
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sinohope Technology Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

- (1) SUBSCRIPTIONS OF NEW SHARES UNDER SPECIFIC MANDATE**
(2) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTIONS OF
NEW SHARES UNDER SPECIFIC MANDATE
(3) PROPOSED INCREASE IN AUTHORISED SHARES
(4) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Capitalised terms used in this cover page shall have the same meaning as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 7 to 33 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders is set out on pages 34 to 35 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 36 to 52 of this circular.

A notice convening the EGM to be held at Unit 702–703, 7/F, 100 Queen’s Road Central, Hong Kong on Tuesday, 26 August 2025 at 10:30 a.m. is set out on pages EGM-1 to EGM-7 of this circular. A form of proxy for the EGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (<http://www.sinohope.com/>).

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event the form of proxy shall be deemed to be revoked.

10 August 2025

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

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| “Applicable Laws” | any constitutions, enactments, ordinances, regulations, orders, notices, judgments, common law, treaties and any other legislations or laws of any relevant jurisdictions; |
| “Articles” | the articles of association of the Company, as amended and restated from time to time; |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules; |
| “Avenir Cayman” | Avenir Cayman Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the ultimate beneficial owner of which is Mr. Li; |
| “Avenir Investment” or “Subscriber I” | Avenir Investment Limited, a company incorporated and in the BVI with limited liability, which is indirectly wholly owned by Mr. Li; |
| “BitTrade” | BitTrade Inc., a company incorporated in Japan with limited liability and a subsidiary of the Company which is owned as to approximately 92.31% by the Company; |
| “BitTrade HK” | Bittrade (HK) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of BitTrade as at the Latest Practicable Date; |
| “Board” | the board of Directors; |
| “Business Day(s)” | a day on which banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturdays, Sundays, public holidays in Hong Kong or a day on which tropical cyclone warning signal number 8 or above or a black rainstorm warning is in force at any time between 9:00 a.m. and 5:00 p.m. in Hong Kong); |
| “BVI” | the British Virgin Islands; |
| “Company” or “Issuer” | Sinohope Technology Holdings Limited 新火科技控股有限公司, a company incorporated in the BVI with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1611); |
| “Completion” | the completion of the Subscriptions in accordance with the Subscription Agreements; |

DEFINITIONS

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| “Conditions” | the conditions precedent required for the completion of the Subscription Agreements as set out in the sections headed “Conditions Precedent” in this Circular; |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “connected transaction(s)” | has the meaning ascribed thereto under the Listing Rules; |
| “Debt Repayment Agreement” | the debt repayment agreement dated 13 March 2024 entered into between, among others, Avenir Cayman as creditor, and BitTrade as debtor; |
| “Debt Repayment Extension Letter” | the debt repayment extension letter dated 27 January 2025 (with the effective date on 1 January 2025) entered into by Avenir Cayman and BitTrade to, among others, extend the original repayment date under the Debt Repayment Agreement; |
| “Director(s)” | the director(s) of the Company; |
| “EGM” | the extraordinary general meeting to be convened by the Company for, among others, approving the Subscription Agreements and the transactions contemplated hereunder (including the approval for the connected transaction pursuant to the Subscription Agreement I and the Subscription Agreement IV, the granting of the Specific Mandate for the allotment and issue of the Subscription Share); |
| “Encumbrance” | a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, assignment, deed of trust, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect, any proxy, power of attorney, voting trust arrangement, any adverse claim as to title, possession or use, and any agreement or obligation to create or grant any of the aforesaid; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |

DEFINITIONS

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| “Independent Board Committee” | an independent committee of the Board, comprising all independent non-executive Directors, which has been established for the purpose of making a recommendation to the Independent Shareholders as to whether the terms of the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole; |
| “Independent Financial Adviser” or “Gram Capital” | Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser appointed and approved by the Independent Board Committee to advise the Independent Board Committee in connection with the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares); |
| “Independent Shareholder(s)” | Shareholders other than (i) those who are involved or interested in the Subscription Agreements and the transactions contemplated hereunder and the Specific Mandate; or (ii) those who are required to abstain from voting at the EGM under the Listing Rules or the Applicable Laws; |
| “JPY” | Japanese yen, the lawful currency of Japan; |
| “Latest Practicable Date” | 7 August 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular; |
| “LINEX” or “Subscriber II” | LINEX Holdings Ltd., a company incorporated under the laws of the BVI with limited liability, the ultimate beneficial owner of which is Mr. Weng; |
| “Listing Committee” | listing sub-committee of the board of directors of the Stock Exchange; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange, as amended and modified from time to time; |
| “Long Stop Date” | 30 September 2025, or such other date as the Parties may agree in writing; |

DEFINITIONS

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| “Memorandum” | the memorandum of association of the Company, as amended and restated from time to time; |
| “Memorandum and Articles” | collectively, the Memorandum and the Articles; |
| “Mr. Li” | Mr. Li Lin (李林先生), a non-executive Director; |
| “Mr. Weng” | Mr. Weng, Xiaoqi (翁曉奇先生), the ultimate beneficial owner of LINEX; |
| “Mr. Xiang” | Mr. Xiang, Jianhua (向健華先生), the ultimate beneficial owner of Rosen; |
| “Mr. Xing” | Mr. Xing, Yue (邢悅先生), the ultimate beneficial owner of TX Capital; |
| “Ms. Zhang” | Ms. Zhang Li (張麗女士), an executive Director; |
| “New M&A” | the amended and restated memorandum and articles of association of the Company, to be adopted by the Company upon the approval of the Shareholders by way of special resolution at the EGM; |
| “Night Wood” or “Subscriber IV” | NIGHT WOOD PTE. LTD., a company incorporated under the laws of Singapore with limited liability, the ultimate beneficial owner of which is Ms. Zhang; |
| “PRC” | the People’s Republic of China; |
| “Rosen” or “Subscriber V” | Rosen Holdings Ltd., a company incorporated under the laws of the BVI with limited liability, the ultimate beneficial owner of which is Mr. Xiang; |
| “Second Debt Repayment Extension Letter” | the second debt repayment extension letter dated 29 July 2025 (with the effective date on 1 August 2025) entered into by Avenir Cayman and BitTrade to, among others, further extend the repayment date under the Debt Repayment Agreement (as extended by the Debt Repayment Extension Letter); |
| “SFC” | the Hong Kong Securities and Futures Commission; |
| “SFO” | The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); |
| “Share(s)” | ordinary share(s) of nominal value of HK\$0.001 each in the shares of the Company; |

DEFINITIONS

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| “Shareholder(s)” | holder(s) of the Share(s) from time to time; |
| “Specific Mandate” | a specific mandate to issue, allot or otherwise deal in the Shares to be sought from the Independent Shareholders at the EGM to satisfy the allotment and issue of the Subscription Shares upon Completion; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subscribers” | Avenir Investment, LINEX, TX Capital, Night Wood and Rosen, and each a “Subscriber”; |
| “Subscriptions” | the subscriptions by the Subscribers for the Subscription Shares on and subject to the terms and conditions set out in the Subscription Agreements; |
| “Subscription Agreements” | collectively, Subscription Agreement I, Subscription Agreement II, Subscription Agreement III, Subscription Agreement IV and Subscription Agreement V; |
| “Subscription Agreement I” | the subscription agreement dated 29 June 2025 entered into between the Company and Avenir Investment for the issue and subscription of 54,000,000 new Shares; |
| “Subscription Agreement II” | the subscription agreement dated 29 June 2025 entered into between the Company and LINEX for the issue and subscription of 75,170,000 new Shares; |
| “Subscription Agreement III” | the subscription agreement dated 29 June 2025 entered into between the Company and TX Capital for the issue and subscription of 7,500,000 new Shares; |
| “Subscription Agreement IV” | the subscription agreement dated 29 June 2025 entered into between the Company and Night Wood for the issue and subscription of 25,750,000 new Shares; |
| “Subscription Agreement V” | the subscription agreement dated 29 June 2025 entered into between the Company and Rosen for the issue and subscription of 3,580,000 new Shares; |
| “Subscription Price” | HK\$1.66 per Subscription Share; |
| “Subscription Shares” | a total of 166,000,000 new Shares to be allotted and issued by the Company and subscribed by the Subscribers pursuant to the terms and conditions of the respective Subscription Agreements, and each a “Subscription Share”; |

DEFINITIONS

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| “subsidiary(ies)” | has the meaning ascribed thereto under the Listing Rules; |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time; |
| “TX Capital” or “Subscriber III” | TX Capital Holdings Ltd., a company incorporated under the laws of the BVI with limited liability, the ultimate beneficial owner of which is Mr. Xing; |
| “US\$” or “USD” | United States dollar, the lawful currency of the United States of America; |
| “VSA Circular” | the circular dated 14 March 2025 of the Company in relation to, among others, the acquisitions of the entire equity interest in Sinohope JP Limited (formerly known as Avenir Asset Holding Limited) and 5,210,000 ordinary shares of BitTrade; and |
| “%” | per cent. |

Certain figures set out in this circular have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures. Any discrepancy in any table between totals and sums of amounts listed in this circular is due to rounding.



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)

Non-executive Director:

Mr. Li Lin (*Chairman*)

Executive Directors:

Mr. Du Jun (*Chief Executive Officer*)

Ms. Zhang Li

Independent non-executive Directors:

Mr. Yu Chun Kit

Mr. Yip Wai Ming

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

*Head office and principal place of
business in Hong Kong:*

Unit 702-3, 7/F

100 Queen's Road Central

Central, Hong Kong

Registered Office:

Vistra Corporate Services Centre

Wickhams Cay II

Road Town, Tortola

BVI VG 1110

10 August 2025

To Shareholders:

Dear Sirs or Madams,

- (1) SUBSCRIPTIONS OF NEW SHARES UNDER SPECIFIC MANDATE**
(2) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTIONS OF
NEW SHARES UNDER SPECIFIC MANDATE
(3) PROPOSED INCREASE IN AUTHORISED SHARES
(4) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES
AND
(5) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement dated 29 June 2025 (the “**Announcement**”) of the Company in relation to, among others, the proposed Subscriptions, the proposed increase of the maximum number of Shares authorised to be issued by the Company and the proposed amendments to the Memorandum and Articles.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information regarding, among others, (i) further details of the proposed Subscriptions; (ii) a letter from the Independent Board Committee containing its opinion and recommendations to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (iv) further details of the proposed increase in the authorised Shares; (v) further details regarding the proposed amendments to the Memorandum and Articles; (vi) the notice of the EGM; and (vii) other information as required to be disclosed under the Listing Rules.

(1) THE SUBSCRIPTIONS

On 29 June 2025, the Company entered into the Subscription Agreements with five Subscribers respectively, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 166,000,000 Subscription Shares at the Subscription Price of HK\$1.66 per Subscription Share for a total consideration of HK\$275,560,000.

THE SUBSCRIPTION AGREEMENTS

Date

29 June 2025

Parties to Subscription Agreement I

- (1) Avenir Investment (as Subscriber I)
- (2) the Company as the issuer

Parties to Subscription Agreement II

- (1) LINEX (as Subscriber II)
- (2) the Company as the issuer

Parties to Subscription Agreement III

- (1) TX Capital (as Subscriber III)
- (2) the Company as the issuer

Parties to Subscription Agreement IV

- (1) Night Wood (as Subscriber IV)
- (2) the Company as the issuer

LETTER FROM THE BOARD

Parties to Subscription Agreement V

- (1) Rosen (as Subscriber V)
- (2) the Company as the issuer

Subscriptions

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 54,000,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement II, the Company has conditionally agreed to allot and issue, and Subscriber II has conditionally agreed to subscribe for 75,170,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement III, the Company has conditionally agreed to allot and issue, and Subscriber III has conditionally agreed to subscribe for 7,500,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement IV, the Company has conditionally agreed to allot and issue, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement V, the Company has conditionally agreed to allot and issue, and Subscriber V has conditionally agreed to subscribe for 3,580,000 Shares at the Subscription Price.

Subscription Shares

The Subscription Shares, in aggregate, represent:

- (a) approximately 28.34% of the issued Shares as at the date of the Subscription Agreements;
- (b) approximately 28.33% of the issued Shares as at the Latest Practicable Date; and
- (c) approximately 22.08% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately after Completion (assuming that there is no change in the issued Shares from the Latest Practicable Date and up to Completion other than the issue of the Subscription Shares).

The aggregate nominal value of the Subscription Shares is HK\$166,000 and the market value of the Subscription Shares is HK\$391,760,000 based on the closing price of HK\$2.36 per Share as quoted on the Stock Exchange on 27 June 2025, being the last trading day prior to the date of the Subscription Agreements.

LETTER FROM THE BOARD

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all Encumbrance, and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

The Subscription Price

The Subscription Price of HK\$1.66 per Subscription Share represents:

- (a) a discount of approximately 29.66% to the closing price of HK\$2.36 per Share as quoted on the Stock Exchange on 27 June 2025, being the last trading day prior to the date of the Subscription Agreements;
- (b) a discount of approximately 23.85% to the average closing price of approximately HK\$2.18 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Subscription Agreements;
- (c) a discount of approximately 61.48% to the closing price of HK\$4.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (d) a discount of approximately 18.23% to the average closing price of approximately HK\$2.03 per Share as quoted on the Stock Exchange for the last 20 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (e) a discount of approximately 13.09% to the average closing price of approximately HK\$1.91 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (f) a discount of approximately 5.14% to the average closing price of approximately HK\$1.75 per Share as quoted on the Stock Exchange for the last 60 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (g) a discount of approximately 4.05% to the average closing price of approximately HK\$1.73 per Share as quoted on the Stock Exchange for the last 90 consecutive trading days immediately prior to the date of the Subscription Agreements;
- (h) a discount of approximately 11.70% to the average closing price of approximately HK\$1.88 per Share as quoted on the Stock Exchange for the last 180 consecutive trading days immediately prior to the date of the Subscription Agreements; and

LETTER FROM THE BOARD

- (i) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 6.36%, represented by the theoretical diluted price of approximately HK\$2.21 per Share to the benchmarked price of approximately HK\$2.36 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the date of the Subscription Agreements of HK\$2.36 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Subscription Agreements of HK\$2.18 per Share).

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers, taking into account the following key factors: (i) the prevailing and historical trading prices of the Shares; (ii) the funding needs and financial position of the Group, including the requirement for working capital and resources to support its ongoing business development and strategic initiatives; (iii) the trading liquidity of the Shares, which was relatively low prior to the date of the Subscription Agreements; (iv) the prevailing market sentiment and capital market conditions; and (v) the reasons for and benefits of the Subscriptions as further discussed in the subsection headed "Reasons for and benefits of the Subscriptions" below.

The Company commenced discussions with certain potential subscribers regarding the terms of the Subscription Agreements (including the Subscription Price) in or around mid-June 2025. In determining the Subscription Price, the Board also took into account, among other factors, the historical trading performance of the Shares at the relevant time, including:

- (a) a discount of approximately 9.29% to the average closing price of approximately HK\$1.83 per Share for the 20 consecutive trading days immediately prior to 16 June 2025 (being the relevant time when the Company and the Subscribers began substantive discussions on the Subscriptions);
- (b) a discount of approximately 6.74% to the average closing price of approximately HK\$1.78 per Share for the 30 consecutive trading days immediately prior to 16 June 2025;
- (c) a discount of approximately 1.78% to the average closing price of approximately HK\$1.69 per Share for the 60 consecutive trading days immediately prior to 16 June 2025;
- (d) a discount of approximately 2.35% to the average closing price of approximately HK\$1.70 per Share for the 90 consecutive trading days immediately prior to 16 June 2025; and
- (e) a discount of approximately 11.70% to the average closing price of approximately HK\$1.88 per Share for the 180 consecutive trading days immediately prior to 16 June 2025.

LETTER FROM THE BOARD

Having considered the average closing prices of the Shares over longer historical periods, the Board noted the following:

- (i) immediately prior to 16 June 2025 (being the time when the Company commenced discussions with certain potential subscribers on the Subscription Price), the Shares traded at an average closing price of approximately HK\$1.69, HK\$1.70, and HK\$1.88 per Share over the preceding 60-day, 90-day, and 180-day periods, respectively; and
- (ii) immediately prior to the date of the Subscription Agreements, the corresponding 60-day, 90-day, and 180-day averages were approximately HK\$1.75, HK\$1.73, and HK\$1.88 per Share, respectively.

The Board observed a slight upward movement in the Share price between mid-June 2025 and the date of the Subscription Agreements. That said, the overall trading level of the Shares remained relatively stable over the medium to long term. In determining the Subscription Price of HK\$1.66 per Share, the Board placed greater emphasis on the broader historical averages, particularly those prior to 16 June 2025, which were considered more indicative of the Shares' underlying value. The extended benchmarking approach was adopted to provide a balanced valuation framework and reduce the influence of short-term market sentiment. Taking into account the Group's funding needs, prevailing market conditions and strategic objectives, the Board considers the Subscription Price to be fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Subscription Price was determined by applying a discount of approximately 10% to the prevailing average closing prices at the relevant time, which the Board considered to be in line with market convention for equity fundraisings of a similar nature. The application of such a discount was also intended to incentivize investor participation, particularly in light of the low trading liquidity of the Shares prior to the execution of the Subscription Agreements. While market sentiment has shown signs of improvement in recent weeks, partly due to external developments concerning real-world assets (RWA) and stablecoins, the Board noted that the recent appreciation in the Company's share price was largely driven by policy expectations, including developments in stablecoin regulations and the rising prices of Bitcoin and Ethereum. During negotiations with potential subscribers, the Board did not place material reliance on such policy-driven speculative movements in determining valuation considerations.

In addition, the Subscription Price was determined based on a longer-term valuation perspective and with reference to observable market benchmarks, including the assessment of the Group's potential cash outflow and projected earnings outlook, with reference to the Group's financial performance, in particular, the financial results for the six months ended 31 March 2025 (the "**Period 2025**"). The Group's loss before income tax for Period 2025 was approximately HK\$12.3 million as compared to a net profit before income tax of approximately HK\$99.3 million for the corresponding period in 2024. The loss was mainly attributable to the net effect of a decrease in revenue from other business of approximately HK\$16.7 million as compared with that of the corresponding period in 2024, primarily due to the suspension of cryptocurrency mining services. The shift from a net profit in the corresponding period in 2024 to a net loss in the Period

LETTER FROM THE BOARD

2025 was also attributable to a decrease in fair value gains on cryptocurrencies of approximately HK\$43 million, and the absence of a one-off reversal of the provision of impairment of the FTX Deposit of approximately HK\$78.8 million.

In addition to the above, the Board also took into consideration the Group's negative operating cash flow and the ongoing pressure on profitability. Net cash used in operating activities was approximately HK\$46.2 million for Period 2025 (compared to approximately HK\$52.3 million for the corresponding period in 2024), with the decrease in cash outflow mainly attributable to reduced administrative expenses and lower acquisition of cryptocurrencies for operating usage. Administrative expenses declined significantly by approximately HK\$14.8 million, or 27.4%, to approximately HK\$39.3 million for Period 2025, following the implementation of cost management measures. These expenses primarily comprised employee benefit expenses of approximately HK\$28.5 million for Period 2025, compared to approximately HK\$33.9 million in the corresponding period in 2024. Despite these reductions, the Group's gross profit for Period 2025 remained insufficient to cover its administrative expenses, indicating uncertainty as to whether the Group will be able to generate earnings per share for shareholders in the near term.

The Group is entering a key transformation phase with clear strategic priorities. As disclosed in the 2025 interim report, the Group is focused on comprehensively upgrading its one-stop virtual asset service ecosystem and continue integrating custody, asset management, and quantitative product services. The Subscription Price takes into account the Group's financial position, including current cash flow needs and exposure to market volatility. It provides investors with a reasonable entry point to support the Group's growth plans, while striking an appropriate balance between the Company's capital-raising objectives and investors' expectations regarding short-term performance.

Accordingly, the Board employed a prudent and methodical process that prioritizes a comprehensive, forward-looking assessment over transient market optimism, and is thus of the view that the approach adopted in determining the Subscription Price remains appropriate and consistent with generally accepted market practices under comparable circumstances.

Having considered the foregoing, including that the Subscription Price represents a discount to both the closing price per Share on the date of the Subscription Agreements and the historical average closing price of the Shares immediately preceding the date of Subscription Agreements, the Directors (excluding Mr. Li and Ms. Zhang, who abstained from voting due to their material interests in Subscription Agreement I and Subscription Agreement IV, respectively, and the independent non-executive Directors whose recommendation will be provided after considering the advice from the Independent Financial Adviser) consider that the Subscription Price is fair and reasonable in light of the prevailing market conditions, the recent price performance and liquidity of the Shares.

LETTER FROM THE BOARD

Conditions Precedent

The obligations of the parties to effect Completion shall be conditional upon satisfaction or waiver of the following conditions (“**Conditions**”) on or before the Long Stop Date:

- (a) all requisite authorisations, approvals, permissions, agreements, consents and waivers required to be obtained by each party to the Subscription Agreements in respect of the entering into of the Subscription Agreements and the implementation of the transactions contemplated thereunder having been obtained and remaining in full force and effect, with full compliance of all Applicable Laws (including but not limited to the Listing Rules);
- (b) the Independent Shareholders having approved and passed, at the EGM to be convened and held, the necessary resolutions approving the Subscription Agreements and the transaction contemplated thereunder, including but not limited to the grant of the Specific Mandate for the issue and allotment of the Subscription Shares;
- (c) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Subscription Shares on the Main Board of the Stock Exchange and such approval and permission not being subsequently revoked or withdrawn prior to the commencement of dealings in the Subscription Shares on the Stock Exchange;
- (d) each of the Subscribers and persons acting in concert with it not triggering any obligation to make a mandatory general offer for the relevant securities of the Company under Rule 26 of the Takeovers Code as a result of the Subscriptions;
- (e) the Shareholders having approved and passed, at the EGM to be convened and held, the necessary resolutions to approve the increase of authorised Shares;
- (f) the Shareholders having approved and passed, at the EGM to be convened and held, the necessary resolutions to approve the proposed amendments to the existing Memorandum and Articles in relation to the proposed increase in authorised Shares;
- (g) the representations and warranties given by the Company and the Subscribers under the Subscription Agreements being true and accurate and not misleading when made and remaining true and accurate and not misleading until the date of Completion;
- (h) all necessary consents and approvals required to be obtained on the part of the Company in respect of the Subscription Agreements and the transactions contemplated thereunder having been obtained; and
- (i) all necessary consents and approvals required to be obtained on the part of the each of the Subscribers in respect of the Subscription Agreements and the transactions contemplated hereunder having been obtained.

LETTER FROM THE BOARD

Save for Conditions (g), (h) and (i) above, the Conditions are not capable of being waived by any party to the Subscription Agreements.

As at the Latest Practicable Date, Condition (a) has been fulfilled.

If any of the Conditions has not been fulfilled or waived (as the case may be) on or before the Long Stop Date, the respective Subscription Agreement(s) shall be terminated forthwith and cease to have any further legal effect on the parties to the Subscription Agreements, and no party shall have any claim against the other party, save for any antecedent breach of the Subscription Agreements.

Each of the Company and the Subscribers hereby undertakes to use its best endeavours to procure (so far as it lies within its power so to do) that the above Conditions are satisfied as soon as practicable after the signing of the Subscription Agreements.

Completion

Subject to the satisfaction (or waiver, as the case may be) of the Conditions, Completion shall take place on the day following the 7th Business Day after the fulfilment (or waiver, as the case may be) of the Conditions (or such other date the Company and the Subscribers may mutually agree in writing) at such place the Company and the Subscribers may mutually agree in writing.

At Completion, each of the Subscribers shall pay, or shall procure the payment of, the consideration for the relevant Subscriptions, by transfer of clear and immediately available funds by the Subscribers (or their respective nominee) to a bank account designated by the Company, or in such other manner as the Company may direct.

In default of the performance of any transactions under the respective Subscription Agreements by a party thereto, the non-breaching party shall not be obliged to complete the transactions thereunder (without prejudice to any other remedies).

Completion of each of the Subscription Agreements is independent of, and not inter-conditional upon, the completion of the other Subscription Agreements.

Company warranty and undertaking

The Company warrants and undertakes, among other things, not to create, allot or issue any shares, loan capital or other securities, nor create, issue, redeem or grant any option or right to subscribe in respect of any share or loan capital or other securities from the date of the Subscription Agreements until Completion (save as pursuant to the existing share option scheme of the Company).

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate which will be sought from the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

INFORMATION OF THE PARTIES INVOLVED

Information of the Company and the Group

The Company is an investment holding company incorporated in the BVI, whose Shares are listed on the main board of the Stock Exchange. The Group is principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian businesses and cryptocurrency trading.

Information of the Subscribers

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, as at the Latest Practicable Date:

Subscriber I, a substantial shareholder of the Company holding 170,318,997 Shares (representing approximately 29.07% of the total issued Shares), is a limited company incorporated under the laws of the BVI. Subscriber I is principally engaged in investment holding. As at the Latest Practicable Date, Subscriber I is indirectly wholly owned by Mr. Li, a non-executive Director. As such, Subscriber I is a connected person of the Company.

Subscriber II, a company incorporated under the laws of the BVI with limited liability, is primarily engaged in investment holding. Subscriber II's ultimate beneficial owner is Mr. Weng, who is an independent third party of the Company and its connected persons as at the date of the Subscription Agreements.

Subscriber III, a company incorporated under the laws of the BVI with limited liability, is primarily engaged in investment holding. Subscriber III's ultimate beneficial owner is Mr. Xing, who is an independent third party of the Company and its connected persons as at the date of the Subscription Agreements.

Subscriber IV, a company incorporated under the laws of Singapore with limited liability, is primarily engaged in wholesale trading of products and investment holding. Subscriber IV's ultimate beneficial owner is Ms. Zhang, an executive Director. Subscriber IV is indirectly wholly owned by Ms. Zhang.

Subscriber V, a company incorporated under the laws of the BVI with limited liability, is primarily engaged in investment holding. Subscriber V's ultimate beneficial owner is Mr. Xiang, who is an independent third party of the Company and its connected persons as at the date of the Subscription Agreements.

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REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

Use of proceeds

The gross proceeds from the Subscriptions are expected to be approximately HK\$275.6 million. After deducting estimated expenses of approximately HK\$1.0 million (including professional fees and related costs), the net proceeds are expected to be approximately HK\$274.6 million. This represents a net Subscription Price of approximately HK\$1.65 per Subscription Share, comprising approximately HK\$89.3 million from Subscription Agreement I and approximately HK\$42.4 million from Subscription Agreement IV. The intended use of the net proceeds from the Subscriptions will be as follows:

- (a) approximately HK\$127.2 million or 46.3% for the growth and expansion of the Group's business, specifically for applying for, acquiring and/or upgrading compliance licenses for virtual assets related business in multiple jurisdictions;
- (b) approximately HK\$117.0 million or 42.6% for repayment of the Group's existing indebtedness; and
- (c) approximately HK\$30.4 million or 11.1% for the Group's general working capital purposes.

In the event that not all of the Subscription Agreements are completed in full, the allocation of net proceeds will be applied in accordance with the above purposes.

Reasons for and benefits of the Subscriptions

I. *Funding needs for the business growth and expansion*

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

To ensure sustainable and prudent business growth, the Company needs additional funding support. Amid tightening yet increasingly supportive cryptocurrency regulations across multiple jurisdictions, the Company plans to actively gain market share by co-hosting high-profile cryptocurrency conferences to establish thought leadership and leveraging targeted digital advertising and channel partnerships to enhance brand visibility. These initiatives aim to drive user adoption of the Company's cryptocurrency trading and asset management businesses. The Company intends to secure sufficient financing to fund its marketing and branding initiatives as part of its broader growth and expansion strategy.

LETTER FROM THE BOARD

To support these growth initiatives, the Company also requires substantial capital to meet potential regulatory and operational needs and expands into new markets. The application for, or acquisition of, a Virtual Asset Trading Platform (VATP) license in Hong Kong, and potentially the exploration of a qualified Over the Counter Trading license in the future, will require both solid financial backing and significant investment in professional and technical talents.

As disclosed above, approximately HK\$127.2 million (approximately US\$16.3 million) from the net proceeds will be allocated for the growth and expansion of the Group's business, specifically for applying for, acquiring and/or upgrading compliance licenses for virtual assets related business in multiple jurisdictions. This amount comprises:

- (i) approximately US\$12 million (equivalent to approximately HK\$93.6 million) to be allocated to Hong Kong VATP licensing initiatives, covering either a full license application or the acquisition of a majority stake in a licensed entity, as further outlined below;
- (ii) approximately US\$4 million (equivalent to approximately HK\$31.2 million) to be reserved for upgrading the current license in Hong Kong and licensing efforts and working capital in other jurisdictions, as detailed below; and
- (iii) approximately US\$0.3 million (equivalent to approximately HK\$2.34 million) to be earmarked as contingency funding for licensing-related marketing and promotional activities, as well as regulatory buffer adjustments.

As disclosed in the VSA Circular, BitTrade HK had previously submitted an application for a Virtual Asset Service Provider (VASP) license with the SFC. The application was subsequently withdrawn due to budgetary constraints. The application was submitted during the non-contravention period granted to virtual asset trading platforms under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO), which ended on 1 June 2024. Under the SFO and the AMLO, centralised virtual asset trading platforms carrying on their businesses in Hong Kong, or actively marketing their services to Hong Kong investors, are required to be formally licensed and regulated by the SFC.

The Company plans to apply for a VATP license to proactively address future regulatory requirements for virtual assets and to ensure the stability of its current business operations. In respect of the net proceeds of approximately US\$12 million (equivalent to approximately HK\$93.6 million), such funds are intended to be allocated towards eventually pursuing a VATP license in Hong Kong. The Company has considered two potential pathways: (i) a direct application for, or an acquisition of, a Hong Kong VATP license, or (ii) a two-step approach involving an initial application for a VASP license or other virtual asset-related licenses (such as virtual asset dealing and virtual asset custodian licenses), followed by the ultimate objective of securing a VATP license.

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Under the two-step approach, it is estimated that the initial application costs for virtual asset-related licenses would range from approximately HK\$5 million to HK\$12 million. These costs include, among others, legal and government fees, as well as operational expenses such as salaries of responsible officers, system upgrades and internal control software. Such operational expenses are expected to remain applicable and form part of the foundational infrastructure for the Company's subsequent VATP license application.

Should sufficient resources become available to support the associated application costs, the Group will consider directing BitTrade HK to resubmit its license application or to set up a new entity to apply for the VATP license in Hong Kong. This would serve as a foundational step towards enabling the Group to operate a virtual asset trading platform (VATP) locally.

The Company's strategic plan is to achieve VATP operations in Hong Kong either through a fresh license application or through the acquisition of an already licensed entity. The Board's decision to proceed with obtaining a VATP license – whether by application or acquisition – will be determined based on cost-benefit analysis, the potential risks associated with acquisition, and the estimated timeline for securing the relevant license. The Board aims to pursue the most capital-efficient path that aligns with the Company's available proceeds and complies with applicable regulatory requirements governing the Group's operating businesses.

The Company intends to pursue applying for or acquiring a VATP license, having considered the following key factors: (i) the regulatory framework governing virtual assets in Hong Kong has evolved, with recent developments providing clearer guidance from the SFC, which enables more structured compliance planning; (ii) the absence of a VASP/VATP license has constrained client onboarding and limited the Group's ability to form partnerships with traditional financial institutions, including banks, securities firms, and public funds; (iii) eventually obtaining a VATP license is now considered critical to the Group's long-term growth strategy and its continued expansion in Hong Kong's regulated virtual asset market; and (iv) the Group's over-the-counter (OTC) trading business currently generates income through trading spreads earned from clients who buy and/or sell virtual assets. Clients include high-net-worth individuals, institutional investors, and firms that prefer executing large transactions with greater privacy, reduced slippage, and enhanced execution certainty. The expansion into a fully licensed VATP operation would strengthen the Group's competitive position and client service capabilities in Hong Kong's regulated virtual asset market.

Based on the Board's projections, the Company anticipates a funding requirement of approximately US\$12 million (equivalent to HK\$93,600,000) over the next two years to support a Hong Kong VATP license application, alongside research and development and working capital for new business initiatives. In respect of such VATP license application, the anticipated total costs of approximately US\$12 million is expected to cover key areas including: (i) remuneration for research and development personnel for the development of the exchange system; (ii) infrastructure and software expenses for maintaining the trading platform, including server costs and ongoing software subscriptions; (iii) market maker engagement to ensure sufficient platform liquidity; (iv)

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recruitment of compliance, legal, and operational personnel to meet licensing and ongoing regulatory requirements; and (v) legal and professional fees, including IT audit expenses and consulting fees, to support the licensing application.

In respect of a potential acquisition of a VATP license, the Company has initiated preliminary discussions with industry intermediaries to identify potential acquisition targets, with indicative market valuations for licensed entities ranging between approximately US\$15 million and US\$30 million, while acquiring a majority stake in a licensed entity would require an investment of approximately US\$7.5 million to US\$15 million (excluding approximately US\$1 million in transaction and agent fees).

To ensure successful license acquisition/application within the next two years and within budget, the Company has implemented the following measures:

- (i) consulted with licensed entities and confirmed that a typical application timeline of approximately one to two years aligns with the Company's funding period;
- (ii) prepared detailed cost control measures for both pathways, with budget flexibility to allow funds to be reallocated as necessary. In particular, for a VATP license application, the estimated costs for the following items amount to approximately US\$12 million, details of which are set out below:

| Description | Expected two-year cost |
|--|------------------------|
| Remuneration for research and development personnel for the development of the exchange system | US\$3,600,000 |
| Infrastructure and software expenses for maintaining the trading platform, including server costs and ongoing software subscriptions | US\$3,600,000 |
| Market maker engagement to ensure sufficient platform liquidity | US\$2,400,000 |
| Recruitment of compliance, legal, and operational personnel to meet licensing and ongoing regulatory requirements | US\$1,200,000 |
| Legal and professional fees, including IT audit expenses and consulting fees | US\$1,200,000 |
| | <hr/> |
| Total estimated budget | US\$12,000,000 |

- (iii) allocated contingency buffers within the budget to accommodate potential regulatory updates or process delays.

As at the Latest Practicable Date, no specific suitable acquisition targets within the Company's funding budget have been identified. The Company will continue to evaluate whether proceeding with a fresh Hong Kong VATP license application or acquiring an existing licensed entity would better align with its long-term strategic goals. The Hong Kong Legislative Council has recently

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been actively enhancing the licensing regulations for virtual assets. For instance, on 26 June 2025, the Financial Services and the Treasury Bureau (FSTB) and the SFC jointly released a public consultation document on the proposed legislation to regulate virtual assets dealing services through the introduction of a licensing regime for providers of virtual assets dealing services. The Group will continue to monitor virtual asset policy developments from both the SFC and the Legislative Council and should future regulatory frameworks expand, we may reallocate a portion of the funds originally designated for the VATP license application towards other virtual asset-related licenses that have not yet been officially introduced (such as virtual asset custodian or virtual asset OTC licenses), thereby ensuring both business development and the maximisation of resource utilisation.

In addition, approximately US\$4 million (equivalent to approximately HK\$31.2 million) will be allocated to (i) upgrading the Group's existing Type 1 license in Hong Kong; and (ii) supporting investments and working capital for applying for or acquiring virtual asset licenses in other jurisdictions.

These initiatives include: (i) upgrading the Group's existing Type 1 (dealing in securities) license under the SFC framework to meet the requirements for virtual asset dealing in Hong Kong; (ii) exploring licensing opportunities in other jurisdictions, including (a) applying for a Digital Payment Token (DPT) services license issued by the Monetary Authority of Singapore and (b) applying for a Virtual Asset Service Provider (VASP) license in the United Arab Emirates (UAE); and/or (iii) exploring Markets in Crypto-Assets (MiCA) compliance licensing in Europe (including Malta, Luxembourg, or Lithuania), subject to budget availability and progressing to the research and planning stage. According to the Company's internal estimates, the licensing and regulatory engagement in each jurisdiction may require investment ranging from US\$1 million to US\$2 million. Specifically, the Company has identified several potential investors and clients in Singapore and the Middle East, regions which the Board considers having huge potential in the virtual asset market. Furthermore, Directors including Mr. Du Jun and Ms. Zhang bring valuable experience in the virtual asset business and investment across these regions, which strengthens the Group's position in pursuing its international expansion strategy. Accordingly, the Group has reserved approximately US\$4 million to support its licensing and market development plans in these jurisdictions.

In Singapore, the Group has established a subsidiary and is actively recruiting local personnel to support the DPT license application. This initiative is driven in part by the fact that several of the Group's key suppliers are Singapore-licensed financial institutions. Maintaining and expanding these partnerships requires ongoing compliance with Singapore's increasingly stringent digital asset regulations. Mr. Du Jun holds an EMBA degree from the National University of Singapore and has been based in the Singapore cryptocurrency market for over five years, during which he developed substantial experience and relationships in the local market. The Group has also identified the UAE, particularly Dubai, as a high-potential market for virtual asset services. The Group actively participated in the Dubai Fintech Summit 2025 as a bronze sponsor, generating meaningful commercial leads and engagement with local stakeholders. Obtaining a VASP license in the UAE would allow the Group to build on this momentum, establish a formal presence, and operate in full compliance with the applicable local regulatory regime. With respect to Europe (including Malta,

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Luxembourg, and Lithuania), while the Group has not yet established business operations or partnerships in these jurisdictions, it is conducting preliminary research on MiCA licensing requirements and the potential scope of regulatory coverage in these markets.

Obtaining crypto-related compliance licenses (such as Hong Kong's VASP and VATP licenses) will provide the Company with several strategic advantages. These include legal operational legitimacy, reduced legal risks, enhanced international recognition and significantly increased trust among users and partners. Licensed institutions also gain access to banking systems, asset management services and other potential market opportunities such as RWA tokenization. As global regulatory standards continue to tighten, licensed companies are expected to be better positioned to consolidate market share and support long-term expansion. To maintain its leadership position in the blockchain and Web3.0 markets, the Company believes that securing financing to obtain and maintain virtual asset related compliance licenses is essential for its long-term development.

The rapid development of the cryptocurrency market has been significantly driven by strong support from policymakers in major countries and regions worldwide. From the approval of Bitcoin and Ethereum spot ETFs in the U.S. and Hong Kong in 2024 to the formal passage of stablecoin bills in the U.S. and Hong Kong this year, the global cryptocurrency market has seen a significant acceleration in its regulatory compliance. To align with this regulatory trend, the Company began expanding into compliant cryptocurrency exchange services in 2024. On 29 May 2025, the Company completed the acquisition of a majority interest in BitTrade, a licensed cryptocurrency exchange in Japan, marking its first step toward establishing a compliant exchange presence in the Japanese market.

Beyond Japan, the Company is actively exploring opportunities to establish compliant cryptocurrency exchanges in other global markets. The Company plans to initiate applications for a Virtual Asset Trading Platform (VATP) license in Hong Kong, or to pursue the acquisition of interests in companies holding such licenses. It also intends to seek additional cryptocurrency-related compliance licenses in other countries and regions in the future, aiming to build a secure and compliant Web3 service provider brand.

On 21 May 2025, the Hong Kong Legislative Council passed the “Stablecoins Bill”, establishing a licensing regime for fiat-referenced stablecoin issuers. The Stablecoins Ordinance (Cap. 656) subsequently came into effect on 1 August 2025, introducing a mandatory licensing framework under the Hong Kong Monetary Authority (HKMA). The regulation of cross-border stablecoin activities (such as HKD-referenced stablecoins) upon implementation of the Stablecoins Ordinance demonstrates Hong Kong's intention to play a significant role in the global stablecoin market. As an established player in blockchain technology, the Company has actively pursued opportunities in the stablecoin and RWA tokenization markets. These compliance initiatives are expected to further enhance the Group's core competitive advantages during the high-growth phase of the global cryptocurrency industry, particularly in terms of differentiated competitiveness within regulatory frameworks. To support its compliance strategy and operations, the Company aims to raise additional capital through the Subscriptions.

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The Subscriptions demonstrate the Subscribers' confidence in, and commitment to, the Group's long-term development and growth prospects, and will further strengthen the Group's capital base by providing additional funding to support its strategic initiatives.

In view of the above, the net proceeds from the Subscriptions of approximately HK\$127.2 million (approximately 46.3% of the total net proceeds) are intended for the growth and expansion of the Group's business, specifically for applying for, acquiring and/or upgrading compliance licenses for virtual assets related business in multiple jurisdictions.

II. *Funding needs for debt repayment and the Group's general working capital*

As disclosed in the announcement dated 29 May 2025 of the Company, the Company completed the acquisition of the entire issued share capital of Sinohope JP Limited (formerly known as Avenir Asset Holding Limited) ("**Avenir Holding**") on 15 April 2025, and subsequently completed the acquisition of approximately 7.69% of the issued share capital of BitTrade on 29 May 2025 (collectively, the "**Acquisitions**"). Following the Acquisitions, Avenir Holding became a wholly-owned subsidiary of the Company, and BitTrade became an indirect subsidiary. The financial results of Avenir Holding and BitTrade have been consolidated to the financial statements of the Company. As disclosed in the VSA Circular, BitTrade was considering equity and debt financings to raise capital to benefit its medium to long term development; and the Company would support the working capital requirement of BitTrade through capital injections or by providing loan facilities in the amount of approximately US\$10,000,000. In particular, the Company would further support BitTrade's working capital if there is any working capital insufficiency. Having considered the time constraints for BitTrade to raise capital and the recent appreciation in virtual assets and the performance of the Group's business since the second quarter, the Company intends to allocate its existing funds to continue support of its business and has decided to seek alternative funds to support BitTrade's working capital.

According to the management's projections, the Company requires approximately HK\$200 million in core operating capital to maintain stable business operations, primarily to serve as a liquidity reserve. The Board believes that maintaining a liquidity buffer of HK\$200 million is prudent and necessary to support the Group's financial stability, fulfill obligations arising from its recent Acquisitions, and ensure operational continuity across key subsidiaries during a period of active business expansion. The projected HK\$200 million capital requirement or strategic liquidity reserve target comprises the following:

- (i) approximately HK\$117 million (from the net proceeds of the Subscriptions) is expected to fund BitTrade's ongoing operational requirements and facilitate the repayment of the outstanding repayable balance due to Avenir Cayman;
- (ii) approximately HK\$30.4 million (from the net proceeds of the Subscriptions) is expected to be used for the Group's general working capital purposes, including corporate-level operations and administration; and

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- (iii) the remaining approximately HK\$53 million is expected to fund the proposed share repurchase from the minority shareholders of BitTrade.

In respect of item (i) above, approximately HK\$55 million will be applied to fund BitTrade's ongoing operational requirements by capital injection for daily operation working capital, platform development, and regulatory compliance requirement; and approximately HK\$62 million will be used to facilitate the repayment of outstanding borrowings due to Avenir Cayman.

Following management discussions, the Company anticipates providing cash support of approximately HK\$117 million to BitTrade to (a) fund ongoing operational requirements; and (b) facilitate the repayment of the loan to Avenir Cayman. The basis for these allocations is set out below:

- (a) *Funding ongoing operational requirements to support strategic expansion:* while the VSA Circular disclosed that the Group's then-existing working capital was sufficient to settle outstanding debt balances, the current expansion strategy for BitTrade has evolved to include more customer acquisition efforts and increased trading volume. This expansion requires additional resources for marketing, channel development, and promotional activities. BitTrade is also required to maintain a liquidity reserve, comprising tokens and Japanese yen, of approximately US\$40 million to support its existing trading volumes. To scale trading volumes or expand trading pairs, BitTrade is required to increase its liquidity reserves accordingly. Furthermore, any increase in trading activity will lead to higher variable costs such as AWS cloud service charges, bank fees, and blockchain gas fees. These developments were not fully contemplated in the original working capital forecast and therefore require additional funding support.
- (b) *Facilitating debt repayment:* as at 30 June 2025, BitTrade had an outstanding repayable balance of approximately HK\$191,109,000 due to Avenir Cayman. The outstanding loan bears interest at a fixed annual rate of 2%, with the repayment date being 1 October 2025. To sustain BitTrade's operations, the Company intends to support the working capital needs through capital injections and internal loan facilities. As such, further working capital support is required to facilitate the repayment of the outstanding loan due to Avenir Cayman.

In respect of item (iii) above, as disclosed in the VSA Circular, BitTrade and certain minority shareholders of BitTrade agreed that, following the completion of the Acquisitions, BitTrade would repurchase those shareholders' shares in BitTrade for a consideration equivalent to their initial investment costs amounting to JPY1,000 million (equivalent to approximately HK\$54,380,000 as at 30 June 2025).

While the Group's total working capital needs are approximately HK\$200 million, only HK\$147 million (items (i) and (ii) above) will be funded through the net proceeds from the Subscriptions. For the avoidance of doubt, the HK\$53 million allocated for the potential share repurchase (item (iii) above) will not be funded by the net proceeds from the Subscriptions, but will be primarily supported by the Group's existing resources and operational cash flows.

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As at the Latest Practicable Date, the Group's monthly cash outflow is approximately HK\$3 million, and its current monthly operating costs and expenses amount to approximately HK\$16 million. The Board expects the above allocation will provide sufficient coverage for approximately ten months of the Group's general operations.

As at 31 May 2025, the enlarged Group had cash and cash equivalents of approximately HK\$234.8 million, cryptocurrency balance of approximately HK\$1,072.3 million, and cryptocurrency investments of approximately HK\$180.5 million.

Of these amounts, approximately HK\$1,108.8 million in cash, cryptocurrency and cryptocurrency investment were attributable to customer deposits or other borrowings. This indicates that only approximately HK\$347.8 million cash or cryptocurrency was available to support the Group's daily working capital requirements after deducting the relevant payables.

In view of the above, approximately HK\$117.0 million of the net proceeds is intended for repayment of the Group's existing indebtedness, and approximately HK\$30.4 million is intended for general working capital purposes. The remaining funding requirements will be supported by the Group's available internal resources.

Financing alternatives

The Board has evaluated a range of financing alternatives apart from equity or equity-related financing, including debt financing and bank borrowings, to meet the Group's financial requirements. These considerations take into account the Group's financial position, capital structure, as well as the cost of funding.

The Board considers equity or equity-related financing to be an important source of funding for the Group, as it reduces the reliance on debt financing, which would otherwise increase the Group's debt gearing ratio and create additional interest paying obligations. In addition, borrowings from financial institutions, particularly banks, often involves lengthy due diligence processes, complex negotiations and potentially less favourable terms when compared to equity-related financing. The terms of the financing facilities available to the Group may depend on the financial institutions' assessment and may require the Company to put up collateral and other securities for such financing facilities. The Group has engaged in discussions with its existing banking partners; however, due to the lack of fixed assets available for collateral, it has limited access to sufficient debt financing.

As at 30 June 2025, the Group had outstanding debt obligations of approximately HK\$191 million in respect of BitTrade, which were due for repayment by 1 August 2025 and were subsequently extended to 1 October 2025. In view of the tight repayment timeline and the availability of potential investors expressing interest in a subscription, the Company considered share subscriptions to be a more expedient and cost-effective option compared to debt-based arrangements or traditional equity financing.

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Considering the challenges of securing financing from financial institutions as well as the relatively high cost of borrowings, the Company believes that debt financing and bank borrowing are less viable options at this stage. Moreover, due to the elevated financing costs associated with such methods, the Board has decided not to pursue debt-based funding. In addition, with market sentiment currently favourable towards compliant crypto enterprises, the Board aims to secure funding swiftly to initiate licensing applications and/or potential acquisitions in around August 2025. Accordingly, the Company will focus on equity and equity-related financing as the primary means of generating capital to support its strategic initiatives.

In evaluating equity financing alternatives, the Board also considered pre-emptive fundraising methods such as rights issue and open offer. However, having regard to the following factors and as discussed above, these options were not pursued:

- (i) *uncertainty in fundraising outcomes* — the trading volume of the Shares was relatively low prior to the execution of the Subscription Agreements, suggesting limited investor interest and rendering the success of a rights issue or open offer uncertain;
- (ii) *administrative and time complexity* — rights issue or open offer typically require the engagement of professional parties (including reporting accountants, financial advisers and/or brokerage agent(s)), the preparation of listing documents together with other application and administrative procedures. These processes are time-consuming and resource-intensive as compared to share subscriptions; and
- (iii) *higher transaction costs and underwriting risks* — such methods would likely incur additional administrative costs, including underwriting commission and other professional fees, and may be subject to underwriting uncertainty and market volatility.

In light of the above, the Board believes that the Subscriptions offer several advantages over alternative financing options, including but not limited to: (i) the ability to raise capital within a shorter timeframe; (ii) avoidance of additional debt obligations; (iii) reduced administrative costs and execution risks; and (iv) the opportunity to broaden the shareholder base and strengthen the Group's strategic positioning. In this regard, the Subscriptions represent a comparatively more appropriate means and commercially viable fundraising solution in the current circumstances.

Through the Subscriptions, and in addition to Subscriber I and Subscriber IV, who are existing Directors of the Company, several new investors with extensive experience in the blockchain industry will be introduced. Among them:

- (i) Mr. Weng possesses over a decade of experience and deep expertise in blockchain infrastructure and the operation of virtual asset exchanges. He previously served as the Group Chief Operating Officer of HashKey Digital Asset Group Limited and the Chief Executive Officer of HashKey Exchange from April 2023 to December 2024, where he was responsible for HashKey group's corporate strategies, core business operations, and the expansion of the virtual asset exchange platform. Prior to that, he held senior roles at Huobi Global, including Chief Executive Officer (from November 2018 to April 2021)

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and Vice President (from August to November 2018), leading its strategic growth and development. Mr. Weng holds a Master's degree in Software Engineering from Tsinghua University and a Bachelor's degree in Software Engineering from Xiamen University. He has been actively involved in the development of blockchain technologies across key jurisdictions and brings a comprehensive understanding of the digital asset landscape;

- (ii) Mr. Xing has over a decade of experience in the blockchain and virtual asset industry. Mr. Xing previously served as a consultant to HashKey Group. He was formerly the Chief Executive Officer of HashKey Bermuda Limited from February 2024 to May 2025, where he oversaw strategic development across international markets. He also served as the Chief Operating Officer at HashKey Exchange from June 2023 to February 2024, managing platform operations and compliance. Mr. Xing held the position of Head of Spot Business at Bybit Exchange from November 2022 to June 2023 and the Head of Spot Operation & Head of Listing at Bybit Exchange from June 2021 to November 2021, where his responsibilities encompassed strategic planning, global expansion initiatives, and oversight of day-to-day exchange operation. He has also undertaken various leadership roles at Huobi Global, including the Director of Operations (from July 2020 to May 2021), Director of Key Accounts (from December 2019 to June 2020), and Assistant to the CEO and Head of Growth (from September 2018 to December 2019). Mr. Xing holds a Bachelor's degree in Software Engineering from Beijing Institute of Technology and is currently pursuing a Master's degree in Business Administration (MBA) at Tsinghua University. His industry expertise and leadership experience are considered valuable to the Company's development in the digital asset sector; and
- (iii) Mr. Xiang previously served as the Head of Listing at HashKey Group, overseeing strategic listing strategies and asset onboarding processes. Since joining the HashKey Group, Mr. Xiang has held a range of progressively senior roles including Senior Business Development Manager, Senior Listing Business Development Manager, and Head of Listing Business Development. He played a key role in formulating and executing the Hong Kong market entry strategy for HashKey Exchange. Mr. Xiang's knowledge of virtual asset ecosystems and exchange operations is expected to contribute positively to the Group's regulatory engagement within key jurisdictions.

Mr. Weng, Mr. Xing and Mr. Xiang all possess extensive experience in blockchain operations and regulatory compliance across key markets. Their participation aligns with the Company's long-term strategy of expanding its presence in the digital asset ecosystem and enhancing the professionalism and diversity of its governance structure. This is also expected to strengthen the Group's technological capabilities, broaden its institutional reach, and bring substantial strategic value through board-level collaboration and resource integration, thereby accelerating the Company's development and enhancing market confidence.

In view of the foregoing, the Directors consider that the Subscriptions (i) provide immediate access to funding for the Group's business development without incurring debt obligations; (ii) enlarge the Shareholders' base by introducing new strategic shareholders with industry expertise,

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networks and other strategic resources beyond capital; and (iii) represent a commercially efficient means of fundraising in the current market conditions. As such, the Directors consider that the terms of the Subscription Agreements (including the Subscription Agreement I and the Subscription Agreement IV) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity in the past 12 months immediately preceding the Latest Practicable Date.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (a) as at the Latest Practicable Date; and (b) immediately after the Completion (assuming that there is no other change to the Shares and shareholding structure of the Company from the Latest Practicable Date up to the date of the Completion, save for the allotment and issue of the Subscription Shares) are set out below:

| Shareholders of the Company | As at the Latest Practicable Date | | Number of Subscription Shares to be allotted and issued | Immediately following Completion | |
|-----------------------------|-----------------------------------|------------------|---|----------------------------------|------------------|
| | <i>Number of Shares held</i> | <i>Approx. %</i> | | <i>Number of Shares held</i> | <i>Approx. %</i> |
| Avenir Investment Limited | 170,318,997 | 29.07% | 54,000,000 | 224,318,997 | 29.83% |
| Du Jun | 82,526,647 | 14.08% | 0 | 82,526,647 | 10.98% |
| ON CHAIN Technology LIMITED | 82,300,000 | 14.05% | 0 | 82,300,000 | 10.95% |
| LINEX Holdings Ltd. | 0 | 0.00% | 75,170,000 | 75,170,000 | 10.00% |
| TX Capital Holdings Ltd. | 0 | 0.00% | 7,500,000 | 7,500,000 | 1.00% |
| Night Wood Pte. Ltd | 0 | 0.00% | 25,750,000 | 25,750,000 | 3.42% |
| Rosen Holdings Ltd. | 0 | 0.00% | 3,580,000 | 3,580,000 | 0.48% |
| Other Public Shareholders | <u>250,786,794</u> | <u>42.80%</u> | <u>0</u> | <u>250,786,794</u> | <u>33.35%</u> |
| Total | <u>585,932,438</u> | <u>100%</u> | <u>166,000,000</u> | <u>751,932,438</u> | <u>100%</u> |

Assuming there are no other changes in the Shares between the Latest Practicable Date and the date of the Completion, the shareholding interests held by existing public Shareholders would be diluted by approximately 5.13 percentage points as a result of the completion of the Subscription Agreement I and the Subscription Agreement IV.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As described in the section headed “Information of the Subscribers” in this Circular, as at the Latest Practicable Date, Subscriber I is a substantial shareholder of the Company holding 170,318,997 Shares (representing approximately 29.07% of the total issued Shares) indirectly wholly owned by Mr. Li, a non-executive Director; and Subscriber IV is indirectly wholly owned by and thus an associate of Ms. Zhang, an executive Director. Therefore, each of Subscriber I and Subscriber IV is a connected person of the Company. Accordingly, the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder constitute a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to announcement, reporting and the Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the announcement dated 4 July 2025 of the Company, the Independent Board Committee (comprising all the independent non-executive Directors who have no direct or indirect interest in the Subscriptions, namely Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP) has been established to advise the Independent Shareholders as to whether the terms of the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and make recommendation as to voting. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the relevant Subscription Shares) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole, and make recommendation on voting.

UPDATE ON DEBT REPAYMENT TRANSACTIONS

Reference is made to the VSA Circular, which disclosed, among other things, that Avenir Cayman as creditor and BitTrade as debtor entered into the Debt Repayment Agreement on 13 March 2024 to record the debt repayment transactions. On 27 January 2025, BitTrade and Avenir Cayman entered into the Debt Repayment Extension Letter to extend the original repayment date of the outstanding debts due to Avenir Cayman to 1 August 2025.

Second Debt Repayment Extension Letter

On 29 July 2025, BitTrade and Avenir Cayman entered into the Second Debt Repayment Extension Letter, which records the updated repayable balance to Avenir Cayman and further extends the repayment date of the outstanding debts due to Avenir Cayman to 1 October 2025. As of the date of the Second Debt Repayment Extension Letter, the remaining repayable balance to Avenir Cayman was approximately JPY4,088 million (approximately HK\$216.5 million).

LETTER FROM THE BOARD

Reasons for entering into the Second Debt Repayment Extension Letter

The terms of the Second Debt Repayment Extension Letter, including the further extended repayment date, were negotiated on an arm's length basis by BitTrade and Avenir Cayman. Having considered (i) the stability of BitTrade's cash flow; (ii) the intention to maintain a long-term business relationship with Avenir Cayman; and (iii) BitTrade's credit profile and repayment ability such that the extended repayment timeline would not expose the Group to undue financial risk, the Directors consider the terms and conditions of the Second Debt Repayment Extension Letter are on normal commercial terms, fair and reasonable, and in the best interests of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, Mr. Li is the ultimate beneficial owner holding more than 30% of the entire issued share capital of Avenir Cayman. As such, Avenir Cayman is an associate of Mr. Li and hence a connected person of the Company. Following completion of the Acquisitions, BitTrade has become a non-wholly owned subsidiary of the Company, and its financial results has been consolidated in the Group's financial statements. Yet, the Board considered that as the debt repayment transactions contemplated under the Debt Repayment Agreement (as extended by the Debt Repayment Extension Letter and further extended by the Second Debt Repayment Extension Letter) are conducted on normal commercial terms or better and are not secured by any assets of the Target Group, such transactions are fully exempt under Rule 14A.90 of the Listing Rules.

PROPOSED INCREASE IN AUTHORISED SHARES

As at the Latest Practicable Date, the Company is authorised to issue a maximum of 700,000,000 Shares, of which 585,932,438 Shares were in issue as at the Latest Practicable Date.

To accommodate the allotment and issue of the Subscription Shares following the Completion and to provide additional flexibility to the Company to issue new Shares for future investments and developments, the Board proposes to increase the maximum number of Shares that the Company be authorised to issue from 700,000,000 Shares to 900,000,000 Shares by the creation of an additional 200,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank *pari passu* in all respects with the Shares.

The proposed increase in the maximum number of Shares authorised to be issued by the Company is conditional upon the approval of the Shareholders by way of an ordinary resolution at the EGM.

PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION

Reference is made to the Announcement. On 29 June 2025, the Board has announced that in view of the proposed increase in the authorised Shares, it proposes to make certain amendments to the existing Memorandum and Articles ("Proposed Amendments"). Details of the Proposed Amendments are set out in Appendix II to this circular.

LETTER FROM THE BOARD

Save for the Proposed Amendments, other provisions in the existing Memorandum and Articles remain unchanged.

The Proposed Amendments and the adoption of the New M&A are subject to Shareholders' approval by way of special resolution at the forthcoming EGM.

The legal advisers to the Company as to Hong Kong laws and BVI laws have respectively confirmed that the Proposed Amendments comply with the requirements of the Listing Rules and do not violate the applicable laws of the BVI. The Company also confirms that there is nothing unusual about the Proposed Amendments for a BVI company listed on the Stock Exchange.

The New M&A is prepared and written in English. As such, any Chinese translation shall be for reference only. In the event of any inconsistency, the English version shall prevail. After the Proposed Amendments come into effect, the full text of the New M&A will be published on the websites of the Stock Exchange and the Company in due course.

BOARD APPROVAL

Each of Mr. Li and Ms. Zhang has abstained from voting on (and has not been counted in the quorum for) the relevant Board resolutions for approving the Subscription Agreements and the transactions contemplated thereunder by virtue of their interests in the Subscriptions. Save as disclosed above, none of the other Directors is regarded as having a material interest in, and therefore none of them is required to abstain from voting on, the relevant Board resolutions for approving the Subscription Agreements and the transactions contemplated thereunder.

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, no Director has a material interest in (i) the proposed increase in the authorised Shares; and (ii) the proposed amendments to the Memorandum and Articles, and therefore no Director is required to abstain from voting on the relevant Board resolutions regarding the foregoing.

EGM

The Company will convene the EGM to be held at Unit 702–703, 7/F, 100 Queen's Road Central, Hong Kong on Tuesday, 26 August 2025 at 10:30 a.m. for the purpose of considering, and if thought fit, (i) the Subscription Agreements and the transactions contemplated thereunder (including the approval for the connected transaction pursuant to the Subscription Agreement I and the Subscription Agreement IV); (ii) the Specific Mandate for the allotment and issue of the Subscription Shares; (iii) the proposed increase in the authorised Shares; and (iv) the proposed amendments to the Memorandum and Articles.

The notice of the EGM, as set out on pages EGM-1 to EGM-7 of this circular, is also available at the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.sinohope.com/>). A form of proxy for use at the EGM is enclosed with this circular and is also published on the website of the Stock Exchange (www.hkexnews.hk). Whether or not you intend to attend the EGM, you are requested to complete and return the enclosed form of proxy in

LETTER FROM THE BOARD

accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at the EGM and at any adjournment thereof if you so wish and, in such event, the form of proxy shall be deemed to be revoked.

Any Shareholders or their respective associates with a material interest in the Subscriptions, the Subscription Agreements and the transactions contemplated thereunder shall abstain from voting at the EGM. To the best of the knowledge and belief of the Directors having made all reasonable enquiries, save and except for Avenir Investment and its associates who have a material interest in the Subscription Agreement I and will be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreement I and the transactions contemplated thereunder at the EGM, no other Shareholder has a material interest in the Subscriptions and will be required to abstain from voting on the relevant resolution(s) to approve the Subscription Agreements and the transactions thereunder at the EGM.

RECOMMENDATION

Having considered the above, the Board (excluding Mr. Li and Ms. Zhang but including the Independent Board Committee having taking into account the recommendations of the Independent Financial Adviser) consider that Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable, and that the entering into the Subscription Agreement I and the Subscription Agreement IV is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (excluding Mr. Li and Ms. Zhang but including the Independent Board Committee having taking into account the recommendations of the Independent Financial Adviser) recommend the Independent Shareholders vote in favour of the relevant resolutions to be proposed at the EGM to approve the Subscription Agreement I and the Subscription Agreement IV and the transactions contemplated thereunder.

CLOSURE OF REGISTER OF MEMBERS

To ascertain the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from 21 August 2025 to 26 August 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the entitlement to attend and vote at the EGM, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 20 August 2025. The record date for attending and voting at the EGM is 26 August 2025.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the EGM will demand a poll for each and every resolution put forward to be voted at the EGM. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

GENERAL INFORMATION

Your attention is also drawn to the letter from the Independent Board Committee to the Independent Shareholders as set out on pages 34 to 35 of this circular, as well as the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 36 to 52 of this circular. Your attention is also drawn to the additional information set out in the Appendices to this circular and the notice of the EGM.

Shareholders and potential investors of the Company should note that Completion of the Subscriptions are subject to the fulfilment or waiver (as applicable) of the Conditions as set out in the Subscription Agreements. Therefore, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

Yours faithfully

By order of the Board

SINOHOPE TECHNOLOGY HOLDINGS LIMITED

Du Jun

Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its advice and recommendation to the Independent Shareholders in relation to the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder.



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)

10 August 2025

To the Independent Shareholders

Dear Sir or Madam,

(1) SUBSCRIPTIONS OF NEW SHARES UNDER SPECIFIC MANDATE
(2) CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTIONS OF
NEW SHARES UNDER SPECIFIC MANDATE
(3) PROPOSED INCREASE IN AUTHORISED SHARES
(4) PROPOSED AMENDMENTS TO MEMORANDUM AND ARTICLES
AND
(5) NOTICE OF THE EGM

We refer to the circular dated 10 August 2025 of the Company (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, terms and expressions defined in the Circular have the same meanings herein.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Gram Capital has been appointed by the Company as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard. We wish to draw your attention to (i) Letter from the Board set out on pages 7 to 33 of the Circular; (ii) the letter from the Independent Financial Adviser as set out on pages 36 to 52 of the Circular, which contains its recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Subscription Agreement I, the Subscription Agreement IV and the

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

transactions contemplated thereunder, as well as the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendation; and (iii) the additional information as set out in the Appendices to the Circular.

After taking into account the factors and reasons considered by the Independent Financial Adviser and its conclusion and advice, we consider that the terms of the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders vote in favor of the resolutions to be proposed at the EGM to approve the Subscription Agreement I, the Subscription Agreement IV and the transactions contemplated thereunder.

Yours faithfully,

**For and on behalf of the Independent Board Committee of
Sinohope Technology Holdings Limited**

Mr. Yu Chun Kit
*Independent non-executive
Director*

Mr. Yip Wai Ming
*Independent non-executive
Director*

Dr. LAM, Lee G., BBS, JP
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Subscriptions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

10 August 2025

*To: The independent board committee and the independent shareholders
of Sinohope Technology Holdings Limited*

Dear Sir/Madam,

CONNECTED TRANSACTIONS IN RELATION TO SUBSCRIPTION OF NEW SHARES BY CONNECTED PERSONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transaction contemplated under the Subscription Agreement I (“**Subscription I**”) and the transaction contemplated under the Subscription Agreement IV (“**Subscription IV**”, together with the Subscription I, the “**Connected Subscriptions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 10 August 2025 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 29 June 2025, the Company entered into the Subscription Agreements with five Subscribers respectively (including the Subscription Agreement I with Subscriber I and the Subscription Agreement IV with Subscriber IV), pursuant to which the Company has conditionally agreed to allot and issue, and the Subscribers have conditionally agreed to subscribe for, an aggregate of 166,000,000 Subscription Shares at the Subscription Price of HK\$1.66 per Subscription Share for a total consideration of HK\$275,560,000.

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 54,000,000 Shares at the Subscription Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Subscription Agreement IV, the Company has conditionally agreed to allot and issue, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 Shares at the Subscription Price.

With reference to the Board Letter, the Connected Subscriptions constitute connected transactions of the Company under the Listing Rules, which are subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Yu Chun Kit, Mr. Yip Wai Ming and Dr. LAM, Lee G., BBS, JP (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable; (ii) whether the Connected Subscriptions are conducted in the ordinary and usual course of the business of the Group and are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Subscription Agreement I, the Subscription Agreement IV and transactions contemplated thereunder at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of the Company's (i) continuing connected transaction as set out in the Company's circular dated 9 August 2024; and (ii) very substantial acquisition and connected transactions as set out in the Company's circular dated 14 March 2025. Save for the aforesaid engagements, there was no other service provided by Gram Capital to the Company relating to any transaction of the Company with executed agreement during the past two years immediately preceding the Latest Practicable Date. Notwithstanding the aforesaid engagements, we were not aware of any relationship or interest between Gram Capital and the Company or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial adviser engagement and would not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Connected Subscriptions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Subscriber I, the Subscriber IV or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Connected Subscriptions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Connected Subscriptions, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Connected Subscriptions

Information on the Group

With reference to the Board Letter, the Group is principally engaged in the provision of technology solution services, a variety of services in virtual asset ecosystem, such as asset management, trust and custodian businesses and cryptocurrency trading.

Set out below are the consolidated financial information of the Group for the two years ended 30 September 2024 as extracted from the Company's annual report for the year ended 30 September 2024 (the “**2024 Annual Report**”) and the six months ended 31 March 2025 as extracted from the Company's interim report for the six months ended 31 March 2025 (the “**2025 Interim Report**”):

| | For the six months ended 31 March 2025 <i>(unaudited)</i> <i>HK\$'000</i> | For the year ended 30 September 2024 <i>(“FY2023/24”)</i> <i>(audited)</i> <i>HK\$'000</i> | For the year ended 30 September 2023 <i>(“FY2022/23”)</i> <i>(audited)</i> <i>HK\$'000</i> | Change from FY2022/23 to FY2023/24 % |
|--|--|--|--|--|
| Revenue from continuing operations | 3,455,679 | 1,569,387 | 2,833,569 | (44.61) |
| — <i>Cryptocurrency trading business</i> | 3,437,756 | 1,520,345 | 2,810,576 | (45.91) |
| — <i>Other business</i> | 17,923 | 49,042 | 22,993 | 113.29 |
| Gross profit from continuing operations | 10,990 | 44,224 | 10,389 | 325.68 |
| Profit/(loss) from continuing operations attributable to owners of the Company | (12,300) | 54,322 | (275,959) | N/A |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As depicted from the table above, the Group's revenue from continuing operations was approximately HK\$1,569.4 million for FY2023/24, representing a decrease of approximately 44.61% as compared to that for FY2022/23, mainly attributable to decrease in the Group's revenue from cryptocurrency trading business. Despite the aforesaid decrease in revenue from continuing operations, the Group's gross profit from continuing operations for FY2023/24 increased by approximately 325.68% as compared to that for FY2022/23. As advised by the Directors, the aforesaid increase in the Group's gross profit was mainly attributable to the Company's enhanced control over transaction cost estimation for each cryptocurrency trade and increase in revenue from other business.

The profit attributable to owners of the Company from continuing operations was approximately HK\$54.3 million for FY2023/24 as compared to loss attributable to owners of the Company from continuing operations of approximately HK\$276.0 million for FY2022/23. With reference to 2024 Annual Report, such turnaround was mainly due to (i) increased gross profit; (ii) increase in fair value gains on cryptocurrencies; (iii) reversal of impairment loss on other assets for FY2023/24; and (iv) decreased administrative expenses.

With reference to 2025 Interim Report, while continuing to adhere to the service principles of security, compliance, professionalism and diversity, for the year ending 30 September 2025, the Group will focus on the core businesses including a variety of services in virtual asset ecosystem, such as asset management, trust and custodian business, cryptocurrency trading, and Web 3 and public chain technology solutions, and develop the quantitative arbitrage business. This provides customers with more professional one-stop virtual asset services experience, establishing a leading profile of the Company in the financial technical services industry of Web3 in Asia-Pacific region and across the globe.

With reference to the Company's circular dated 14 March 2025 and announcement dated 29 May 2025, the Company completed the acquisition of a majority stake in BitTrade Inc. ("BitTrade") on 29 May 2025, a licensed cryptocurrency exchange service provider in Japan, marking its first step toward establishing a compliant exchange presence in the Japanese market.

Information on Subscriber I

With reference to the Board Letter, Subscriber I, a substantial shareholder of the Company holding 170,318,997 Shares (representing approximately 29.07% of the total issued Shares as at the Latest Practicable Date), is a limited company incorporated under the laws of the BVI. Subscriber I is principally engaged in investment holding. As at the Latest Practicable Date, Subscriber I is indirectly wholly owned by Mr. Li, a non-executive Director. Subscriber I is a connected person of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Information on Subscriber IV

With reference to the Board Letter, Subscriber IV, a company incorporated under the laws of Singapore with limited liability, is primarily engaged in wholesale trading of products and investment holding. Subscriber IV's ultimate beneficial owner is Ms. Zhang, an executive Director. Subscriber IV is a connected person of the Company.

Reasons for and benefits of the Connected Subscriptions and use of proceeds

With reference to the Board Letter:

- (i) The rapid development of the cryptocurrency market has been significantly driven by strong support from policymakers in major countries and regions worldwide. From the approval of Bitcoin and Ethereum spot ETFs in the U.S. and Hong Kong in 2024 to the formal passage of stablecoin bills in the U.S. and Hong Kong this year, the global cryptocurrency market has seen a significant acceleration in its regulatory compliance.
- (ii) To align with this regulatory trend, the Company began expanding into compliant cryptocurrency exchange services in 2024. On 29 May 2025, the Company completed the acquisition of a majority stake in BitTrade, a licensed cryptocurrency exchange service provider in Japan, marking its first step toward establishing a compliant exchange presence in the Japanese market.
- (iii) Beyond Japan, the Company is actively exploring opportunities to establish compliant cryptocurrency exchanges in other global markets. The Company plans to initiate applications for a Virtual Asset Trading Platform (VATP) license in Hong Kong, or to pursue the acquisition of interests in companies holding such licenses. It also intends to seek additional cryptocurrency-related compliance licenses in other countries and regions in the future, aiming to build a secure and compliant Web3 service provider brand.
- (iv) Moreover, on 21 May 2025, the Hong Kong Legislative Council officially passed the "Stablecoins Bill", establishing a licensing regime for fiat-referenced stablecoin issuers. The Stablecoins Ordinance (Cap. 656) subsequently came into effect on 1 August 2025, introducing a mandatory licensing framework under the Hong Kong Monetary Authority. The regulation of cross-border stablecoin activities (such as HKD-referenced stablecoins) upon implementation of the Stablecoins Ordinance demonstrates Hong Kong's intention to play a significant role in the global stablecoin market. As an established player in blockchain technology, the Company has been actively pursuing opportunities in the stablecoin and real-world asset tokenization (RWA) sectors. These compliance initiatives will significantly enhance the Company's core competitive advantages during the high-growth phase of the global cryptocurrency industry, particularly in terms of differentiated

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

competitiveness within regulatory frameworks. To support its compliance strategy and operations, the Company aims to raise additional capital through the Subscriptions (including the Connected Subscriptions).

- (v) The Subscriptions (including the Connected Subscriptions) demonstrate the Subscribers' confidence in, and commitment to, the Group's long-term development and growth prospects, and will further strengthen the Group's capital base by providing additional funding to support its strategic initiatives.

Financing alternatives

With reference to the Board Letter:

- (i) The Board has evaluated a range of financing alternatives apart from equity or equity-related financing, including debt financing and bank borrowings, to meet the Group's financial requirements. These considerations take into account the Group's financial position, capital structure, as well as the cost of funding.
- (ii) The Board considers equity or equity-related financing to be an important source of funding for the Group, as it reduces the reliance on debt financing, which would otherwise increase the Group's debt gearing ratio and create additional interest paying obligations. In addition, borrowings from financial institutions, particularly banks, often involves lengthy due diligence processes, complex negotiations and potentially less favourable terms when compared to equity-related financing. The terms of the financing facilities available to the Group may depend on the financial institutions' assessment and may require the Company to put up collateral and other securities for such financing facilities. The Group has engaged in discussions with its existing banking partners; however, due to the lack of fixed assets available for collateral, it has limited access to sufficient debt financing.
- (iii) As at 30 June 2025, the Group had outstanding debt obligations of approximately HK\$191 million in respect of BitTrade, which were due for repayment by 1 August 2025 and subsequently extended to 1 October 2025. In view of the tight repayment timeline and the availability of potential investors expressing interest in subscription, the Company considered share subscriptions to be a more expedient and cost-effective option compared to debt-based arrangements or traditional equity financing.
- (iv) Considering the challenges of securing financing from financial institutions as well as the relatively high cost of borrowings, the Company believes that debt financing and bank borrowing are less viable options at this stage. Moreover, due to the elevated financing costs associated with such methods, the Board has decided not to pursue debt-based funding. In addition, with market sentiment currently favourable towards compliant crypto enterprises, the Board aims to secure funding swiftly to

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initiate licensing applications and/or potential acquisitions in around August 2025. Accordingly, the Company will focus on equity and equity-related financing as the primary means of generating capital to support its strategic initiatives.

- (v) In evaluating equity financing alternatives, the Board also considered pre-emptive fundraising methods such as rights issue and open offer. However, having regard to, amongst others, the factors as set out under the section headed “Financing alternatives” of the Board Letter, namely, “uncertainty in fundraising outcomes”, “administrative and time complexity” and “higher transaction costs and underwriting risks”, these options were not pursued.

Based on the above factors, we concur with the Directors’ view that the Connected Subscriptions are suitable financing methods for the Company.

Use of proceeds

With reference to the Board Letter, the gross proceeds from the Subscriptions are expected to be approximately HK\$275.6 million (including gross proceeds of HK\$89.64 million from the Subscription I and approximately HK\$42.75 million from the Subscription IV). The net proceeds from the Subscriptions, after deduction of the relevant expenses, are estimated to be approximately HK\$274.6 million (including net proceeds of HK\$89.3 million from the Subscription I (the “**Net Proceeds I**”) and approximately HK\$42.4 million from the Subscription IV (the “**Net Proceeds IV**”)).

With reference to the Board Letter, the intended use of the net proceeds from the Subscriptions will be as follows:

- (a) approximately HK\$127.2 million for the growth and expansion of the Group’s business, specifically for applying for, acquiring and/or upgrading compliance licenses for virtual assets related business in multiple jurisdictions (the “**Proceeds for Growth & Expansion**”);
- (b) HK\$117.0 million for repayment of the Group’s existing indebtedness (the “**Proceeds for Indebtedness Repayment**”); and
- (c) approximately HK\$30.4 million for the Group’s general working capital purposes (the “**Proceeds for Working Capital**”).

With reference to the Board Letter and as confirmed by the Directors, in the event that not all of the Subscription Agreements are completed in full, the Company will allocate and utilise the net proceeds from the Subscriptions within the above proposed uses of proceeds.

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Proceeds for Growth & Expansion

We noted further details in respect of the Proceeds for Growth & Expansion as contained in the section headed “I. Funding needs for the business growth and expansion” of the Board Letter, including, amongst others:

- (a) the Company’s anticipation on funding requirements to support Hong Kong VATP license application or acquisition;
- (b) key areas to be covered under Hong Kong VATP license application, including (i) remuneration for research and development personnel for the development of the exchange system; (ii) infrastructure and software expenses for maintaining the trading platform, including server costs and ongoing software subscriptions; (iii) market maker engagement to ensure sufficient platform liquidity; (iv) recruitment of compliance, legal, and operational personnel to meet licensing and ongoing regulatory obligations; and (v) legal and professional fees, including IT audit expenses, to support the licensing application;
- (c) the Company’s preliminary discussions with industry intermediaries to identify potential acquisition targets; and
- (d) allocation of funding to upgrade the Group’s existing Type 1 (dealing in securities) license in Hong Kong and support investments and working capital for applying for or acquiring virtual asset licenses in other jurisdictions.

Proceeds for Indebtedness Repayment

With reference to the Board Letter, BitTrade had an outstanding repayable balance of approximately HK\$191,109,000 due to Avenir Cayman as at 30 June 2025. The outstanding loan bears interest at a fixed annual rate of 2%, with a repayment date of 1 October 2025. As advised by the Directors, save for the Proceeds for Indebtedness Repayment of HK\$117.0 million, BitTrade may also, after considering its internal funding requirements, repay part of the aforesaid indebtedness by its own fund.

Proceeds for Working Capital

With reference to the Board Letter, the Proceeds for Working Capital are expected to be applied for the Group’s general working capital purposes, including corporate-level operations and administration.

Based on the above, the net proceeds from the Subscriptions (including the Net Proceeds I and the Net Proceeds IV) will improve the Group’s financial position and facilitate the Group’s business development.

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Having considered (i) reasons for and benefits of the Subscriptions (including the Connected Subscriptions) as mentioned above; (ii) the Connected Subscriptions are suitable financing methods for the Company; and (iii) that the proposed use of the Net Proceeds I and the Net Proceeds IV will improve the Group's financial position and facilitate the Group's business development, we are of the view that although the Connected Subscriptions are not conducted in the ordinary and usual course of business of the Group, they are in the interest of the Company and the Shareholders as a whole.

2. Principal terms of the Connected Subscriptions

Set out below are the summarised terms of the Subscription I and the Subscription IV, details of which are set out under the section headed "THE SUBSCRIPTION AGREEMENTS" of the Board Letter.

Agreement date: 29 June 2025

Parties to Subscription Agreement I: (a) the Company (as the issuer); and
(b) the Subscriber I

Parties to Subscription Agreement IV: (a) the Company (as the issuer); and
(b) the Subscriber IV

Subscription Shares:

Pursuant to Subscription Agreement I, the Company has conditionally agreed to allot and issue, and Subscriber I has conditionally agreed to subscribe for 54,000,000 Shares at the Subscription Price.

Pursuant to Subscription Agreement IV, the Company has conditionally agreed to allot and issue, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 Shares at the Subscription Price.

Subscription Price:

The Subscription Price is HK\$1.66 per Subscription Share, which represents:

- (i) a discount of approximately 61.48% to the closing price of HK\$4.31 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 29.66% to the closing price of HK\$2.36 per Share as quoted on the Stock Exchange on 27 June 2025, being the last trading day prior to the date of the Subscription Agreements (the "**Last Trading Day**") (the "**LTD Discount**"); and

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- (iii) a discount of approximately 23.85% to the average closing price of approximately HK\$2.18 per Share as quoted on the Stock Exchange for the last five consecutive trading days prior to and including the Last Trading Day (the “**5 Days Discount**”).

With reference to the Board Letter, the Subscription Price was arrived at after arm’s length negotiations between the Company and each of the Subscribers taking into account the factors as set out and elaborated under the section headed “The Subscription Price” of the Board Letter.

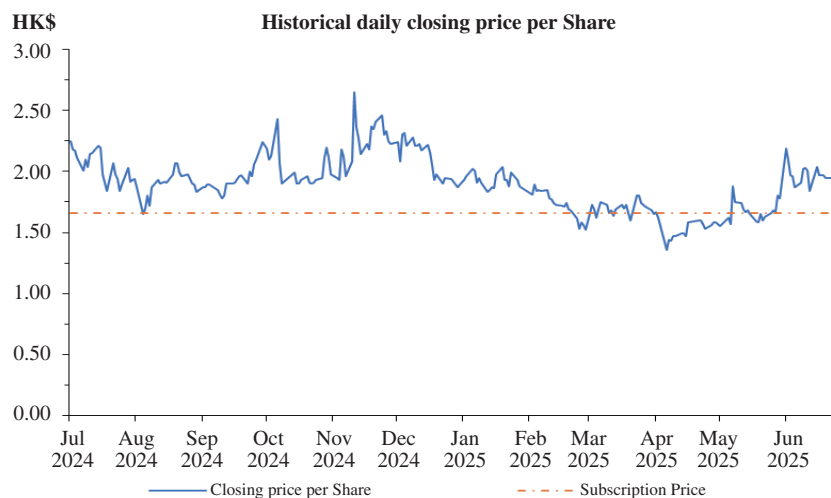
The Subscription Price is the same for each of the Subscriptions.

Analysis on the Subscription Price

In order to assess the fairness and reasonableness of the Subscription Price, we conducted the following analysis:

a) Share price performance

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 2 July 2024 to Last Trading Date, being a period of approximately one year up to and including the Last Trading Date (the “**Shares Review Period**”), which is a commonly adopted share price review period for analysis and we consider such period to be sufficient and reasonable to illustrate the general trend and level of movement of the closing prices of the Shares:



Source: the Stock Exchange’s website

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During the Shares Review Period, the highest and lowest closing prices of Shares as quoted on the Stock Exchange were HK\$2.65 recorded on 12 November 2024 and HK\$1.36 recorded on 7 April 2025 respectively. The Subscription Price falls within the aforesaid closing price range. The Subscription Price is above or equals to the closing price of Shares in only 39 out of 244 trading days during the Share Review Period.

From the start of the Shares Review Period, the closing price of the Shares decreased from HK\$2.25 on 2 July 2024 to HK\$1.66 on 5 August 2024. Thereafter, the closing price of Shares formed a general increasing trend and, after significant surge in early November 2024, reached the highest closing price of HK\$2.65 on 12 November 2024. Subsequently, the closing price of Shares dropped and formed a general downward trend until it reached the lowest closing price of HK\$1.36 on 7 April 2025 (with a significant drop from late March to early April 2025). Thereafter, the closing price of the Shares rebounded and reached HK\$2.36 on the Last Trading Day. As advised by the Directors, the significant Share closing price surge in early November 2024, the significant Share closing price drop from late March to early April 2025 and the Share closing price rebound after 7 April 2025 might be influenced by market response to the then fluctuation (surge/drop) of Bitcoin prices as the Group's business is closely related to cryptocurrencies.

b) Liquidity

Set out below are (i) the number of trading days; (ii) the percentage of the Shares' average daily trading volume (the "**Average Volume**") as compared to the total number of issued Shares held by the public as at the Last Trading Day; and (iii) the percentage of the Average Volume as compared to the total number of issued Shares as at the Last Trading Day, during the Shares Review Period:

| Month | No. of trading days in each month | % of the Average Volume to total number of issued Shares held by the public as at the Last Trading Day (Note 1) % | % of the Average Volume to total number of issued Shares as at the Last Trading Day (Note 2) % |
|-------------|-----------------------------------|---|--|
| | | | |
| 2024 | | | |
| July | 22 | 0.24 | 0.10 |
| August | 22 | 0.12 | 0.05 |
| September | 19 | 0.11 | 0.05 |
| October | 21 | 0.64 | 0.27 |
| November | 21 | 2.54 | 1.09 |
| December | 20 | 0.79 | 0.34 |

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| Month | No. of trading days in each month | % of the Average Volume to total number of issued Shares held by the public as at the Last Trading Day (Note 1) % | % of the Average Volume to total number of issued Shares as at the Last Trading Day (Note 2) % |
|---|---|--|--|
| 2025 | | | |
| January | 19 | 0.34 | 0.15 |
| February | 20 | 0.62 | 0.26 |
| March | 21 | 0.54 | 0.23 |
| April | 19 | 0.18 | 0.08 |
| May | 20 | 0.70 | 0.30 |
| June (up to and including the Last Trading Day) | 20 | 2.41 | 1.03 |

Source: the Stock Exchange's website

Notes:

1. Based on 250,786,794 Shares held by the other public Shareholders as at the Last Trading Day.
2. Based on 585,932,438 Shares as at the Last Trading Day.

We noted from the above table that the average daily trading volume of the Shares was generally thin during the Shares Review Period. Save for November 2024 and June 2025, the Average Volume was below 1% of the total number of issued Shares held in public hands and the total number of issued Shares as at the Last Trading Day for each month during the Shares Review Period.

Given the generally low liquidity of the Shares as illustrated above, it is reasonable to set the Subscription Price at a discount to the closing price of the Shares as at the Last Trading Day.

c) Comparables

As part of our analysis, we also identified subscription of new shares listed on the Stock Exchange under specific mandate for cash consideration (including connected transactions and transactions with independent third parties (to demonstrate practices under comparable transactions regardless of the identities of counter parties), but excluding transactions involving restructuring and loan capitalisation) which were announced by companies listed on the Main Board of the Stock Exchange, during the

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six-month period from 1 January 2025 up to and including the Last Trading Day (the “Comparables”). The review period of six months was adopted to include sufficient Comparables to demonstrate the market practices during a period proximate to the Last Trading Day. We found 7 transactions which met the said criteria and they are exhaustive. Shareholders should note that the businesses, operations and prospects of the Company are not the same as the subject companies of the Comparables.

| Company name (Stock code) | Date of announcement | Involving connected transaction? | Premium/(discount) of the subscription price to the average closing price per share for the five consecutive trading days up to and including the last full trading day prior to the date of the agreement in relation to the respective subscription of new shares | | Theoretical dilution effect (%) |
|---|-------------------------|--|--|--------------------------------------|---------------------------------------|
| | | | Premium/ (discount) of the subscription price to the closing price per share on the date of the agreement in relation to the respective subscription of new shares (%) | subscription of new shares (%) | |
| China Silver Technology Holdings Limited (515) | 7 March 2025 | No | 23.46 | 53.37 (Note) | N/A |
| Acme International Holdings Limited (1870) | 17 March 2025 | No | (19.77) | (3.50) | (5.15) |
| ZO Future Group (2309) | 11 April 2025 | Yes | (19.83) | (18.13) | (0.87) |
| Kingsoft Cloud Holdings Limited (3896) | 17 April 2025 | Yes | (8.76) | (16.83) | (0.27) |
| Universal Health International Group Holding Limited (2211) | 13 May 2025 | No | (1.23) | 2.83 | (0.34) |
| China Health Group Limited (673) | 22 May 2025 | Yes | (28.57) | (37.19) | (24.23) |
| Haichang Ocean Park Holdings Ltd. (2255) | 2 June 2025 | No | (46.43) | (45.26) | (17.92) |
| Maximum (excluding outlier, if any) | | | 23.46 | 2.83 | (24.23) |
| Minimum (excluding outlier, if any) | | | (46.43) | (45.26) | (0.27) |
| Average (excluding outlier, if any) | | | (14.45) | (19.68) | (8.13) |
| Median (excluding outlier, if any) | | | (19.77) | (17.48) | (3.01) |
| Connected Subscriptions | 27 June 2025 | | (29.66) | (20.80) | (3.55) |

Source: the Stock Exchange's website

Note: The premium as represented by the subscription price of this case was exceptionally high as it was more than two standard deviations away from the mean and was considered as an outlier based on the mean and standard deviation outlier detection method. No other outlier was identified based on the same detection method.

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According to the above table, the subscription prices of the Comparables ranged from a discount of approximately 46.43% to a premium of approximately 23.46%, with average discount of approximately 14.45% and median discount of approximately 19.77% to the respective closing prices of the shares on the date of agreement in relation to the respective subscription (which is also the last full trading day prior to entering into relevant agreement) (the “**LTD Discount/Premium Market Range**”). The LTD Discount falls within the LTD Discount/Premium Market Range.

According to the above table, the subscription prices of the Comparables (excluding outlier) ranged from a discount of approximately 45.26% to a premium of approximately 2.83% with average discount of approximately 19.68% and median discount of approximately 17.48% to the respective average closing prices of the shares for the five consecutive trading days up to and including the date of agreement in relation to the respective subscription (which is also the last full trading day prior to entering into relevant agreement) (the “**5 Days Discount/Premium Market Range**”). The 5 Days Discount also falls within the 5 Days Discount/Premium Market Range.

According to the above table, the theoretical dilution effects of the Comparables ranged from approximately 0.27% to approximately 24.23% (the “**Theoretical Dilution Effects Market Range**”). The theoretical dilution effect of the Connected Subscriptions of approximately 3.55% falls within the Theoretical Dilution Effects Market Range and is less than the average of and close to the median of the Comparables.

Despite that the LTD Discount/Premium Market Range and the 5 Days Discount/Premium Market Range are wide, they could provide a reference of the recent market practices of Hong Kong listed companies for comparison.

We noted that (a) the Subscription Price is above or equals to the closing price of Shares in only 39 out of 244 trading days during the Share Review Period; (b) the LTD Discount is deeper than the average and median of the Comparables; and (c) the 5 Days Discount is deeper than the average and median of the Comparables (excluding outlier).

Nevertheless, having considered the following factors, including:

- (i) the LTD Discount falls within the LTD Discount/Premium Market Range;
- (ii) the 5 Days Discount falls within the 5 Days Discount/Premium Market Range;
- (iii) the theoretical dilution effect of the Connected Subscriptions falls within the Theoretical Dilution Effects Market Range and is less than the average of and close to the median of the Comparables;

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- (iv) the Subscription Price falls within the closing price range of the Shares during the Shares Review Period;
- (v) the Subscription Price is the same for each of the Subscriptions. In other words, the Subscriber I and the Subscriber IV (being connected persons) subscribe the Subscription Shares at the same price with independent third parties to the Company;
- (vi) given the generally low liquidity of the Shares during the Shares Review Period, it is reasonable to set the Subscription Price at a discount to the closing price of the Shares as at the Last Trading Day,

we are of the view that the Subscription Price is fair and reasonable.

Ranking of the Subscription Shares:

With reference to the Board Letter, the Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves free from all Encumbrance, and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Having considered the principal terms of the Connected Subscriptions as set out above, we are of the view that the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable.

3. Possible dilution effect on the shareholding interests of the public Shareholders

As advised by the Directors, the shareholding interests of the existing public Shareholders would be diluted by approximately 5.13 percentage points immediately after completion of the Connected Subscriptions. Taking into account (i) the aforementioned reasons for and benefits of the Subscriptions (including the Connected Subscriptions); and (ii) the terms of the Connected Subscriptions being fair and reasonable, we are of the view that the aforesaid dilution is acceptable.

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RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Connected Subscriptions are on normal commercial terms and are fair and reasonable; and (ii) although the Connected Subscriptions are not conducted in the ordinary and usual course of business of the Group, they are in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Connected Subscriptions and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 30 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARES OF THE COMPANY

The authorised and issued Shares (a) as at the Latest Practicable Date; and (b) immediately upon the increase in authorised Shares and the issue and allotment of all of the Subscription Shares, were/will be as follows:

(a) As at the Latest Practicable Date

| <i>Authorised shares:</i> | <i>Par value per Share (HK\$)</i> | <i>Total nominal value (HK\$)</i> |
|--|---------------------------------------|---|
| <u>700,000,000 Shares</u> | 0.001 | <u>700,000</u> |
| <i>Issued and fully paid or credited as fully paid shares:</i> | <i>Par value per Share (HK\$)</i> | <i>Total nominal value (HK\$)</i> |
| <u>585,932,438 Shares</u> | 0.001 | <u>Approximately 585,932</u> |

(b) Immediately upon the increase in authorised Shares and the issue and allotment of the Subscription Shares

| <i>Authorised shares:</i> | <i>Par value per Share (HK\$)</i> | <i>Total nominal value (HK\$)</i> |
|--|---------------------------------------|---|
| <u>900,000,000 Shares</u> | 0.001 | <u>900,000</u> |
| <i>Issued and fully paid or credited as fully paid shares:</i> | <i>Par value per Share (HK\$)</i> | <i>Total nominal value (HK\$)</i> |
| <u>751,932,438 Shares</u> | 0.001 | <u>Approximately 751,932</u> |

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors have confirmed that there is no material adverse change in the financial or trading position of the Group since 30 September 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. DISCLOSURE OF INTERESTS

Directors and chief executives

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “**Model Code**”) contained in the Listing Rules, were as follows:

| Name of Director | Capacity in which Shares were held | Number of the Shares (L) (Note 2) | Approximate percentage of the Shares to total issued Shares | Number of the underlying shares involved (L) (Note 2) | Total number of Shares and underlying shares involved (L) (Note 2) | Approximate Percentage of total number of Shares and underlying shares to total issued Shares |
|--|------------------------------------|--------------------------------------|---|--|---|---|
| Mr. Li Lin (“ Mr. Li ”) (Note 1) | Interest of controlled corporation | 170,318,997 | 29.07% | — | 170,318,997 | 29.07% |
| Mr. Du Jun (“ Mr. Du ”) (Note 3) | Beneficial owner | 82,526,647 | 14.08% | 3,460,000 | 85,986,647 | 14.68% |

Notes:

- Mr. Li is the non-executive director of the Company. Mr. Li indirectly holds 100% interest in the total issued shares of Avenir Investment Limited. Therefore, Mr. Li is deemed to be interested in the shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
- The letter “L” denotes the long position in the Shares.
- Mr. Du is an executive Director and chief executive officer of the Company. Mr. Du is the beneficial owner of 82,526,647 Shares and 3,460,000 share options of the Company which shall entitle him to subscribe for 3,460,000 Shares upon exercise of all such share options. Hence, Mr. Du is deemed to be interested in 85,986,647 Shares for the purpose of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had or were deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares and Securities of the Company

As at the Latest Practicable Date, to the best knowledge of the Directors and the senior management of the Company, the following are the persons (other than the Directors or chief executive of the Company whose interests are disclosed above), who had interests or short positions in the shares and underlying shares as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

| Name of Shareholders | Capacity in which Shares were held | Number of Shares (L) (Note 3) | Approximate percentage of the issued Shares |
|------------------------------------|---|--|--|
| Avenir Investment Holdings Limited | Interest in controlled corporation (Note 1) | 170,318,997 | 29.07% |
| Avenir View Limited | Interest in controlled corporation (Note 1) | 170,318,997 | 29.07% |
| Avenir Investment Limited | Beneficial owner (Note 1) | 170,318,997 | 29.07% |
| Mr. Zhong Gengfa | Interest of controlled corporation (Note 2) | 82,300,000 | 14.05% |
| ON CHAIN Technology Limited | Beneficial owner (Note 2) | 82,300,000 | 14.05% |

Notes:

- As at the Latest Practicable Date, Mr. Li is a director of each of Avenir Investment Holdings Limited, Avenir View Limited and Avenir Investment Limited. Avenir Investment Limited holds 170,318,997 Shares, representing approximately 29.07% of the total issued Shares. 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 170,318,997 Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.

2. Mr. Zhong holds 100% interest in the total issued share capital of ON CHAIN Technology LIMITED. Therefore, Mr. Zhong is deemed to be interested in the shares held by ON CHAIN Technology LIMITED for the purpose of Part XV of the SFO.
3. The letter “L” denotes the long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other Directors who was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, and no other person has any interest or short position which shall be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

5. COMPETING BUSINESS

As at the Latest Practicable Date, Mr. Du has indirect shareholding interest in ChainUp Pte. Ltd. (“**Chainup**”), the businesses of Chainup involve the provision of technology solution services to clients in relation to the operation of the virtual asset trading platform, and such businesses (apart from the Group’s businesses) compete or are likely to compete, either directly or indirectly, with the principal businesses of the Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or, so far as it is known to them, any of their respective associates, was interested in any business which competes or is likely to compete either directly or indirectly with the Group’s business as required to be disclosed pursuant to the Listing Rules.

6. POTENTIAL OR OUTSTANDING LITIGATIONS

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance was pending or threatened against any member of the Group.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contract or appointment letter with the Company or any other member of the Group save for those expiring or determinable by the relevant employer within one year without payment of compensation, other than statutory compensation.

8. DIRECTORS’ INTEREST IN ASSETS OR CONTRACTS

The following sets out the Directors’ direct or indirect interest in contracts or arrangement subsisting at the Latest Practicable Date:

- (a) Sinohope Asset Management (Hong Kong) Limited (“**Sinohope Asset Management**”), an indirect wholly-owned subsidiary of the Company, entered into an asset management services framework agreement (the “**Framework Agreement I**”) with Mr. Li dated 11

July 2024, pursuant to which Sinohope Asset Management will provide asset management services to the existing funds (which is the collective investment scheme(s) where Sinohope Asset Management acts as the investment manager and Mr. Li's associates have subscribed for limited partnership interests or participating shares as at 11 July 2024) ("**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), conditional upon the Independent Shareholders' approval at an extraordinary general meeting having been obtained;

- (b) Sinohope Asset Management entered into an asset management services framework agreement (the "**Framework Agreement II**") with Mr. Du dated 11 July 2024, pursuant to which Sinohope Asset Management will provide asset management services to the existing funds (which are the collective investment scheme(s) where Sinohope Asset Management acts as the investment manager and Mr. Du's associates have subscribed for limited partnership interests or participating shares as at 11 July 2024) ("**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). Subsequently, during the finalisation of the annual results of the Group for the year ended 30 September 2024, the Company discovered that the 2023/24 Transaction Amount, being the asset management service fees paid to the Group under the Framework Agreement II for the year ended 30 September 2024, amounted to HK\$7,321,753.58, which exceeded the 2023/24 Annual Cap for the Framework Agreement II (being the annual cap for the transactions contemplated under the Framework Agreement II in respect of the asset management service fees payable to the Group for the year ended 30 September 2024 in the amount of HK\$6,000,000). In view of the 2023/24 Annual Cap having been exceeded and taking into account the possibility that new investors will subscribe for limited partnership interests in the Existing Funds II and additional management fees will be incurred accordingly, on 13 December 2024, the Board resolved to revise the existing annual caps for the transactions contemplated under the Framework Agreement II. For details regarding the Framework Agreement I and Framework Agreement II, please refer to the Company's announcements dated 11 July 2024 and 13 December 2024;
- (c) the Company entered into an agreement ("**BVI Agreement**") with FCCR Fund, L.P., Lightning Pay Technology Limited, Sky Fort Investments Limited, Tekne Private Ventures IX, LP, Vision Leader II Investment Holdings Limited, Hong Jia Investment Management Co, Ltd., Zhen Partners Fund I, L.P., HSG CV IV HOLDCO, LTD., Avenir Investment, Mr. Song Ying, Mr. Hu Donghai and Mr. Du (collectively, "**BVI Vendors**") on 16 August 2024, pursuant to which BVI Vendors agreed to sell, and the Company agreed to acquire the entire issued share capital of Sinohope JP Limited (formerly known as Avenir Asset Holding Limited), at the consideration of USD30,462,086.38 (equivalent

to approximately HK\$237,604,273.76), which were satisfied by the allotment and issue of 108,992,786 new Shares at the issue price of HK\$2.18 per consideration Share to the BVI Vendors at completion. On 31 December 2024, the Company and the BVI Vendors entered into a supplemental deed (“**BVI Supplemental Deed**”), pursuant to which the parties agreed to extend the long stop date under the BVI Agreement to 31 March 2025 or such later date as may be agreed by the parties in writing. For details regarding the BVI Agreement, BVI Supplemental Deed and the transactions thereunder, please refer to the Company’s announcements dated 16 August 2024, 31 December 2024 and 31 March 2025, and circular dated 14 March 2025;

- (d) the Company entered into an agreement (“**BitTrade Agreement**”) with Goldenway Japan Co., Ltd (“**Goldenway**”) on 16 August 2024, pursuant to which Goldenway agreed to sell, and the Company agreed to acquire 7.69% of the entire issued share capital of BitTrade Inc. (“**BitTrade**”) (at which Ms. Zhang has served as an outside director (shagai torishimariyaku 社外取締役), at the consideration of USD2,769,435.22 (equivalent to approximately HK\$21,601,594.72), which were satisfied by the allotment and issue of 9,908,988 new Shares at the issue price of HK\$2.18 per consideration Share to Goldenway at completion. On 31 December 2024, the Company and Goldenway entered into a supplemental deed (“**BitTrade Supplemental Deed**”), pursuant to which the parties agreed to extend the long stop date under the BitTrade Agreement to 31 March 2025 or such later date as may be agreed by the parties in writing. For details regarding the BitTrade Agreement, the BitTrade Supplemental Deed and the transactions thereunder, please refer to the Company’s announcements dated 16 August 2024, 31 December 2024, 31 March 2025 and 29 May 2025, and circular dated 14 March 2025.

Save for the BVI Agreement, BitTrade Agreement, the BVI Supplemental Deed and the BitTrade Supplemental Deed under which Mr. Li, Mr. Du and Ms. Zhang have a material interest in the transactions contemplated therein, as at the Latest Practicable Date, so far as the Directors are aware, none of the Directors of the Company had any direct or indirect interest in any asset which has since 30 September 2024 (being the date to which the latest published audited financial statements of the Company were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group, or was proposed to be acquired or disposed of by or leased to any member of the Group.

Save as disclosed above and save for the Subscription Agreement I and Subscription Agreement IV under which Mr. Li and Ms. Zhang have a material interest in the transactions contemplated therein, as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by any member of the Group subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

9. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has given its opinion or advice contained or referred to in this circular:

| Name | Qualification |
|----------------------|---|
| Gram Capital Limited | A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO |

As at the Latest Practicable Date, the above expert has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which its name appears;
- (b) it did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) it did not have any direct or indirect interest in any assets which had, since 30 September 2024 (the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired, disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the members of the Group within two years immediately preceding the Latest Practicable Date, which are, or may be, material:

- (a) the sale and purchase agreement dated 25 August 2023 entered into between the Company as the vendor and Avenir Cayman Holding Limited (“**Avenir Cayman**”) (a company incorporated under the laws of the Cayman Islands with limited liability, the ultimate beneficial owner of which is Mr. Li) as the purchaser, in relation to the disposal of the Solutions Sale Shares and the assignment of the Solutions Sale Debt at the consideration of HK\$205,706,355.00. Please refer to the Company’s announcements dated 25 August 2023, 15 September 2023, 16 October 2023 and the circular dated 16 November 2023 of the Company for further details for this agreement;

- (b) the sale and purchase agreement dated 25 August 2023 entered into between Sinohope Digital Service Limited (formerly known as New Huo Digital Limited), a direct wholly owned subsidiary of the Company, as the vendor and Avenir Cayman as the purchaser, in relation to the disposal of the HBTPower Sale Shares and the assignment of the HBTPower Sale Debt at the consideration of USD6,624,740.00 (equivalent to approximately HK\$52,002,023.00). Please refer to the Company's announcements dated 25 August 2023, 15 September 2023, 16 October 2023 and the circular dated 16 November 2023 of the Company for further details for this agreement; and
- (c) the sale and purchase agreement dated 24 May 2024 entered into between Hbit, as the vendor and Ceratosaurus Investors, L.L.C. as the purchaser, in relation to the disposal of Hbit's rights, title and interest in and to its customer entitlement claim in the amount of not less than US\$18,089,136.25, against FTX Trading Ltd. at a consideration of US\$19,500,088.87.

11. GENERAL

- (a) The registered office of the Company is located at Vistra Corporate Services Centre, Wickhams Cay II Road Town, Tortola BVI VG 1110.
- (b) The head office and principal place of business of the Company in Hong Kong is at Unit 702-3, 7/F, 100 Queen's Road Central, Central, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Ms. Peng Sisi. She 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.
- (e) In the event of inconsistency, the English text of this circular shall prevail over its Chinese text.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<http://www.sinohope.com/>) for a period of not less than 14 days before the date of the EGM and will also be available for inspection at the EGM:

- (a) the Subscription Agreements;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 34 to 35 of this circular;

- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 36 to 52 of this circular;
- (d) the written consents referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix; and
- (e) the material contracts referred to in the paragraph headed “10. MATERIAL CONTRACTS” in this appendix.

**TABLE OF THE PROPOSED AMENDMENTS TO THE MEMORANDUM OF
ASSOCIATION**

| No. | Existing Memorandum | Amended Memorandum |
|------------|--|--|
| 10 | The Company is authorised to issue a maximum of 700,000,000 shares of one class of HK\$0.001 par value each. | The Company is authorised to issue a maximum of 700,000,000 <u>900,000,000</u> shares of one class of HK\$0.001 par value each. |

TABLE OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

| No. | Existing Articles | Amended Articles |
|------------|--|--|
| 2.1 | The Company is authorised to issue a maximum of 700,000,000 shares of one class of HK\$0.001 par value each. | The Company is authorised to issue a maximum of 700,000,000 <u>900,000,000</u> shares of one class of HK\$0.001 par value each. |



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Sinohope Technology Holdings Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) will be held at Unit 702–3, 7/F, 100 Queen’s Road Central, Central, Hong Kong on Tuesday, 26 August 2025 at 10:30 a.m. to consider, if thought fit, passing with or without modification, the following resolutions as ordinary resolutions of the Company.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the circular dated 10 August 2025 of the Company (the “**Circular**”).

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the subscription agreement dated 29 June 2025 (the “**Subscription Agreement I**”) (a copy of which is tabled at the EGM and marked “A” and signed by the chairman of the EGM for identification purposes) entered into between the Company (as the issuer) and Avenir Investment Limited (“**Subscriber I**”) (as the subscriber), pursuant to which the Company has conditionally agreed to issue and allot to Subscriber I, and Subscriber I has conditionally agreed to subscribe for 54,000,000 new shares of the Company (each, a “**Share**”) at HK\$1.66 per Subscription Share, and all the transactions contemplated thereunder, including the approval for the connected transaction pursuant to the Subscription Agreement I, be and are hereby approved, confirmed and ratified;
- (b) any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement I or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or

NOTICE OF EXTRAORDINARY GENERAL MEETING

waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and

- (c) subject to the Listing Committee having granted the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby granted with a specific mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot up to 54,000,000 Subscription Shares to Subscriber I, on and subject to the respective terms and conditions of the Subscription Agreement I, provided that the Specific Mandate shall be in addition to, and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution.”

2. **“THAT:**

- (a) the subscription agreement dated 29 June 2025 (the “**Subscription Agreement II**”) (a copy of which is tabled at the EGM and marked “B” and signed by the chairman of the EGM for identification purposes) entered into between the Company (as the issuer) and LINEX Holdings Ltd. (“**Subscriber II**”) (as the subscriber), pursuant to which the Company has conditionally agreed to issue and allot to Subscriber II, and Subscriber II has conditionally agreed to subscribe for 75,170,000 new Shares at HK\$1.66 per Subscription Share, and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one Director be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement II or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and
- (c) subject to the Listing Committee having granted the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby granted with a specific mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot up to 75,170,000 Subscription Shares to Subscriber II, on and subject to the respective terms and conditions of the Subscription Agreement II, provided that the Specific Mandate shall be in addition to, and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution.”

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3. **“THAT:**

- (a) the subscription agreement dated 29 June 2025 (the **“Subscription Agreement III”**) (a copy of which is tabled at the EGM and marked “C” and signed by the chairman of the EGM for identification purposes) entered into between the Company (as the issuer) and TX Capital Holdings Ltd. (**“Subscriber III”**) (as the subscriber), pursuant to which the Company has conditionally agreed to issue and allot to Subscriber III, and Subscriber III has conditionally agreed to subscribe for 7,500,000 new Shares at HK\$1.66 per Subscription Share, and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one Director be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement III or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and
- (c) subject to the Listing Committee having granted the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby granted with a specific mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot up to 7,500,000 Subscription Shares to Subscriber III, on and subject to the respective terms and conditions of the Subscription Agreement III, provided that the Specific Mandate shall be in addition to, and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution.”

4. **“THAT:**

- (a) the subscription agreement dated 29 June 2025 (the **“Subscription Agreement IV”**) (a copy of which is tabled at the EGM and marked “D” and signed by the chairman of the EGM for identification purposes) entered into between the Company (as the issuer) and NIGHT WOOD PTE. LTD. (**“Subscriber IV”**) (as the subscriber), pursuant to which the Company has conditionally agreed to issue and allot to Subscriber IV, and Subscriber IV has conditionally agreed to subscribe for 25,750,000 new Shares at HK\$1.66 per Subscription Share, and all the transactions contemplated thereunder, including the approval for the connected transaction pursuant to the Subscription Agreement IV, be and are hereby approved, confirmed and ratified;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) any one Director be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement IV or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and
- (c) subject to the Listing Committee having granted the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby granted with a specific mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot up to 25,750,000 Subscription Shares to Subscriber IV, on and subject to the respective terms and conditions of the Subscription Agreement IV, provided that the Specific Mandate shall be in addition to, and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution.”

5. **“THAT:**

- (a) the subscription agreement dated 29 June 2025 (the “**Subscription Agreement V**”) (a copy of which is tabled at the EGM and marked “E” and signed by the chairman of the EGM for identification purposes) entered into between the Company (as the issuer) and Rosen Holdings Ltd. (“**Subscriber V**”) (as the subscriber), pursuant to which the Company has conditionally agreed to issue and allot to Subscriber V, and Subscriber V has conditionally agreed to subscribe for 3,580,000 new Shares at HK\$1.66 per Subscription Share, and all the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) any one Director be and is hereby authorised to do all such acts and things, sign and execute all such documents or agreements or deeds and take all such actions on behalf of the Company as he/she may in his/her absolute discretion consider necessary, appropriate, desirable or expedient for the purposes of giving effect to or in connection with the Subscription Agreement V or any transactions contemplated thereunder and all other matters incidental thereto or in connection therewith, and agree to and make such variations, amendments or waivers of any of the matters relating thereto or in connection therewith as are, in the opinion of such Director, in the best interest of the Company and the Shareholders as a whole; and
- (c) subject to the Listing Committee having granted the listing of, and permission to deal in the Subscription Shares, the Directors be and are hereby granted with a specific mandate which shall entitle the Directors to exercise all the powers of the Company to issue and allot up to 3,580,000 Subscription Shares to Subscriber V, on

NOTICE OF EXTRAORDINARY GENERAL MEETING

and subject to the respective terms and conditions of the Subscription Agreement V, provided that the Specific Mandate shall be in addition to, and shall not prejudice or revoke any general or specific mandate(s) which has/have been granted or may be granted from time to time to the Directors prior to the passing of this resolution.”

6. To consider and if thought fit, pass the following resolution (with or without modification) as an ordinary resolution of the Company:

“THAT:

- (a) the maximum number of shares that the Company be authorised to issue be and is hereby increased from 700,000,000 shares of par value HK\$0.001 each (the “**Shares**”) to 900,000,000 Shares by the creation of an additional 200,000,000 Shares (the “**Increase in Authorised Shares**”), each ranking *pari passu* in all respects with the existing Shares upon issued and fully paid; and
- (b) any Director be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things he may consider necessary, desirable or expedient for the purpose of, or in connection with the matters contemplated in and for the implementation of and giving effect to the Increase in Authorised Shares.”

SPECIAL RESOLUTION

7. To consider and if thought fit, pass the following resolution (with or without modification) as a special resolution of the Company:

“THAT:

- (a) the existing amended and restated memorandum of association and articles of association of the Company (the “**Existing Memorandum and Articles**”) be amended in the manner as set out in the Appendix II to the Circular (the “**Proposed Amendments**”);
- (b) the new amended and restated memorandum of association and articles of association of the Company, which contain all the Proposed Amendments and a copy of which has been produced to this meeting and marked “F” and initialed by the chairman of the meeting, be and are hereby approved and adopted in substitution for and to the exclusion of the Existing Memorandum and Articles of the Company (the “**Proposed Adoption**”); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) that any one Director, secretary or officer of the Company be and is hereby authorised to execute all such documents and do all such other acts and things as he/they may, in his/their absolute discretion, consider necessary, desirable or expedient to effect the Proposed Amendments and the Proposed Adoption and any of the foregoing.”

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

Hong Kong, 10 August 2025

Notes:

1. A form of proxy for use in connection with the EGM is enclosed herewith and published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk). Whether or not you are able to attend the EGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as practicable and in any event not later than 48 hours before the time designated for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.
2. Any member entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. To be valid, a form of appointment of proxy together with the power of attorney or other authority (if any) under which it is signed or a notorially certified copy thereof must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours before the time appointed for the time appointed for holding the EGM or any adjournment thereof.
5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the EGM was originally held within 12 months from such date.
6. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
7. For determining the entitlement to attend and vote at the EGM, the register of members will be closed from 21 August 2025 to 26 August 2025, both days inclusive. During this period, no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the EGM, all transfer of Shares accompanied by the relevant

NOTICE OF EXTRAORDINARY GENERAL MEETING

share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 20 August 2025. The record date for attending and voting at the EGM is 26 August 2025.

8. If Typhoon Signal No. 8 or above, or "black" rainstorm warning is in effect any time after 8:00 a.m. and before the above time of EGM, the EGM will be postponed. The Company will post an announcement on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.newhuotech.com) to notify the Shareholders (as defined herein) of the date, time and place of the rescheduled meeting.

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