages in the provision of technology solution services and other services relating to the virtual asset ecosystem, including asset management, trust and custodian business, virtual asset lending and cryptocurrency trading business. The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (“HKEX”) in 2016 (stock code: 1611) to meet future development needs. In order to respond to the development trend of the global digital economy, the Group devotes more resources to building a compliant leading one-stop digital asset platform to bridge the traditional finance and digital asset world.

The Group adheres to the service principles of security, compliance, professionalism and diversity. It focuses its business on three core aspects, namely innovative development of one-stop product solutions, comprehensive deepening of the compliant asset management business, diversified development of public chain ecosystem, and license-driven business development, in order to provide institutional and individual investors with safe and compliant digital asset investment experiences. The Group’s subsidiaries have currently successfully obtained a number of licenses and qualifications, including:

License and Qualifications



SECURITIES AND
FUTURES COMMISSION
證券及期貨事務監察委員會

The Securities and Futures
Commission of Hong Kong
Type 1 (dealing in securities)
Type 4 (Advising on Securities)
and Type 9 (Asset Management)



Trust or Company Service Provider
(TCSP) License (Hong Kong)



Registered the Money
Services Business (MSB) in the
United States



Registered the Money Services
Business (MSB) in Canada



The sole Asian founding member
of Crypto Market Integrity Coalition



Collaboration with the Blockchain
Association Singapore



The SOC 2 Type 2 security
System Control Validation Report
(2023)



Member of FinTech Association of
Hong Kong

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group shows significant advantages of diverse business led by its compliance licenses, and the services have also been well recognized by the capital market and investors. The Group has obtained numerous awards during the period in recognition of its outstanding performance. In March 2024, the MPC paper written by the technical team of Sinohope Technology was officially published in the academic literature database IEEE Xplore. The paper mainly studies the application of MPC computing technology in the field of blockchain and virtual asset management. In April of the same year, the technical team officially published another MPC paper on the academic literature database IEEE Xplore. The main result of the paper is the industry's fastest and most secure 2-n ECDSA threshold signature, realising efficient and secure custody of virtual assets. In August 2024, Sinohope Asset Management (Hong Kong) Limited, a subsidiary of the Group, obtained approval for the Type 1 (Dealing in securities) license application from the Hong Kong Securities and Futures Commission, as well as an upgrade to the Type 4 (Advising on Securities) license. This makes it one of the earliest institutions in the market to obtain multiple license types for Type 1, Type 4, and Type 9. It will fully leverage this first-mover advantage to further expand its business landscape in the Hong Kong market, which will aid the Group's development.

Major Awards	Organizer and Event	Award
March 2024	PANews PARTY AWARD 2024 hosted by PANews	Awarded with "Most Innovative Application of the Year" award
December 2022	TADS AWARDS (Tokenized Assets & Digitized Securities Awards)	Awarded with "DeFi & Asset Management solution" and the Rising Star in the "Ecosystem Excellence" category
June 2022	Hong Kong Most Outstanding Business Awards 2022 Ceremony held by Corphub	Awarded with "Hong Kong Outstanding Asset Management Business Award" (香港傑出資產管理企業大獎)
January 2022	The 6th Annual Golden HK Stock Awards Ceremony (第六屆金港股年度頒獎盛典) co-organised by Zhi Tong Financial (智通財經) and Royal Flush Financial (同花順財經)	Continuously be awarded with the "Best New Economy Company" award Awarded with "Best CFO" award
December 2021	"Listed Company Awards of Excellence" ceremony organised by Hong Kong Economic Journal	Awarded with "Listed Company Awards of Excellence 2021"
September 2021	Hong Kong Investor Relations Association	Awarded with "Certificate of Merit" (優秀榮譽證書)
March 2021	China Institutional Investor Conference and 14th Golden Cicada Awards Ceremony Organised by China Times	Awarded with "Listed Company Outstanding Brand Award 2020" (2020年度上市公司傑出品牌獎)
January 2021	The 5th Annual Golden HK Stock Awards Ceremony (第五屆金港股年度頒獎盛典) co-organised by Zhi Tong Financial (智通財經) and Royal Flush Financial (同花順財經)	Awarded with the "Best New Economy Company Award"

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Group is pleased to present its eighth Environmental, Social and Governance (“ESG”) Report (the “Report”) in order to present our ESG and sustainability goals, strategies and performance to our stakeholders.

Reporting Period and Scope

The Report covers the period from 1 October 2023 to 30 September 2024 (the “Reporting Period”).

Unless otherwise stated, the Report covers the Group’s principal business, including the provision of technology solution services, and other services relating to the virtual asset ecosystem. During the Reporting Period, unless otherwise stated, the key performance indicators in the Report cover the performance of the office in Mainland China and the office in Hong Kong, so as to better reflect the Group’s actual situation. Last year’s Report covered offices in Mainland China and Hong Kong, as well as the factory in Mainland China. However, since the factory in Mainland China was successfully disposed of on 19 June 2023, the Report for this year does not cover the Mainland China factory in its scope.

Reporting Standards and Principles

The Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on the Main Board of HKEX. The Report has been prepared in full compliance with the mandatory disclosure requirements and “Comply or explain” provisions stipulated in the Guide and has been approved by the board of directors (the “Board”) of the Group.

The Report strictly adheres to the following reporting principles:

- | | |
|---------------------|--|
| Materiality | The Group communicates with the stakeholders through various channels to understand their opinions. The Board also conducts internal meetings to analyse and identify material ESG issues. Material issues are disclosed in the Report. |
| Quantitative | The Group calculates the key performance indicators (“KPIs”) with reference to “Appendix 2: Reporting Guidance on Environmental KPIs” and “Appendix 3: Reporting Guidance on Social KPIs” of “How to Prepare an ESG Report” published by HKEX and discloses them in a quantitative manner where appropriate. |
| Balance | The Report presents the Group’s ESG performance during the Reporting Period in an objective and impartial manner to reflect the actual situation. |
| Consistency | The Group adopts a consistent statistical and disclosure approach to allow for meaningful comparison of data over time. Any changes in reporting scope or methods are to be clearly stated in the Report for stakeholders’ reference. |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Report Publication

The Report is published in both Chinese and English. It is uploaded to the HKEX's website and the Company's official website (www.sinohope.com). Should there be any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Feedback

The Group highly values stakeholders' opinions and suggestions and understands that the feedback enables us to strengthen our sustainability performance continually. You are welcome to provide us with your valuable views on our ESG Report or the Group's sustainability performance or strategies via mail to Unit 702-3, 7/F, 100 Queen's Road Central, Central, Hong Kong.

ESG GOVERNANCE STRUCTURE

The Company attaches great importance to its ESG commitment and is dedicated to fully integrating the factors into our decision-making process. The Company has established a governance structure to ensure our environmental, social and governance strategies are consistent with business development direction, and relevant concepts are implemented in operations. Our governance structure includes the Board and the Taskforce to jointly promote the implementation of environmental, social and governance strategies.



The Board

- Has full responsibility for the Company's ESG strategy and reporting, including setting and overseeing related goals and policy directions.
- Regularly discusses and reviews the Group's ESG-related risks and opportunities, performance, goals and measures with the assistance of the Taskforce.
- Ensures the effectiveness of ESG risk management and internal control mechanism.



The Taskforce

- Comprised of core members from various departments of the Group and reports progress to the Board on a regular basis. It assists and supports the Board's oversight of ESG-related issues.
- Responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance to ensure compliance with relevant laws and regulations as well as preparing ESG reports.
- Arranges meetings regularly to discuss and review ESG-related issues including but not limited to the effectiveness of our current ESG performance, policies and procedures, and sustainability strategy goals.

In addition, we have engaged Riskory Consultancy Limited, an independent ESG consultant, to assist in the preparation of the ESG Report and provide related consultancy services. For the Group's corporate governance structure and other related information, please refer to the Corporate Governance Report of the Annual Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group is fully aware of the impact of stakeholders on sustainable development and therefore attaches great importance to stakeholder participation and communication. We maintain close contact with key stakeholders through various channels, actively collect their opinions and expectations, help formulate operational and environmental, social and governance strategies, improve governance quality and related performance, and continue to create value for stakeholders.

Major Stakeholders	Expectations and Concerns	Communication Channels
 Customers	<ul style="list-style-type: none"> Quality products and services Protection of customers' rights 	<ul style="list-style-type: none"> Customer service hotline Customer satisfactory surveys
 Employees	<ul style="list-style-type: none"> Employee compensation and benefits Training management 	<ul style="list-style-type: none"> Employee suggestion forms and suggestion boxes Regular meetings and management communication (such as email and phone calls) Intranet Field trip Job performance evaluation
 Shareholders and investors	<ul style="list-style-type: none"> Investment returns Corporate governance Business compliance Protection of the voting rights of shareholders and investors Appointment of directors 	<ul style="list-style-type: none"> Annual general meeting Financial reports Announcements and circulars
 Government and regulatory authorities	<ul style="list-style-type: none"> Compliance with laws and regulations Supporting research and development of high-tech products 	<ul style="list-style-type: none"> Legal advisor Meetings Field Trip
 Suppliers	<ul style="list-style-type: none"> Selection of suppliers Sustainable supply chain 	<ul style="list-style-type: none"> On-site audit management system Supplier management meetings and events
 NGOs, industry chambers of commerce, and communities	<ul style="list-style-type: none"> Community participation Business compliance Environmental protection awareness 	<ul style="list-style-type: none"> Community investment plan ESG reports

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

To effectively identify material issues, the management conducted an environmental, social and governance assessment, reviewed and identified 25 material issues of concern to stakeholders. We continue to communicate with stakeholders, evaluate the Group's actual business operations and industry characteristics, and with reference to the Sustainability Accounting Standards Board (SASB) and MSCI's industry materiality issues classification as well as the material issues disclosed by industry peers, review the issues identified in 2023, and finally evaluate and determine the material issues during the Reporting Period.

Material Issues

Material Issues	Materiality
Environment	
1. Energy Management	Most Important
2. Climate Change Management	
3. Emissions Control	Important
4. Waste Management	
5. Water Management	
6. Business Operation's Impact on Environment	Relevant
Employment and Labour Practices	
7. Labour Standards	
8. Employment Practices and Employee Rights	Most Important
9. Occupational Health and Safety	
10. Development and Training	
11. Employee Engagement, Diversity and Inclusion	Important
Operation Practices	
12. Anti-corruption, Fraud, Monopoly, Money Laundering	
13. Product Quality and Safety Responsibility	Most Important
14. Protection of Customer Privacy and Data Security	
15. Intellectual Property Rights	
16. Supply Chain Management	
17. Corporate Governance and Risk Management	
18. Customer Financial Protection	Important
19. Financial Technology, Technology Inclusion, and Digitalisation	
20. Business Ethics	
21. Customer Services	
22. Marketing and Product Labelling	Relevant
23. Responsible Investment and Access to Finance	
24. Product Design and Lifecycle Management	
Community Investment	
25. Corporate Social Responsibility and Community Investment	Important

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENT

As an industry leader and socially responsible corporation, the Group is fully aware of the importance of environmental protection and adheres to its commitment to sustainable operations. In order to achieve low-carbon and sustainable business operations, we continue to improve the efficiency of resource usage and strive to reduce our impact on the environment.

To regulate environmental management, the Group utilizes standardized management systems and formulates environmental protection policies, which are circulated to employees. We strictly comply with environmental laws and regulations, including but not limited to:

- Environmental Protection Law of the People's Republic of China;
- Water Pollution Prevention and Control Law of the People's Republic of China;
- Atmospheric Pollution Prevention and Control Law of the People's Republic of China;
- Law of the People's Republic of China on Noise Pollution Prevention and Control;
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes;
- Air Pollution Control Ordinance (Cap. 311 of the Laws of Hong Kong);
- Water Pollution Control Ordinance (Cap. 358 of the Laws of Hong Kong); and
- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

The Group's operations are mainly focused on providing technology solution services and other services relating to the virtual asset ecosystem. The main activities are paperwork and business meetings in the office environment. Therefore, compared with other industries, our impact on the environment is relatively small and does not involve significant emissions. Nonetheless, the Group still formulates relevant internal guidelines, strictly abides by all local environmental laws and regulations, and manages the emissions generated from and resource use in our business activities to minimize the impact on the environment to a large extent.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMISSIONS

Air Emissions

As the Group's business operations mainly occur in offices and do not involve any production processes or vehicle use, the Group does not involve air emissions. During the Reporting Period, the Group's emission data is as follows:

	Unit	2024 ²	2023 ¹
Nitrogen Oxides (NOx)	kg	0.00	6.87
Sulphur Oxides (SOx)	kg	0.00	0.09
Particulate Matter (PM)	kg	0.00	0.51

Notes:

- 2023 emissions data covers the office and factory in Mainland China and Hong Kong office.
- 2024 emissions data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.

Even though the Group is not involved in any activities that generate air emissions, we still comply with relevant laws and regulations and pay attention to other impacts that our operations may have on the environment.

Greenhouse Gas Emissions

Greenhouse gas ("GHG") generated in our daily operations are mainly energy indirect greenhouse gas emissions from purchased electricity, and other indirect GHG emissions including air travel and paper disposal into landfills.

During the Reporting Period, the Group's emissions data is as follows:

	Unit	2024 ²	2023 ¹
Direct GHG emissions (Scope 1) ³			
• Gasoline and diesel consumed	tCO ₂ e	0.01	16.87
Energy indirect GHG emissions (Scope 2) ³			
• Purchased electricity	tCO ₂ e	29.87	1,177.89
Other indirect GHG emissions (Scope 3) ³			
• Air travel and paper disposed into landfills	tCO ₂ e	23.30	5.97
Total GHG emissions	tCO ₂ e	53.18	1,200.73
Intensity	tCO ₂ e/HK\$1,000,000 of revenue	0.03	0.40

Notes:

- 2023 GHG emissions data covers the office and factory in Mainland China and Hong Kong office.
- 2024 GHG emissions data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.
- GHG emission data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs" issued by HKEX, and "Global Warming Potential Values" from the IPCC Sixth Assessment Report, 2021 (AR6).



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strives to reduce the GHG emissions intensity. To achieve the target, we have implemented various emission reduction measures.

GHG EMISSIONS REDUCTION

Direct GHG Emissions (Scope 1)

- Proactively adopt the measures described in the “Air Emissions” section under “Emissions”.

Energy Indirect GHG Emissions (Scope 2)

- Adopt energy-saving measures. Related measures will be detailed in the “Energy Management” section under “Use of Resources”.

Other Indirect GHG Emissions (Scope 3)

- Use air travel only when necessary, and prefer conference calls and network conferences as communication methods to reduce the number of business trips; and
- Measures to reduce waste paper disposal at landfills are detailed in the “Waste Management” section under “Emissions”.

In the coming year, the Group will continue to strive to reduce greenhouse gas emissions and explore more feasible emission reduction measures.

Waste Management

The solid waste generated by the Group can be divided into hazardous and non-hazardous waste. We have established an effective waste treatment strategy and policy to properly handle waste. During the Reporting Period, the Group’s relevant data is as follows:

	Unit	2024 ²	2023 ¹
Total Hazardous Waste	tonnes	0.00	0.19
Hazardous Waste Intensity	kg/HK\$1,000,000 of revenue	0.00	0.06
Total Non-hazardous Waste	tonnes	0.13	6.35
Non-hazardous Waste Intensity	kg/HK\$1,000,000 of revenue	0.08	2.12

Notes:

- 2023 waste data covers the office and factory in Mainland China and Hong Kong offices.
- 2024 waste data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the “Reporting Period and Scope” section.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Based on the nature of the Group's business, the waste generated in daily operations is not significant. The major non-hazardous waste generated is household waste, office paper and cartons, and the major hazardous waste is toner cartridges. The Group is committed to reducing the generation of waste, classifying it according to recyclable waste and non-recyclable waste, and then storing them in designated collection areas. Cartons and some paper are regularly recycled by waste collectors. All used toner cartridges are returned to the supplier for recycling. To maintain clean collection areas, we have appointed a management responsible person to handle the waste in a timely manner. The Group strives to reduce the total intensity of non-hazardous waste and has implemented the following waste reduction measures:

WASTE REDUCTION MEASURES

- Make full use of the online system in the offices, general transaction notification, data transmission, etc. through the network system;
- Use both sides of office paper as much as possible;
- Collect and recycle waste paper by the Administrative Department;
- Dispose of waste packaging boxes as "recyclable" waste; and
- Increase the use of recycled paper.

In the coming year, the Group will continue to promote paperless operations and strengthen the entire information technology system to reduce the generation of non-hazardous waste, and to minimize the risks and impacts of waste on the environment.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

USE OF RESOURCES

Energy Management

Electricity consumption is the main source of the Group's energy consumption. During the Reporting Period, the energy consumption data is as follows:

	Unit	2024 ²	2023 ¹
Direct Energy Consumption (Gasoline)	MWh	0.00	49.67
Direct Energy Consumption (Diesel)	MWh	0.00	8.97
Indirect Energy Consumption (Purchased Energy)	MWh	46.75	2,060.38
Total Energy Consumption	MWh	46.75	2,119.02
Intensity	MWh/HK\$1,000,000 of revenue	0.03	0.71

Notes:

- 2023 energy consumption data covers the office and factory in Mainland China and Hong Kong offices.
- 2024 energy consumption data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.

During the Reporting Period, the Group actively promoted energy saving, increased energy and resource use efficiency, and strived to reduce total energy consumption intensity.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To achieve energy saving and high efficiency of electricity usage, the Group has established the following rules and regulations covering lighting, equipment, and air conditioning equipment:

LIGHTING

- Turn off unnecessary lighting;
- Regularly clean light tubes or bulbs to ensure luminous efficiency and appropriate illumination;
- Turn off lights when off duty or when people leave; and
- Use natural light as much as possible without affecting work.

EQUIPMENT

- Introduce energy-saving equipment when purchasing equipment;
- Minimize energy consumption when equipment is not in production; and
- Avoid activating equipment prematurely and idling equipment.

AIR CONDITIONING

- In areas where air conditioning is used, please close doors, windows and entrances to avoid loss of air-conditioning;
- Set the indoor temperature at an appropriate level, not lower than 26°C;
- When the air conditioner is operating, do not use the fan at the same time;
- Use the timer function for the air conditioner operation as needed, and be sure to turn off the device when leaving the room; and
- Perform proper maintenance on air conditioning equipment regularly to ensure cooling efficiency.

The Group will continue to strive to reduce energy consumption and gradually phase out low-efficiency equipment at the end of equipment lifecycles.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Water management

The Group fully recognizes the importance of water resources. Our water use in daily operations is mainly from water use in offices. However, the water consumption of offices is managed by the property management office, and the relevant data is currently not available. Where possible, we will enhance data collection processes to collect relevant data in the future. Based on the business nature of the Group, we did not encounter any significant issues in sourcing water that was fit for purpose during the Reporting Period. The Group's water consumption data was as follows:

	Unit	2024 ²	2023 ¹
Total Water Consumption	m ³	N/A	11,237.00
Intensity	m ³ /HK\$1,000,000 of revenue	N/A	3.75

Notes:

- 2023 water consumption data covers office and factory in Mainland China and Hong Kong offices. The Group's water use in daily operations is mainly from water use in offices. However, the water consumption of offices is managed by the property management office, and the relevant data is not available.
- 2024 water consumption data covers offices in Mainland China and Hong Kong. The Group's water use in daily operations is mainly from water use in offices. However, the water consumption of offices is managed by the property management office, and the relevant data is not available. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.

The Group strives to reduce total water consumption intensity. To promote the idea of "Water Conservation Starts with Me" and encourage employees to develop the habit of water-saving, the Group has established specific water-saving guidelines and measures based on water consumption characteristics, including:

WATER CONSERVATION

- Use induction water switches and flow restriction measures for domestic water recovery and recycling;
- Inspect and maintain water facilities regularly, and promptly solve problems identified to prevent wastage of water resources; and
- Post reminder slogans such as "water conservation is everyone's responsibility" on public water occasions to promote the concept of "water conservation" in the public mind.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Use of Packaging Materials

As the Group's business operations in the Reporting Period do not involve any industrial production processes and do not have any production factories, we do not consume a large amount of packaging materials. During the Reporting Period, the consumption data for packaging materials is as follows:

	Unit	2024 ²	2023 ¹
Total Packaging Material Consumption	tonnes	N/A	38.56
Intensity	tonnes/HK\$1,000,000 of revenue	N/A	0.01

Notes:

- 2023 packaging materials consumption data covers the office and factory in Mainland China and Hong Kong offices.
- 2024 packaging materials consumption data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.

THE ENVIRONMENT AND NATURAL RESOURCES

We attach great importance to the impact of business operations on the environment and natural resources and are committed to identifying and reducing related impacts and integrating the concept of sustainable development into all operational levels. The Group actively manages the impact of its business on the environment and resources, is determined to achieve environmental protection corporate goals, and integrates environmental protection concepts into internal management and daily operations. Therefore, we have implemented a series of measures to rationally use resources and reduce emissions, and actively promote environmental awareness to employees, encouraging them to come up with innovative ideas to reduce damage to the environment and help the Group move towards a more sustainable operation model. Please see the "Emissions" and "Use of Resources" sections for details.

CLIMATE CHANGE

Climate Change Management

Risks arising from climate change have potential impacts on the Group's business, and we are fully aware of the importance of identifying and responding to these significant risks. To this end, the Group has formulated risk management policies aimed at identifying and reducing various risks, with particular attention to risks caused by climate change. The Board holds regular meetings, maintains close communication and cooperation with senior management, and clearly assesses climate-related risks to develop appropriate response strategies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Climate Risks and Response Measures

Physical Risks	Potential Impacts	Response Measures
Increasing frequency and severity of extreme weather events caused by climate change.	Damage to power grids and communication infrastructure, causing employee injuries, business interruptions, reduced production capacity and productivity of the Group, or exposing the Group to risks associated with non-performance and delayed performance.	The Group adopts flexible work arrangements and precautionary measures under adverse or extreme weather conditions.

Transition Risks	Potential Impacts	Response Measures
Climate regulations and rules will become increasingly stringent with higher requirements for climate-related information disclosure.	<p>Increasingly stringent environmental laws and regulations will increase the Group's compliance costs and may even expose the Group to higher risks of claims and lawsuits for failure to comply with relevant laws and regulations.</p> <p>Failure to meet climate change compliance requirements will increase the Group's relevant capital investment and compliance costs, as well as affect the Company's reputation.</p>	To respond to policy and legal risks as well as reputation risks, the Group regularly monitors existing and emerging climate-related trends, policies and regulations, and prepares to alert top management when necessary, in order to avoid increased costs, fines for violations and/or reputation risks due to delayed response.

SOCIAL

Employment

Employees are the key force that drives us to continue to innovate and maintain competitive advantages. They are the Group's most valuable asset. We insist on "equality for all" and uphold the people-oriented management philosophy. In order to create harmonious labour relations, the Group is committed to ensuring the occupational health and safety of employees, promoting a democratic management model, safeguarding employees' rights and interests, respecting and valuing employees' initiative, enthusiasm and creativity, and providing appropriate incentives.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To regulate human resource management and guide employees business conduct, the Group has established human resources policy documents such as Human Resources Management Procedures (《人力資源管理程序》) and Employee Handbook (《員工手冊》) to ensure full respect and protection of the legitimate rights and interests of all employees. We strictly comply with labour laws and regulations, including but not limited to:

- Labour Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China;
- Employment Ordinance (Cap. 57 of the Laws of Hong Kong); and
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination and other benefits and welfare that would have a significant impact on the Group.

Recruitment, Promotion and Dismissal

The Group attaches great importance to talent enhancement strategies and continuously optimizes the recruitment and selection process to meet the Company's current and future development needs. We attract outstanding talents through a sound, transparent, fair and open recruitment mechanism, adhere to professional ethics, knowledge, ability, experience and physical fitness as employment standards, and are committed to the principles of fairness, justice and openness.

As of 30 September 2024, the Group had 86 employees (30 September 2023: 87 employees). The distribution of employees is as follows:

Employees No.	Unit	2024	2023
By Gender			
Male	person	55	50
Female	person	31	37
By Age Group			
30 years old or below	person	11	36
31–40 years old	person	63	46
41–50 years old	person	10	5
Over 50 years old	person	2	0
By Geographical Region			
Mainland China	person	62	62
Hong Kong	person	21	23
Others	person	3	2
By Employment Type			
Full-time	person	81	87
Part-time	person	5	0



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

To protect the interests of employees and the Company, the management of employee promotions, transfers and demotions is based on clear criteria and procedures. Employee promotions are based on their work performance, capabilities, potential, and the Company's needs, and can only be implemented with the approval of relevant procedures.

Regarding employee termination, the Group follows internal regulations and relevant national laws and regulations to handle related procedures. To continuously optimize the Group's operation mechanism, the Group arranges an exit interview for employees to understand the underlying reasons they leave the Group. During the Reporting Period, the employee turnover rate is as follows:

Turnover Rate	Unit	2024	2023
By Gender			
Male	percentage	56	124
Female	percentage	48	146
By Age Group			
30 years old or below	percentage	109	150
31–40 years old	percentage	51	122
41–50 years old	percentage	20	120
Over 50 years old	percentage	0	0
By Geographical Region			
Mainland China	percentage	47	152
Hong Kong	percentage	38	87
Others	percentage	300	100

Remuneration and Benefits

The Group has formulated the Employee Handbook (《員工手冊》) in accordance with relevant regulations to ensure that legitimate rights and interests of employees in remunerations, working hours, holidays, etc. are fully respected and protected.

We have established a fair, reasonable and competitive remuneration system. Employee remuneration consists of job salary and performance bonus and is determined based on job responsibilities, work experience, professional expertise and work performance. The Group will formulate salary adjustment plans based on operating situation, performance, market data and current salary levels.

The Group makes social insurance contributions for employees in accordance with the relevant laws and regulations. Pursuant to the Mandatory Provident Fund Schemes Ordinance, we make regular contributions to eligible employees in Hong Kong. Employees of the Group's subsidiaries in Mainland China are required to participate in the state-managed retirement benefit scheme operated by the PRC government.

In addition, the Employee Handbook (《員工手冊》) stipulates employees' working hours and holidays. In addition to basic statutory holidays, employees are entitled to paid annual leave, marriage leave, maternity leave, paternity leave, sick leave, etc. Although the Group emphasizes work efficiency and does not encourage employees to work overtime under normal circumstances, they may work overtime as appropriate according to work requirements.

Equal Opportunities, Diversity and Anti-discrimination

A diverse talent pool is the key to the Group's sustainable growth. We are committed to building and maintaining an inclusive, cooperative and mutually supportive workplace culture with zero tolerance for any form of sexual harassment or abuse at work. The Group strives to provide equal opportunities in all aspects and maintain a workplace free of discrimination based on race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation, physical or verbal harassment.

Employee Participation

The Group attaches great importance to employees' opinions and suggestions and conducts employee satisfaction surveys every year to understand employees' satisfaction with management strategies, business goals, product quality, training opportunities, safety, remuneration, working environment and other aspects related to the Group. Based on the survey results, the Company will analyze the scope of employee dissatisfaction, report to senior management and launch a corrective and preventive plan to resolve and improve the situation.

Team spirit is also one of the Group's core values. To strengthen connections between employees and promote work-life balance, the Group has arranged a series of corporate and social activities for employees to enhance corporate culture and their sense of belonging. During the Reporting Period, the Group organized various corporate activities and team-building dinners, providing good opportunities for all employees to relax and communicate.

Health and Safety

We adhere to the "safety first" philosophy and are committed to providing a healthy and safe working environment for all employees. In order to prevent occupational hazards and protect the interests of employees, we have established comprehensive work safety policies and management procedures and strictly abide by relevant laws and regulations, including but not limited to:

- Labour Law of the People's Republic of China;
- Work Safety Law of the People's Republic of China;
- Law of the People's Republic of China on the Prevention and Control of Occupational Diseases;
- Fire Protection Law of the People's Republic of China;
- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong); and
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong).

During the Reporting Period, we were not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In the past three years (including the Reporting Period), the Group has not recorded any work-related fatalities or serious bodily injuries. In addition, during the Reporting Period, the Group did not have any claims or compensation to employees for work-related injuries or fatalities and was not aware of any material violations of laws and regulations relating to employee health and safety.

	Unit	2024 ²	2023 ¹
Number of work injury cases	case	0	1
Lost days due to work injury	day	0	77

Notes:

1. 2023 work-related injuries data covers the office and factory in Mainland China and Hong Kong office.
2. 2024 work-related injuries data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the "Reporting Period and Scope" section.

Safe Working Environment

The Group has established workplace health and safety policies and requires employees to strictly comply with the relevant policies as set out in the Employee Handbook (《員工手冊》). Relevant departments are responsible for monitoring the workplace and promptly resolving any unsafe conditions.

To ensure employees' occupational health and safety, the Group has implemented various measures as follows:

WORK SAFETY MEASURES

- Ensure sufficient space between workstations and clean public areas such as corridors and pantries;
- Arrange professional service providers for regular cleaning;
- Maintain adequate ventilation and lighting systems in the offices;
- Provide adjustable chairs;
- Prohibit smoking and alcohol abuse at the workplace; and
- Install various fire-fighting facilities in offices and warehouses, including fire sprinkler systems, fire extinguishers, fire hoses, etc., which are regularly maintained by external professional teams.

Development and Training

The Group firmly believes that providing employees with proper and adequate training is crucial, as it not only improves their job performance and product quality but also inspires work potential and promotes team spirit.

To help the Group coordinate its operational policies and organizational development needs, we will provide appropriate and necessary training to all employees to enrich their professional knowledge and skills and improve their work quality and capabilities. The Group is committed to providing a wide range of training activities for employees, combining internal training, external training and new employee training to promote career development. Employee training data during the Reporting Period are as follows:

	2024	2023
Percentage of employees trained by gender (%)		
Male	73	100
Female	65	100
Percentage of employees trained by employee category¹(%)		
Senior Management	71	100
General Staff	69	100
Average training hours completed per employee by gender (hours)		
Male	0.73	1.52
Female	0.65	1.35
Average training hours completed per employee by employee category (hours)		
Senior Management	0.71	5.50
General Staff	0.69	1.04

Note:

- The formula for calculating the percentage of employees trained by employee category (%) is as follows:

Training ratio of employees by category = (Number of trained employees by category)/(Number of employees at the end of the Reporting Period by category) * 100

Training Management and Courses

For the business of providing technical solutions services and the virtual asset ecosystem, the Group provides employees with a variety of internal and external training courses to help them master the professional knowledge and skills required for their work. For new employees, we will arrange complete induction training to allow them to quickly adapt to the Company culture and understand the Group's core concepts and values. The onboarding training content includes an introduction to the Group structure, a description of the functions of each department, an employee code of conduct, an overview of corporate policies and procedures, and other important human resources-related information. In addition, the Group also provides employees with training on market and regulatory updates, business ethics, compliance, anti-money laundering, insider trading, information security and cyber risk awareness, and conflicts of interest. Such training not only assists employees in meeting the requirements of continuous professional training and increasing their knowledge and understanding of different investment products and industries but also keeps employees informed of the latest rules and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Labour Standards

The Group strictly prohibits child labour and forced labour, and complies with our existing Anti-Slavery Regulations (《反奴隸制規定》) and local relevant laws and regulations, including but not limited to:

- Labour Law of the People's Republic of China;
- Labour Contract Law of the People's Republic of China; and
- Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

The Group has a comprehensive recruitment process in place, which includes reviewing the background of candidates, and has formal reporting procedures to deal with any special circumstances. The Group also conducts regular reviews and inspections to prevent the use of child labour or forced labour in its operations. The Group complies with relevant labour standards laws, such as the content of mandatory labour as listed in the International Labour Organization framework. The Group respects human rights and promises to protect all employees and no employee shall be forced to work.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour that would have a significant impact on the Group.

Prevention of Child Labour

The Group adheres to regulations and strictly prohibits the use of any child labour and forced labour in its Hong Kong and Mainland China operations. The Group's recruitment requirements stipulate that only employees over the age of 18 are recruited and require all new employees to provide certified true copies of personal information to ensure they fulfil the legal working age requirements of local labour laws and regulations. The Human Resources Department strictly verifies their information, including physical examination results, academic certificates, ID cards, and account information. The Human Resources Department also screens out job candidates under 18 years old. In addition, the Group conducts child labour inspections each year to verify the true age of employees. If any cases of hiring workers below the legal working age are discovered, we will promptly take necessary remedial actions, including terminating the employment and reporting to relevant government departments.

Prevention of Forced Labour

The Group's Human Resources Department ensures that employees receive adequate rest time, and all overtime work must be approved in advance to eliminate any forced labour. We promise not to force employees to work against their will, nor to impose corporal punishment, coercion or any other undue pressure on employees to work overtime.

Moreover, on the basis of voluntary working overtime, the Group is committed not to forcing employees to work overtime in order to avoid violating labour standards and depriving employees of their rights. The Group will not charge deposits or withhold identity documents from new employees. The Human Resources Department also regularly checks attendance records and investigates any overtime situations. The Group prohibits punitive measures, management methods and behaviours for any reason, such as abuse, corporal punishment, violence, mental stress, sexual harassment (inappropriate language, posture and physical contact), sexual abuse, etc..

Supply Chain Management

The Group fully understands the importance of building win-win and long-term relationships with suppliers for corporates and is committed to building a responsible and sustainable supply chain system. During the Reporting Period, the Group had a total of 86 suppliers, with main suppliers located in Mainland China and Hong Kong, and others including Singapore, the United States, the United Kingdom etc., categorized as follows:

Geographical Region	Unit	2024 ²	2023 ¹
Mainland China	supplier	21	291
Hong Kong	supplier	42	85
Others	supplier	23	33

Notes:

- 2023 suppliers data covers the office and factory in Mainland China and Hong Kong office.
- 2024 suppliers data covers offices in Mainland China and Hong Kong. For changes to the key performance indicator coverage in the Report, please refer to the “Reporting Period and Scope” section.

Fair and Open Procurement

The Group strictly implements the relevant provisions of “Shop Around Three” in the procurement process and ensures procurement is conducted in an open, fair and impartial manner without discriminating against any supplier. When we make purchasing decisions, we compare the initial purchase price of a product with the ongoing costs of electricity, water and other resources during use. In addition, to prevent conflicts of interest, employees and other individuals who have an interest in the relevant suppliers will not be allowed to participate in related procurement activities.

Business Ethics

The Group also attaches great importance to the integrity of its suppliers and partners and will only select those with good business records and no serious violations or violations of business ethics. The Group has no tolerance for bribery and corruption and strictly prohibits suppliers and partners from obtaining procurement contracts or cooperative relationships through any form of benefit transfer.

Provision of Technology Solutions Services and Other Services in the Virtual Asset Ecosystem

The Group maintains close cooperative relationships with suppliers providing information technology, and professional and marketing services. To standardize and optimize the procurement process, we have established the Acceptance and Supplier Scoring Procedure 《验收及供應商評分流程》 and a Supplier Introduction Process 《供應商引入流程》. The procurement team is responsible for executing policies, approving procurement procedures, and conducting qualification reviews of suppliers and contractors to ensure all employees involved in procurement strictly comply with the procurement code. There are three stages in the supplier selection process – supplier introduction portal, feedback on assessment results, and supplier information qualification assessment. During the Reporting Period, the Group evaluated 57 of its key suppliers.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In addition, the Group encourages suppliers to pursue sustainability. In feasible situations, besides considering criteria such as price, reputation, proactivity in dealing with problems, customer service, product quality and experience, the Group will also consider the environmental, community and ethical values of the suppliers, and prioritize the suppliers with the environmental and social commitment. The Group maintains close communication with suppliers to share the latest knowledge on quality, safety and good environmental practices, and to provide necessary guidance on implementing green practices throughout the entire supply chain.

Continuous improvement in daily operations is a key focus of the Group. We conduct performance reviews of existing suppliers and contractors on a quarterly basis to continuously assess whether their performance meets standards and to minimize potential risks to the environment and society in the supply chain. If a supplier fails to meet the Group's required levels, we will issue a corrective action plan to require it to improve its performance (if applicable). When necessary, the Group will also conduct on-site inspections to closely monitor the business operations of suppliers. If any violations are discovered during the site visit, we will report them to management and implement a corrective action plan to promptly correct the identified risk issues.

Product Responsibility

The Group is committed to continuously improving the Group's quality control system, optimizing the integrated management of service provision, consistently meeting customer expectations, and implementing different management systems. During the Reporting Period, due to the nature of the Group's business not involving product production, no products sold or shipped by the Group were recalled for safety and health reasons. We strictly comply with relevant laws and regulations, including but not limited to:

- Law of the People's Republic of China on the Protection of Consumer Rights and Interests;
- Patent Law of the People's Republic of China;
- Copyright Ordinance (Cap. 528 of the Laws of Hong Kong);
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong); and
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong).

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to services provided, and methods of redress that would have a significant impact on the Group.

Asset Security Protection

As a digital asset trust service provider, we strive to ensure the security of our customers' assets. We adopt a self-developed strict security system and establish a rigorously tested risk control system to ensure the safety of customer assets.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group's technologies include but are not limited to:

<p>Military-grade Secure Private Keys Storage in Hardware Security Module</p>	<p>Globally Distributed Multi-signature Cold Wallets</p>	<p>Proven Anti-Money Laundering System</p>
<p>Adopt the world class tamper resistant Hardware Security Module (HSM) to safeguard and manage cryptographic private keys</p>	<p>M/n consensus algorithm with key sharding and multiple signature authorization distributed globally to further enhance the security of your assets</p>	<p>Effective and internationally recognized AML system to ensure the security and compliance of each digital asset transaction</p>
<p>Multiple Security Protection Mechanisms</p>	<p>Thorough Platform Security Penetration Testings</p>	<p>Internal and External Emergency Responses Mechanism</p>
<p>Security protection technology and multiple signature mechanism are tested, validated and certified to the industry security standard</p>	<p>Regular security penetration testings on our platform which meets the ISO27001 Cybersecurity standard</p>	<p>Multiple response mechanisms to tackle on-chain security incidents and Blockchain double-spending</p>

As a licensed asset management company, the Group has a comprehensive set of risk control procedures, including but not limited to reputational risk, legal risk, regulatory and compliance risk, operational risk, market risk, liquidity risk, and credit risk. The Investment Department and Risk Management Department set specific restrictions for different risk types, such as maximum position for each coin and sector, and minimum liquidity standards. The system automatically sends post-trade reports and risk reports to the corresponding fund manager based on pre-trade and post-trade compliance checks and risk controls for timely processing. For market risk, we use historical data and the Monte Carlo simulation to conduct the back-testing to calculate value-at-risk and assess potential losses. The stress testing using multiple market scenarios' assumptions is conducted to determine the impact of abnormal market fluctuations on the fund.

Service Quality

To ensure service quality and fulfil corporate responsibilities, the Group has formulated and required all employees to strictly implement relevant internal policies and assume responsibilities including:

- Continuously promote the improvement of service quality;
- Be customer-centric, meet customer requirements, improve customer satisfaction, and exceed customer expectations;
- Strictly implement system documents to prevent any inconsistency with relevant policy requirements; and
- If employees find any improvement opportunities and other issues related to service quality policies, they should promptly submit them to the company through the prescribed channels.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Customer Service

The Group highly values customer feedback and regards customer suggestions and complaints as opportunities for continuous improvement. To ensure timely responses to complaints or opinions related to services, we have established different feedback channels and detailed handling procedures, during the Reporting Period, the Group did not receive any complaints from customers.

As a professional asset management company, we attach great importance to compliance management. The Group has formulated a Compliance Manual (《合規手冊》) to clearly regulate the detailed procedures for handling customer complaints. Upon receipt of a complaint from a customer or third party, employees must immediately prepare a written summary of the complaint and report it to the Group's Compliance Officer. The Compliance Officer will proactively contact the complainant within the same day to confirm the complaint has been received and initiate an investigation. Thereafter, the Compliance Officer will discuss the rationale and reasons for the complaint with the relevant employees, and if necessary, Directors will be invited to participate in consultations. Upon completion of the review, the Compliance Officer will provide a clear explanation to the complainant and take necessary corrective measures. We ensure that all complaint cases are handled appropriately and promptly, and relevant details are recorded in writing to prevent similar incidents from recurring.

Privacy Protection

The Group is committed to providing secure and compliant data centre and cloud-related services to customers in the global blockchain, virtual asset, fintech, big data and other innovative technology industries. Accordingly, we fully understand the importance of customers' personal data and strictly comply with the Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) to protect the privacy, confidentiality and security of personal information held by the Group. We have developed the Privacy Policy (《隱私政策》) to provide guidance on the collection, use, processing, disclosure, sharing, transfer and protection of personal data.

The Group attaches great importance to the protection of personal information and confidential information and has compiled a Personal Information Management Manual (《個人信息管理手冊》) to clearly regulate employees' requirements for the use and protection of personal information, and to strictly prevent the risk of leakage of the privacy of customers and suppliers. The manual stated various detailed procedures established to protect consumer data and privacy, including the purpose of collecting and using personal information, usage restrictions, and special procedures for handling sensitive information. The Group has also established the Data Security Policy (《數據安全政策》) to further ensure proper handling of personal information of customers and suppliers. To increase employees' awareness of data security, we also conduct regular training. In addition to policies that must be complied with regarding data management and prevention of data leakage, the Group has appointed an Information Safety Officer to oversee the company's proper management.

Furthermore, to provide secure asset management services, the Group has established the Compliance Manual (《合規手冊》) outlining the acts or practices of the data protection principles, including the purposes and procedure of personal data collection, the accuracy and duration of personal data retention and the use of personal data, etc. The Group will take all reasonably practicable steps to ensure the accuracy of personal data and strictly prohibit the disclosure of customer transaction data to other third parties without reasonable grounds and consent.

Intellectual Property Rights

To standardize the information technology management within the Group, we have formulated relevant management policies. The Information Technology Department is responsible for obtaining appropriate licenses for various software and hardware equipment and information resources used in the Group's business operations. If employees need to download or copy any information, software, images, etc. from the internet, they must obtain approval from the relevant departments in advance.

To prevent any infringement (such as counterfeit trademarks), we closely monitor the infringement in the market and periodically review our intellectual property portfolios, including trademarks, designs and patents, around the world.

Advertising and Labelling

Based on the business nature of the Group, the Group only conducts limited publicity activities. Therefore, the Group's business operations do not involve significant risks relating to advertising and labelling.

Anti-Corruption

The Group upholds promoting honesty, fairness and transparency in all business activities. We are committed to building a fair, honest, open, transparent and standardized internal management atmosphere, and requiring all employees, especially the management, to strictly abide by the code of conduct of honesty and integrity. The Group has established the Risk Management Department to ensure full compliance with relevant laws and regulations by formulating the Compliance Manual (《合規手冊》). We strictly comply with laws and regulations relating to the prevention of bribery, extortion, fraud, money laundering and corruption, including but not limited to:

- Company Law of the People's Republic of China;
- Anti-Unfair Competition Law of the People's Republic of China;
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and
- Competition Ordinance (Cap. 619 of the Laws of Hong Kong).

During the Reporting Period, there were no concluded legal cases regarding corrupt practices brought against the Company and its employees. The Group was not aware of any material non-compliance with laws and regulations relating to the prevention of bribery, extortion, fraud and money laundering that would have a significant impact on the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Anti-corruption Practices

In order to maintain high standards of business ethics and professional conduct, the Group has formulated the Anti-corruption Policy (《反貪污政策》) and the Code of Prevention of Bribery and Confidentiality (《防止賄賂及保密守則》), which require all employees to strictly abide by them in all business dealings and will never condone any violations of regulations or disciplines. All employees must sign an agreement when joining the company and promise to abide by the various norms and codes of conduct of the Code of Prevention of Bribery and Confidentiality (《防止賄賂及保密守則》). It is clearly stipulated that employees are prohibited from directly or indirectly soliciting or accepting money, gifts, entertainment or other personal benefits in any form. Any violators will be punished. In the meantime, leveraging its extensive compliance knowledge and industry experience, the Group provides strategic advice to regulatory authorities and participates in the discussion and formulation of laws and regulations. As of the publication date of the Report, the Group has circulated relevant guidelines on anti-money laundering and counter-terrorist financing to the Board and relevant employees to provide them with a clear understanding of their corresponding roles and responsibilities under relevant laws and regulations regarding anti-corruption and business ethics. The Group also continues to strengthen compliance training and encourage employees to proactively learn about the latest trends and developments in global anti-money laundering and compliance work.

In order to create a business environment of fair competition and establish long-term and mutually beneficial business partnerships with suppliers and contractors, the Group has formulated the Abolition of Corruption and Rebate Agreement (《杜絕貪污及回扣協議書》), which requires all partners to sign and strictly abide by it. The agreement clearly prohibits suppliers and contractors from providing benefits in any form to employees of the Group, such as gifts, rebates, etc. If the Group discovers any suppliers or contractors failing to comply with the rules under this agreement, we will terminate the business relationships with them.

Whistle-blowing Mechanism

The Group strictly prohibits any improper acts such as bribery, extortion, fraud and money laundering. Stakeholders can report any suspected misconduct to the senior management of the Group with full details and evidence. The management will investigate any suspicious or illegal acts to protect the Group's interests. To protect whistle-blowers from unfair dismissal or victimisation, the Group advocates a confidentiality mechanism. When criminality is suspected, the management will report to relevant regulators or law enforcement authorities when necessary.

Community Investment

The Group has always attached great importance to corporate social responsibility and is committed to promoting social harmony and supporting sustainable development. We not only focus on short-term operating performance, but also focus on the long-term sustainable development of the company, including paying attention to vulnerable groups in society, responding to climate change and protecting the environment, and cultivating scientific and technological talents. Combining our advantages, we will continue to look for opportunities to contribute to society and fulfil our due corporate responsibilities and missions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ESG REPORTING GUIDE INDEX

Subject Areas, Aspects and KPIs	Section/Statement
Mandatory Disclosure Requirements	
Governance Structure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.
Reporting Principles	<p>A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report (Materiality, Quantitative, and Consistency).</p>
Reporting Boundary	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.</p>
“Comply or explain” Provisions	
A. Environmental	
Aspect A1: Emissions	
General Disclosure	<p>Information on:</p> <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p>
KPI A1.1	<p>The types of emissions and respective emissions data.</p>
KPI A1.2	<p>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity.</p>
KPI A1.3	<p>Total hazardous waste produced (in tonnes) and, where appropriate, intensity.</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects and KPIs		Section/Statement
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – Air Emissions, Greenhouse Gas Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water, and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	As the Group's business operations do not involve any industrial production processes and do not have any production factories, we do not consume a large amount of packaging materials.
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects and KPIs		Section/Statement
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change – Climate Change Management
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Climate Risks and Response Measures
B. Social		
Aspect B1: Employment General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment – Recruitment, Promotion and Dismissal
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Recruitment, Promotion and Dismissal
Aspect B2: Health and Safety General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects and KPIs		Section/Statement
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Safe Working Environment
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child Labour, Prevention of Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child Labour, Prevention of Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects and KPIs		Section/Statement
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	As the Group's business operations do not involve any industrial production processes and do not have any production factories, we have no product-related matters.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	As the Group's business operations do not involve any industrial production processes and do not have any production factories, we have no product-related matters.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects and KPIs	Section/Statement
KPI B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Privacy Protection
Aspect B7: Anti-corruption	
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-Corruption
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption – Whistle-blowing Mechanism
KPI B7.3 Description of anti-corruption training provided to directors and staff.	Anti-Corruption – Anti-corruption Practices
Aspect B8: Community Investment	
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1 Focus areas of contribution.	Community Investment
KPI B8.2 Resources contributed to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report to the Shareholders of Sinohope Technology Holdings Limited *(Incorporated in the British Virgin Islands with limited liability)*

OPINION

We have audited the consolidated financial statements of Sinohope Technology Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 93 to 183, which comprise the consolidated statement of financial position as at 30 September 2024, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting of cryptocurrencies transactions and balances (Refer to Notes 3, 20 and 21 to the consolidated financial statements)</p> <p>As at 30 September 2024, the Group had cryptocurrencies and crypto investments of approximately HK\$96,277,000 and HK\$31,233,000 respectively as disclosed in Notes 20 and 21.</p> <p>We identified the accounting of cryptocurrencies transactions as a key audit matter due to the fact that HKFRSs do not explicitly discuss crypto-asset transactions. Consequently, management needs to apply judgements as to how to account for such transactions and exercise significant judgements in determining appropriate accounting policies based on the existing accounting framework and the facts and circumstances of the Group's cryptocurrencies transactions.</p> <p>We identified the evaluation of the existence and control of the cryptocurrencies held as a key audit matter due to the subjective auditor judgement involved in determining the nature and extent of audit evidence required to address the risks of material misstatement related to the existence and rights and obligations of the cryptocurrencies held.</p>	<p>Our procedures included, but not limited to the followings:</p> <ul style="list-style-type: none">• Obtained understanding, evaluated and validated management's processes and tested key controls in relation to cryptocurrencies transactions and balance;• Obtained understanding and evaluated the accounting policies adopted by management for its cryptocurrencies transactions and balances, based on the contractual and business arrangements with respective counterparties;• Evaluated management's rationale for the selection and application of the accounting policies to account for cryptocurrencies transactions and balances;• Confirmed the title to and balance of the Group's cryptocurrencies as at 30 September 2024 held in own wallet by performing ownership test on a sample basis;• Independently and directly confirmed the balance of the Group's cryptocurrencies as at 30 September 2024 held on exchange institutions;• Reviewed the appropriateness of fair value of cryptocurrencies adopted by management to external data quoted in the principal cryptocurrency market;• Independently obtained evidence from public blockchains to test the occurrence and existence of cryptocurrencies transactions and balances respectively, on a sample basis, and evaluated the relevance and reliability of audit evidence obtained from publicly available blockchains records;• Assessed the disclosures to the financial statements.

KEY AUDIT MATTERS (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of amount due from a former subsidiary (Refer to Note 23 to the consolidated financial statements)</p> <p>As at 30 September 2024, the Group had an amount due from a former subsidiary, net of allowance for credit loss of approximately HK\$71,263,000 as disclosed in note 23.</p> <p>The Group recognised for expected credit loss (“ECL”) on amount due from a former subsidiary of approximately HK\$4,800,000 in profit or loss during the year ended 30 September 2024.</p> <p>The ECL assessment of the amount due from a former subsidiary required management to make significant judgments based on the contractual cash flows expected to receive, based on the evidence of credit risk, time value of money and forward-looking information.</p> <p>In estimating the expected credit loss, the Group engaged an independent qualified external valuer to perform the ECL assessment and worked with the external valuer to establish inputs to the ECL assessment.</p> <p>We identified ECL of amount due from a former subsidiary as a key audit matter due to its significance to the consolidated financial statements and its involvement of management’s significant accounting estimations and judgments.</p>	<p>Our procedures included, but not limited to the followings:</p> <ul style="list-style-type: none"> • Obtained an understanding of and evaluated management’s process and relevant internal control in estimation of the expected credit loss on amount due from a former subsidiary; • Obtained direct written confirmation of the principal, terms and outstanding balance of the amount due from a former subsidiary; • Evaluated the competence, capabilities, objectivity and independence of the external valuer; • Discussed with the management and the external valuer their methodology and the key estimates and assumptions adopted in their ECL assessment; • Assessed the appropriateness of inputs and assumptions applied in the determination of expected credit loss of amount due from a former subsidiary, including staging classification, probability of default, loss given default and forward-looking information.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditors report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Groups ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Groups financial reporting process.

AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Groups internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Groups ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

AUDITORS RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Moore CPA Limited
Certified Public Accountants

Chan King Keung
Practising Certificate Number: P06057

Hong Kong, 16 December 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Continuing operations			
Revenue	6		
Cryptocurrency trading business		1,520,345	2,810,576
Other business		49,042	22,993
		1,569,387	2,833,569
Cost of sales and services			
Cryptocurrency trading business		(1,511,104)	(2,813,284)
Other business		(14,059)	(9,896)
		(1,525,163)	(2,823,180)
Gross profit		44,224	10,389
Other income and gains/(losses)	7	4,845	(6,206)
Fair value gains on cryptocurrencies		36,141	14,044
Interest income	8	1,503	22
Reversal of/(Impairment loss) on other assets	23(b)	85,897	(85,897)
Impairment loss on other receivables	23(a)	(4,800)	(5,450)
Impairment loss on property, plant and equipment	18	(480)	(9,986)
Administrative expenses		(106,196)	(186,798)
Loss on disposal of subsidiaries	41	–	(1,108)
Share of result of a joint venture		–	3,877
Finance costs	9	(4,755)	(15,060)
Profit/(loss) before income tax	10	56,379	(282,173)
Income tax (expenses)/credit	12	(43)	4,891
Profit/(loss) for the year from continuing operations		56,336	(277,282)
Discontinued operations			
Loss for the year from discontinued operation	13	–	(11,412)
Profit/(loss) for the year		56,336	(288,694)
Profit/(loss) for the year attributable to owners of the Company:			
– from continuing operations		54,322	(275,959)
– from discontinued operations		–	(11,412)
		54,322	(287,371)
Profit/(loss) for the year attributable to non-controlling interests			
– from continuing operations		2,014	(1,323)
– from discontinued operations		–	–
		2,014	(1,323)
		56,336	(288,694)



CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2024

	Note	2024 HK\$'000	2023 HK\$'000
Profit/(loss) for the year		56,336	(288,694)
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		(1,464)	(1,009)
Reclassification of translation reserve upon disposal of subsidiaries		259	23,894
Item that will not be reclassified subsequently to profit or loss:			
Change in fair value of equity instruments at fair value through other comprehensive income		–	(957)
Other comprehensive (loss)/income for the year, net of tax		(1,205)	21,928
Total comprehensive income/(loss) for the year		55,131	(266,766)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		53,117	(265,443)
Non-controlling interests		2,014	(1,323)
		55,131	(266,766)
Total comprehensive income/(loss) attributable to owners of the Company:			
– from continuing operations		53,117	(251,625)
– from discontinued operations		–	(13,818)
		53,117	(265,443)
		2024 HK cents	2023 HK cents
Earnings/(Loss) per share	17		
– from continuing operations		11.66	(88.29)
– from discontinued operations		–	(3.65)
Basic		11.66	(91.94)
Diluted		11.63	(91.94)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	18	270	1,094
Right-of-use assets	27	4,830	–
Other receivables	23	18,056	76,063
Total non-current assets		23,156	77,157
Current assets			
Cryptocurrencies	20	96,277	15,051
Crypto investments	21	31,233	–
Financial assets at fair value through profit or loss	22	5,557	–
Trade and other receivables	23	240,685	64,411
Tax recoverable		383	–
Time deposits with original maturity of over three months	24	1,500	1,500
Cash and cash equivalents	24	62,282	320,161
Assets classified as held for sale	14	–	270,364
Total current assets		437,917	671,487
Current liabilities			
Other payables	25	173,526	12,549
Other borrowings	26	–	359,107
Lease liabilities	27	2,718	–
Tax payable		772	412
Liabilities associated with assets classified as held for sale	14	–	52,562
Total current liabilities		177,016	424,630
Net current assets		260,901	246,857
Total assets less current liabilities		284,057	324,014



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Non-current liabilities			
Other borrowings	26	–	108,098
Lease liabilities	27	2,148	–
Deferred tax liabilities	29	–	2,140
Total non-current liabilities		2,148	110,238
Net assets		281,909	213,776
EQUITY			
Share capital	30	466	309
Reserves	33	281,443	204,299
Amounts recognised in other comprehensive income and accumulated in equity relating to assets held for sale		–	1,742
Total equity attributable to owners of the Company		281,909	206,350
Non-controlling interests		–	7,426
Total equity		281,909	213,776

The consolidated financial statements on pages 93 to 183 were approved and authorised for issue by the Board of Directors on 16 December 2024 and are signed on its behalf by:

Du Jun
Director

Zhang Li
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

	Share capital HK\$'000	Share premium* HK\$'000	Share option reserve* HK\$'000	Other reserve* HK\$'000	Capital reserve* HK\$'000	Fair value reserve* HK\$'000	Translation reserve* HK\$'000	Accumulated losses* HK\$'000	Attributable to owners of the Company HK\$'000	Non-controlling Interests HK\$'000	Total HK\$'000
At 1 October 2023	309	112,251	74	101,135	324,605	(1,808)	317	(330,533)	206,350	7,426	213,776
Equity-settled share-based compensation expenses (note 32)	-	-	13,412	-	-	-	-	-	13,412	-	13,412
Transfer of share option reserve upon the lapse of share options (note 32)	-	-	(74)	-	-	-	-	74	-	-	-
Transfer from capital reserves (note 30)	157	324,448	-	-	(324,605)	-	-	-	-	-	-
Reversal of fair value gain on loans from a related party measured at fair value on inception, net of deferred tax (note 26)	-	-	-	(7,714)	-	-	-	-	(7,714)	-	(7,714)
Disposal of subsidiaries (note 14(b) & (c))	-	-	-	16,744	-	-	-	-	16,744	-	16,744
Transaction with owners	157	324,448	13,338	9,030	(324,605)	-	-	74	22,442	-	22,442
Profit for the year	-	-	-	-	-	-	-	54,322	54,322	2,014	56,336
Exchange differences arising on the translation of financial statements of foreign operations	-	-	-	-	-	-	(1,464)	-	(1,464)	-	(1,464)
Reclassification of reserves upon disposal of subsidiaries	-	-	-	-	-	-	259	-	259	-	259
Total comprehensive income for the year	-	-	-	-	-	-	(1,205)	54,322	53,117	2,014	55,131
Transfer of fair value reserve to accumulated losses upon derecognition of FVTOCI	-	-	-	-	-	1,808	-	(1,808)	-	-	-
Disposal of a subsidiary (note 14(b))	-	-	-	-	-	-	-	-	-	(9,440)	(9,440)
At 30 September 2024	466	436,699	13,412	110,165	-	-	(888)	(277,945)	281,909	-	281,909

* The total of reserves as at 30 September 2024 is HK\$281,443,000 (2023: HK\$206,041,000).



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2024

	Share capital HK\$'000	Share premium* HK\$'000	Share option reserve* HK\$'000	Other reserve* HK\$'000	Capital reserve* HK\$'000	FVTOCI reserve* HK\$'000	Statutory reserve* HK\$'000	Translation reserve* HK\$'000	Accumulated losses* HK\$'000	Attributable to owners of the Company HK\$'000	Non-controlling Interests HK\$'000	Total HK\$'000
At 1 October 2022	309	112,251	1,652	98,030	-	2,609	7,956	(22,568)	(65,310)	134,929	12,157	147,086
Equity-settled share-based compensation expenses (note 32)	-	-	41	-	-	-	-	-	-	41	-	41
Transfer of share option reserve upon the lapse of share options (note 32)	-	-	(1,619)	-	-	-	-	-	1,619	-	-	-
Proceeds from issue of shares (note 30)	-	-	-	-	324,605	-	-	-	-	324,605	-	324,605
Fair value gain on loans from a related party measured at fair value on inception, net of deferred tax (note 26)	-	-	-	12,218	-	-	-	-	-	12,218	-	12,218
Transaction with owners	-	-	(1,578)	12,218	324,605	-	-	-	1,619	336,864	-	336,864
Loss for the year	-	-	-	-	-	-	-	-	(287,371)	(287,371)	(1,323)	(288,694)
Transfer of fair value reserve to accumulates losses upon derecognition of FVTOCI	-	-	-	-	-	(3,460)	-	-	3,460	-	-	-
Exchange differences arising on the translation of financial statements of foreign operations	-	-	-	-	-	-	-	(1,009)	-	(1,009)	-	(1,009)
Reclassification of reserves upon disposal of subsidiaries	-	-	-	(9,113)	-	-	(7,956)	-	17,069	-	-	-
Reclassification of translation reserve upon disposal of subsidiaries	-	-	-	-	-	-	-	23,894	-	23,894	-	23,894
Change in fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	(957)	-	-	-	(957)	-	(957)
Total comprehensive income for the year	-	-	-	(9,113)	-	(4,417)	(7,956)	22,885	(266,842)	(265,443)	(1,323)	(266,766)
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	(3,408)	(3,408)
At 30 September 2023	309	112,251	74	101,135	324,605	(1,808)	-	317	(330,533)	206,350	7,426	213,776

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from operating activities			
Profit/(Loss) before income tax			
– for continuing operations		56,379	(282,173)
– for discontinued operations		–	(12,685)
		56,379	(294,858)
Adjustments for:			
Depreciation of property, plant and equipment	18	365	11,513
Depreciation of right-of-use assets	27(a)	690	23,133
Gain on lease modification	7	–	(251)
Imputed interest expense on other loans from a related company	9	4,419	13,145
Interest expense on other loan from a former controlling Shareholder		–	973
Interest expense on bank borrowings		–	156
Interest expense on lease liabilities	9	336	4,684
Interest expense on other loans from a related company	9	–	492
Interest income	8	(1,503)	(22)
Impairment loss on inventories	10	–	4,072
Impairment loss on amount due from a former subsidiary	23(a)	4,800	5,450
Impairment loss on property, plant and equipment	18	480	9,986
Loss on disposal of property, plant and equipment	7	–	6,033
Loss on disposal of subsidiaries	41	–	1,108
Recognise share-based compensation expenses	11	13,412	41
Fair value gain on cryptocurrencies		(36,141)	(14,044)
Fair value gain on crypto investments	7	(2,334)	–
(Reversal of)/Impairment loss on other assets	23(b)	(85,897)	85,897
Fair value loss on financial assets at fair value through profit and loss	7	48	1,001
Share of result of a joint venture	19	–	(3,877)
Operating cash outflow before working capital changes		(44,946)	(145,368)
Decrease in inventories		–	13,571
(Increase)/decrease in cryptocurrencies		(125,367)	190,084
Increase in trade and other receivables		(601)	(132,765)
Decrease in loan receivable		–	582
Decrease in amount due from a joint venture		–	54
Increase/(decrease) in other payables		160,977	(13,972)
Decrease in collateral payables		–	(124,758)
Cash used in operations		(9,937)	(212,572)
Income tax paid		(795)	(32,617)
Net cash used in operating activities		(10,732)	(245,189)



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Cash flows from investing activities			
Deposits paid for acquisition of investments	23	(17,789)	–
Disposal of subsidiaries, net of cash disposed of	41	–	(13,627)
Purchase of property, plant and equipment	18	(25)	(17,887)
Purchase of financial assets at fair value through profit or loss	22	(5,605)	–
Proceeds from disposal of property, plant and equipment		–	1,120
Proceeds from disposal of financial assets at fair value through other comprehensive income		–	30,044
Proceeds from disposal of financial assets at fair value through profit or loss		–	327
Decrease in amount due from a former subsidiary		–	3,527
Decrease in time deposits with original maturity of over three months		–	100
Decrease in pledged bank deposit		–	7,850
Interest received on bank deposits and bank balances		1,503	22
Net cash (used in)/generated from investing activities		(21,916)	11,476
Cash flow from financing activities			
Net cash (outflow)/inflow from other loans from a related company	26	(223,041)	103,598
Net cash outflow in trust receipts and export loans		–	(678)
Repayments of principal portion of lease liabilities		(654)	(18,984)
Repayments of interest portion of lease liabilities		(76)	(4,684)
Repayments of loan from a former controlling Shareholder		–	(60,000)
Repayment of loans from a related company		–	(34,718)
Interest paid on bank borrowings		–	(156)
Interest paid on other borrowings		–	(3,517)
Proceeds from issue of shares		–	324,605
Dividend paid to non-controlling interests		–	(3,408)
Net cash (used in)/generated from financing activities	34	(223,771)	302,058
Net (decrease)/increase in cash and cash equivalents		(256,419)	61,291
Cash and cash equivalents at beginning of the year		320,161	322,633
Effect of foreign exchange rate changes		(1,460)	(218)
Cash and cash equivalents classified as held for sale		–	(63,545)
Cash and cash equivalents at end of the year	24	62,282	320,161

MAJOR NON-CASH TRANSACTIONS

During the year ended 30 September 2024, the Group had following major non-cash transactions:

- (i) additions to right-of-use assets and lease liabilities of HK\$5,520,000 (2023: HK\$2,549,000) and HK\$5,520,000 (2023: HK\$2,549,000) respectively, in respect of the lease arrangements for a leased office property (note 27);
- (ii) the Group settled the loan from a related company by offsetting with the consideration receivable from disposal of subsidiaries amounting to HK\$257,708,000 (2023: settled the loan from a former subsidiary of HK\$80,000,000 by setting off the consideration receivable for disposal of that former subsidiary with the purchaser) (notes 14 & 26);
- (iii) the deposits for investments amounting to HK\$16,517,000 were settled by payment of equivalent amounts of cryptocurrencies (notes 23(f) & (g)); and
- (iv) the amounts of investments paid and redeemed during the year were made by cryptocurrencies, which amounted to HK\$93,738,000 and HK\$64,839,000, respectively (note 21).

During the year ended 30 September 2023, the Group had following major non-cash transactions:

- (i) there is an increase in amount due from a former subsidiary of HK\$85,040,000, as a result of the disposal of Pantene Group (note 41(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

1. GENERAL INFORMATION

Sinohope 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. These business segments are the basis upon which the Group reports its primary segment information.

To the best of the knowledge, information and belief of the directors of the Company, upon issuance of new ordinary shares of the Company to Mr. Du Jun and ON CHAIN TECHNOLOGY LIMITED on 10 October 2023, the beneficial interest of Mr. Li Lin (“Mr. Li”) in the issued share capital of the Company was decreased from 40.47% to 26.83%, and further decreased to 19.53% on 29 January 2024 due to a share capital restructuring by a corporate shareholder in which Mr. Li has been interested in.

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 AMENDMENTS TO HKFRSs

(a) Adoption of new or amendments to HKFRSs – effective from 1 October 2023

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. ADOPTION OF NEW OR AMENDMENTS TO HKFRSs *(continued)*

(a) Adoption of new or amendments to HKFRSs – effective from 1 October 2023 *(continued)*

Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 Disclosure of Accounting Policies

The Group has applied the amendments for the first time in the current year. HKAS 1 Presentation of Financial Statements is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 Making Materiality Judgements (the “Practice Statement”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies set out in Note 3 to the consolidated financial statements. In accordance with the guidance set out in the amendments, accounting policy information that is standardised information, or information that only duplicates or summarises the requirements of the HKFRSs, is considered immaterial accounting policy information and is no longer disclosed in the notes to the consolidated financial statements so as not to obscure the material accounting policy information disclosed in the notes to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

2. ADOPTION OF NEW OR AMENDMENTS TO HKFRSs (continued)

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

The following new or amendments to 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.

Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangement ²
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ⁴
HKFRS 18	Presentation and Disclosure in Financial Statements ⁵
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ⁵
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

⁴ Effective for annual periods beginning on or after 1 January 2026.

⁵ Effective for annual periods beginning on or after 1 January 2027.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of preparation

The material accounting policy information that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all of the years presented unless otherwise stated. The adoption of new or amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The consolidated financial statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income ("FVTOCI"), financial assets at fair value through profit or loss ("FVTPL"), cryptocurrencies, crypto investments and amounts due to sub-funds investors. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Business combination and basis of consolidation *(continued)*

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of a non-controlling interest is the amount of that interest at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Subsidiaries

A subsidiary is an investee over which the Group is able to exercise control. The Group controls an investee if all three of the following elements are present: power over the investee; exposure, or rights, to variable returns from the investee; and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, interests in subsidiaries are carried at cost less any impairment loss. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period.

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Revenue recognition *(continued)*

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. When the Group acts as a principal, it recognises revenue in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party and revenue is recognised on a net basis.

Indicators taken into account by management of the Group to determine whether the Group acts as a principal or an agent include, but are not limited to, the following:

- (a) whether the entity is primarily responsible for fulfilling the promise to provide the specified good or service;
- (b) whether the entity has inventory risk before the specified good or service has been transferred to a customer or after transfer of control to the customer (for example, if the customer has a right of return); and
- (c) whether the entity has discretion in establishing the price for the specified good or service, indicating that the entity has the ability to direct the use of that good or service and obtain substantially all of the remaining benefits.

Contract liabilities

A contract liability represents the Group's obligations to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Revenue recognition *(continued)*

Performance obligation and timing of recognition

(i) Cryptocurrency trading

The Group trades cryptocurrencies over-the-counter and in cryptocurrency exchange. Transaction price is derived by unit price of cryptocurrencies and transaction volume. Cryptocurrency trading is recognised at point in time upon each trade transaction is completed.

The sale amounts received from counterparties are recorded as revenue on a gross basis and the associated cost as cost of revenues, as the Company is the principal in the trading transaction. The Company has concluded it is the principal because it controls the cryptocurrencies before delivery to the counterparties, it is primarily responsible for the delivery of the cryptocurrencies to the counterparties, it is exposed to risks arising from fluctuations of the market price and inventory risk of cryptocurrencies before delivery to counterparties, and has discretion in setting prices charged to counterparties.

(ii) Cryptocurrency mining services

The Group engaged in the provision of storage and transaction verification services within cryptocurrency network and received cryptocurrency reward as consideration for these services.

Revenue is recognised over time as those services are provided and measured based on the fair value of the cryptocurrencies earned.

(iii) Provision of technology solution services (including blockchain solutions, peripheral accessories such as browser, faucet and official website, fundamental Dapps and Software as a service income)

Revenue from rendering of service is recognised over time on a straight-line basis over the contract period or at a point of time when the service obligation is satisfied for one-time services.

The amount of revenue recognised is the amount of the transaction price allocated to the satisfied performance obligation. Invoices for provision of services are issued on a monthly basis and are usually payable within 30 days.

(iv) Consultancy services income

Consultancy services income is recognised over time as those services are provided continuously over the contract period. Invoices for those service income are issued on a regular basis based on the terms stated in the contact. Invoices for provision of consultancy services income are issued on a monthly basis and are usually payable within 30 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Revenue recognition *(continued)*

Performance obligation and timing of recognition (continued)

(v) Custodian services

The Group provides secured storage of digital assets service to certain third parties. Under this type of arrangement, the Group holds digital assets deposits by the third parties in the Group's own wallets. Custodian services are calculated and accrued on a daily basis and are recognised over time as services are rendered. Invoices for provision of custodian services are issued on a monthly basis and are usually payable within 30 days.

(vi) Asset management services

Revenue from asset management services and performance fee is recognised over time as the services are provided. Management fee is determined with reference to the net asset value of the fund managed by the Group. Performance fee is recognised on the performance fee valuation day with reference to the monthly net asset value (subject to high watermark and benchmark) of the fund managed by the Group when there is a positive performance for the relevant performance period and it is determined that it will not result in significant reversal in a subsequent period.

Revenue from fund subscription services is recognised at a point of time when the relevant subscription is completed.

(vii) Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend is recognised when the right to receive payment is established.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments

(i) *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement categories into which the Group classifies its debt instruments are as follows:

Amortised cost:	Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.
FVTOCI:	Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
FVTPL:	Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECL”) on trade and other receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases:

(1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate.

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be credit-impaired when: (1) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

(ii) Impairment loss on financial assets (continued)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at FVTPL are initially measured at fair value and financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include amounts due to sub-funds investors.

Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise, except for the gains and losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the statement of profit or loss. The net fair value gain or loss recognised in the statement of profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, other borrowings, and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Financial instruments *(continued)*

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group's derivative contracts are held for trading and do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and included in "other income and gain/(loss), net". Trading derivatives are classified as a current asset or liability.

Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Other borrowings at FVTPL

Cryptocurrencies borrowed from counterparties are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at fair value of relevant cryptocurrencies borrowed, which align with the fact that cryptocurrencies inventories are non-financial assets measured at fair value less costs to sell.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Cryptocurrencies

The Group trades cryptocurrencies, by purchasing cryptocurrencies with a view to their resale in the near future, and generating a profit from fluctuations in the prices, the Group applies the guidance in HKAS 2 for commodity broker-traders and measures the cryptocurrencies at fair value less costs to sell. The Group considers that there are no significant “costs to sell” associated with virtual assets and hence the measurement of virtual assets is based on their fair values with changes in fair values recognised in profit or loss in the period of the changes.

The Group provides lending management service under lending arrangements but is not a party to originate such loan. According to the loan agreements, the borrowers shall place cryptocurrencies in the Group’s wallets as collaterals. 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 borrowers 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 collateral shall be returned to the counterparties upon their settlement of the loans at respective maturity dates. It is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The Group received cryptocurrencies and held on behalf of customers under a custodian agreement. Since the Group is unable to utilise such cryptocurrencies for its own economic benefits, it is not recorded as cryptocurrencies of the Group.

Crypto investments

Crypto investments are primarily held short term. Under the agreements with digital asset management experts, the Group does not operated in trading of these cryptocurrencies and the digital asset management experts have the sole and exclusive right to place orders and manage the trading strategy depending on market condition. Crypto investments are initially recorded at cost and are subsequently remeasured at fair value at the end of each reporting period, with changes in fair value recognised in profit or loss in the period of the changes.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash in hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash in hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle that obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Impairment of assets (other than financial assets)

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount unless the relevant asset is carried at a revalued amount under the Group's accounting policy. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflect current market assessment of time value of money and the risk specific to the asset. An impairment loss is recognised as an expense immediately.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised as income immediately.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Taxation

Taxation represents the sum of the tax paid or currently payable and deferred tax. The tax currently paid and payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred income tax is provided on temporary differences arising on interests in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Foreign currencies

In preparing the financial statements of each individual Group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (HK\$) at the rate of exchange prevailing at that date, and their income and expenses are translated at the average monthly exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of other comprehensive income (the translation reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of. Goodwill and fair value adjustments arising on the acquisition of a foreign operation have been treated as assets and liabilities of the foreign operation and translated at the closing rates.

Equity-settled share-based payment transactions

Share options granted to Directors, employees or other eligible participants of the Company

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity as share option reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the grant is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met.

3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

Non-current assets held for sale

Non-current assets (and disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in the relevant subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell, except for financial assets within the scope of HKFRS 9 which continue to be measured in accordance with the accounting policies as set out in respective sections.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned. Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Accounting for cryptocurrencies

HKFRSs do not specifically address accounting for cryptocurrencies. Accordingly, for the preparation of the consolidated financial statements, management needs to apply judgement in determining appropriate accounting policies based on the facts and circumstances of the Group's holding of cryptocurrencies. The Group trades cryptocurrencies over-the-counter and in cryptocurrency exchange, by purchasing cryptocurrencies with a view to their resale in the near future, and generating a profit from fluctuations in the prices, the Group applies the guidance in HKAS 2 for commodity broker-traders and measures the cryptocurrencies at fair value less costs to sell. The Group considers that there are no significant "costs to sell" associated with virtual assets and hence the measurement of virtual assets is based on their fair value with changes in fair value recognized in profit or loss in the period of the changes.

The sale amounts received from counterparties are recorded as revenue on a gross basis and the associated cost as cost of revenues, as the Company is the principal in the trading transaction. The Company has concluded it is the principal because it controls the cryptocurrencies before delivery to the counterparties, it is primarily responsible for the delivery of the cryptocurrencies to the counterparties, it is exposed to risks arising from fluctuations of the market price and inventory risk of cryptocurrencies before delivery to counterparties, and has discretion in setting prices charged to counterparties.

Furthermore, in determining fair values, management needs to apply judgement to identify the relevant available markets, and to consider accessibility to and activity within those markets in order to identify the principal cryptocurrency markets for the Group.

Estimates of current tax and deferred tax

The Group is required to recognise a provision for income taxes based upon the taxable income and temporary differences for each of the tax jurisdictions in which it operates and for all discrete reportable income streams within those jurisdictions. Significant judgement is required in determining the amount of the taxation provision and the timing of the payment thereon. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Estimation of fair value of financial instruments

The fair value of financial instruments that are not traded in active markets are determined by the directors of the Company with reference to mark-to-market statements published by the fund administrator as at the end of the reporting period. Details of the key assumptions used, the impact of changes to these assumptions and the carrying amounts of financial assets at FVTPL are disclosed in note 38(i).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Valuation of equity-settled share-based payment transactions

The fair values of share options have been calculated using the Binomial Option Pricing Model which require the input of highly subjective assumptions, including the expected volatility of the share price. Because changes in subjective assumptions can materially affect the fair value estimate, in the opinion of the Directors, the existing model may not always necessarily produce a reliable single measure of the fair value of the share options. Details of the assumptions used are set out in note 32.

Determination of consolidation scope

Where the Group acts as an asset manager for several funds, the Group makes judgement on whether it is the principal or an agent to determine whether the Group controls the funds and should consolidate them. When performing this assessment, the Group considers several factors including, among other things, the scope of its decision-making authority over the funds, the rights held by parties, the remuneration to which it is entitled in accordance with the related agreements for the assets management services and the Group's exposure to variability of returns from other interests that it holds in the funds. The Group performs re-assessment periodically based on whether it has control if facts and circumstances indicate that there are changes to one or more of the elements of controls.

Assets held as custodian

When the Group acts, in a fiduciary capacity, as custodian that results in the holding of digital assets on behalf of clients, the Directors make a judgement as to whether or not it is subject to substantial risks and rewards incidental to ownership of the assets and therefore, whether or not this should be excluded in the Group's consolidated financial statements. The assessment requires careful consideration of the terms of the agreement with its clients, the applicable laws governing the jurisdiction(s) in which the custodian operates and how the Group manages and stores the digital assets.

Impairment of amount due from a former subsidiary

The Group measures the impairment of amount due from a former subsidiary based on an expected credit loss model. The allowance for ECL on the amount due from a former subsidiary is calculated based on loss rates which are reference to the default rates from international credit rating agencies and historical data, adjusted for forward-looking futures specific to the debtor and the economic environment. Specifically, a credit loss is the present value of the difference between (i) the contractual cash flows that are due to an entity under the contract and (ii) the cash flows that the entity expects to receive. Such assessment involves a high degree of estimation and uncertainty. When the actual future cash flows are less or more than expected, material ECLs or material reversal of ECLs may arise, accordingly. As at 30 September 2024, the carrying amount of amount due from a former subsidiary amounted to HK\$81,513,000. Expected credit loss amounting to HK\$4,800,000 (2023: HK\$5,450,000) was recognised during the year ended 30 September 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

5. SEGMENT INFORMATION

As disclosed in Note 13, 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 (see Note 41(b)) and its contract manufacturing business was classified as discontinued operations. 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 years ended 30 September 2024 and 2023, the Group principally operates in one business segment, which is virtual assets ecosystem. Other businesses were considered relatively insignificant for the years ended 30 September 2024 and 2023.

Geographical information

Continuing operations

The Group’s operations are mainly located in the People’s Republic of China (the “PRC”) (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:

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Customer A	459,197	N/A [#]
Customer B	N/A [#]	1,913,019
Customer C	257,883	N/A [#]

[#] Revenue does not over 10% during the corresponding year.

All of the Group’s non-current assets are located in the PRC (including HKSAR).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

6. 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:

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Cryptocurrency trading	1,520,345	2,810,576
Revenue recognised at a point in time	1,520,345	2,810,576
Cryptocurrency mining services	12,583	5,788
Provision of custodian services	1,183	1,103
Provision of asset management services	25,629	4,283
Provision of lending management services	1,082	1,618
Provision of technology solution services	6,817	10,000
Provision of consultancy services	1,748	201
Revenue recognised over time	49,042	22,993
Total revenue	1,569,387	2,833,569



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

7. OTHER INCOME AND GAINS/(LOSSES)

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Exchange difference	986	392
Fair value gains on crypto investments	2,334	–
Marketing income	1,031	–
Sundry income/(loss)	542	(228)
Gain on lease modification	–	251
Government grants (note)	–	301
Net gain on derivatives	–	112
Fair value losses on financial asset at FVTPL	(48)	(1,001)
Loss on disposal of property, plant and equipment	–	(6,033)
	<u>4,845</u>	<u>(6,206)</u>

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

8. INTEREST INCOME

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interest income on bank deposits and balances	1,392	19
Interest income on loan receivable	111	3
	<u>1,503</u>	<u>22</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

9. FINANCE COSTS

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Interest on bank borrowings	–	1
Imputed interest on other loans from a related company (note 26)	4,419	13,145
Interest on other loans from a related company	–	492
Interest expenses on lease liabilities (note 27(b))	336	1,422
	<u>4,755</u>	<u>15,060</u>

10. PROFIT/(LOSS) BEFORE INCOME TAX

	2024 HK\$'000	2023 HK\$'000
Profit/(Loss) before income tax is arrived at after charging:		
Continuing operations		
Auditors' remuneration		
– audit services	1,350	1,820
– other services	1,000	800
Cost of inventories recognised as expenses		
– cryptocurrency trading business	1,511,104	2,813,274
Depreciation of property, plant and equipment (note 18)	365	8,317
Depreciation of right-of-use assets (note 27(a))	690	11,463
Short-term lease expenses (note 27(a))	2,872	1,362
Cloud storage and technical support expenses	6,542	30,181
Employee benefit expenses (note 11)	67,543	101,892
	<u>1,598,466</u>	<u>3,787,309</u>
Discontinued operations		
Cost of inventories recognised as expenses		
– other business	–	146,720
Depreciation of property, plant and equipment (note 18)	–	3,196
Depreciation of right-of-use assets (note 27(a))	–	11,670
Short-term lease expenses (note 27(a))	–	515
Provision for impairment loss on inventories	–	4,072
Employee benefit expenses (note 11)	–	41,816
	<u>–</u>	<u>208,089</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Staff salaries, allowances and welfare	46,930	88,641
Provident fund contributions (note 28)	6,740	12,613
Mandatory provident fund obligations (note 28)	461	597
Recognition of share-based compensation expenses (note 32)	13,412	41
	<u>67,543</u>	<u>101,892</u>
Discontinued operations		
Staff salaries, allowances and welfare	–	13,324
Provident fund contributions (note 28)	–	970
Mandatory provident fund obligations (note 28)	–	172
Direct labour costs	–	27,350
	<u>–</u>	<u>41,816</u>

12. INCOME TAX EXPENSES/(CREDIT)

The income tax expenses/(credit) for the year comprises:

	2024 HK\$'000	2023 HK\$'000
Continuing operations		
Current tax income – HKSAR:		
Provision for the year	772	262
Over provision in respect of prior years	–	(2,887)
	<u>772</u>	<u>(2,625)</u>
Current income tax – Overseas:		
Provision for the year:		
Japan	–	(143)
	<u>–</u>	<u>(143)</u>
Deferred tax (note 29)	(729)	(2,123)
Income tax expenses/(credit)	<u>43</u>	<u>(4,891)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

12. INCOME TAX EXPENSES/(CREDIT) (continued)

Hong Kong profits tax is calculated at the rate of 16.5% (2023: 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 8.25%, in accordance with the new two-tiered tax rate regime.

The PRC corporate income tax charge was determined in accordance with the relevant laws and regulations in Mainland China, and was assessed at a rate of 25% (2023: 25%).

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

The reconciliation between income tax expenses/(credit) and profit/(loss) before income tax at applicable tax rates is as follows:

	2024 HK\$'000	2023 HK\$'000
Profit/(Loss) before income tax (from continuing operations)	<u>56,379</u>	<u>(282,173)</u>
Tax thereon at domestic rates applicable to profits or losses in the jurisdictions concerned	9,075	(57,082)
Tax effect of non-deductible expenses	14,363	10,859
Tax effect of non-taxable income	(11,118)	(5,732)
Tax effect of temporary differences not recognised	(3)	1,248
Tax effect of tax losses not recognised	8,245	48,703
Utilisation of tax loss not recognised in prior years	(20,354)	–
Tax concession	(165)	–
Over provision in respect of prior years	–	(2,887)
Income tax expenses/(credit)	<u><u>43</u></u>	<u><u>(4,891)</u></u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

13. 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 during the year ended 30 September 2023, 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 ended 30 September 2023 from the discontinued operations is set out below.

	2023 HK\$'000
Loss of Contract Manufacturing Business for the period/year	(11,412)
Gain on disposal of subsidiaries (note 41(b))	5,955
	<u>(5,457)</u>

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

	2023 HK\$'000
Revenue	160,926
Cost of sales	<u>(150,792)</u>
Gross profit	10,134
Other income and gains	1,716
Interest income	627
Selling and distribution expenses	(2,170)
Administrative expenses	(18,601)
Finance costs	<u>(4,391)</u>
Loss before income tax	(12,685)
Income tax credit	<u>1,273</u>
Loss for the year	(11,412)
Gain on disposal of subsidiaries	<u>5,955</u>
Loss for the year from discontinued operations	<u><u>(5,457)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

13. DISCONTINUED OPERATION *(continued)*

Disposal of entire equity interest in the Pantene Group *(continued)*

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

	2023 HK\$'000
Operating activities	10,334
Investing activities	(14,102)
Financing activities	(75,369)
	<hr/>
Net cash outflow	(79,137)
	<hr/> <hr/>

14. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

(a) 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 (“Solutions”), at a consideration of approximately HK\$205,706,000, and the entire issued share capital of HBTPower Limited and HBTPower Inc. (collectively known as “HBTPower”), at a total consideration of approximately US\$6,625,000 (equivalents 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 approved 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 as at 30 September 2023 (see below).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

14. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

(a) Assets and liabilities classified as held for sale (continued)

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

	HK\$'000
Property, plant and equipment (note 18)	3,773
Right-of-use assets (note 27(a))	27,144
Trade and other receivables	46,651
Investment in joint venture (note 19)	57,030
Cryptocurrencies (note i)	64,260
Financial assets at FVTOCI (note ii)	7,961
Cash and bank balances	63,545
Total assets classified as held for sale	270,364
Trade and other payables	17,908
Amounts due to related party (note iii)	4,935
Lease Liabilities	28,966
Tax payable	710
Deferred tax liabilities (note 29)	43
Total liabilities associated with assets classified as held for sale	52,562

Notes:

- (i) As at 30 September 2023, approximately 238,027 Filecoins with carrying amount of HK\$6,255,000 were pledged for cryptocurrency mining business.
- (ii) As at 30 September 2023, it represented unlisted equity investment in 92,908 Preferred B shares, around 6% equity interest, of a private company incorporated in Switzerland ("Company A").
- (iii) As at 30 September 2023, there was amounts due to related company of HK\$4,935,000 in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

14. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

(a) Assets and liabilities classified as held for sale (continued)

The profit/(loss) for the year from the Target Companies, which were included in continuing operations of the Group, are disclosed as follows:

	2024 HK\$'000	2023 HK\$'000
Revenue	106,308	346,875
Cost of sales	(62,139)	(346,353)
Gross profit	44,169	522
Other income and (losses)/gains	(1,402)	737
Fair value gains on cryptocurrencies	8,992	13,819
Administrative expenses	(19,156)	(21,529)
Share of result of a joint venture	–	3,877
Finance costs	(260)	(1,590)
Profit/(loss) before income tax	32,343	(4,164)
Income tax expense	–	–
Profit/(loss) for the year	32,343	(4,164)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

14. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

(b) Disposal of Solutions

The disposal of Solutions was completed on 9 February 2024. Details of the disposal are as follows:

	HK\$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	3,773
Investment in a joint venture	57,030
Amount due from a related company	216
Other receivables	321
Financial assets at fair value through other comprehensive income	7,961
Financial assets at fair value through profit or loss	38,923
Cryptocurrencies	100,240
Cash and bank balances	29,971
	<u>238,435</u>
Liabilities:	
Other payables	(23,567)
Amount due to a related company	(3,171)
Tax payable	(710)
Deferred tax liabilities	(43)
	<u>(27,491)</u>
Net assets disposed of a subsidiary	210,944
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	259
Non-controlling interests	(9,440)
Gain on disposal recognised in other reserve	3,943
	<u>205,706</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

14. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE (continued)

(b) Disposal of Solutions (continued)

An analysis of the cash flows in respect of the disposal was as follows:

	HK\$'000
Net cash outflow arising on disposal:	
Cash consideration	–
Less: Cash and bank balances disposed of	(29,971)
	<u>(29,971)</u>
Net cash outflows	<u>(29,971)</u>

The proceeds receivable amounting to HK\$205,706,000 was offset with other borrowing of HK\$205,706,000 owing by the Group to the Purchaser. There is no cash flows in respect of the consideration receivable from the disposal.

(c) Disposal of HBTPower

The disposal of HBTPower was completed on 12 March 2024. Details of the disposal are as follows:

	HK\$'000
Analysis of assets and liabilities over which control was lost:	
Assets:	
Right-of-use assets	27,144
Deposits	46,221
	<u>73,365</u>
Liabilities:	
Lease liabilities	(29,219)
Amount due to related companies	(4,945)
	<u>(34,164)</u>
Net assets disposed of a subsidiary	39,201
Gain on disposal recognised in other reserve	12,801
	<u>52,002</u>
Total consideration	<u>52,002</u>

The proceeds receivable amounting to HK\$52,002,000 was offset with other borrowing of HK\$52,002,000 owing by the Group to the Purchaser. There is no cash flows in respect of the consideration receivable from the disposal.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

15. DIRECTORS' EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments of the Directors for the year are set out below:

	Fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Retirement benefits scheme contribution HK\$'000	Discretionary bonuses HK\$'000	Share-based compensation expenses HK\$'000	Total HK\$'000
Year ended 30 September 2024						
<i>Executive Directors</i>						
Mr. Du Jun	1,200	960	18	–	2,808	4,986
Ms. Zhang Li	1,200	180	9	–	–	1,389
<i>Non-executive Director</i>						
Mr. Li Lin	1,200	–	–	–	–	1,200
<i>Independent non-executive Directors</i>						
Mr. Yu Chun Kit	260	–	–	–	–	260
Mr. Yip Wai Ming	260	–	–	–	–	260
Dr. Lam, Lee G., <i>BBS, JP</i>	260	–	–	–	–	260
Total	4,380	1,140	27	–	2,808	8,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

15. DIRECTORS' EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

	Fees HK\$'000	Salaries, allowances and other benefits HK\$'000	Retirement benefits scheme contribution HK\$'000	Discretionary bonuses HK\$'000	Share-based compensation expenses HK\$'000	Total HK\$'000
Year ended 30 September 2023						
Executive Directors						
Mr. Du Jun (appointed on 30 November 2022)	1,003	803	7	–	–	1,813
Ms. Zhang Li	1,200	225	3	–	–	1,428
Mr. Wu Shupeng (resigned on 30 November 2022)	200	1,413	3	–	–	1,616
Non-executive Director						
Mr. Li Lin	1,200	–	–	–	–	1,200
Independent non-executive Directors						
Mr. Yu Chun Kit	260	–	–	–	–	260
Mr. Yip Wai Ming	260	–	–	–	–	260
Dr. Lam, Lee G., <i>BBS, JP</i> (appointed on 21 April 2023)	106	–	–	–	–	106
Mr. Ngai Matthew Cheuk Yin (resigned on 20 April 2023)	153	–	–	–	–	153
Total	4,382	2,441	13	–	–	6,836

During the year, none of the Directors waived or agreed to waive any emoluments and there were no emoluments paid by the Group to any of the Directors as an inducement to join or upon joining the Group or as compensation for loss of office (2023: HK\$Nil).

The executive Directors' emoluments were mainly for their services in connection with management of the affairs of the Company and the Group.

The non-executive Director and independent non-executive Directors' emoluments shown above were for their services as directors of the Company.

*Note: Discretionary bonuses were determined with reference to the performance of the Company, the duties, responsibilities and performance of each of the Directors with the Company.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

15. DIRECTORS' EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, one (2023: four) of Director of the Company whose emoluments are included in note 15(a) above. The emoluments of the remaining four (2023: one) individuals are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, allowances and other benefits	3,815	1,179
Bonus	–	–
Retirement benefit scheme contribution	171	18
Share-based compensation expenses	5,180	–
	<u>9,166</u>	<u>1,197</u>

Their emoluments were within the following bands:

	2024 Number of Individuals	2023 Number of individuals
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	2	–
HK\$2,000,001 to HK\$2,500,000	1	–
HK\$3,500,001 to HK\$4,000,000	1	–
	<u>4</u>	<u>1</u>

During the year, none of the five highest paid individuals waived or agreed to waive any emoluments and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2023: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

15. DIRECTORS' EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(c) Senior management's emoluments

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

	2024 Number of individuals	2023 Number of individuals
HK\$1,000,001 to HK\$1,500,000	–	1
HK\$1,500,001 to HK\$2,000,000	2	–
HK\$2,000,001 to HK\$2,500,000	1	–
HK\$3,500,001 to HK\$4,000,000	1	–

16. DIVIDENDS

There was no dividend for the years ended 30 September 2024 and 2023.

The Directors do not recommend the payment of a final dividend for the years ended 30 September 2024 and 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

17. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares of 465,960,665 (2023: 312,564,775) in issue or issuable during the year.

	2024 HK\$'000	2023 HK\$'000
Profit/(loss) attributable to owners of the Company		
– for continuing operations	54,322	(275,959)
– for discontinued operations	–	(11,412)
	<u>54,322</u>	<u>(287,371)</u>

	Share	Share
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	465,960,665	312,564,775
Effect of dilutive potential ordinary shares arising from: share options issued by the Company	<u>1,170,479</u>	–
Weighted average number of ordinary shares for the purpose of diluted earnings/(loss) per share	<u>467,131,144</u>	<u>312,564,775</u>

There was no diluted loss per share for the year ended 30 September 2023 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Plant and machinery HK\$'000	Total HK\$'000
Cost					
At 1 October 2022	17,393	53,678	4,958	60,728	136,757
Additions	11,365	3,412	–	3,110	17,887
Disposals	(8,925)	(4,444)	(374)	(6,871)	(20,614)
Disposal of a subsidiary	(13,787)	(44,808)	(3,625)	(46,328)	(108,548)
Transferred to assets held for sale (note 14)	–	–	–	(7,149)	(7,149)
Currency realignment	(375)	(223)	(20)	(176)	(794)
At 30 September 2023 and 1 October 2023	5,671	7,615	939	3,314	17,539
Additions	–	25	–	–	25
Currency realignment	(4)	(6)	–	–	(10)
At 30 September 2024	5,667	7,634	939	3,314	17,554
Accumulated depreciation and impairment					
At 1 October 2022	5,382	40,753	3,801	38,832	88,768
Provided for the year	3,243	3,658	419	4,193	11,513
Disposals	(3,940)	(3,355)	(374)	(5,792)	(13,461)
Impairment for the year (note)	2,925	5,752	–	1,309	9,986
Disposal of a subsidiary	(1,866)	(40,153)	(3,331)	(31,850)	(77,200)
Transferred to assets held for sale (note 14)	–	–	–	(3,376)	(3,376)
Currency realignment	(73)	310	(20)	(2)	215
At 30 September 2023 and 1 October 2023	5,671	6,965	495	3,314	16,445
Provided for the year	–	52	313	–	365
Impairment for the year (note)	–	480	–	–	480
Currency realignment	(4)	(2)	–	–	(6)
At 30 September 2024	5,667	7,495	808	3,314	17,284
Carrying values					
At 30 September 2024	–	139	131	–	270
At 30 September 2023	–	650	444	–	1,094

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

18. PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

During the year ended 30 September 2024, the management of the Group concluded there was impairment indication for furniture, fixtures and equipment located in the PRC under cash generating units (“CUGs”) of virtual asset ecosystem and provision of technology solutions services and conducted a review of the recoverable amount of the furniture, fixtures and equipment.

For the purpose of impairment assessment, the recoverable amount of furniture, fixtures and equipment located in the PRC is estimated individually and has been determined based on higher of value-in-use or their fair value less costs of disposal.

The recoverable amount of the furniture, fixtures and equipment located in the PRC were determined by reference to their fair value less costs of disposal. The main valuation inputs used were the market value (available data from binding sales transactions in an arm’s length transaction of similar assets or observable market prices) and incremental costs for disposing of these assets. The management assessed that the fair value less costs of disposal for the furniture, fixtures and equipment located in the PRC was Nil. The fair value of the furniture, fixtures and equipment located in the PRC is classified as a level 3 fair value.

Based on the result of the assessment, the management of the Group determined that the recoverable amount of the furniture, fixtures and equipment was less than the carrying amount. Accordingly, an impairment loss of HK\$480,000 (2023: HK\$9,986,000) on property, plant and equipment has been recognised in profit or loss for the year ended 30 September 2024.

19. INVESTMENT IN A JOINT VENTURE

	2024 HK\$'000	2023 HK\$'000
Unlisted equity investment:		
Share of net assets	–	57,030
Reclassified to asset held for sale (note 14)	–	(57,030)
	<u>–</u>	<u>–</u>

Details of the Group’s joint venture 30 September 2023 is as follows:

Name of joint venture	Form of business structure	Place of incorporation	Effective interest held by the Group		Proportion of voting rights held by the Group		Principal activities
			2024	2023	2024	2023	
FIL Limited (note)	Incorporated	BVI	0%	50%	0%	50%	Filecoin mining activity

Note:

References are made to the Company’s announcements dated 8 February 2023 and 4 March 2023 and the subscription agreements dated 7 February 2023 and 4 March 2023, New Huo Solution Limited, a directly wholly-owned subsidiary of the Company, and other investor agreed to subscribe the partnership interest (the “Subscriptions”) in a New World Pioneer Mining Fund 1 LPF (the “Fund”) which is established for the purpose of making investment into the cryptocurrency mining ecosystem. The Fund, through an intermediate company, invested in FIL Limited during the year ended 30 September 2023. Upon completion of the Subscriptions, the Group holds effective 50% voting shares of FIL Limited. The decisions about the relevant activities that significantly affect the returns of FIL Limited require the unanimous consent of both the Group and another investor. Therefore, the Group has joint control over FIL Limited and is accounted for using the equity method in these consolidated financial statements.

As at 30 September 2023, the investment in a joint venture was classified as asset held for sale (note 14).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

20. CRYPTOCURRENCIES

	2024 HK\$'000	2023 HK\$'000
Cryptocurrencies		
Held in own wallets of the Group	21,070	13,882
Held on exchange institutions	75,207	1,169
	<u>96,277</u>	<u>15,051</u>
Representing:		
Bitcoin ("BTC")	1,104	279
USDT	91,363	12,339
USDC	183	24
Filecoin	3,209	1,971
ETH	369	240
Others	49	198
	<u>96,277</u>	<u>15,051</u>

21. CRYPTO INVESTMENTS

During the year ended 30 September 2024, the Group granted management rights for the investment management of crypto assets under the agreements (the "Agreements") with three independent digital asset management experts ("Investment Managers"). The Investment Managers shall manage portfolios of digital assets that the Group deposited into several separated digital asset accounts under its own name in a cryptocurrency exchange ("Account") owned by the Group on a discretionary basis for the purpose of spots and futures arbitrage trading of tokens and token derivatives by means of their softwares and strategies in accordance with the terms of the Agreements. The Investment Managers shall have the sole and exclusive right to place orders and manage the trading strategy depending on market condition, the Group cannot operate the Accounts or execute orders without the Investment Managers' prior written permission. However, the Group maintains a supervisory role on these accounts and retains the right to withdraw its asset from the Accounts at any time and at its sole discretion.

During the year ended 30 September 2024, the Group deposited and withdrew cryptocurrencies equivalents amounting to HK\$93,738,000 and HK\$64,839,000 for crypto investments, respectively. The deposits and withdrawals were in a rolling basis. At the end of the reporting period, a total 4 million USDT (equivalent to US\$4 million and approximately HK\$31.2 million) were held at the Accounts owned by the Group with fair value of HK\$31,233,000 and managed by three independent Investment Managers with different cryptocurrencies in these Accounts.

During the year ended 30 September 2024, a fair value gains of the crypto investment recognised in profit or loss amounted to HK\$2,334,000 (2023: Nil).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 HK\$'000	2023 HK\$'000
Current		
Financial assets at FVTPL (note i)		
– Unlisted fund investment A (note ii)	2,710	–
– Unlisted fund investment B (note iii)	2,847	–
	5,557	–

Notes:

- (i) The unlisted fund investments were classified as FVTPL.
- (ii) The balance as at 30 September 2024 represented first subscription of unlisted fund investment in 380 class A non-voting, redeemable, participating shares (“Participating Shares of the Segregated Portfolio”), around 2.08% equity interest, of Sinohope Investment SPC – Sinohope Multi-Strategy Crypto Fund SP, a segregated portfolio of Sinohope Investment SPC (“Sinohope Fund Company”), an exempted company registered as a segregated portfolio company incorporated with limited liability in the Caymen Islands.

Participating Shares of the Segregated Portfolio is subject to a lock-up 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.

Participating Shares of the Segregated Portfolio may not be transferred without the prior written consent of the directors of the Sinohope Fund Company.

As at 30 September 2024, Mr. Li Lin, a director of the Company, is beneficially interested in 93.74% of Participating Shares of the Segregated Portfolio.

- (iii) The balance as at 30 September 2024 represented first subscription of unlisted fund investment in 340 class A ordinary non-voting participating shares (“ChainUp Smart Participating Shares”), around 4.7% equity interest, of ChainUp Investment SPC – Smart Beta Strategy SP, a segregated portfolio of ChainUp Investment SPC (“ChainUp Fund Company”), an exempted company registered as a segregated portfolio company incorporated with limited liability in the Caymen Islands.

ChainUp Smart Participating Shares is subject to a lock-up period of 12 calendar months immediately following the date on which a ChainUp Smart Participating Shares is issued.

ChainUp Smart Participating Shares may not be transferred without the prior written consent of the directors of the ChainUp Fund Company.

As at 30 September 2024, Mr. Zhong Gengfa, a substantial shareholder of the Company holding 17.66% of the issued shares of the Company, is beneficially interested in 35.34% of the voting, non-participating share of ChainUp Fund Company and 51.17% of the ChainUp Smart Participating Shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

23. TRADE AND OTHER RECEIVABLES

	2024 HK\$'000	2023 HK\$'000
Non-current portion		
Deposits for acquisition of investments (note f)	18,056	–
Amount due from a former subsidiary (note a)	–	81,513
Less: provision for expected credit loss	–	(5,450)
	<u>18,056</u>	<u>76,063</u>
Current portion		
Other assets	141,748	141,748
Less: provisions for impairment	–	(85,897)
Other assets, net (note b)	141,748	55,851
Deposits for acquisition of investments (note g)	16,250	–
Amount due from a former subsidiary (note a)	81,513	–
Less: provision for expected credit loss	(10,250)	–
Amount due from a former subsidiary, net	71,263	–
Trade receivables (notes c, d)	4,384	4,490
Rental and other deposit and prepayments	5,510	2,894
Other receivables (note e)	1,530	1,176
	<u>240,685</u>	<u>64,411</u>
	<u>258,741</u>	<u>140,474</u>

Notes:

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

As at 30 September 2024, the management of the Company considered that the credit risk has increased significantly since initial recognition and the loss allowance is measured at an amount equal to life-time ECLs. During the year ended 30 September 2024, loss allowances of HK\$4,800,000 (2023: 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 2024. Please refer to note 38 (iii) for details of assessment.

Subsequent to the end of the reporting period, an amount of approximately HK\$40,750,000 were settled in cryptocurrency of USDT.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

23. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

- (b) On 11 November 2022, FTX group entities (“Debtors”), 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.

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”). On 29 March 2023, the Group thereafter completed the submission of a claim of FTX Deposits amounting to approximately US\$18,089,000 (equivalent to approximately HK\$141,748,000) (“Claim Amount”) against FTX to the liquidator of FTX (“FTX Claim”) which had been agreed and accepted by the Liquidators.

For the purpose of impairment assessment, the recoverable amount of the FTX Deposits 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 Claim. 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 had been recognised in profit or loss for the year ended 30 September 2023.

On 24 May 2024, Hbit Limited (“Seller”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the Claim Amount with an independent third party (“Buyer”) to dispose of the Claim Amount at a consideration of approximately US\$19,500,000 (equivalent to approximately HK\$152,125,000) (“Consideration”). For details, please refer to the Company’s announcement dated 24 May 2024.

The sale and purchase agreement contained a disallowance clause that:

If (i) all or any part of the FTX Claim is objected to, avoided, disallowed, subordinated, reduced, set-off, subject to any preference action or otherwise impaired, (ii) the FTX Claim is subsequently scheduled by the Debtors or is amended such that all or any portion of the FTX Claim is listed on the Debtors’ amended schedule of liabilities as unliquidated, contingent or disputed or is listed (or is otherwise allowed) in a lesser amount than the Claim Amount, or (iii) the US Bankruptcy Court does not substitute the Buyer for the Seller as the sole legal and beneficial owner of the FTX Claim (each of the foregoing, a “Disallowance”), then the Seller shall, no later than 5 Business Days after receiving a written notice from the Buyer of such Disallowance, make an immediate restitution payment of all or part of the Consideration proportional to disallowed portion of the FTX Claim, and the Buyer shall immediately have no further rights or interest with respect to the disallowed portion of the FTX Claim.

In view of the Claim Amount is still subject to numerous uncertainties and risks beyond the Group’s control, and the Group has an obligation to repay the Buyer any shortfall in the Claim Amount as per Clause 8 of the sales and purchase agreement, the significant risks related to the FTX Claim have not been transferred to the Buyer by the Group. Therefore, the Group has continued to recognise the full carrying amount of the FTX Claim as other asset and has recognised the cash received from the Buyer as a receipt in advance for disposal of other asset (note 25). These assets were carried at amortised cost in the Group’s consolidated statement of financial position.

Based on the latest net book value of FTX that is available to the directors of the Company as of 30 September 2024 and with reference to the transaction price of the FTX Claim, a reversal of impairment loss of HK\$85,897,000 has been recognised as of 30 September 2024, which has been include in profit or loss for the year ended 30 September 2024.

- (c) As at 30 September 2024, included in trade receivables were amounts due from related companies amounting to HK\$2,759,000 (2023: HK\$2,950,000) in which Mr. Li Lin, a director of the Company, has beneficial interests. The amounts are unsecured, interest-free and trade in nature.
- (d) At the reporting date, the aged analysis of trade receivables, based on invoice date, is as follows:

	2024 HK\$'000	2023 HK\$'000
0–60 days	2,182	1,484
61–90 days	381	1,005
91–120 days	67	1,007
More than 120 days	1,754	994
	<u>4,384</u>	<u>4,490</u>

The Group allows credit periods of 14 to 30 days (2023: 14 to 30 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

23. TRADE AND OTHER RECEIVABLES (continued)

Notes: (continued)

(d) (continued)

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:

	2024 HK\$'000	2023 HK\$'000
Neither past due nor impaired	1,926	747
0–60 days past due	710	1,005
61–90 days past due	67	1,007
91–120 days past due	70	994
Over 120 days past due	1,611	737
	<u>4,384</u>	<u>4,490</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.

(e) As at 30 September 2024, included in other receivables was amounts due from related companies amounting to HK\$725,000 (2023: Nil) in which Mr. Li Lin, a director of the Company, has beneficial interest. The amounts are unsecured, interest-free and repayable on demand.

As at 30 September 2024, included in other receivables was amounts due from related companies amounting to HK\$2,847,000 (2023: Nil) in which Mr. Du Jun, a director the Company, has beneficial interest. The amounts are unsecured, interest-free and repayable on demand.

(f) As at 30 September 2024, the balance comprised of the following:

(i) US\$1,320,000 (equivalents to HK\$10,263,000) for second subscription of 1,320 ChainUp Smart Participating Shares (note 22 (iii)). The subscription was completed in October 2024.

As ChainUp Smart Participating Shares is subject to a lock-up period of 12 calendar months immediately following the date on which a ChainUp Smart Participating Shares is issued, the deposit was classified as non-current. Please refer to note 22 (iii) for details; and

(ii) USDT1,000,000 (equivalents to HK\$7,793,000) for acquiring 1,000 class A shares of an unlisted equity investment, around 1% equity interest, of a private company incorporated in the British Virgin Islands. The Group considers the investment to be long-term investment purpose and the deposit was classified as non-current.

(g) As at 30 September 2024, the balance comprised of the following:

(i) US\$968,000 (equivalents to HK\$7,526,000) for subscription of 976 class A limited-voting, redeemable, participating shares ("Delta Neutral Participating Shares") of ChainUp Investment SPC – Delta Neutral Hedging Strategy SP, a segregated portfolio of ChainUp Fund Company. The subscription was completed in October 2024.

Delta Neutral Participating Shares is subject to a lock-up period of 3 calendar months immediately following the date on which Delta Neutral Participating Shares is issued.

Delta Neutral Participating Shares may not be transferred without the prior written consent of the directors of the ChainUp Fund Company.

As at 30 September 2024, Mr. Zhong Gengfa, a substantial shareholder of the Company holding 17.66% of the issued shares of the Company, is beneficially interested in 35.34% of the voting, non-participating share of ChainUp Fund Company; and

(ii) USDT1,120,000 (equivalents to HK\$8,724,000) for second subscription of 1,120 Participating Shares of the Segregated Portfolio. Please refer to note 22 (ii) for details.

The subscription was completed in October 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

24. BANK DEPOSIT AND CASH AND BANK BALANCES

	2024 HK\$'000	2023 HK\$'000
Time deposits	1,500	1,500
Cash at banks and in hand	62,282	320,161
	<u>63,782</u>	<u>321,661</u>
Less: Time deposit with original maturity of over three months	(1,500)	(1,500)
	<u>62,282</u>	<u>320,161</u>

Cash at banks earn interest at floating rates based on daily bank deposit rates. Time deposits are placed with banks with original maturity period of one year or less and earn interest at the respective time deposits rates ranging from 0.25% to 4.6% per annum. (2023: Time deposits are placed with banks with original maturity period of one year or less and earn interest at rates ranging from 0.25% per annum).

Included in cash and bank balances of the Group at the reporting date are bank balances denominated in Renminbi ("RMB") of HK\$5,423,000 (2023: HK\$1,472,000) placed with banks in Mainland China. RMB is not a freely convertible currency. Under the Mainland China's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

25. OTHER PAYABLES

	2024 HK\$'000	2023 HK\$'000
Other payables and accruals (note a)	16,736	12,549
Receipt in advance for disposal of other assets (note 23(b))	152,125	–
Amounts due to sub-funds investors (note b)	4,665	–
	<u>173,526</u>	<u>12,549</u>

Notes:

- As at 30 September 2023, included in other payables was amounts due to related companies amounting to HK\$355,000, in which Mr. Li Lin, a Director of the Company, has beneficial interests. The amounts are unsecured, interest-free and repayable on demand.
- The balances represented the 40% interest of Sinohope Delta Neutral Quant Arbitrage Sub-fund (the "Sub-fund") received from third parties in association with contributions to Subfund controlled by the Group. The balances are repayable on demand upon redemption requests received from those investors after 3 to 12 months from the date of respective contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. OTHER BORROWINGS

	2024 HK\$'000	2023 HK\$'000
Other borrowings (unsecured) comprise:		
Loans from a related company	–	467,205
Other borrowings are repayable as follows:		
Within one year or on demand	–	359,107
More than one year but not exceeding two years	–	108,098
	–	467,205
Analysed into:		
Non-current	–	108,098
Current	–	359,107
	–	467,205

Notes:

Other borrowings – Loans from a related company

2019 Shareholder's Facility

Under a facility agreement dated 26 September 2019 and the extension letters with Avenir Cayman Holding Limited (formerly known as Huobi Cayman Holding Limited) (“Avenir”), the then immediate holding company of the Company, pursuant to which Avenir agreed to make available to the Company an unsecured revolving facility up to the maximum aggregate amount of HK\$471,000,000 (the “2019 Shareholder’s Facility”). The 2019 Shareholder’s Facility does not bear any interest and will be utilised by the Company for the purpose of general working capital and business development.

As at 30 September 2023, the 2019 Shareholder’s Facility with carrying amount of HK\$359,107,000 will be expired on 30 September 2024.

During the year ended 30 September 2024, imputed interest of HK\$4,067,000 was accrued at an effective annual interest rate of 2.86% for the 2019 Shareholder’s Facility.

On 3 November 2023, the Group made a partial repayment of HK\$37,678,000 and a reversal of fair value gain of HK\$807,000 (net of reversal of deferred tax liability of HK\$159,000) was debited to other reserves for the period ended 31 March 2024.

On 8 February 2024, the Group made a partial repayment of HK\$73,911,000 and a reversal of fair value gain of HK\$1,124,000 (net of reversal of deferred tax liability of HK\$222,000) was debited to other reserves for the period ended 31 March 2024.

On 12 March 2024, the Group has settled the outstanding loan of HK\$257,708,000 by offsetting the consideration of disposal of subsidiaries (note 14) and a reversal of fair value gain of HK\$3,276,000 (net of reversal of deferred tax liability of HK\$535,000) was debited to other reserves for the year ended 30 September 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

26. OTHER BORROWINGS (continued)

Notes: (continued)

Other borrowings – Loans from a related company (continued)

2022 Shareholder's Facility

Under a facility agreement dated 5 May 2022 with Avenir, the then immediate holding company of the Company, pursuant to which Avenir agreed to make available to the Company an unsecured revolving facility up to the maximum aggregate amount of US\$40,000,000 (the "2022 Shareholder's Facility"). The 2022 Shareholder's Facility does not bear any interest and will be utilised by the Company for the purpose of general working capital and business development.

As at 30 September 2023, the 2022 Shareholder's Facility with carrying amount of HK\$30,815,000 will be expired on 4 May 2025.

During the year ended 30 September 2024, imputed interest of HK\$129,000 was accrued at an effective annual interest rate of 1.17% for the 2022 Shareholder's Facility.

On 8 February 2024, the Company made a full repayment of the outstanding loan amounting to US\$4,000,000 or HK\$31,398,000. A reversal of fair value gain of HK\$379,000 (net of reversal of deferred tax liability HK\$75,000) was debited to the other reserves.

2022 Shareholder's FTX Facility

Under a facility agreement dated 13 November 2022 with Avenir, the then immediate holding company of the Company, pursuant to which Avenir agreed to make available to the Company an unsecured nonrevolving facility up to the maximum aggregate amount of US\$14,000,000 (the "2022 Shareholder's FTX Facility") and expired on 12 March 2023. The 2022 Shareholder's FTX Facility does not bear any interest and will be utilised by the Company for the purpose of covering client asset liability arising from the failure to withdraw cryptocurrency assets from FTX.

As at 30 September 2023, the 2022 Shareholder's FTX Facility with carrying amount of HK\$77,283,000 will be expired on 14 November 2024.

During the year ended 30 September 2024, imputed interest of HK\$223,000 was accrued at an effective annual interest rate of 3.15% for the 2022 Shareholder's FTX Facility.

In November 2023, the Company made a full repayment of the outstanding loan amounting to US\$10,199,455 or HK\$80,053,000. A reversal of fair value gain of HK\$2,127,000 (net of reversal of deferred tax liability of HK\$420,000) was debited to other reserves.

Imputed interest on loans from a related company

For the year ended 30 September 2024, aggregated imputed interest of HK\$4,419,000 (with related deferred tax credit of HK\$729,000) (30 September 2023: HK\$13,145,000 (with related deferred tax credit of HK\$2,169,000)) has been charged to the condensed consolidated statement of profit or loss (notes 9 and 12).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

27. LEASES

The Group leases certain leasehold land, office properties, factories and others. The leases run for an initial period of 1 to 2 years (2023: 3 months to 6 years) without contingent rentals.

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

(a) Right-of-use assets

	Office properties HK\$'000	Factories HK\$'000	Others HK\$'000	Total HK\$'000
At 1 October 2023	-	-	-	-
Additions	5,520	-	-	5,520
Depreciation	(690)	-	-	(690)
At 30 September 2024	<u>4,830</u>	<u>-</u>	<u>-</u>	<u>4,830</u>
At 1 October 2022	24,742	94,379	880	120,001
Additions	2,549	-	-	2,549
Depreciation	(8,409)	(14,333)	(391)	(23,133)
Lease modification	(9,997)	-	-	(9,997)
Disposal of subsidiaries (note 41)	(9,059)	(51,654)	(489)	(61,202)
Transferred to asset held for sale (note 14)	-	(27,144)	-	(27,144)
Currency realignment	174	(1,248)	-	(1,074)
At 30 September 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group recognised rental expenses from short-term leases of HK\$2,872,000 (2023: HK\$1,877,000) (note 10) in profit or loss for the year ended 30 September 2024.

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 HK\$'000	2023 HK\$'000
Within operating activities	2,872	1,877
Within financing activities	730	23,688
	<u>3,602</u>	<u>25,565</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

27. LEASES (continued)

(b) Lease liabilities

	2024 HK\$'000	2023 HK\$'000
At 1 October	–	123,079
Additions	5,520	2,549
Interest expenses (note 9)	76	4,684
Lease payments	(730)	(23,668)
Disposal of subsidiaries (note 41)	–	(66,254)
Lease modification	–	(10,248)
Transferred to liabilities associated with assets classified as held for sale (note 14)	–	(28,966)
Currency realignment	–	(1,176)
At 30 September	<u>4,866</u>	<u>–</u>
Analysed as:		
Current liabilities	2,718	–
Non-current liabilities	2,148	–
	<u>4,866</u>	<u>–</u>

As at 30 September 2024, future lease payments are due as follows:

	At 30 September 2024		
	Total minimum lease payments HK\$'000	Interest of the minimum lease payments HK\$'000	Present value of the minimum lease payments HK\$'000
Within one year	2,921	203	2,718
More than one year but not exceeding two years	2,191	43	2,148
Total	<u>5,112</u>	<u>246</u>	<u>4,866</u>

28. DEFINED CONTRIBUTION PENSION PLANS

HKSAR

The Group joined a Mandatory Provident Fund Scheme (the “MPF Scheme”) for all employees in HKSAR. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme. During the year, the retirement benefit scheme contributions charged to the consolidated statement of profit or loss amounted to HK\$435,000 (2023: HK\$597,000) (note 11), representing contributions payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

Mainland China

The employees of the Group’s subsidiaries in Mainland China are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions. The total contribution made for the year was HK\$6,740,000 (2023: HK\$12,613,000) (note 11). No forfeited contributions may be used by the employer to reduce the existing level of contributions.

Singapore

The employees of Group’s subsidiary in Singapore are required to participate in the post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The total contribution made for the year was HK\$26,000 (2023: Nil) (note 11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

29. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and the movements thereon in the current and prior years.

	In respect of withholding tax on undistributed profits of a subsidiary HK\$'000	Loans from a related company measured at fair value HK\$'000	Total HK\$'000
At 1 October 2022	4,840	1,873	6,713
Credited to the consolidated statement of profit or loss			
– from continuing operations (note 12)	–	(2,123)	(2,123)
– from discontinued operations	(1,029)	–	(1,029)
Charged to other reserve in the consolidated statement of change in equity (note 26)	–	2,433	2,433
Disposal of subsidiaries (note 41)	(3,695)	–	(3,695)
Transferred to liabilities held for sale (note 14)	–	(43)	(43)
Currency realignment	(116)	–	(116)
At 30 September 2023 and 1 October 2023	–	2,140	2,140
Credited to other reserve in the consolidated statement of change in equity (note 26)	–	(1,411)	(1,411)
Credited to the condensed consolidated statement of profit or loss (note 12)	–	(729)	(729)
At 30 September 2024	–	–	–

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate (5%) may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable to withholding taxes on dividends distributed by its subsidiary established in Mainland China in respect of earnings generated from 1 January 2008. During the year ended 30 September 2023, a reversal of provision of HK\$1,029,000 has been credit to the consolidated statement of profit or loss under discontinued operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

29. DEFERRED TAX LIABILITIES (continued)

At the reporting date, based on the estimation of future profit streams, the Group has unrecognised gross deferred tax assets (before applying tax rates prevailing in the respective jurisdictions) in respect of unused tax losses which may be carried forward indefinitely and other temporary differences available for offset against future profits, analysed as follows:

	2024 HK\$'000	2023 HK\$'000
Unused tax losses	382,762	506,584
Other temporary differences	6,035	6,054
	<u>388,797</u>	<u>512,638</u>

The Group records deferred tax assets in respect of tax losses and other tax credits only where there is a reasonable expectation that these tax losses and credits will be utilised in the foreseeable future. Based on forecast income streams and having considered potential future earnings volatility, the Group does not anticipate the utilisation of any significant proportion of these unrecognised tax losses and other tax credits or the material reversal of the other deferred tax temporary differences in the foreseeable future. The tax losses and other tax credits arising from subsidiaries incorporated in HKSAR will not expire under current tax legislation and can be carried forward indefinitely.

The Group has tax losses arising in Hong Kong of HK\$335,199,000 (2023: HK\$465,871,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in Mainland China of HK\$47,563,000 (2023: HK\$40,713,000) that will expire in one to five years for offsetting against future taxable profits.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

30. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each Share	Amount HK\$'000
Authorised:		
At 1 October 2022, 30 September 2023 and 30 September 2024	500,000,000	500
Issued and fully paid:		
At 1 October 2022, 30 September 2023 and 1 October 2023	308,960,665	309
Issue of shares (note (i))	157,000,000	157
At 30 September 2024	465,960,665	466

Notes:

- (i) 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.

The Subscription was completed on 10 October 2023 and 157,000,000 ordinary shares were issued on 10 October 2024. The par value of 157,000,000 new ordinary shares of approximately HK\$157,000 representing were credited to share capital from capital reserve. The difference between the subscription price and the par value of HK\$324,448,000 was transferred from capital reserve to share premium.

Please refer to the announcements and circular of the Company dated 26 April 2024, 30 June 2024, 6 July 2024, 28 July 2024 and 10 October 2023 for details of the Subscription.

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

31. SHARE PREMIUM

	HK\$'000
At 1 October 2022, 30 September 2023 and 1 October 2023	112,251
Upon issue of shares (note 30(i))	324,448
At 30 September 2024	436,699

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted a share option scheme for eligible participants of the Group on 27 October 2016, which remains in force for 10 years from the date of adoption. Participants may include: any employee (full time or part-time), Director, consultant or adviser of the Group; any substantial shareholder of the Group; and any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, to be determined by the Board of Directors (the “Board”), based on their contribution or potential contribution to the development and growth of the Group.

The total number of shares available for issue under the scheme was originally 30,000,000, representing 10% of the issued share capital of the Company immediately following the commencement of dealings in the shares of the Company on the Stock Exchange of Hong Kong (the “Previous Share Mandate Limit”). The refreshment of the Previous Share Mandate Limit was approved by the Shareholders of the Company at the annual general meeting on 19 March 2021, allowing the Company to grant further options under the Share Option Scheme for subscription of up to a total of 30,742,766 Shares, which represents 10% of the Company’s shares in issue as at the date of the approval of the refreshed limit.

The number of shares issued and to be issued in respect of which options granted and which may be granted to any individual in any 12-month period up to the date of the grant, shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of this limit must be separately approved by the Company’s shareholders in a general meeting with such grantee and his/her close associates abstaining from voting. Any grant of an option to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).

Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the shares in issue, such further grant of options is required to be approved by shareholders at a general meeting of the Company, with voting to be taken by way of a poll.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

Upon acceptance of an option to subscribe for shares, the eligible participant shall pay HK\$1 to the Company as consideration for the grant. The subscription price of a share subject to options granted under the scheme shall be a price determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the shares as stated in the Stock Exchange of Hong Kong's daily quotations sheet on the date of the grant of the option;
- (ii) the average closing price of the shares as stated in the Stock Exchange of Hong Kong's daily quotations sheets for the five trading days immediately preceding the date of the grant of the option; and
- (iii) the nominal value of a share on the date of the grant of the option.

After considering (i) the current remuneration package (including performance bonus) of the management and employees; and (ii) other incentive programme of the Group currently in place, the Board, as a commercial decision, has amended the schedule for vesting of options under the share option scheme to the effect that one-fourth of the options shall be vested in the holders of options on each anniversary of the first 4 years from the date of grant with effect from 17 November 2020. The amendments shall not apply to the outstanding options as at 17 November 2020 which have already been granted but remain unexercised under the share option scheme. For details, please refer to the Company's announcements dated 19 October 2020, 22 October 2020, 17 November 2020 and the circular of the Company dated 22 October 2020 respectively.

On 30 March 2023, taking into account of the consultation conclusion published by the Stock Exchange on 29 July 2022, the Company has amended the Scheme to align with the amendments to the Listing Rules relating to the share schemes of listed issuers which had taken effect from 1 January 2023. Pursuant to the Scheme as amended, the vesting period of share options shall be no less than 12 months and the share options shall be vested on the 1st anniversary of the date on which a share option is granted to a grantee. For details, please refer to the Company's circular dated 1 March 2023 and announcement dated 30 March 2023.

In order to ensure the practicability and flexibility of the share option scheme, the Board and the remuneration committee of the Board are of the view that the vesting date of the share options should not be strictly limited to the 1st anniversary of the date on which a share option is granted to a grantee. The Board and the remuneration committee of the Board are of the view that at their discretion, the vesting period of the share options could be longer than one financial year which would allow the Company to assess the grantee's performance on a sustainable basis and encourage the grantee's continuous growth. On 28 July 2023, the share option scheme was amended to the effect that the vesting period of the share options could be longer than one financial year, after having been approved at the extraordinary general meeting held on 28 July 2023.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted on 2 July 2020:

On 2 July 2020, the Company granted 880,000 share options to certain employees with an exercise price of HK\$3.28 per share. The share options vest over a period of three years starting from the date of the grant by one-third each anniversary and will be fully vested on 2 July 2024. The share options vested are exercisable immediately but not exceeding ten years from the date of the grant.

The fair value of the options granted on 2 July 2020 has been calculated by an external valuer using the Black-Scholes Option Pricing Model. The assumptions used were as follows:

	Granted on 2 July 2020
Grant date share price	HK\$3.28
Exercise price	HK\$3.28
Expected volatility	36.68%
Contractual option life	10 years
Risk-free rate	0.643%
Expected dividend yield	0%

The expected volatility is based on historical price volatility of similar listed companies in the past few years. The risk-free rate is the yields of Hong Kong government bonds and treasury bills as extracted from Bloomberg as at 2 July 2020. At the date the options were granted on 2 July 2020, this was determined to be 0.643%. The dividend yield of the Company of 0% has been adopted.

Based on the fair values derived from the above pricing model, the fair value of the share options granted on 2 July 2020 was approximately HK\$1,204,000 (HK\$1.3687 each), of which HK\$41,000 have been charged as share-based compensation expenses to profit or loss for the year ended 30 September 2023. All share options were lapsed during the year ended 30 September 2024.

The assumptions used in computing the fair value of the share options are based on management's best estimate. The valuation of options is dependent upon a number of variables using subjective assumptions. Any changes in the variables may materially affect the estimation of the fair value of an option.

There was no market vesting condition or non-market performance condition associated with the options granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

Share options granted on 16 October 2023:

On 16 October 2023, the Company granted 6,000,000 share options and 19,400,000 share options to management (including an executive director and an employee with management position) and employees respectively with an exercise price of HK\$1.89 per share.

The share options to management vest over a period of three years starting from the date of the grant by two-thirds of the options vested on first anniversary and one-sixth of the options vested on the second anniversary. The remaining one-sixth of the options will be fully vested on 16 October 2026.

The share options to employees' vest over a period of four years starting from the date of the grant by one-fourth each anniversary and will be fully vested on 16 October 2027. The share options vested are exercisable immediately but not exceeding ten years from the date of the grant.

The fair value of the options granted on 16 October 2023 has been calculated by an external valuer using the Binominal Option Pricing Model. The assumptions used were as follows:

	Granted on 16 October 2023
Grant date share price	HK\$1.89
Exercise price	HK\$1.89
Expected volatility	70.79%
Contractual option life	10 years
Risk-free rate	4.14%
Expected dividend yield	0%

The expected volatility is based on historical price volatility of the Company in the past five years. The risk-free rate is the yields of Hong Kong 10-year government bonds and treasury bills as extracted from Bloomberg as at 16 October 2023. At the date the options were granted on 16 October 2023, this was determined to be 4.14%. The dividend yield of the Company of 0% has been adopted.

Based on the fair values derived from the above pricing model, the fair value of the share options granted to management on 16 October 2023 was approximately HK\$7,342,000 (HK\$1.2237 each), and the fair value of the share options granted to employees on 16 October 2023 was approximately HK\$22,926,000 (HK\$1.1878 each), totaling HK\$30,268,000. During the year ended 30 September 2024, HK\$13,387,000 have been charged as share based compensation expenses to profit or loss.

The assumption used in computing the fair value of the share options are based on management's best estimate. The valuation of options is dependent upon a number of variables using subjective assumptions. Any changes in the variables may materially affect the estimation of the fair value of an option.

There was no market vesting condition or non-market performance condition associated with the options granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted on 22 August 2024:

On 22 August 2024, the Company granted 1,000,000 share options to employees with an exercise price of HK\$1.99 per share.

The share options to employees' vest over a period of four years starting from the date of the grant by one-fourth each anniversary and will be fully vested on 22 August 2028. The share options vested are exercisable immediately but not exceeding ten years from the date of the grant.

The fair value of the options granted on 22 August 2024 has been calculated by an external valuer using the Binominal Option Pricing Model. The assumptions used were as follows:

	Granted on 22 August 2024
Grant date share price	HK\$1.99
Exercise price	HK\$1.99
Expected volatility	71.35%
Contractual option life	10 years
Risk-free rate	2.81%
Expected dividend yield	0%

The expected volatility is based on historical price volatility of the Company in the past five years. The risk-free rate is the yields of Hong Kong 10-year government bonds and treasury bills as extracted from Bloomberg as at 22 August 2024. At the date the options were granted on 22 August 2024, this was determined to be 2.85%. The dividend yield of the Company of 0% has been adopted.

Based on the fair values derived from the above pricing model the fair value of the share options granted to employees on 22 August 2024 was approximately HK\$1,228,000 (HK\$1.2284 each), of which HK\$67,000 have been charged as share based compensation expenses to profit or loss for the year ended 30 September 2024.

The assumption used in computing the fair value of the share options are based on management's best estimate. The valuation of options is dependent upon a number of variables using subjective assumptions. Any changes in the variables may materially affect the estimation of the fair value of an option.

There was no market vesting condition or non-market performance condition associated with the options granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

The movement in the number of share options under the share options scheme are as follows:

For the year ended 30 September 2024

	Date of grant	Exercise price HK\$	Outstanding at 1 October 2023 Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Lapsed during the year Number	Outstanding at 30 September 2024 Number
Executive Director Mr. Du Jun	16/10/2023	1.89	-	3,000,000	-	-	-	3,000,000
Employee – management position	16/10/2023	1.89	-	3,000,000	-	-	-	3,000,000
Employees – other	16/10/2023	1.89	-	19,400,000	-	(5,600,000)	-	13,800,000
Employees – other	22/08/2024	1.99	-	1,000,000	-	-	-	1,000,000
Employees – other	2/7/2020	3.28	53,334	-	-	-	(53,334)	-
			<u>53,334</u>	<u>26,400,000</u>	<u>-</u>	<u>(5,600,000)</u>	<u>(53,334)</u>	<u>20,800,000</u>
Weighted average exercise price			<u>HK\$3.28</u>	<u>HK\$1.89</u>	<u>-</u>	<u>HK\$1.89</u>	<u>HK\$3.28</u>	<u>HK\$1.89</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

32. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

For the year ended 30 September 2023

	Date of grant	Exercise price HK\$	Outstanding at 1 October 2022 Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Lapsed during the year Number	Outstanding at 30 September 2023 Number
Executive Director Mr. We Shupeng [#] (resigned on 30 November 2022)	3/4/2019	3.13	262,000	-	-	-	(262,000)	-
Employees ^{A*}	3/4/2019	3.13	630,000	-	-	-	(630,000)	-
Employees	16/10/2019	4.36	-	-	-	-	-	-
Employees	2/7/2020	3.28	183,334	-	-	-	(130,000)	53,334
			<u>1,075,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,022,000)</u>	<u>53,334</u>
Weighted average exercise price			<u>HK\$3.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>HK\$3.15</u>	<u>HK\$3.28</u>

[#] Appointed as the director of the Company on 30 November 2022

^{A*} The figures exclude options held by Mr. Wu Shupeng who was appointed as an Executive Director on 18 December 2021 and whose options are reflected under classification of Executive Director

Note:

As at 30 September 2024, the total number of share options outstanding were 20,800,000 (2023: 53,334).

For the share options outstanding as at 30 September 2024, the weighted average remaining contractual life was 3,315 days (2023: 2,570 days).

Total share-based compensation expenses of HK\$13,454,000 have been charged to the consolidated statement of profit or loss for the year ended 30 September 2024 (2023: HK\$41,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

33. RESERVES

The amounts of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity on pages 97 to 98 of the financial statements.

Share premium

The share premium comprises the excess of the proceeds received over the par value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares and on exercise of share options, the amount previously recognised in the share option reserve is transferred to share premium.

Share option reserve

The fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in the share option reserve. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest and the impact of the revision of these estimates, if any, is recognised in the statement of profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

At the time when the options are exercised, the amount previously recognised in the share option reserve is transferred to the share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in the share option reserve is transferred to retained profits/accumulated losses.

Other reserve

The other reserve represents the deemed contribution from the Company's shareholders or its related companies with respect to (i) waiver of loans from/amount due to shareholders or its related companies; (ii) fair value gain on interest-free loans from shareholders or its related company; and (iii) gain on disposal of a subsidiary to a related company.

Capital reserve

The capital reserve represents net proceeds received for issuance of 157,000,000 new ordinary shares of the Company, net of related expenses, which have not yet completed as at 30 September 2023 and transferred to share capital and share premium during the year ended 30 September 2024. Please refer to note 30 (i) for details.

Fair value reserve

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

Statutory reserve

In accordance with the relevant laws and regulations of the PRC, the PRC subsidiaries are required to appropriate 10% of its profit after tax, prepared in accordance with the accounting regulation in the PRC, to the statutory reserve fund until the statutory reserve balance reaches 50% of the registered capital. Such reserve may be used to reduce any losses incurred or to increase capital.

Translation reserve

The translation reserve comprises the exchange differences arising on the translation of the financial statements of foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Other borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 October 2023	467,205	–	467,205
Changes from financing cash flows:			
Interest paid	–	(76)	(76)
Repayments of principal portion of lease liabilities	–	(654)	(654)
Repayment of loans from a related company	(223,041)	–	(223,041)
Total changes from financing cash flows	(223,041)	(730)	(223,771)
Other changes:			
New leases	–	5,520	5,520
Interest expenses	4,419	76	4,495
Gain on loan modification	(216)	–	(216)
Disposal of subsidiaries (note 14)	(257,708)	–	(257,708)
Reversal of fair value gain on loans from a related company	9,341	–	9,341
Total other changes	(244,164)	5,596	(238,568)
At 30 September 2024	–	4,866	4,866



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES *(continued)*

	Bank borrowings HK\$'000	Other borrowings HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 October 2022	678	466,442	123,079	590,199
Changes from financing cash flows:				
Interest paid	(156)	(3,517)	(4,684)	(8,357)
Repayments of principal portion of lease liabilities	–	–	(18,984)	(18,984)
Repayments of bank borrowings	(678)	–	–	(678)
Repayments of other loan from a non-controlling shareholder (notes 26)	–	(60,000)	–	(60,000)
Repayment of loans from a related company	–	(34,718)	–	(34,718)
Proceeds from loans from a related company	–	103,598	–	103,598
Total changes from financing cash flows	(834)	5,363	(23,668)	(19,139)
Other changes:				
New leases	–	–	2,549	2,549
Interest expenses	156	14,610	4,684	19,450
Lease modification (note 27(b))	–	–	(10,248)	(10,248)
Effect of changes in foreign exchange rates	–	–	(1,176)	(1,176)
Liabilities associated with assets classified as held for sale	–	–	(28,966)	(28,966)
Disposal of subsidiaries (note 41)	–	–	(66,254)	(66,254)
Fair value gain on loans from a related company	–	(14,651)	–	(14,651)
Fair value gain on other borrowings	–	(4,559)	–	(4,559)
Total other changes	156	(4,600)	(99,411)	(103,855)
At 30 September 2023	–	467,205	–	467,205

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

35. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group entered into the following significant transactions with related parties during the year.

	2024 HK\$'000	2023 HK\$'000
Data centre services income from related companies*	–	374
Technical services income from a related company*	–	2,950
Sponsorship fee from a related company [#]	145	–
Referral service income from a related company [@]	7	–
Assets management income from a related company*	5,754	1,835
Assets management income from a related company [#]	7,321	1,606
Assets management performance income from a related company*	20,352	–
Assets management advisory service expenses charged by related company [^]	(2,961)	–

* Related companies are companies in which Mr. Li Lin, a Director of the Company, has beneficial interests.

[#] Related company is a fund company in which Mr. Li Lin and Mr. Du Jun, the Directors of the Company, have significant beneficial interests.

[^] Related company is a company in which Mr. Du Jun, a Director of the Company, has beneficial interests.

[@] Related company is a company in which Mr. Zhong Gengfa, a substantial shareholder of the Company, has beneficial interests.

The above transactions were conducted on mutually agreed terms. The items “sponsorship fee from a related party” and referral service income from a related party” constitute connected transactions exempt from the connected transaction requirements under Rule 14A.76(1) of the Listing Rules.

Following the disposal of New Huo Solutions Limited on 9 February 2024, the provision of asset management services to several funds, namely ABCDE Blockchain LPF, BitMind Trend Fund SP, Sinohope Multi-Strategy Crypto Fund SP, New Era Pioneer Mining Fund 1 LPF, New World Pioneer Mining Fund 1 LPF (“CCT Funds”) constituted continuing connected transactions of the Group. During the year ended 30 September 2024, total asset management service income and performance income received from the CCT Funds amounted to HK\$25,292,548.

The key management personnel are the Directors and the five highest paid individuals of the Company. The details of the emoluments paid to them are set out in note 15.

On 16 August 2024, the Company entered into a sale and purchase agreement with vendors, pursuant to which the Company have agreed to acquire the entire issued share capital of Avenir Asset Holding Limited (“Avenir Asset”), at the consideration of approximately US\$30,462,000 (equivalent to approximately HK\$237,604,000), which shall be satisfied by allotment and issue of up to 108,992,786 new ordinary shares of the Company at a price of HK\$2.18 per share. Avenir Investment Limited, one of the vendors, is interested in 72.78% of Avenir Asset and indirectly wholly owned by Mr. Li Lin, a non-executive director and a substantial shareholder of the Company. Mr. Du Jun, an executive director and a substantial shareholder of the Company, is also interested in approximately 1.692% equity interest in Avenir Asset. The acquisition is yet to be completed up to the date of these consolidated financial statements. Details of the acquisition has been set out in the announcement of the Company dated 16 August 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

35. RELATED PARTY TRANSACTIONS (continued)

Except as disclosed above, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

36. COMMITMENTS

At the end of the reporting period, the Group did not have any significant commitments (2023: Nil).

37. CONTINGENT LIABILITIES

As at 30 September 2024, except for certain matters related to litigations disclosed in Note 44, the Group did not have any material contingent liabilities (2023: HK\$Nil).

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES

The Group is exposed to a variety of risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk and virtual asset ecosystem risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the Board. The Group does not have written risk management policies. However, the Board meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks.

Foreign currency risk

Foreign currency risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's principal operating subsidiaries carry out their operations in the PRC (including HKSAR). 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 bank balances and trade receivables of the Group are denominated in foreign currencies. Exposure to movements in exchange rates for such trading transactions may affect the Group's financial position. 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.

The Group's foreign currency risk is mainly concentrated on the fluctuation of the US\$ against the RMB.

	2024 HK\$'000	2023 HK\$'000
Cash and cash equivalents	—	1,614
Gross exposure arising from recognised financial assets and liabilities	—	1,614

Assuming sensitivity to a 5% increase where the RMB strengthens against the US\$ there would be an increase in profit of approximately HK\$Nil for the year (2023: HK\$67,000). For a 5% weakening of the currency there would be an equal and opposite impact on profit or loss. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the reporting date for a 5% change in foreign currency rates.

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)**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. Changes in regulations and laws in particular may impact the Group's operation and increase the need for monitoring compliance. 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.

Price risk of digital assets

The Group held cryptocurrencies amounting to HK\$96,277,000 as at 30 September 2024 (2023: HK\$15,051,000), out of which HK\$91,546,000 (2023: HK\$12,363,000) are stablecoins, which are asset-backed with fair values approximate US\$1 per unit with limited price risk.

However, the price risk of stablecoins may not be limited due to the fast-developing nature of crypto markets including evolving regulations, custody and trading mechanisms, as well as valuation and volume volatility.

If there were a 10% increase/(decrease) (2023: 10%) in the price of stablecoins held by the Group in the principal markets with other variables held constant, the fair value of stablecoins would increase/(decrease) by approximately HK\$9,155,000 (2023: HK\$1,236,000) for the year.

For other cryptocurrencies amounting to HK\$4,731,000 (2023: HK\$2,688,000), the volatility and unpredictability of the price of cryptocurrencies relative to fiat currencies could cause impact to the Group's performance.

If there were a 50% increase/(decrease) (2023: 35%) in the price of cryptocurrencies other than stablecoins held by the Group (being a reasonably expected change determined based on average monthly price movements) in the principal markets with other variables held constant, the fair value of cryptocurrencies would increase/(decrease) by approximately HK\$2,365,000 (2023: HK\$941,000) for the year.

The Group also held crypto investments with fair value of approximately HK\$31,233,050 as of 30 September 2024 (2023: Nil). If there were a 50% increase/(decrease) in the price of cryptocurrencies, the fair value of crypto investments would increase/(decrease) by approximately HK\$15,617,000 (2023: N/A) for the year.

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 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. Given the Group's business activities and involvement in digital asset, the risk related to safekeeping may adversely affect the Group's operation and business plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)

Risks related to safekeeping of digital assets (continued)

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.

Customer assets

The breakdown of customer assets held on behalf of the customers, which are not recognised as assets in the consolidated financial statements of the Group, as below:

	2024 HK\$'000	2023 HK\$'000
Customer assets		
Customer cryptocurrencies held in custody	<u>136,916</u>	<u>86,226</u>

Risks related to anti-money laundering

As aforementioned, the Group 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. The risks of failure to comply with such anti-money laundering requirements and consequences of breach may undermine the Group's performance.

Digital assets are exchangeable directly between parties through decentralised networks that allow anonymous transactions; such as transactions create complex technical challenges with respect to issues such as identification of parties involved and asset ownership.

To mitigate such risks, the Group has implemented policies and procedures for Anti-Money Laundering and Know-Your-Customer that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting. In enhancing these policies and procedures, the Group has also considered industry best practice and the recommendations of the Financial Action Task Force.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk primarily relates to the Group's time deposits and bank balances, trade receivables and other receivables. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. In order to minimise the risk, the Board closely monitors overdue debts. The recoverable amount of each individual debt is reviewed at each reporting period and adequate allowance for doubtful debts has been made for irrecoverable amounts. In this regard, the Board considers that credit risk associated with the Group's trade receivables and other receivables is significantly reduced.

(i) Time deposits and bank balances

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and reputable banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES *(continued)*

Credit risk *(continued)*

(ii) Trade receivables

The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information.

As at 30 September 2024, trade receivables of HK\$3,001,000 (2023: HK\$4,490,000) were contributed by the top five customers. The Group has monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information. The Group has identified the GDP and the unemployment rate of the countries in which it sells the goods and renders the services to be the most relevant factors, and accordingly adjusts the ECL rates based on expected changes in these factors. The Directors consider that there are no significant credit risk on trade receivables due to the past payment history and taking into account of the sound financial performance and position of the debtors to meet contractual cash flow obligations in the near term. Accordingly, the ECL on trade receivables was assessed to be minimal and no provision was made for the year (2023: HK\$Nil).

(iii) Other receivables

The Group has adopted general approach to measure ECLs on financial assets included in prepayments and other receivables, and other financial assets at amortised cost. Under the general approach, the Group applies the “3-stage” impairment model for ECLs measurement based on change in credit risk since initial recognition as follows:

Stage 1: If the credit risk of the financial instrument has not increased significantly since initial recognition, the financial instrument is included in Stage 1.

Stage 2: If the credit risk of the financial instrument has increased significantly since its initial recognition but is not deemed to be credit-impaired, the financial instrument is included in Stage 2.

Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in Stage 3.

The ECLs for financial instruments in Stage 1 are measured at an amount equivalent to 12-month ECLs whereas the ECLs for financial instruments in Stage 2 or Stage 3 are measured at an amount equivalent to lifetime ECLs.

When determining whether the risk of default has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit risk assessment and including forward-looking information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES *(continued)*

Credit risk *(continued)*

(iii) Other receivables (continued)

Having regard to industry practice and relevant regulation, as well as the background and behaviour of the debtors/counterparties, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise. In addition, the Group considers that a financial asset to be in default when: (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

At the end of the reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is considered as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the debtor;
- (b) a breach of contract, such as a default or past due event;
- (c) granting a concession to the debtors that the debtor would not otherwise consider for economic or contractual reasons relating to the debtor's financial difficulty; or
- (d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as ECL assessment. Other than an amount due from a former subsidiary as described below, the Directors believe that there is no material credit risk inherent in the Group's outstanding balance of deposits and other receivables.

As at 30 September 2024, the Group has an amount due from a former subsidiary with principal amount of HK\$81,513,000 (2023: HK\$81,513,000). Due to change of repayment term subsequent to the end of the report period, the management of the Company considered that the credit risk has increased significantly since initial recognition and included in Stage 2 where life time ECLs is recognized.

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 2024. The key input to determine the ECL are probability of default 27.66% (2023: 19.75%), loss given default 46.90% (2023: 35.90%) and adjusting factor for forward-looking information 1.01 (2023: 0.91).

As at 30 September 2024, the Group has other assets with carrying amounts of HK\$141,748,000 (2023: HK\$141,748,000). A reversal of provision of impairment amounting to HK\$85,897,000 (2023: provision of HK\$85,897,000) has been recognised in profit or loss for the year ended 30 September 2024. For details of the assessment of the recoverability of other assets, please refer to 23(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)

Liquidity risk

The Group's objective is to ensure that adequate funds are available to meet commitments associated with its financial liabilities.

The Group manages its liquidity needs by carefully monitoring short-term and long-term cash outflows on a regular basis. The Group mainly utilises cash to meet its liquidity requirements. Funding for long-term liquidity needs will be considered when liquidity requirements in the long term are identified.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities and the earliest date the Group can be required to pay.

As at 30 September 2024

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but not exceeding 2 years HK\$'000
Other payables	173,526	173,526	173,526	–
Lease liabilities	4,866	5,112	2,921	2,191
	<u>178,392</u>	<u>178,638</u>	<u>176,447</u>	<u>2,191</u>

As at 30 September 2023

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but not exceeding 2 years HK\$'000
Other payables	12,549	12,549	12,549	–
Other borrowings	467,205	480,966	369,513	111,453
	<u>479,754</u>	<u>493,515</u>	<u>382,062</u>	<u>111,453</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES *(continued)*

Fair value measurement

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Input used in determining fair value measurements are categorised into different levels based on how observable inputs used in the valuation technique utilised (the "fair value hierarchy") are:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) Financial instruments measured at fair value

At the end of the reporting period, unlisted fund investments included in the consolidated financial statements require measurement at, and disclosure of, fair value.

The following methods and assumptions were used to estimate the fair values:

The fair values of two (2023 : Nil) unlisted fund investments and amounts due to sub-funds investors were determined by the directors of the Company, with reference to mark-to-market statements provided by the fund administrator as at the end of reporting period.

The key input to determine the fair values of the above unlisted fund investments are the transaction price. A higher in the transaction price would result in an increase in the fair value of unlisted fund investments, and vice versa.

As at 30 September 2023, the fair value of unlisted equity investment in Company A, which is classified as held for sale (note 14 (b)) was determined using option pricing method ("OPM") which is determined by the directors of the Company with reference to the valuation performed by an independent professional valuer. Under the OPM, each class of stock is modeled as a call option with a distinct claim on the enterprise value of the Company. At the time of a liquidity event, both the common stock and preferred stock have payoff diagrams that are similar to the payoff diagrams of regular call options. The characteristics of each class of stock, including the conversion ratio and any liquidation preference of the preferred stock, determine the class of stock's claim on the enterprise value.

As at 30 September 2023, the key input to determine the fair value of Company A are risk free rate (1.11%), expected volatility (45.12%) and time to liquidity (3.53 years). The higher in the risk free rate and time to liquidity would result in a decrease in the fair value of Company A, and vice versa. The higher in the expected volatility would result in an increase in the fair value of Company A, and vice versa.

The key input to determine the fair value of the above unlisted equity investment is the share transaction price. A higher in the share transaction price would result in an increase in the fair value of unlisted equity investment, and vice versa.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES *(continued)*

Fair value measurement *(continued)*

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and bank balances, trade and other receivables, pledged bank deposit, trade and other payables, bank and other borrowings and lease liabilities.

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial assets and liabilities.

The fair values of non-current financial liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

(iii) Information about level 3 fair value measurement

The fair values of the financial instruments, including two of the unlisted fund investments and amounts due to sub-funds investors (2023: two of the unlisted equity investments, and derivative financial instrument), included in the level 3 category as at the end of the reporting period have been determined by the directors with reference to mark-to-market statements published by the fund administrator as at the end of reporting period (2023: with reference to the valuation performed by an independent professional valuer. The fair value of three unlisted equity investment is determined using the market approach based on recent transaction prices).

(iv) Cryptocurrencies (note 20) and crypto investments (note 21)

The fair values of cryptocurrencies and crypto investments were determined based on quoted market price as at end of Period 2024.

(v) Other assets, net (note 23(b))

The recoverable amount of the FTX Deposit has been determined based on their fair value less costs of disposal. The fair value of FTX Deposit is level 2 fair value measurement and was determined using market approach with reference to price quoted by online claim pricing service providers (the "Quote"), which provide a good estimation of the amount that the Company can recover from the sales of FTX Claim in the market. The costs of disposal were estimated based on the incremental costs for assignment of the FTX Claim, such as agency fees.

The key input to determine the fair value of the FTX Deposit is the "Quote". A higher in the "Quote" would result in an increase in the fair value of the FTX Deposit, and vice versa.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)

Fair value hierarchy

The following table provides an analysis of financial instruments measured at fair value by level of fair value hierarchy:

Assets/liabilities measured at fair value:

Recurring fair value measurement

As at 30 September 2024

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets for identical assets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Assets				
Cryptocurrencies	96,277	–	–	96,277
Crypto investments	31,233	–	–	31,233
Financial assets at FVTPL				
– Unlisted fund investments	–	–	5,557	5,557
Liabilities				
Amounts due to sub-funds investors	–	–	4,665	4,665

As at 30 September 2023

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets for identical assets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
Assets				
Cryptocurrencies	15,051	–	–	15,051
Assets held for sale (note 14)				
Cryptocurrencies	64,759	–	–	64,759
Financial assets at FVTOCI				
– Unlisted equity investments	–	–	7,961	7,961
	64,759	–	7,961	72,720

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)

Fair value hierarchy (continued)

Assets/liabilities measured at fair value: (continued)

Recurring fair value measurement (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy for the year ended 30 September 2024:

	Assets			Liabilities
	Unlisted Fund Investment HK\$'000	Unlisted equity investment HK\$'000	Derivative financial instrument HK\$'000	Amounts due to sub-funds investors HK\$'000
At 1 October 2022	–	38,962	1,328	–
Disposal	–	(30,044)	(966)	–
Change in fair value recognised in profit or loss	–	–	(362)	–
Change in fair value recognised in other comprehensive income	–	(957)	–	–
Reclassified to asset held for sale (note 14)	–	(7,961)	–	–
At 30 September 2023	–	–	–	–
Addition	5,605	–	–	4,665
Change in fair value recognised in profit or loss	(48)	–	–	–
As at 30 September 2024	5,557	–	–	4,665

There was no transfer under the fair value hierarchy classification during the year ended 30 September 2024 and 2023.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

38. FINANCIAL RISK AND VIRTUAL ASSET ECOSYSTEM RISK MANAGEMENT AND POLICIES (continued)

Summary of financial assets and liabilities by category

The carrying amounts of financial assets and liabilities presented in the consolidated statement of financial position relate to the following categories:

Financial assets:

	2024 HK\$'000	2023 HK\$'000
Financial assets measured at fair value:		
Financial assets at FVTPL	5,557	–
Financial assets measured at amortised cost:		
Trade and other receivables*	254,942	139,509
Time deposits with original maturity over three months	1,500	1,500
Cash and cash equivalents	62,282	320,161
	318,724	461,170
	324,281	461,170

* Excluded from trade and other receivables as disclosed in the consolidated statement of financial position of HK\$258,741,000 as at 30 September 2024 (2023: HK\$140,474,000), is an amount of HK\$3,799,000 (2023: HK\$965,000) representing prepayments.

Financial liabilities:

	2024 HK\$'000	2023 HK\$'000
Financial liabilities measured at fair value:		
Amounts due to sub-funds investors	4,665	–
Financial liabilities measured at amortised cost:		
Other payables	168,861	12,549
Other borrowings	–	467,205
Lease liabilities	4,866	–
	173,727	479,754
	178,392	479,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

39. CAPITAL MANAGEMENT POLICIES AND RISK

The Group's objectives are: to provide returns for its shareholders; to safeguard the Group's ability to continue as a going concern so that it continues to provide returns and benefits for its stakeholders; to support the Group's stability and growth; and to provide capital for the purpose of strengthening the Group's risk management capability.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to its shareholders and issue new shares to reduce its debt level.

The Group monitors capital on the basis of the debt to equity ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest-bearing bank borrowings and other borrowings less cash and bank balances. Total capital represents total equity, as shown in the consolidated statement of financial position. No debt to equity ratio is presented as the Group does not have any bank borrowings or other borrowings as at 30 September 2024 (2023: 68.0%).

A subsidiary of the Group is regulated by the Hong Kong Securities and Futures Commission and is required to comply with the financial resources requirements according to the Hong Kong Securities and Futures (Financial Resources) Rules (the "SF(FR)R"). The Group's regulated entity is subject to the minimum paid-up share capital requirements and liquid capital requirements under the SF(FR)R. Management closely monitors the liquid capital level of this entity to ensure compliance with the minimum liquid capital requirements under the SF(FR)R. The Group's regulated entity has complied with the capital requirements imposed by the SF(FR)R throughout the year.

40. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries at 30 September 2024 are as follows:

Name of company	Place of incorporation or establishment and type of legal entity	Issued and fully paid shares	Effective interest held by the Company		Principal activities
			2024	2023	
<i>Interest held directly</i>					
New Huo International Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding
New Huo Investment Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding
New Huo Solutions Limited [#]	HKSAR/Limited liability company	10,000 shares of HK\$10,000	–	100%	Investment holding
Sinohope APAC Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding and provision of technical support services
Sinohope Digital Service Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding
Sinohope Hong Kong Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding and provision of management service



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

40. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Name of company	Place of incorporation or establishment and type of legal entity	Issued and fully paid shares	Effective interest held by the Company		Principal activities
			2024	2023	
<i>Interest held indirectly</i>					
FEU International Pte Ltd	Singapore/Limited liability company	1,350,000 shares of SG\$1,350,000	100%	100%	Management consultancy service
HBcloud Limited#	BVI/Limited liability company	100 Class A Shares and 10 Class B1 Shares/Nil	–	50% [®]	Filecoin mining activity
HBIT Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Trading of cryptocurrencies and provision of lending management services
HotGroup Limited	BVI/Limited liability company	50,000 shares of US\$50,000	100%	100%	Investment holding
Huobi Multi Strategy Crypto Fund SP [#]	Cayman Islands/Limited liability company	15,164.19 Class A shares/Nil	–	96.61%	Trading in to Top 50 coins and virtual assets futures
Lurk Tech International Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Trading of cryptocurrencies
Sinohope Trust Company Limited	HKSAR/Limited liability company	3,000,000 shares of HK\$3,000,000	100%	100%	Trust and custodian Services
Shwealth Global Limited	Republic of Seychelles	1 of US\$1	100%	100%	Inactive
Sinohope Asset Management (Hong Kong) Limited	HKSAR/Limited liability company	24,010,000 shares of HK\$24,010,000	100%	100%	Asset management
Sinohope Delta Neutral Quant Arbitrage Sub-fund	HKSAR/Limited liability company	1,000 Class A shares of US\$1,000,000	60%	N/A	Invest in investment funds that have exposure to virtual assets
Sinohope Digital Limited	Republic of Seychelles	1 share of HK\$1	100%	100%	Provision of technical support services
Sinohope Eco Pte Ltds	Singapore/Limited liability company	300,000 shares of SG\$300,000	100%	N/A	Management consultancy service
Sinohope Services Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding
Sinohope Smart Beta Sub-fund	HKSAR/Limited liability company	380 Class A shares of US\$380,000	100%	N/A	Invest in investment funds that have exposure to virtual assets

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

40. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES (continued)

Name of company	Place of incorporation or establishment and type of legal entity	Issued and fully paid shares	Effective interest held by the Company		Principal activities
			2024	2023	
<i>Interest held indirectly (continued)</i>					
Sinohope Ventures Limited	HKSAR/Limited liability company	10,000 shares of HK\$10,000	100%	100%	Investment holding
北京港易軟件服務有限公司 [#]	PRC/Wholly foreign-owned enterprise	Registered capital US\$1,000,000	–	100%	Network technical support, technical consultant, information technical service etc.
北京港通科技有限公司 [#]	PRC/Wholly foreign-owned enterprise	Registered capital US\$1,000,000	–	100%	Inactive
海南火動科技有限公司 [*]	PRC/Wholly foreign-owned enterprise	Registered capital US\$1,000,000	100%	100%	Network technical support, technical consultant, information technical service etc.
海南火羅網絡科技有限公司 [*]	PRC/Wholly foreign-owned enterprise	Registered capital US\$1,000,000	100%	100%	Network technical support, technical consultant, information technical service etc.
深研合楓(深圳)科技有限公司	PRC/Wholly foreign-owned enterprise	Registered capital RMB1,000,000	100%	100%	Network technical support, technical consultant, information technical service etc.

* Established in the Mainland China as a wholly foreign-owned enterprise.

The subsidiary was disposed of during the year ended 30 September 2024.

⊗ The Group holds 51% voting shares of HBcloud Limited.

Unless otherwise specified under “Principal activities”, the above subsidiaries operate principally in their respective places of incorporation or registration.

The above list includes the subsidiaries of the Company which, in the opinion of the Company’s Directors, principally affected the results for the year or formed a substantial portion of the assets and liabilities of the Group. To give details of all the other subsidiaries would, in the opinion of the Company’s Directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during both years.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

41. DISPOSAL OF SUBSIDIARIES

Other than disclosed in note 14 above, the Group had disposal of subsidiaries as follows:

(a) Disposal of WinTechno Inc.

On 1 November 2022, the Group, through a wholly-owned subsidiary, entered into an agreement with an independent third party to dispose of the entire equity interests in a subsidiary, Win Techno Inc., which was principally engaged in provision of cloud based and data centre related services, including but not limited to data storage and backup, data centre operation and maintenance, at a cash consideration of US\$3,270,000 (equivalents to HK\$25,542,000). The disposal was completed in November 2022.

Details of the disposal are as follows:

	HK\$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	2,150
Goodwill	174
Right-of-use assets	1,085
Trade and other receivables	60,989
Cash and cash balances	21,093
Trade and other payables	(55,902)
Lease liabilities	(1,092)
Tax payable	(3,084)
	<hr/>
Net assets disposed of a subsidiary	25,413
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	7,192
Loss on disposal	(7,063)
	<hr/>
Total consideration	<u>25,542</u>

An analysis of the cash flows in respect of the disposal was as follows:

	HK\$'000
Net cash inflow arising on disposal:	
Cash consideration	25,542
Less: Cash and bank balances disposed of	(21,093)
	<hr/>
Net cash inflows	<u>4,449</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

41. DISPOSAL OF SUBSIDIARIES (continued)

(b) Disposal of Pantene Group

On 24 March 2023, the Group entered into an agreement with New Wave Capital Limited, a company ultimately owned by Mr. Simon Nai-cheng Hsu, the former controlling shareholder, to dispose of the entire equity interests 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 "Pantene Group"), which were principally engaged in investment holding and sale and distribution of power-related electrical and electronic products, at the consideration of HK\$111,473,000, satisfied by cash consideration of HK\$31,473,000 and novation of a loan payable due to Pantene Group to the purchaser amounting to HK\$80,000,000. The disposal was completed in June 2023.

Details of the disposal are as follows:

	HK\$'000
Analysis of assets and liabilities over which control was lost:	
Property, plant and equipment	29,198
Right-of-use assets	60,117
Loan receivables from the immediate holding company	80,000
Inventories	26,466
Trade and other receivables	51,918
Cash and cash balances	49,549
Trade and other payables	(50,198)
Amount due to the then immediate holding company	(85,040)
Contract liabilities	(3,225)
Tax payable	(1,112)
Lease liabilities	(65,162)
Deferred tax liabilities	(3,695)
	<hr/>
Net assets disposed of Pantene Group	88,816
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit or loss on loss of control of the subsidiary	16,702
Gain on disposal	5,955
	<hr/>
Total consideration	<u>111,473</u>

An analysis of the cash flows in respect of the disposal was as follows:

	HK\$'000
Net cash outflow arising on disposal:	
Cash consideration	31,473
Less: Cash and bank balances disposed of	(49,549)
	<hr/>
Net cash outflows	<u>(18,076)</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 HK\$'000	2023 HK\$'000
ASSETS AND LIABILITIES		
Non-current assets		
Property, plant and equipment	130	–
Investment in subsidiaries	50	60
Other receivables	7,793	76,063
	<u>7,973</u>	<u>76,123</u>
Current assets		
Cryptocurrencies	16,796	855
Prepayments and other receivables	71,820	645
Amounts due from subsidiaries	186,505	322,652
Cash and bank balances	414	282,891
	<u>275,535</u>	<u>607,043</u>
Current liabilities		
Trade and other payables	3,590	4,006
	<u>271,945</u>	<u>603,037</u>
Net current assets	<u>279,918</u>	<u>679,160</u>
Total assets less current liabilities	<u>279,918</u>	<u>679,160</u>
Non-current liabilities		
Other borrowings	–	476,328
Deferred tax liabilities	–	661
	<u>–</u>	<u>476,989</u>
Net assets	<u>279,918</u>	<u>202,171</u>
EQUITY		
Share capital	466	309
Reserves (note (i))	279,452	201,862
Total equity	<u>279,918</u>	<u>202,171</u>

The statement of financial position of the Company was approved by the Board of Directors on 16 December 2024 and is signed on its behalf by:

Du Jun
Director

Zhang Li
Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note (j):

MOVEMENTS IN RESERVES

	Share premium HK\$'000 (Note 31)	Share option reserve HK\$'000 (Notes 32 and 33)	Other reserve HK\$'000 (Note 33)	Capital reserve HK\$'000 (Note 33)	Fair value reserve HK\$'000 (Note 33)	Accumulated losses HK\$'000	Total HK\$'000
At 1 October 2022	112,251	1,652	144,295	–	3,478	(181,776)	79,900
Equity-settled share-based compensation expenses (note 32)	–	41	–	–	–	–	41
Change in fair value of equity instruments at fair value through other comprehensive income	–	–	–	–	(40)	–	(40)
Proceeds from issue of shares	–	–	–	324,605	–	–	324,605
Fair value gain on loan modification from a related company, net of deferred tax	–	–	897	–	–	–	897
Transfer of fair value reserve to retained earnings upon disposal of FVOCI	–	–	–	–	(3,438)	3,438	–
Transfer of share option reserve upon the lapse of share options	–	(1,619)	–	–	–	1,619	–
Loss for the year	–	–	–	–	–	(203,541)	(203,541)
At 30 September 2023	112,251	74	145,192	324,605	–	(380,260)	201,862
Equity-settled share-based compensation expenses (note 32)	–	13,412	–	–	–	–	13,412
Transfer of capital reserve to share capital and share premium upon completion of share subscription	324,448	–	–	(324,605)	–	–	(157)
Reversal of fair value gain on loan modification from a related company, net of deferred tax (note 26)	–	–	(2,956)	–	–	–	(2,956)
Transfer of share option reserve upon the lapse of share options	–	(74)	–	–	–	74	–
Loss for the year	–	–	–	–	–	67,291	67,291
At 30 September 2024	436,699	13,412	142,236	–	–	(312,895)	279,452

43. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed above and elsewhere in the financial statements, there were no other significant events took place subsequent to 30 September 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

44. OUTSTANDING/POTENTIAL LITIGATIONS

(a) Litigation claims in the United Kingdom

During the year ended 30 September 2024, there were three litigation claims in the United Kingdom in respect of cyber fraud (“Litigation Claims”).

Litigation A was initiated by a claimant against various defendants, including the Group, in respect of cyber fraud committed using a fake trading platform, Mega Markets, and the website www.megamarket.com. The Group is alleged to be the receiver and holder of the claimant’s assets on constructive trust. The Group received the order from the High Court of England and Wales (“UK Court”), ordering the Group to pay the claimant 20.1989 Bitcoin and GBP106,529 (equivalent to approximately HK\$11,047,000 as at 30 September 2024).

Litigation B was initiated by claimants against various defendants, including the Group, in respect of cyber fraud committed using a fake crypto investment company and the website www.global-coin.pro. The Group is alleged to be the receiver and holder of the claimants’ assets on constructive trust. The Group received the order from UK Court, ordering the Group to pay the claimants 20.062 Bitcoin and GBP129,678 (equivalent to approximately HK\$11,221,000 as at 30 September 2024).

Litigation C was initiated by a claimant against various defendants, including the Group, in respect of cyber fraud committed using fake trading platforms and the websites are Kraken.Com and Ebonex.Com. The Group is alleged to be the receiver and holder of the claimant’s assets on constructive trust. The Group received the order from UK Court, ordering the Group to pay the claimant 43.0717 Bitcoin and 1,167.0937 Ethereum (equivalent to approximately HK\$44,789,000 as at 30 September 2024).

The Group has engaged United Kingdom legal advisors to defend against the Litigation Claims on the ground that the Group is not the receiver or holder of the claimants’ assets on constructive trust. Up to the date when the consolidated financial statements are authorised for issue, those Litigation Claims are still in progress.

Based on the legal advices, the directors of the Company are of the opinion that the possibility of setting aside the orders in these litigations against the Group is high, and the Group has valid grounds to defend against the Litigation Claims, no provision for the litigation claims has been provided in the consolidated statement of financial position as at 30 September 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2024

44. OUTSTANDING/POTENTIAL LITIGATIONS *(continued)*

(b) Adversary complaint in the United States

Subsequently to the end of the reporting period, an adversary complaint for turnover of assets from FTX Trading Limited against various defendants, including Hbit Limited (“Hbit”), a wholly-owned subsidiary of the Company, which was filed in the United States Bankruptcy Court for the District of Delaware on 9 November 2024 (the “Adversary Complaint”).

The Adversary Complaint seeks to (i) invalidate and recover approximately US\$14 million (equivalent to HK\$109,008,000) in payments made to Hbit in the form of withdrawals from its FTX.com account during the 90 days prior to FTX chapter 11 filing; (ii) prohibit Hbit from recovering the other assets of US\$18 million (equivalent to HK\$141,748,000) it holds against FTX relating to the remaining balance in its FTX.com account until the preference claims are resolved.

The Adversary Proceeding is in its early stages and the Group has engaged United States legal advisors to defend against the Adversary Complaint.

Based on the legal advices, the directors of the Company are of the opinion that the Group has valid grounds to defend against the Adversary Complaint, no provision for the Adversary Complaint has been provided in the consolidated statement of financial position as at 30 September 2024.

Other than the disclosure of above, as at 30 September 2024 and up to the date when the consolidated financial statements are authorised for issue, the Group was not involved in any other material litigation. As far as the directors of the Company were aware, the Group had no other material litigation or claim which was pending or threatened against the Group.

FIVE YEARS FINANCIAL SUMMARY

For the year ended 30 September

	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Results					
Revenue	<u>1,569,387</u>	<u>2,994,495</u>	<u>9,452,864</u>	<u>610,713</u>	<u>276,555</u>
Profit/(loss) before income tax	<u>56,379</u>	<u>(294,858)</u>	<u>(196,387)</u>	<u>181,525</u>	<u>(32,586)</u>
Income tax (expense)/credit	<u>(43)</u>	<u>6,164</u>	<u>(10,114)</u>	<u>(40,048)</u>	<u>4</u>
Profit/(loss) for the year	<u>56,336</u>	<u>(288,694)</u>	<u>(206,501)</u>	<u>141,477</u>	<u>(32,582)</u>
Attributable to:					
Owners of the Company	<u>54,322</u>	<u>(287,371)</u>	<u>(199,670)</u>	<u>141,477</u>	<u>(32,582)</u>
Assets and liabilities					
Total assets	<u>461,073</u>	<u>748,644</u>	<u>1,068,392</u>	<u>878,129</u>	<u>605,635</u>
Total liabilities	<u>(179,164)</u>	<u>(534,868)</u>	<u>(921,306)</u>	<u>(599,524)</u>	<u>(476,104)</u>
Net assets	<u>281,909</u>	<u>213,776</u>	<u>147,086</u>	<u>278,605</u>	<u>129,531</u>
Equity attributable to owners of the Company	<u>281,909</u>	<u>306,350</u>	<u>134,929</u>	<u>278,605</u>	<u>129,531</u>



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