

Initiation Report

SOLOWIN HOLDINGS



Solowin Holdings – Leveraging Diversification into Virtual Assets and Private Wealth to Offer a Comprehensive Investment Suite to Strengthen Market Position in the Global Financial Sector

Solowin Holdings (NASDAQ: SWIN)

Share Price: \$2.81

Valuation: \$4.74



SOLOWIN

Key Statistics

| | |
|------------------------|------------------|
| 52 Week Range | \$1.84 - \$72.55 |
| Avg. Volume (3 months) | 198.54K |
| Shares Outstanding | 15.98M |
| Market Capitalization | \$44.90M |
| EV/Revenue | 7.84x |
| Cash Balance* | \$2.14M |
| Analyst Coverage | 1 |

*Cash balance as of March 2024

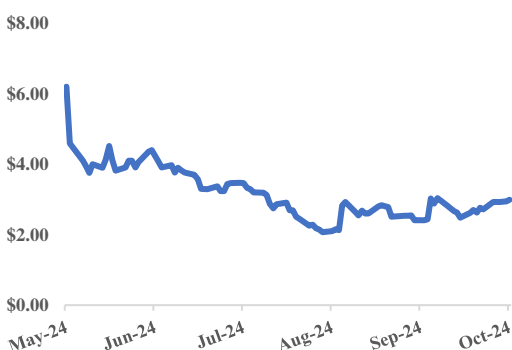
Revenue (in \$mm)

| Mar. - FY | 2024A | 2025E | 2026E |
|-----------|-------|-------|-------|
| H1 | 2.64 | 2.31 | 3.54 |
| H2 | 1.65 | 3.28 | 3.68 |
| FY | 4.29 | 5.58 | 7.22 |

EPS (in \$)

| Mar - FY | 2024A | 2025E | 2026E |
|----------|--------|-------|-------|
| H1 | 0.10 | 0.03 | 0.07 |
| H2 | (0.43) | 0.06 | 0.08 |
| FY | (0.33) | 0.09 | 0.15 |

Stock Price Chart (in \$)



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Investment Highlights

- Distinct Competitive Advantage by Combining both Virtual Asset Trading and Traditional Financing:** Solowin stands out as one of the few firms authorized to trade both virtual and traditional assets in Hong Kong, a highly regulated market with significant barriers to entry. This exclusive regulatory approval provides Solowin with a critical first-mover advantage, enabling it to integrate both traditional and digital asset offerings within its service portfolio. The firm's unique ability to bridge conventional wealth management through Solomon Wealth with cutting-edge digital asset solutions via Solomon JFZ offers investors a diversified and comprehensive platform to manage various asset classes, appealing particularly to high-net-worth individuals and family offices. Solowin has already secured a dominant market position as the largest holder of customer assets in key ETFs such as the ChinaAMC Bitcoin ETF and the Harvest Bitcoin Spot ETF. This substantial market share in the rapidly expanding digital asset sector emphasize Solowin's execution in capturing growth from emerging investment trends.
- Robust Strategic Partnerships with Key Industry Players:** The strategic collaborations with key financial entities like OSL, MaiCapital, ChinaAMC, and Harvest Global have bolstered Solowin's capabilities in providing regulated, high-quality financial products. These partnerships not only extend its market reach but also enhance brand credibility and customer trust, which are crucial for sustaining growth and expanding its client base in both traditional and virtual asset markets.
- Leveraging Hong Kong's Vast Market Potential:** Hong Kong, a premier global financial hub, presents substantial opportunities for Solowin, as evidenced by the city's impressive HK\$25.5 trillion securities market turnover in 2023, despite global economic fluctuations. This dynamic market, supported by a wealth of high-net-worth individuals and advanced financial infrastructure, provides an ideal setting for Solowin's diverse financial services. Its strategic location not only offers unrivaled access to Asian markets but also serves as a major conduit for capital flows into and out of China, boosting its attractiveness to international investors. Hong Kong serves as an optimal platform for expanding Solowin's digital asset and private wealth management services. These sectors are key to Solowin's strategic diversification and are poised for rapid growth, fueled by increasing investor interest in innovative and alternative financial products. The city's advanced regulatory and technological frameworks support these services, offering potential for significant market penetration and scalability.
- Valuation** – Solowin Holdings presents a unique investment opportunity, driven by its strategic diversification into Private Wealth and Virtual Assets alongside traditional financial services. Leveraging its established user base, Solowin has significantly enhanced customer value and expanded its market presence. Our valuation analysis, using a Discounted Cash Flow (DCF) approach with a discount rate of 12.10%—which reflects the company's growth potential balanced against market risks, competitive landscape, and regulatory uncertainties—and a terminal growth rate of 1.5%, along with Comparable Company Analysis (EV/Revenue multiple), estimates Solowin's per share value at \$4.74, contingent on successful execution by company.

Company Description

Solowin Holdings, an investment holding company, provides Investment banking services, wealth management services, asset management services, and virtual assets services to customers. Solowin Holdings was incorporated in 2021 and is based out of Tsim Sha Tsui, Hong Kong.

- **Innovative All-in-one Solomon VA+ Trading Platform:** Launched in July 2024, Solomon VA+ represents a pivotal innovation in financial services, integrating traditional asset trading, virtual asset trading, and wealth management into a single platform. As the first all-in-one app in Hong Kong that combines these services, Solomon VA+ sets a new standard for financial technology. This institutional-grade smart trading app enhances the user experience through efficient order execution and a secure, bilingual interface, meeting the demands of next-generation investors. By providing a one-stop solution for managing diverse asset portfolios, Solomon VA+ has significant potential to attract a substantial user base keen on leveraging its comprehensive service offerings.
- **Comprehensive Regulatory Approvals Enhancing Market Confidence:** Solowin has strategically secured crucial regulatory approvals from the Hong Kong Securities and Futures Commission (HKSF), significantly enhancing its competitive edge and market credibility. Holding Type 1, 4, 6, and 9 licenses, Solowin is fully authorized to deal in securities—including virtual assets—advise on securities and corporate finance, and manage assets. These licenses, first obtained in January 2017 and most recently uplifted in March 2024 for virtual assets Spot ETFs, ensure compliance with stringent regulatory standards, boosting investor confidence and enabling the firm to offer a wide range of traditional and digital investment services securely and legally. The process of obtaining these licenses serves as a substantial barrier to entry for competitors, due to the considerable time and cost involved, thereby fortifying Solowin's market position. Additionally, Solowin is actively pursuing a Type 2 license for Dealing in Futures Contracts, which, once granted, will allow the Solomon VA+ platform to expand its service offerings to include futures contracts trading, further broadening its comprehensive financial services and enhancing its appeal to a wider range of investors.
- **Substantial Growth in Managed Assets:** Solowin has demonstrated significant growth in its asset management segment. As of March 31, 2024, the firm's total assets under management (AUM) reached \$19.0 million, reflecting an increase of \$4.6 million, or 32%, from \$14.4 million as of March 31, 2023. This impressive growth highlights strong market performance, increased investor confidence, and effective fund management. Solowin manages a diversified portfolio that spans private equity, digital assets, and quantitative strategies, showcasing the firm's ability to adapt to shifting market dynamics and investor preferences. This adaptability, coupled with its regulatory position, continues to support sustained revenue growth and enhances Solowin's overall financial strength.
- **Enhancing Technological Infrastructure for Future Growth:** Solowin is actively working to enhance its technological infrastructure. The company plans to integrate advanced trading systems through APIs with other brokers, aiming to offer tailored Business-to-Business (B2B) solutions that will increase its appeal to institutional clients. This initiative includes specializing Solowin in agency brokerage, wealth management, private client, and retail brokerage services for regulated brokers in AML-compliant nations such as the United Kingdom, New Zealand, and Australia. Efforts are underway to optimize Solowin's trading system to improve system stability, increase security, and enhance execution speed, thereby seeking to meet the sophisticated needs of modern investors and targeting a competitive edge in the fast-evolving financial landscape.

Company Overview

Solowin Holdings, incorporated in July 2021 under the laws of the Cayman Islands, is a rapidly growing holding company with a robust presence in the financial sector, especially in Hong Kong. Listed on the Nasdaq Capital Market since September 2023, under the ticker symbol “SWIN,” Solowin conducts its business through two wholly-owned subsidiaries: Solomon JFZ (Asia) Holdings Limited (“Solomon JFZ”) and Solomon Private Wealth Limited (“Solomon Wealth”), both incorporated in Hong Kong SAR as limited liability companies. Headquartered in Hong Kong, Solowin has positioned itself as a prominent and versatile securities brokerage and investment banking firm, strategically focused on catering to high-net-worth individuals and institutional clients across the globe.

Since its inception, Solowin Holdings has expanded its service offerings to meet the increasingly sophisticated demands of its client base, combining traditional financial services with cutting-edge solutions in virtual assets. Solowin’s one-stop electronic platform, Solomon VA+, serves as the backbone of its operations, allowing clients seamless access to a wide spectrum of financial products, including traditional securities, derivatives, and emerging digital assets. This platform is highly secure, advanced, and accessible across multiple digital platforms, providing clients with the flexibility to manage their portfolios efficiently.

Since 2021, Solowin has experienced significant growth, distinguishing itself in the competitive Hong Kong financial landscape. Solomon JFZ, a key subsidiary, is fully licensed by the Hong Kong Securities and Futures Commission (HKSF) and authorized to perform four key regulated activities: Dealing in Securities (Type 1), Advising on Securities (Type 4), Advising on Corporate Finance (Type 6), and Asset Management (Type 9). These licenses enable the company to offer a full suite of services, including securities brokerage, investment advisory, corporate finance consultancy, and comprehensive asset management.

Solowin has strategically positioned itself as a leader in the rapidly growing virtual assets space. Notably, the company was among the first batch of SFC-approved participating dealers in Hong Kong to facilitate in-kind subscriptions and redemptions for spot virtual asset ETFs. This early entry into the digital finance sector has enabled Solowin to establish itself as a major player in the provision of regulated and licensed digital asset solutions. Through Solomon JFZ, the company provides access to a range of virtual assets, including Bitcoin and Ethereum ETFs, emphasizing its forward-thinking approach and ability to capitalize on emerging trends in the financial services industry.

Solowin Holdings’ clientele consists primarily of high-net-worth Chinese investors from across Asia, as well as institutional clients from regions including Hong Kong, Australia, and New Zealand. As of March 31, 2024, Solowin served over 20,000 users, with more than 15,500 clients having opened trading accounts with Solomon JFZ. Of these, over 1,200 clients were classified as active clients, with assets held in their trading accounts. The company’s client base continues to expand as it leverages its innovative service offerings to meet the diverse needs of both retail and institutional investors.

Solowin Holdings, founded in 2021 in Hong Kong, specializes in providing financial services via its advanced Solomon VA+ platform. Licensed by the HKSF, it offers securities trading, investment advisory, asset management, and virtual asset services

The company's revenue stream encompasses four primary business segments: investment banking services, wealth management services, asset management services, and virtual assets services. Each segment delivers tailored financial solutions, leveraging Solomon JFZ's technological and financial expertise to meet the diverse needs of its clientele. This strategic approach has enabled Solowin Holdings to build a significant presence in the financial services sector, particularly among high-net-worth investors and institutional clients globally.

Solowin's All-Inclusive Integrated Financial Services Infrastructure for Next-generation Investors

Solowin operates through four key business segments, all managed by its two primary subsidiaries: **Solomon JFZ** and **Solomon Private Wealth**. These segments offer a comprehensive suite of services across **wealth management, investment banking, asset management, and virtual asset services**. Solowin's offerings are designed to cater to a diverse client base, leveraging advanced technology to ensure efficiency and reliability. With recent developments and expanding subsidiaries, Solowin's vision is to build an integrated financial services infrastructure for next-generation investors, aiming to become a one-stop provider of comprehensive financial solutions.

Solowin operates through four main business segments—wealth management, investment banking, asset management, and virtual asset services—aiming to become a comprehensive financial services provider for next-generation investors

Investment Banking Services

Solomon JFZ's investment banking division offers a comprehensive range of services, including underwriting, private placements, capital raising, debt financing, secondary offerings, and investment advisory solutions. These offerings are designed to guide investors and corporations through complex financial landscapes, ensuring that transactions are executed with strategic insight and precision. By catering to the evolving needs of the capital markets, Solomon JFZ positions itself as a competitive player in the investment banking sector, aiming to drive growth and enhance market share. Solomon's investment banking services are further segmented into the following solutions:

1. **IPO/SPAC Listing** - An Initial Public Offering (IPO) or Special Purpose Acquisition Company (SPAC) listing is a crucial phase for companies aiming to access the public capital markets. It not only provides a significant influx of capital but also enhances the company's market visibility and credibility. Solowin's investment banking team supports businesses in navigating the complexities of IPO and SPAC processes by offering tailored solutions that align with long-term growth objectives. Key services include IPO underwriting, capital structuring, SPAC IPOs, and De-SPAC transactions, ensuring clients are positioned to capture investor interest and optimize market performance during the listing process.
2. **Follow-ons** - A Follow-On Public Offering (FPO) enables companies to raise additional capital while reinforcing their market presence. Solowin's investment banking team ensures that each FPO is strategically aligned with the company's growth objectives, supporting both operational expansion and financial sustainability. Key services include market positioning, strategic valuation and pricing, investor engagement, and

comprehensive regulatory compliance and due diligence. Additionally, Solowin provides advisory on capital structure, underwriting, and distribution to maximize the effectiveness of the equity issuance and secure long-term value for shareholders.

3. **Private Placement** - Private placements offer companies an efficient and flexible route to secure capital without going through public markets. Solowin's expertise in private placements ensures a streamlined process, connecting businesses with a global network of investors while tailoring deal structures to meet specific funding needs. From deal structuring to compliance and due diligence, Solowin provides comprehensive support throughout the entire investment process, ensuring a smooth and regulatory-compliant capital-raising experience.
4. **Debt Financing** - Debt financing plays a pivotal role in maintaining liquidity and supporting growth while providing businesses the flexibility to adapt to evolving market conditions. Solowin's investment banking team offers access to diverse debt instruments, enabling companies to optimize their capital structure, manage costs, and mitigate risks. With a focus on aligning debt strategies with market conditions and long-term objectives, Solowin's services include credit analysis and strategy, debt structuring, global market access, lender engagement and negotiation, regulatory guidance, as well as strategic refinancing and restructuring. This comprehensive approach ensures that businesses secure funding on favorable terms to drive growth and maintain financial stability.
5. **Financial Advisory** - Solowin's financial advisory services offer critical support to companies facing complex financial challenges. The company assists clients in optimizing capital structures, advising on mergers and acquisitions, and developing tailored strategies for capital raising, whether through equity, debt, or alternative financing options. Solowin also focuses on enhancing operational efficiency through business restructuring and process improvements. Additionally, Solowin provides comprehensive risk management services, including risk assessments and system reviews, to safeguard businesses and promote long-term resilience.

Corporate Consultancy and Referral Services

Introduced in FY2023, Solomon JFZ's Corporate Consultancy Services leverages its Type 6 license issued by the Hong Kong Securities and Futures Commission (HKSF). This license enables Solomon JFZ to offer expert advice on corporate finance, including guidance on the Hong Kong Stock Exchange (HKSE) Listing Rules for both the Main Board and the Growth Enterprise Market (GEM). The firm's consultancy services primarily focus on corporate finance advisory for both unlisted and listed companies, helping them navigate complex transactions and regulatory frameworks.

Solomon JFZ's corporate consultancy services are comprehensive, encompassing:

- **Advisory on IPOs:** While the firm does not sponsor IPOs directly due to licensing restrictions, it provides crucial advisory services to companies preparing to list. This

includes guidance on compliance with HKEX Listing Rules and managing the procedural aspects of entering the market.

- **Mergers and Acquisitions:** The firm advises on the code of takeovers, mergers, and share repurchases, helping clients understand the financial and legal implications of potential transactions.
- **Independent Financial Advisory:** Solomon JFZ serves as an independent advisor to the boards and shareholders of listed companies, offering impartial opinions on corporate actions to ensure stakeholders are well-informed and protected.

Financial and Independent Advisory

- **Transaction Advisory:** Solomon JFZ advises clients on the terms and structures of proposed transactions, focusing on compliance and strategic implications under the HKSE Listing Rules. This includes detailed assessments of transaction viability and strategic alignment with corporate objectives.
- **Independent Reviews:** The firm provides independent evaluations for board committees and shareholders, helping guide decisions in corporate actions such as mergers, acquisitions, and other significant financial activities.

Referral Services

- Solomon JFZ generates referral income by connecting investors with corporate clients or brokers for overseas IPO subscriptions. Acting as an agent, the company earns a percentage of the subscription amount, as specified in agreements. This strategy diversifies revenue streams and strengthens relationships with corporate clients, positioning Solomon JFZ as a key intermediary in international capital markets.

Fee Structure and Revenue

Solomon JFZ charges fees based on the type and size of the transaction, the duration of the engagement, the complexity of the transaction, and the manpower required. Fees typically range from HKD 200,000 to HKD 2,000,000, reflecting the high level of expertise and effort involved. The firm also offers conditional discounts and may include success fees or commissions, structured either as fixed amounts or as percentages of the transaction value, providing flexibility and aligning the firm's interests with those of its clients. For the fiscal years ended March 31, 2024, 2023, and 2022, the corporate consultancy services segment accounted for 3%, 21%, and 0% of Solowin's consolidated revenues, respectively. Referral income accounted for 6% and 11% of total revenue for the year ended March 31, 2024, and 2023, respectively.

Solomon JFZ provides corporate consultancy services including IPO preparation, mergers and acquisitions, and independent financial advice. The firm also offers transaction guidance and earns referral income by connecting investors with overseas IPO opportunities

Wealth Management Services

The wealth management segment of Solomon JFZ is structured to cater to a diverse clientele, ranging from high-net-worth individuals to institutional investors, including family offices and trusts. The services are divided into Securities Brokerage Services and Integrated Investment Solutions, which not only cover traditional securities-related services but also offer enhanced advisory capabilities.

Securities Brokerage Services

Solomon JFZ leverages advanced Internet technology through its Solomon VA+ platform to provide accelerated brokerage services, ensuring a convenient and reliable investment management experience for clients. This professional securities brokerage network enables access to multiple global stock exchanges, including the HKSE, NYSE, Nasdaq, Shanghai Stock Exchange, and Shenzhen Stock Exchange. It offers comprehensive services such as HKSE securities trading, IPO subscription and placement services, bond trading, fund subscription, equity custodian and agent services, investment immigrant account management, enterprise employee shareholding exercise services, professional investment research, and instant quotation services.

Offerings under Securities Brokerage Services:

Solomon JFZ provides clients with the ability to trade a diverse range of products listed on major stock exchanges. The trading platform supports real-time trading of company **stocks**, **fixed income instruments**, **exchange-traded products (ETFs)**, **real estate investment trusts (REITs)**, **exchange-traded bonds**, and **financial derivatives** such as derivative warrants and callable bull/bear contracts:

- **Stock Trading:** Solowin provides clients with securities trading and clearing services across major global financial markets. These services are offered at competitive rates and are supported by strategic insights to help clients make informed trading decisions.
- **Fixed Income:** Solowin offers fixed income solutions that are selected for their reliable returns. These solutions aim to enhance the overall portfolio stability of clients, providing a steady income stream.
- **Derivatives:** Solowin provides access to derivative products, including options and swaps. These are designed for various purposes such as hedging, speculation, or increasing leverage, aligning with a wide range of investment strategies.
- **Foreign Exchange:** The company provides foreign exchange services that allow clients to efficiently manage currency transactions. These services are aimed at mitigating risks associated with international markets and foreign exchange volatility.

Solomon JFZ's wealth management services cater to high-net-worth and institutional clients, offering comprehensive securities trading, IPO subscriptions with financing, and custodial services through its advanced Solomon VA+ platform

- **Virtual Assets:** In response to the growing demand for alternative investments, Solowin offers access to major virtual assets. These services align with the company's forward-thinking approach to meet the evolving needs of modern investors.
- **Prime Brokerage:** Solowin delivers prime brokerage services that combine robust trade execution, capital introduction, and custody solutions, catering to institutional clients and providing them with seamless brokerage support.

Integrated Investment Solutions

Solowin's integrated investment solutions offer a comprehensive, client-focused approach to wealth management. These solutions are designed to address the full spectrum of financial needs, providing tailored strategies that encompass everything from wealth preservation and growth to specialized areas like ethical investing. By taking a holistic view of each client's financial landscape, Solowin ensures that all aspects of their financial objectives are aligned, delivering a personalized and cohesive approach that supports long-term wealth management goals.

Offerings under Integrated Investment Solutions:

- **Family Office Service:** Solowin provides extensive family office services, offering support for wealth transfer, philanthropy, and strategic investment planning. These services are designed to help families manage and preserve wealth across generations, ensuring stability and growth through careful planning and execution.
- **Trust Services:** Solowin's trust services leverage fiduciary expertise to provide meticulous asset management and protection. The company ensures assets are maintained and grown in alignment with clients' trust agreements and objectives, offering a secure environment for asset preservation and enhancement.
- **Investment Advisory:** Solowin offers personalized investment advisory services based on thorough market analysis and tailored to clients' unique financial goals. Covering both traditional and virtual asset markets, these services provide diversified investment opportunities aligned with clients' risk preferences and long-term objectives.
- **ESG Advisory:** Solowin's ESG advisory service aligns investment strategies with environmental, social, and governance principles. This service enables clients to integrate personal values into their investment decisions, fostering a responsible investment approach that positively impacts society and the environment.
- **Prime Brokerage:** Solowin's prime brokerage service provides a comprehensive range of services, including securities lending, trade execution, and custody solutions. The focus is on competitive costs and operational efficiency, ensuring clients receive maximum value and robust support for their investment activities.

- **Bespoke Advisory:** Solowin offers bespoke advisory services, providing personalized financial solutions and expert advice to address a wide range of financial challenges. These services are designed to ensure lasting prosperity and security for clients by delivering customized solutions to meet specific needs.

Regulatory and Compliance Framework:

Solomon JFZ is licensed under Type 1 (Dealing in Securities) by regulatory authorities, enabling it to carry out a broad spectrum of regulated activities. These include online account opening, KYC processes, trading, clearing, settlement, accessing market data, and utilizing social interaction functions within the trading community. The firm's adherence to regulatory guidelines is critical, especially in managing complex services such as IPO underwriting and financing, where compliance with financial regulations is strictly monitored to protect client interests and ensure market integrity.

Revenue through Brokerage Services

Solomon JFZ generates revenue through commissions, handling fees, and financing interest for its securities-related services. The table below specifies the fees charged by Solomon for the various securities-related services that it provides.

| Commission-based Trading Fee | |
|---|---|
| Service | Fees |
| Trading Fee (HK Market and Pre-IPO Market) | 0.1% × total trading amount, minimum HKD 60 per trade (via Internet and phone) |
| Trading Fee (A-Share Northbound Stock Connect) | 0.1% × total trading amount, minimum RMB 60 per trade (via Internet and phone) |
| Trading Fee (US Market) | 0.2% of transaction amount (minimum USD 6, during the promotion period) |
| IPO Subscription Fee (HK Market) | |
| Types | Fees |
| Subscription Fee # | Cash Subscription: HKD 10 90% Margin Financing Subscription: HKD 100 95% Margin Financing Subscription: HKD 120 |
| #Subscription fees are payable regardless of whether the winning lot is awarded or the new shares are listed. | |
| Custodian Service Fees | |
| HK Market-Transfer Stocks Out | HKD 200 per stock each time + 0.02% of stock market value |
| US Market-Transfer Stocks Out | USD 100 per stock each time |
| Overdue Balance Interest Charges (HKD/RMB/USD) | |
| Types | Fees |
| Securities Cash A/C | HKD: 10.375% p.a. (Prime +5% p.a.) * CNY: 10.375% p.a. USD: 10.375% p.a. |

Exhibit 1: Fee Structure for Different Securities-Related Services. Source: Company Filings

The fee structure for Solomon JFZ's securities-related services aligns with industry standards and competitive pricing models. This approach ensures that Solomon JFZ remains a unique option for investors seeking value and transparency in their brokerage interactions. For the fiscal years ended March 31, 2024, 2023, and 2022, the securities-related services segment accounted for 10%, 14%, and 68% of Solowin's consolidated revenues, respectively. This shift is partially due to the company's enhanced focus on new-age, high-margin business divisions, driven by saturation and increased competition in the legacy broking business. While some banks in Hong Kong and the United States have started offering zero commission fees or similar promotions to attract clients, we recognize that High-Net-Worth Individuals (HNIs) prioritize exceptional service over lower brokerage fees, unlike retail clients who are highly price-sensitive. This allows Solomon JFZ to effectively balance quality service provision with cost-effectiveness, thereby supporting HNI client retention and satisfaction.

Investment Advisory Services

Solomon JFZ offers specialized investment advisory services that are tailored to meet the diverse needs of its clients, which include individual investors, corporations, and third-party fund managers. The firm's team comprises serial entrepreneurs, experienced financial advisors, and technology experts who provide timely, accurate, and valuable investment solutions. Solomon JFZ charges an investment advisory fee based on a percentage of the Client's Assets Under Management (AUM). This segment has significantly contributed to the firm's revenue, accounting for 67%, 56%, and 22% of consolidated revenues in the fiscal year ended March 31, 2024, 2023, and 2022, respectively.

Services Provided under the Investment Advisory Services Division

- **Investment Advisory Service:** Solomon JFZ provides comprehensive advisory services that cater to the specific financial needs and risk appetites of its clients. For third-party private equity fund managers, the services include assisting with fund establishment, handling transactions, custody, liquidation, valuation, and risk control, as well as providing ongoing support such as investment solutions and investor introductions.
- **Investor Relationship Management:** The firm designs investment plans that consider each client's financial history, current situation, and goals, balancing risk tolerance with desired outcomes. Clients can choose between a performance fee-based plan or a non-performance fee arrangement, enhancing flexibility in financial planning. Solomon JFZ emphasizes transparency in its operations, providing clients with regular, detailed statements that include transactions, holdings, and account balances, which aids clients in understanding the handling and performance of their investments. Further, the company places a high value on clear and straightforward communication with its clients. Regular reviews of investment policy statements are conducted, and all aspects of the plan, including fees and services, are explained in simple, understandable language. This ensures that clients are fully aware of the strategies being implemented and the rationale behind them, fostering trust and long-term relationships.

Revenue through Investment Advisory Services

Solomon JFZ generates revenue through advisory fees on portfolio analysis, risk appetite, and return analysis for its investment advisory services. Advisory fees charged to clients are based on a pricing model that balances the cost, value, and affordability. When determining the cost elements, factors such as human resources, sales commissions, and operational expenses are taken into consideration.

The following table shows the fee structure charged by Solomon JFZ for its Investment Advisory Services:

| Types | Fees | Target Clients |
|--------------------------------------|--|---|
| Percentage fee based on Clients' AUM | 1%-2.5% of the Client's AUM | For clients who require for portfolio review and balances frequently for short-term investment advises |
| Flat Fees | USD 100,000-USD 500,000 per month | For clients who require for investing advisory and information on a regular basis and customized list of services |
| Hourly Rates | \$100/hour to \$300/hour, according to advisor experiences | For clients who require for simple suggestions and general oversight |

Exhibit 2: Fee Structure for Investment Advisory Services. Source: Company Filings

Asset Management Services

Solomon JFZ offers asset management services, catering to a diverse client base that includes individual investors, financial institutions, and private institutions across Hong Kong, Mainland China, and overseas. Licensed under Type 9 (Asset Management) by the HKSF, Solomon JFZ develops investment portfolios that align with various investor risk appetites and aims to enhance asset value through strategic asset allocation. The division includes investment funds, managed accounts, and external asset management, each designed to optimize portfolio performance. The focus on delivering competitive, risk-adjusted returns is particularly important in today's investment environment, where clients increasingly seek sophisticated solutions like those offered by Solomon to achieve their financial objectives.

Solomon JFZ offers licensed asset management services, creating tailored investment strategies for a diverse client base across Hong Kong, Mainland China, and internationally. The firm manages a mix of traditional and innovative investment solutions, aiming to deliver competitive, risk-adjusted returns through responsive fund management

Key Services and Strategies

- **Fund Management:** Solomon JFZ actively manages a range of fund products, focusing on traditional private equity funds such as balanced funds and equity funds. The firm plans to diversify its offerings further, incorporating a mix of public and private equity, active and passive strategies, and traditional and alternative investments.
- **Private Funds Subscription:** Solomon JFZ facilitates investments in offshore private funds, such as those incorporated in the Cayman Islands. It offers customized asset management services through discretionary management accounts, crafting investment strategies and solutions that meet specific client objectives while managing acceptable

risk levels. This service includes identifying subscription opportunities for private funds in Hong Kong and other international markets.

- Managed Accounts:** Solowin Holdings’ managed account services offer personalized investment solutions, where the firm manages clients’ portfolios based on their specific financial goals and risk profiles. These services include tailored asset allocation, risk management, and regular portfolio adjustments to respond to changing market conditions. Solowin provides access to a diverse range of investment products, including stocks, bonds, ETFs, and digital assets, ensuring clients benefit from professional oversight aimed at optimizing returns while managing risk effectively.

The following chart describes the funds' subscription service process:

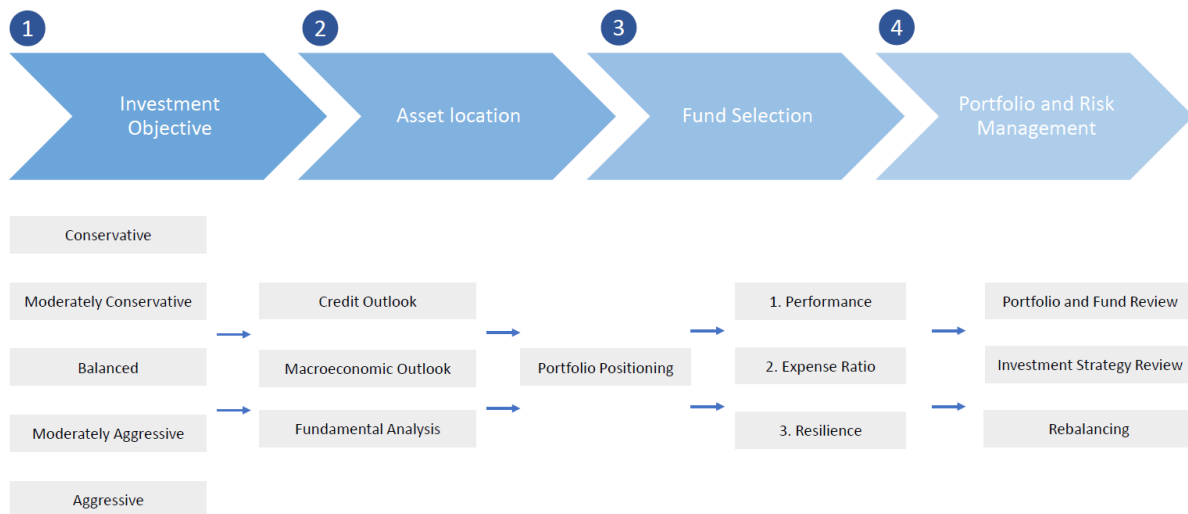


Exhibit 3: Fund Subscription Process. Source: Company Filings

Investment and Redemption Policies

- Lock-Up Periods:** To ensure fund stability and fairness, Solomon JFZ implements hard lock-up periods of up to 6 months for specific segregated portfolios, and soft lock-up periods ranging from 6 to 12 months for all portfolios.
- Redemption Policies:** The firm maintains a minimum holding and redemption amount of \$100,000 to manage fund liquidity effectively. Redemption fees ranging from 1% to 5% may apply if unscheduled redemptions are required, protecting the fund from potential market impacts due to rapid liquidation.

The following chart illustrates the rapid expansion and evolution of Solomon JFZ’s fund management in terms of AUM:

Development of Funds managed in AUM
USD'000

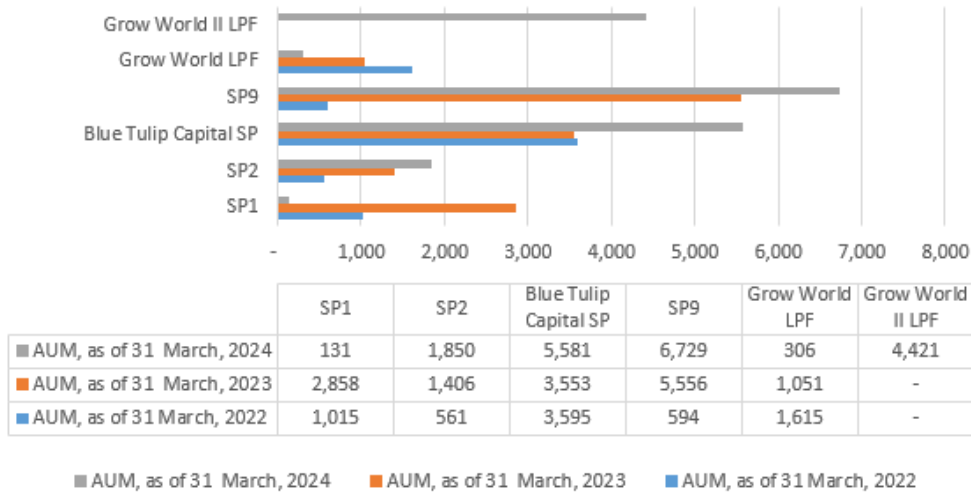


Exhibit 4: Development of Funds Managed by Solomon JFZ in AUM. Source: Company Filings

As of March 31, 2024, Solomon JFZ has significantly expanded its portfolio of managed funds, including Solomon Capital SP2, SP9, Blue Tulip Capital SP, and Grow World II LPF. These funds were launched progressively from April 2021 to May 2023, each with a specific investment focus:

- Solomon Capital SP1: Targets the HK/US IPO markets.
- Solomon Capital SP2: Focuses on HK/US stock investments.
- Blue Tulip Capital SP: Specializes in US stock quantitative investments.
- Grow World LPF: Concentrates on pre-IPO/IPO investments in biochemistry and health sectors.
- Solomon Capital SP9: Dedicated to private equity investments
- Grow World II LPF: Focuses on strategic funding investment

Over the fiscal year, Solomon JFZ has seen a substantial increase in its managed AUM, totaling \$19,018,000 as of March 31, 2024 — a 32% increase from \$14,424,000 in the previous year. This growth is attributed to significant gains in specific funds:

- Blue Tulip Capital SP: Saw an increase of 57% to \$5,581,000
- Solomon Capital SP9: Grew by 21% to \$6,729,000
- Grow World II LPF: Grew to an AUM of \$4,421,000 in the inaugural year ended March 31, 2024

These funds have demonstrated robust growth, particularly in US stock quantitative investments and private equity, areas that align well with the firm's strategic investment capabilities and client risk appetites. The quantitative strategies leverage data analysis to drive trading and portfolio allocation decisions, while the high-risk, high-return nature of private equity investments appeals to clients seeking substantial growth.

Solomon JFZ has significantly expanded its fund portfolio, achieving a 32% increase in AUM driven by specialized funds like Blue Tulip Capital SP and Solomon Capital SP9, which focus on quantitative U.S. stock and private equity investments

Fees and Revenue Generation through Asset Management Services

- **Fund Subscription Fees:** These fees vary from 1% to 5%, depending on the specific fund and investor category, reflecting the administrative and management costs associated with new investments.
- **Management Fees:** Typically calculated as a percentage of the managed Net Asset Value (NAV), with a minimum monthly fee of \$2,500 or an annual rate of 2% of the NAV.
- **Performance Fees:** Solomon JFZ charges performance fees based on unrealized gains and losses, set at 20% of the performance during the period above the high water mark. This ensures that fees are aligned with successful fund performance, safeguarding investors from recurrent fees on the same earnings.

For the fiscal years ended March 31, 2024, 2023, and 2022, Solomon JFZ's asset management services accounted for 20%, 9%, and 10% of the firm's consolidated revenues, respectively.

Expanding Horizons: Solowin's New Ventures in Private Wealth and Virtual Assets Services

Solowin is broadening its service offerings through significant initiatives in private wealth management and virtual assets. These new ventures are part of the company's strategy to diversify its services and cater to evolving market needs.

On March 14, 2024, Solowin introduced its private wealth management business under the newly established Hong Kong subsidiary, Solomon Wealth. This subsidiary aims to serve high-net-worth individuals, family offices, and trusts by providing comprehensive management services that include both traditional and virtual asset classes.

Additionally, Solowin has ventured into the virtual assets space. Following approval from the Hong Kong Securities and Futures Commission (HKSF) on March 25, 2024, the company now offers virtual asset dealing and advisory services. This development places Solowin among the first HKSF-approved companies to provide such services in Hong Kong, targeting retail investors with innovative digital asset solutions.

Private Wealth Management

In response to evolving market demands and the need for specialized financial services for affluent clients, Solowin launched Solomon Wealth in December 2023. This wholly-owned subsidiary, based in Hong Kong, marks Solowin's strategic foray into the private wealth management sector. Solomon Wealth aims to cater to high-net-worth individuals, family offices, and trusts by offering a comprehensive suite of wealth management services that encompass both traditional and virtual asset classes.

Solomon JFZ is expanding its offerings with new ventures in private wealth management and virtual assets, targeting evolving market demands. The company now caters to high-net-worth individuals and retail investors, providing a blend of traditional and digital asset management solutions

Services and Client Engagement

Solomon Wealth is expected to deliver top-tier wealth management solutions with a focus on building long-term client relationships. The firm's services are tailored to meet the unique financial goals and circumstances of each client. Through Solomon Wealth, the company plans to offer a range of services tailored to the sophisticated needs of its clientele:

- **Asset Management:** Custom investment strategies are developed to match the specific risk profiles and investment objectives of clients.
- **Financial Planning:** Services include estate planning, tax strategy development, and retirement planning, addressing comprehensive financial needs.
- **Family Office Services:** Specialized offerings cater to the complexities of managing and preserving family wealth, including succession planning and charitable giving strategies.

Fee Structures

Understanding the diverse preferences of its clientele, Solomon Wealth has adopted a versatile fee structure:

- **Percentage of Assets Under Management (AUM):** The fee ranges from 1% to 5%, depending on the client's AUM, aligning the costs directly with asset performance.
- **Fixed or Flat Fee:** This structure provides predictability with fees ranging from \$100,000 to \$200,000 annually, suited for clients with substantial portfolios who prefer consistent billing.
- **Wrap Fee:** For clients seeking an all-inclusive service package, Solomon Wealth offers a wrap fee ranging from \$100,000 to \$500,000, bundling investment management and financial planning services into a single charge.

Market Position and Future Outlook

As of the end of March 2024, Solomon Wealth is in the nascent stages of client acquisition and has not yet generated revenue. However, the strategic positioning and targeted service offerings are expected to attract a clientele that values tailored wealth management. The focus on high-quality service provision is anticipated to cultivate a solid client base and drive future revenue growth.

Solomon Wealth's entry into the private wealth management market represents a significant step for Solowin Holdings, aiming to tap into a lucrative sector by addressing the sophisticated needs of wealthy clients. This move is part of Solowin's broader strategy to diversify its services and enhance its footprint in the financial services industry.

Virtual Asset Services

As part of its diversification strategy, Solowin has ventured into the rapidly growing field of virtual assets, having secured approval from the Hong Kong Securities and Futures Commission (HKSF) in March 2024. This pivotal move allows Solowin to offer virtual asset dealing and advisory services under a new regulatory framework, positioning the firm as a trailblazer in the digital finance arena. By integrating virtual assets into its portfolio, Solowin meets the evolving needs of new investors seeking exposure to both traditional and innovative asset classes.

Solutions under the Virtual Asset Services Division

- Spot Virtual Asset ETFs:** Solowin is at the forefront of the virtual asset market with its Spot Virtual Asset ETFs, providing investors with an innovative means to diversify their portfolios and gain exposure to the rapidly evolving cryptocurrency space. These ETFs **offer both in-kind subscription and redemption options**, ensuring liquidity and accessibility for investors in a fast-moving market. The company's **partnerships with ChinaAMC (HK), Harvest Global, OSL Digital Securities, and Hashkey** further demonstrate its strategic market integration and dedication to innovation. Solowin's advanced trading infrastructure ensures optimized transaction execution, enabling clients to capitalize on opportunities in the dynamic cryptocurrency market. These offerings reflect Solowin's forward-thinking approach to virtual asset investment, meeting the evolving demands of modern investors.
- Cryptocurrencies:** Solowin offers comprehensive access to major **cryptocurrencies**, providing traders with the opportunity to capitalize on the dynamic growth and volatility of the cryptocurrency market. Through Solowin's platform, investors can engage with leading cryptocurrencies, benefiting from **in-depth market analysis** and **practical trading tools** designed to enhance decision-making and trading efficiency.
- Security Token Offering (STO):** Solowin specializes in facilitating capital raising through Security Token Offerings (STOs), enabling companies to issue digital securities backed by real-world assets. By leveraging blockchain technology, Solowin enhances the transparency, efficiency, and accessibility of the fundraising process, providing companies with a robust platform to access global capital markets. The firm offers comprehensive **consulting and strategy** services, guiding companies through regulatory compliance, market strategy, and project planning for successful STO execution. Additionally, Solowin manages the **underwriting** and issuance of security tokens, including the creation of smart contracts to automate and oversee the tokens throughout their lifecycle. The company also ensures **regulatory compliance**, handling investor onboarding processes such as identity verification and legal adherence, ensuring smooth and compliant token issuance.
- Real World Asset (RWA) Tokenization:** Real World Asset (RWA) tokenization refers to the process of converting tangible or intangible assets into digital tokens that are stored and traded on blockchain platforms. This process has revolutionized how assets such as

Solowin has strengthened its position in the virtual assets market by becoming a key dealer for Bitcoin and Ethereum ETFs and enhancing transactional efficiency with digital securities firms

real estate, art, commodities, and even debt instruments are managed, allowing for fractional ownership, increased liquidity, and enhanced transparency. Solowin's Real World Asset (RWA) tokenization solutions transform tangible and intangible assets into digital tokens on blockchain platforms, unlocking liquidity for asset owners and providing investors with access to innovative digital asset investments. Through tokenization, Solowin enables a seamless bridge between traditional assets and the digital economy, allowing for more flexible and accessible investment opportunities. Key services include **token issuance**, where Solowin guides corporates through the tokenization process, structuring compliant and investor-friendly tokens representing real-world assets. Additionally, the firm ensures **market access** by facilitating the trading and liquidity of tokenized assets across secondary markets and exchanges, leveraging both decentralized and centralized platforms. Solowin also offers **custodial and asset management solutions**, providing secure storage for digital tokens and the underlying assets, while ensuring transparency and ongoing management of tokenized portfolios.

- 5. Blockchain Solutions:** Solowin provides a robust set of **blockchain solutions** to facilitate the efficient management of digital assets, ensuring compliance and transparency throughout the process. These services include the development of secure **cryptocurrency wallets** for storing, sending, and receiving tokenized assets, allowing users to manage their holdings with confidence. Additionally, Solowin offers **tokenization** services, converting physical and intangible assets into digital tokens that are tradable and compliant with regulatory standards. The company also specializes in creating **custom smart contracts** to automate business processes and enforce terms related to asset tokenization, trading, and governance, streamlining operations and enhancing trust in the execution of transactions.

Strategic Partnerships and Market Integration

Solowin has established significant partnerships within this sector, notably becoming one of the three participating dealers for Harvest Global's and China Asset Management's (ChinaAMC) spot Bitcoin and Ethereum ETFs. This not only demonstrates Solowin's capability in managing complex financial products but also places it at the center of the virtual assets trading sphere in Hong Kong. Further strengthening its foothold in the digital assets domain, Solowin enhanced its partnership with OSL Digital Securities in April 2024, to facilitate the in-kind subscription and redemption processes for spot virtual asset ETFs. This collaboration seeks to ensure that Solowin remains at the cutting edge of transactional efficiency and regulatory compliance in digital asset exchanges.

Expanding its virtual asset services, Solowin announced a strategic partnership with MaiCapital Limited in May 2024. MaiCapital, a leading virtual assets investment manager in Hong Kong, is licensed to manage funds comprising up to 100% virtual assets. This partnership is particularly synergistic, enhancing Solowin's offerings in virtual asset management and allocation, thereby broadening its capabilities to include extensive fund management solutions tailored to the evolving preferences of global investors.

Expanding Services to Meet Investor Needs

The inclusion of virtual assets extends Solowin’s ability to provide a holistic service portfolio that spans traditional investments such as equities and bonds to cutting-edge digital assets like cryptocurrencies and blockchain-based securities. This comprehensive approach not only attracts a broad spectrum of investors but also positions Solowin as a full-service financial firm capable of navigating both established and emerging markets.

By leveraging these capabilities, Solowin aims to fulfill the demands of both seasoned and novice investors looking to diversify their portfolios with digital assets. The firm’s proactive stance in adopting regulatory standards and enhancing technological infrastructures ensures that it remains at the forefront of the financial services industry, offering secure, compliant, and innovative investment solutions.

Solowin's strategic partnerships and regulatory compliance are potentially set to drive rapid growth, evidenced by its status as the largest holder of customer assets in several prominent Bitcoin and Ethereum ETFs

Virtual Asset Services’ Future Outlook and Growth Prospects

While Solowin’s virtual assets services had not generated revenue by the end of March 2024, the strategic groundwork laid through partnerships and regulatory compliance is expected to drive substantial growth. The firm is actively cultivating relationships within the virtual assets ecosystem and is poised to capitalize on the increasing acceptance and integration of digital assets in global finance. As of the company’s June 2024 Press Release, Solowin has become the **largest holder** of customer assets in the ChinaAMC Bitcoin ETF (HKEX: 9042), ChinaAMC Ethereum ETF (HKEX: 9046), and Harvest Bitcoin Spot ETF (HKEX: 3439).¹ In addition, Solowin is among the top holders of ChinaAMC Bitcoin ETF (HKEX: 3042) and ChinaAMC Ethereum ETF (HKEX: 3046), demonstrating its significant influence and trust within the sector. The anticipated expansion in trading volumes and client assets is likely to significantly contribute to Solowin's revenue streams and solidify its position in the market.

Solomon VA+: A Pioneering All-in-One Trading Platform for Modern Investors

In July 2024, Solowin unveiled Solomon VA+, a revolutionary update to its former platform, Solomon Win. Solomon VA+ is designed as an institutional-grade, all-in-one smart trading application that integrates traditional asset trading, virtual asset trading, and wealth management services into a single platform. This launch represents a significant milestone for the financial industry in Hong Kong, making Solomon VA+ the first app of its kind to offer such comprehensive services in one interface.

In July 2024, Solowin launched Solomon VA+, an all-in-one smart trading application that merges traditional and virtual asset trading with wealth management, making it the first app in Hong Kong to provide such integrated services

¹ <https://solowin.gcs-web.com/news-releases/news-release-details/solowin-driving-investor-adoption-virtual-assets-largest-holder>

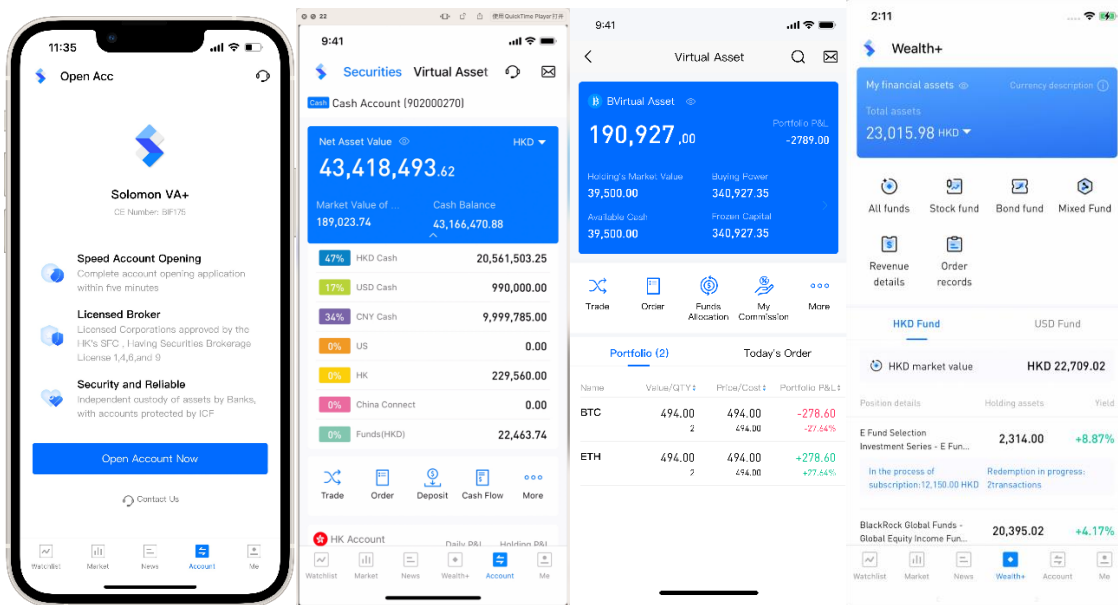


Exhibit 5: Solomon VA+ App

Features and Capabilities

1. **Advanced Trading Infrastructure:** Solomon VA+ provides a seamless trading experience across various asset classes, including virtual assets like Bitcoin and Ethereum, which are available to both professional and retail investors. The platform supports spot ETF trading with options for in-kind subscription and redemption, facilitating flexible investment strategies.
2. **Enhanced Accessibility:** Accessible via mobile devices and web platforms, Solomon VA+ features a bilingual user interface that ensures simplicity and security at the forefront of user interaction. Fast and efficient order execution capabilities enhance the overall user experience, catering to the demands of next-generation and high-net-worth investors.
3. **Comprehensive Financial Services:** The app offers a robust financial services infrastructure that includes:
 - **Diverse Trading Options:** Users can trade international stocks, virtual assets, funds, bonds, options, warrants, and ETFs through a single account. This feature extends to multi-market trading across the US, Hong Kong, and Mainland China, including access to HK dark pools and US pre-market/after-hours trading.
 - **Bespoke Asset Management:** Solomon VA+ connects users with top-performing funds from international houses and provides personalized investment advice, aligning with individual financial goals and risk profiles.

- **Real-time Market Intelligence:** The platform delivers advanced portfolio analytics and risk assessment tools, supported by institutional-grade market data and in-depth analytics for informed decision-making.
- **Robust Security Measures:** Solomon VA+ incorporates market-leading encryption, continuous KYC monitoring, multi-factor authentication, and advanced threat detection systems to safeguard user data and assets.

Regulatory Compliance and Market Leadership

Solomon VA+ operates under enhanced regulatory approvals from the HKSFCA, including licenses for Dealing in Securities (Type 1), Advising on Securities (Type 4), and Asset Management (Type 9). These licenses enable Solomon VA+ to offer a full spectrum of services for both traditional and virtual assets, addressing the needs of both retail and professional investors. Solomon JFZ's strategic foresight in acquiring these licenses has positioned it as a leader in the market, particularly noted by its role as one of the first three dealers participating in Hong Kong's spot Bitcoin and Ethereum ETFs.

Adoption and Market Impact

Solomon JFZ's customers can open and activate trading accounts through Solomon VA+, which can be downloaded for free from iOS, Android, and webpage. After filling in personal information online, Solomon JFZ's customers are required to complete a series of questions and upload various documents to verify their identity and assess potential risks.

Since its launch, Solomon VA+ has quickly established itself as a preferred platform for investors looking to manage diverse asset portfolios through a single, integrated tool. The platform's ability to combine traditional and virtual asset management not only meets the current market trends but also sets a new standard for financial technology innovations in Hong Kong. Solowin's proactive approach to adapting to technological advancements and regulatory changes has solidified its market position, which is especially evident in its ranking as the top holder of client assets in several prominent virtual asset ETFs.

Solowin's Growth Strategy in the Financial Services Sector

As the demand for online brokerage services continues to rise among Chinese investors, Solowin is potentially poised to seize significant opportunities within the industry. The company aims to secure a dominant position in the Hong Kong securities brokerage sector by leveraging its sophisticated platform, Solomon VA+, to expand its customer base and enhance service offerings. Solowin's growth strategy is focused on providing a globally diversified asset allocation to its clients, improving functionality, and delivering 24/7 access to a broader range of equities and derivative products worldwide. The key growth strategic initiatives adopted by Solowin are as follows:

- 1. Expanding Customer Base and Enhancing Brand Presence:** Solowin is committed to growing its client base and reinforcing its brand through the provision of regulated and compliant financial solutions. The firm operates a fully licensed platform that offers secure access to both traditional and virtual asset investments. Compliance with regulatory standards and a commitment to security are foundational to Solowin's operations, ensuring that all necessary licenses and approvals are maintained to support its activities in Hong Kong.
- 2. Advancing Technological Infrastructure:** A significant part of Solowin's strategy involves enhancing its technological infrastructure. Plans are in place to develop the firm's tech capabilities and integrate trading systems with other brokers via Application Programming Interfaces (APIs). This technological advancement will enable Solowin to offer customized B2B solutions to a variety of institutional clients and optimize its trading systems for greater stability, security, and efficiency in execution and order matching.
- 3. Recruiting and Retaining Key Talent:** Recognizing that skilled personnel are crucial to its success, Solowin is focused on attracting and retaining a strong team of professionals. The firm aspires to be a full-service financial provider, necessitating expertise across securities dealing, corporate finance, investment advisory, and asset management. Competitive compensation packages, including equity incentive plans, are offered to attract high-caliber talent essential for driving growth in its services, especially within Solomon Wealth, its wealth management division.
- 4. Diversifying Product Offerings:** Solowin plans to broaden its product spectrum, encompassing traditional to virtual assets, to enhance its market share. The firm is pursuing a Type 2 license—Dealing in Futures Contracts—from the HKSFSC. Securing this license will enable Solomon VA+ to offer futures contracts trading, further diversifying its service offerings. Additionally, plans to upgrade the existing Type 9 license will allow for expanded services in virtual asset management.
- 5. Strengthening Strategic Partnerships:** Strategic partnerships play a pivotal role in Solowin's growth strategy. Collaborations with leading financial institutions and key industry players such as OSL, MaiCapital, ChinaAMC, and Harvest Global enhance Solowin's ability to deliver regulated, high-quality products. These partnerships not only extend the firm's market reach but also bolster its competitive advantage by associating with brands that are already trusted by target customers, thereby enhancing brand credibility and awareness.

Solowin's growth strategy includes expanding its customer base, enhancing its technological infrastructure, recruiting key talent, diversifying product offerings, and strengthening strategic partnerships to seize rising opportunities in Hong Kong's financial sector

Understanding Hong Kong's Leading Role in Global Finance

Hong Kong's evolution into a global financial hub emphasizes its strategic location, robust legal framework, advanced financial infrastructure, and liberal market policies. Situated at a key point in Asia, it connects the East and West, benefiting from strong financial ties with Mainland China, extensive global networks, a robust legal system, a straightforward and competitive tax system,

free capital movement, a comprehensive array of financial products, and a vast pool of financial talent. Hong Kong Stock Exchange, with a total market capitalization of approximately \$4 trillion as of December 2023, ranks amongst the world’s top 10 stock exchanges by market capitalization and has more than 2,600 listed companies. In terms of trading volume, it is the third-largest online securities market globally, with a trading volume of about HK\$41 trillion in 2021, a 190% increase over the past five years. In 2022 and 2023, the market saw turnovers of HK\$30.7 trillion and HK\$25.5 trillion, respectively. Compared to the period before 2020, these figures illustrate a significant and sustained rise in market activity.

Hong Kong's rise as a global financial center is anchored by its strategic location, robust legal framework, and dynamic market policies, making it a critical conduit between East and West

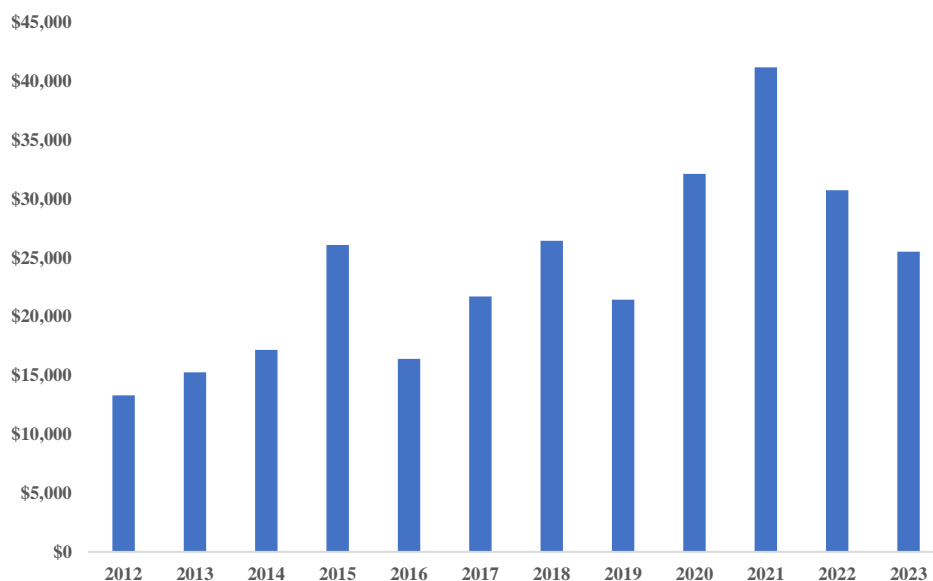


Exhibit 6: Total Turnover of Securities Market in Hong Kong (in HK\$ billion) Source: HKEx Market Statistics, Diamond Equity Research

Key Industry Trends

- Primary and Secondary Market Activity:** For the years 2021, 2022, and 2023, equity fundraising in the primary market amounted to approximately HK\$331 billion, HK\$105 billion, and HK\$46 billion, respectively.² In the secondary market, the figures were approximately HK\$442 billion, HK\$150 billion, and HK\$104 billion.² During these years, the number of newly listed companies on the Hong Kong Stock Exchange (HKEx) was 98 in 2021, 90 in 2022, and 73 in 2023.² The year 2022 marked the beginning of significant fiscal and monetary challenges, characterized by the reversal of easy monetary policies and tightening fiscal conditions, impacting market activity and investor confidence. Moreover, the top five markets by IPO proceeds in 2019 experienced similar trends, with a significant decline in total IPO proceeds in 2022, except for Mainland China. With the anticipated stabilization of the global economy, the U.S. Federal Reserve's interest rate cuts in late 2024, and a reversal in the monetary cycle, it is expected that more companies will list on the Hong Kong Exchange, and the amount of capital raised will increase.

Anticipating global economic stabilization and planned interest rate cuts by the U.S. Federal Reserve in late 2024, more companies are expected to list on the Hong Kong Exchange, likely increasing the capital raised

² HKEX, Annual Market Statistics 2022, 2023

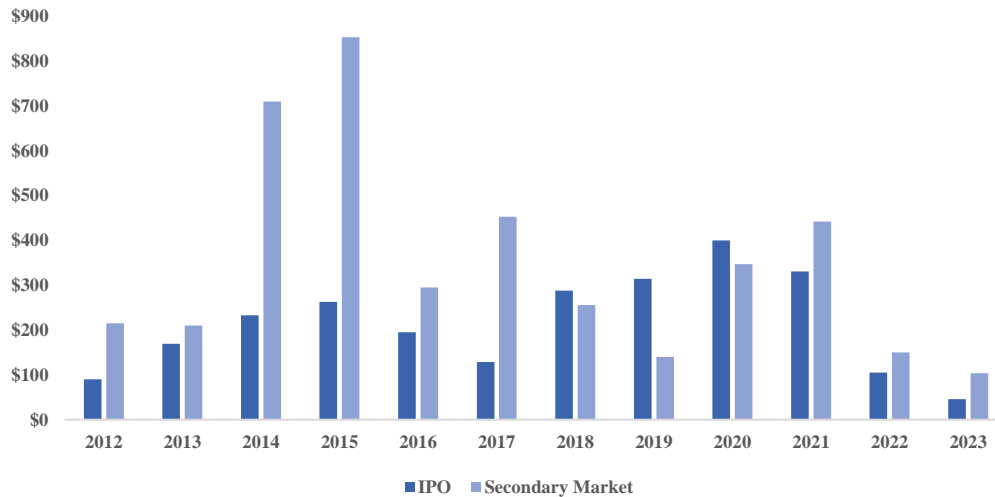


Exhibit 7: Hong Kong Primary and Secondary Market Activity. Source: HKEX, Diamond Equity Research

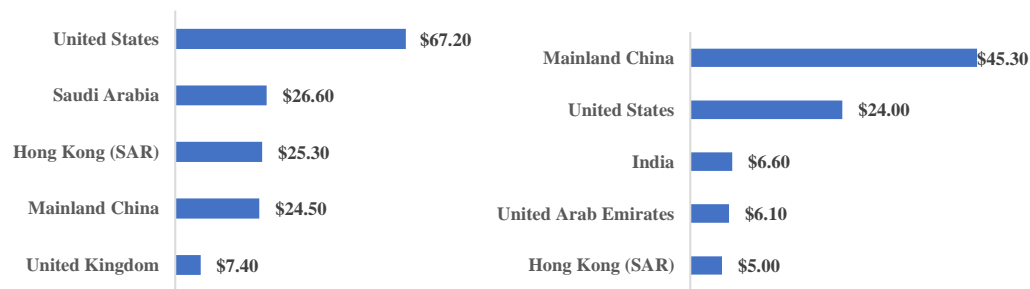


Exhibit 8: Top 5 Markets by IPO Proceeds (2019 - Left, 2023 - Right) Source: [PWC Global IPO Watch 2023](#), Diamond Equity Research

- Securities Dealers Market Activity:** In 2023, Hong Kong's securities market exhibited notable financial performance despite some challenges. The total net profits for all securities dealers and margin financiers surged to \$28.5 billion, marking a 25% increase from the previous year. This growth can be largely attributed to a rise in gross interest income, indicating a robust earnings environment for financial intermediaries. However, the average daily turnover on the Stock Exchange of Hong Kong (SEHK) declined by 16% to \$105 billion, reflecting reduced trading activity. Concurrently, the Hang Seng Index experienced a 14% decline, closing at 17,047. Analyzing SEHK participants, Category A brokerages reported net profits of \$5.1 billion, Category B brokerages \$7 billion, and Category C brokerages \$1.1 billion.³ Collectively, the net profits of all SEHK participants totalled \$13.2 billion, representing a significant 133% increase from 2022. This substantial growth in profits underscores the resilience and profitability of brokerage firms despite lower market turnover. The total number of active margin clients grew by 5% to 2.6 million, indicating sustained investor engagement in the market. Average collateral coverage remained strong at 4.1 times, although outstanding margin loans decreased by 3% to \$148 billion. Notably, the top 20 providers of securities margin

³ [Financial Review of the Securities Industry, December 2023](#)

financing accounted for 83% of the industry’s total outstanding margin loans, highlighting a high concentration of market share among leading financial institutions.

- Asset and Wealth Management Business Trends:** The Global Wealth Management Industry is experiencing significant transformation and growth, driven by various macroeconomic factors and technological advancements. The industry is poised for significant growth, with assets under management (AUM) anticipated to reach approximately \$128.9 trillion in 2024.⁴ The financial advisory segment is set to dominate the market, holding an expected \$126.10 trillion of the total AUM in the same year.⁴ Moreover, the rise of digital investment platforms, including robo-advisors, marks a notable trend in the industry. Over the subsequent four years, from 2024 to 2028, the AUM is projected to grow at an annual rate of 5.34%, translating into an estimated market volume of \$158.70 trillion by 2028.

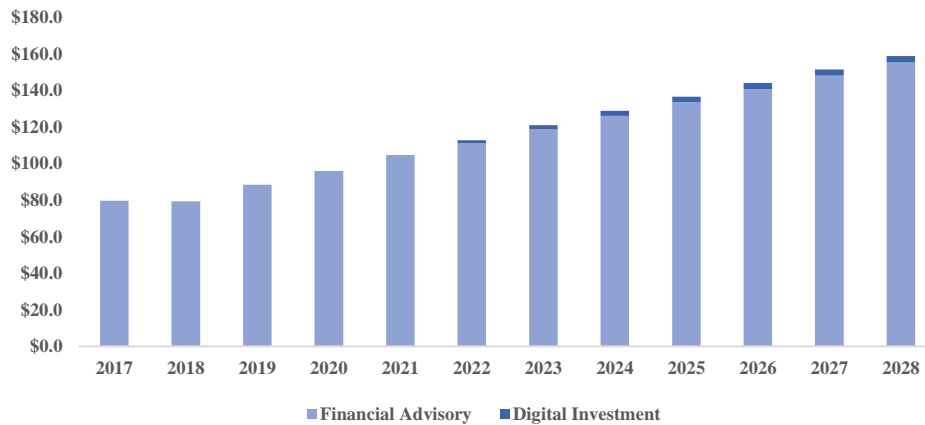


Exhibit 9: Global Asset Under Management (AUM). (in \$ trillions) Source: Statista Market Insights

In 2023, financial wealth in North America and Western Europe rebounded from the declines of 2022, with North America experiencing substantial growth due to a strong market recovery. In contrast, Western Europe saw a modest 4.4% rise in financial wealth. The Asia-Pacific region’s growth was subdued at 5.1%, largely due to deceleration in China, but anticipations are high for significant growth by 2028. However, projections indicate that by 2028, the Asia-Pacific region is expected to contribute nearly 30% of new financial wealth creation, making significant growth and positioning it as a major player in the global financial landscape.

⁴ [Statista Market Insights](#)

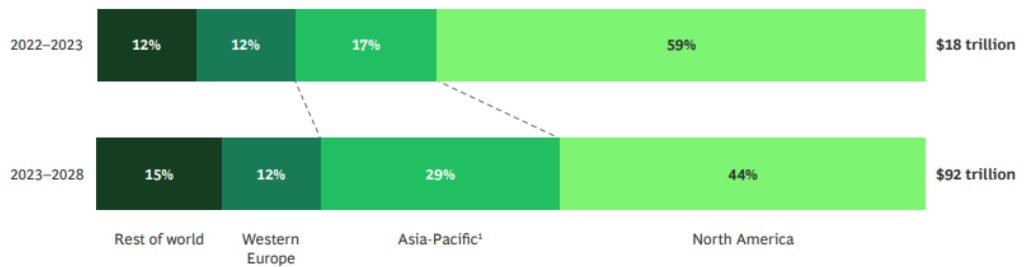


Exhibit 10: Rise in Asia-Pacific's Share of New Financial Wealth by 2028 Source: BCG Global Wealth Market Sizing 2024.

According to Henley & Partner's World's Wealthiest Cities Report 2024, Hong Kong remains amongst the top 10 cities with the highest number of millionaires. By the end of 2022, Hong Kong's total assets and wealth management businesses' total assets under management (AUM) reached HK\$30.54 trillion, marking a 143% increase over a decade.⁵ In 2023, AUM grew 2.1% to HK\$31.19 trillion, with net fund inflows soaring 342% to HK\$389 billion, predominantly from private banking and wealth management.⁶ This growth is fueled by Mainland China's wealth creation, especially in the Guangdong-Hong Kong-Macao Greater Bay Area, and potential growth in fund inflows from the Middle East and Southeast Asia. Hong Kong's wealth management sector is undergoing a substantial transformation driven by younger investors with distinct priorities. Younger investors prioritize discretionary solutions, ESG issues, and investments in private equity and tech startups. Consequently, wealth managers must adapt to these evolving demands by offering personalized, transparent services and expanding their expertise beyond traditional asset classes. The Hong Kong market has historically attracted global investors, with 54-56% of AUM sourced internationally. Additionally, Hong Kong-domiciled funds saw a 93% increase in net inflows to HK\$87 billion, while the number of registered open-ended fund companies surged by 118%. Mainland-related firms also expanded, contributing HK\$153 billion in net inflows. Government initiatives, such as tax incentives for family offices, support this dynamic growth, reinforcing Hong Kong's status as a premier wealth management hub.

- Investment Banking Industry Trends and Outlook:** The global investment banking industry consists of numerous players, with a few holding a dominant share of the market. The global investment banking market is projected to generate US\$ 0.38 trillion in revenue in 2024.⁷ Technological advancements, particularly in artificial intelligence (AI), are driving the global investment banking industry by enhancing decision-making and operation efficiency. Investment banks play a crucial role in capital raising, mergers and acquisitions (M&A), and providing financial advisory services. North America dominates the sector due to its strong financial infrastructure and substantial deal flow. The industry is increasingly shifting towards specialization, with larger firms acquiring boutique companies to expand into niche markets like technology and healthcare. However, challenges such as stringent regulatory requirements and shifting market dynamics are

⁵ [Asset and Wealth Management Activities Survey 2022](#)

⁶ [Asset and Wealth Management Activities Survey 2023](#)

⁷ [Statista Market Insights](#)

pushing firms to rethink traditional business models. To stay competitive, investment banks are focusing on client-centric strategies and leveraging advanced technologies in an evolving market landscape.

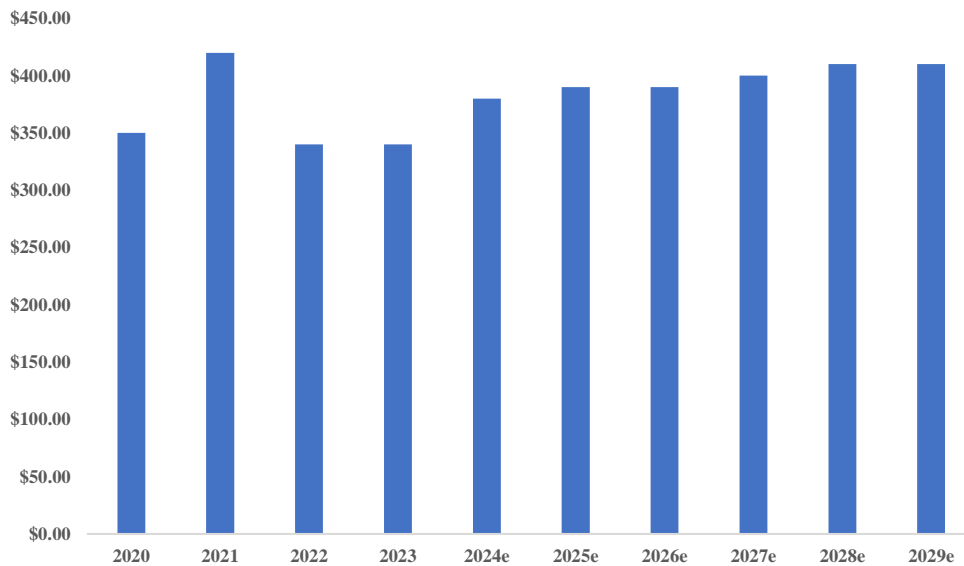


Exhibit 11: Global Investment Banking Revenue (in \$ billion). Source: Statista Market Insights, Diamond Equity Research

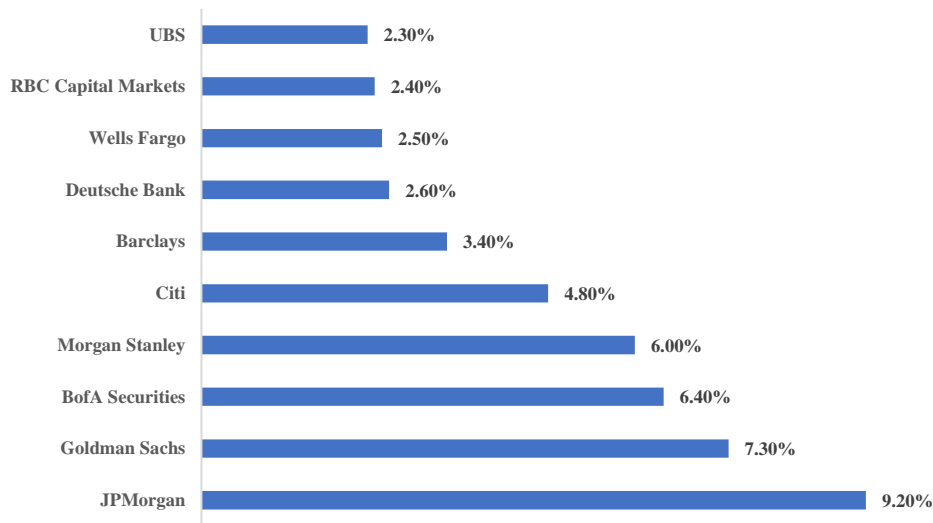


Exhibit 12: Top 10 Global Investment Banks and their respective Market Share as of June 2024. Source: Statista Market Insights, Diamond Equity Research

The investment banking industry in Hong Kong has experienced significant volatility, particularly in recent years, marked by fluctuations in size, transaction value, and employment. By 2024, the total revenue in the market is projected to reach approximately US\$1.06 billion and is expected to grow at a CAGR of 7.48% from 2024 to 2029.⁸ The years 2021, 2022, and 2023 were marked by heightened volatility across M&A

⁸ [Statista Market Insights](#)

transactions and IPO activity, majorly due to COVID-led disruptions and changes in global monetary policies. The revenue trajectory of the investment banking industry in Hong Kong underscores the extent of this volatility, with figures ranging from US\$ 1.55 billion in 2020 to US\$ 1.09 billion in 2022 and US\$0.97 billion in 2023. This downward trend can be attributed to the lingering impacts of the COVID-19 pandemic and the shifts in global financial conditions. During these years, the industry contended with decreased profitability amid fluctuating interest rates and increased market uncertainty, which strained major revenue streams. However, the forecasts suggest a stabilization and modest recovery, particularly owing to a reversal in the global interest cycle and the revival of the Chinese economy.

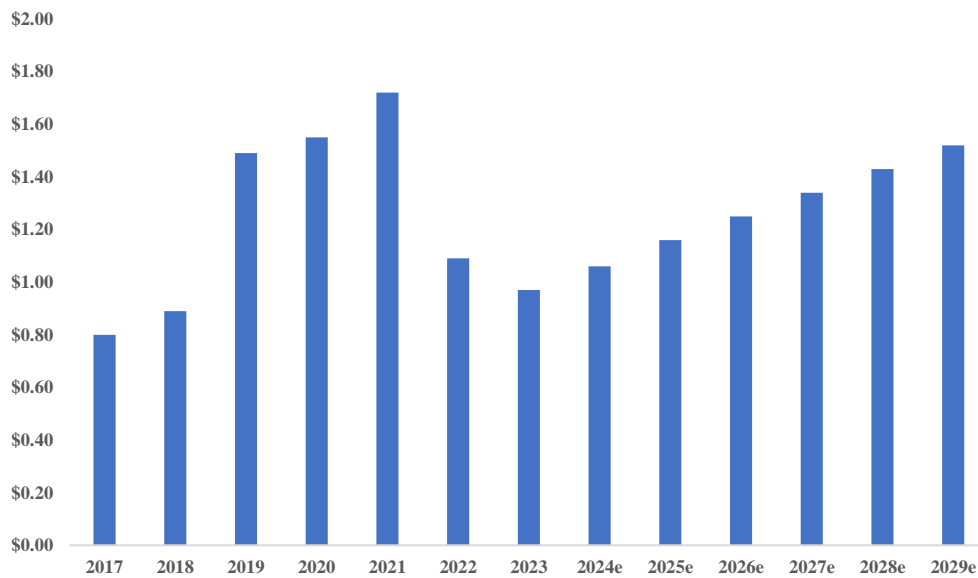


Exhibit 13: Hong Kong’s Investment Banking Revenue (in \$ billion). Source: Statista Market Insights

- Competitive Overview:** The competitive landscape of regulated activities in Hong Kong’s securities brokerage sector is delineated by moderate financial requirements and regulations enforced by the HKFSC, creating barriers to entry for new participants. The sector, although regulated, is highly fragmented, with the presence of 638 exchange participants - trading and 64 exchange participants - non-trading, a significant increase from 127 and 25, respectively, in 2021. It comprises three distinct categories of exchange participants based on market turnover: Category A dominates with the top 14 participants by market turnover, Category B includes participants ranking 15-65, and Category C involves those beyond 65. Over the years, there has been a notable shift in market dynamics. For instance, the top 14 firms in Category A have consistently commanded a significant portion of the market, representing 92.85% of the total market share in 2021, despite the total number of trading and non-trading exchange participants growing from 63 to 88 from 2012 to 2021. This data indicates not only a concentration of market power in Category A but also intensifying competition within the sector. The brokerage model has shifted over time, with an increasing emphasis on value-added services like asset management and corporate finance to diversify revenue streams and remain competitive. This shift is partly driven by decreases in commission income due to regulatory changes

The brokerage model has shifted over time, with an increasing emphasis on value-added services like asset management and corporate finance to diversify revenue streams and remain competitive

and the competitive pressure from larger firms, which forces smaller brokerages to innovate or face diminishing market share, especially those in Category C.

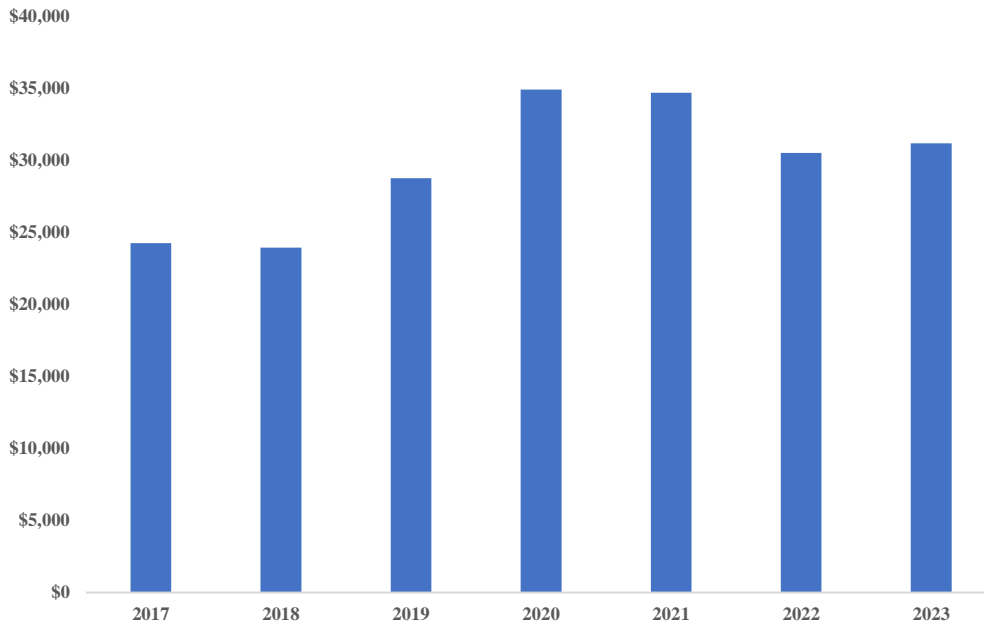


Exhibit 14: AUM of Asset and Wealth Management Business (in HK\$ billion). Source: Asset and Wealth Management Activities Survey, Diamond Equity Research

Interest in virtual asset ETFs surged, with the average daily turnover for three VA Futures ETFs listed in Hong Kong climbing to \$51.3 million in Q1 2024 from \$8.9 million the previous year

The Rise of Decentralized Finance

Virtual assets, often termed digital assets, represent various forms of value or claims in a digital format utilizing distributed ledger technology (DLT). Notably, it excludes digital representations of fiat currencies issued by central banks. The digital asset industry primarily encompasses cryptocurrencies, tokenized assets, NFTs, and other blockchain-based financial instruments. This industry has rapidly evolved from a niche market to a mainstream financial sector, driven by significant technological advancements, increasing institutional and retail interest, and the potential of Decentralised Financial (DeFi) to disrupt the traditional financial systems.

Cryptocurrencies have historically maintained a significant presence in the overall virtual asset market, with their total valuation peaking at \$3 trillion in November 2021, up from just \$1.5 billion in 2013. The current valuation stands at approximately \$2.5 trillion. Bitcoin, followed by Ethereum and USDT, continues to lead the Web 3.0 evolution since its inception, accounting for over 50% of the total cryptocurrency market value. Additionally, the number of active cryptocurrencies has increased from fewer than 100 in 2013 to 8,985 in 2024. The number of cryptocurrency users has already surpassed the 500 million mark and is expected to reach 1 billion by 2030. Moreover, the acceptance of Bitcoin as a payment method has expanded globally, with over 15,000 businesses now accepting it, including approximately 2,300 in the United States.⁹ In California alone, more than 400 businesses, ranging from nail salons and sushi restaurants to convenience stores and auto repair shops, now accept cryptocurrency. This widespread adoption

⁹ <https://crypto.com/bitcoin/who-accepts-bitcoin-payments-in-2024>

underscores the increasing integration of cryptocurrencies into mainstream commerce and financial systems.

Hong Kong has established itself as a significant player in the virtual asset market. The Securities and Futures Commission of Hong Kong (SFC) reported a substantial rise in investments in virtual asset funds via overseas platforms, increasing from HK\$8 million in 2020 to HK\$10 billion in 2021. This surge highlights growing investor awareness of the risks associated with trading virtual assets. Post the introduction of the world's first ether futures ETF and two ETFs focused on bitcoin futures, the Hong Kong Exchanges and Clearing Limited (HKEX) announced the listing of Asia's first Spot Virtual Asset (VA) ETFs. This addition further diversifies the range of products available in Hong Kong's markets, reinforcing the city's position as the region's leading ETF marketplace. Interest in virtual asset ETFs has grown significantly since the launch of VA Futures ETFs in late 2022. In the first quarter of 2024, the average daily turnover (ADT) for the three VA Futures ETFs listed in Hong Kong reached \$51.3 million, up from \$8.9 million a year earlier, with net inflows of \$529 million during the same period.¹⁰ The launch of six spot bitcoin and ether ETFs by three Chinese firms—China Asset Management, Harvest Global, and Bosera—in April 2024 observed strong market demand. In the inaugural week, assets under management (AUM) surpassed HKD 2.4 billion as of May 6, demonstrating investor interest in these new offerings.¹¹

As the virtual asset market continues to expand and mature, it is clear that digital assets are becoming an integral part of the global financial landscape. The growing adoption, diversification of products, and increasing regulatory support signal a promising future for virtual assets, offering new opportunities for investors and reshaping traditional financial systems.

¹⁰ https://www.hkex.com.hk/News/News-Release/2024/240430news?sc_lang=en

¹¹ <https://osl.com/press-release/hong-kong-spot-crypto-etf-success-aum-osl-dominates-chinaamc-harvest/>

Management Overview

Solowin Holdings is managed by a team of skilled professionals, each with a strong background in finance, operations, and corporate governance. This ensures that Solowin Holdings effectively handles the complexities of the securities brokerage and investment industry, contributing to the company's steady growth and adherence to high standards of integrity and operational excellence.

Mr. Shing Tak Tam, CFA - Chief Executive Officer & Director

Mr. Shing Tak Tam, CFA, has been leading Solowin Holdings as the Chief Executive Officer and a director since June 2022, and has also served as Director at Solowin since July 2019. With over 15 years of experience in the securities brokerage industry, Mr. Tam's responsibilities encompass Solowin's overall management oversight and formulating overall business strategies. His strategic leadership is marked by a comprehensive approach that combines deep operational knowledge with extensive management experience. Mr. Tam graduated with a BBA from the City University of Hong Kong in 2008 and is a Chartered member of the CFA Institute and The Chartered Institute for Securities & Investment in the UK.

Ms. Lili Liu - Chief Financial Officer

Ms. Lili Liu serves as the Chief Financial Officer at Solowin, specializing in financial management and internal controls. Her expertise spans finance and risk management, public and private transactions including IPOs, M&A, private placement and follow-on offerings in the US and HK capital markets. Ms. Liu's academic qualifications include a Master's degree in Economics from the University of International Business and Economics, Beijing, obtained in 2007, and a second Master's degree in Financial Engineering from the City University of Hong Kong in 2021.

Mr. Ling Ngai Lok - Director

Mr. Ling Ngai Lok currently holds the position of Director at Solowin. His extensive background in finance and fund management is demonstrated through his roles as General Partner in Grow World LPF and Grow World II LPF, where he is responsible for overseeing operations, including the engagement of Fund Administrators, Fund Managers, and Custodians. Since March 2019, Mr. Lok has also served as the Fund Director at Solomon Capital Fund SPC, where he oversees the operations of the SPC Fund and evaluates its performance.

Mr. Tze Bun Cheng - Chief Operating Officer

Mr. Tze Bun Cheng has been serving as Solowin's Chief Operation Officer since June 2022 and has served as Solowin's Operation Director since December 2019. With over 10 years of experience in the securities brokerage and investment industry, Mr. Cheng has developed a focused expertise in financial services, administrative, and management functions.

Mr. Pong Ming Ting, MBA, FCPA, FCCA - Director & Responsible Officer

Mr. Pong Ming Ting, MBA, FCPA, FCCA, has been a Director at Solowin since May 2021, bringing over 25 years of experience in accounting and corporate finance. Licensed by the Securities and Futures Commission of Hong Kong, Mr. Ting is qualified to act as a Responsible Officer, specifically for Type 6 (corporate finance) regulated activities under the Securities and Futures Ordinance of Hong Kong. Mr. Ting's educational background is extensive; he holds a Bachelor of Science degree from the University of Hong Kong, an MBA from the University of Strathclyde in the United Kingdom, and a second Bachelor's degree in law from Tsing Hua University in the PRC. Additionally, he is a fellow of both the Association of Chartered Certified Accountants in the United Kingdom and the Hong Kong Institute of Certified Public Accountants.

The table below details the committee assignments for the independent directors at Solowin Holdings. This structure ensures that each committee benefits from the specific expertise of its members, supporting effective oversight and governance within the company. No family relationships exist between any of the independent directors and executive officers at Solowin Holdings. This ensures an unbiased and professional governance structure within the company.

| Committee and Members | Chairperson | Brief Description |
|---|---------------|---|
| Audit Committee <ul style="list-style-type: none"> • Cha Hwa Chong • Wing Yan Ho • Ho Kuen Tam | Cha Hwa Chong | A fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Mr. Chong brings over 20 years of experience in accounting and finance, serving companies in Hong Kong and Southern Asia. He is also an independent director for several listed companies on the Hong Kong Stock Exchange. |
| Compensation Committee <ul style="list-style-type: none"> • Ho Kuen Tam • Cha Hwa Chong • Wing Yan Ho | Ho Kuen Tam | With over 20 years in the financial industry and leadership in over 50 capital market transactions, Mr. Tam is a seasoned financial expert with a CFA designation. His experience spans significant roles in securities and financial management companies. |
| Nominating and Corporate Governance Committee <ul style="list-style-type: none"> • Wing Yan Ho • Ho Kuen Tam • Cha Hwa Chong | Wing Yan Ho | An associate member of The Hong Kong Chartered Governance Institute, Ms. Ho specializes in corporate governance advisory, corporate restructuring, and financing. She has vast experience in providing corporate services for various business sectors and continues to provide consultancy on corporate governance and professional development for directors of listed companies. |

Financial Performance Overview

Multiple Revenue Streams with Core Dependency on Investment Advisory: Leveraging its brand recognition, the company has created a diversified portfolio encompassing a range of financial services. Moreover, the company's financial performance and evolving revenue trends are significantly influenced by economic conditions and the performance of financial markets. The company generated a revenue of \$4.29 million for the year ended March 31, 2024, compared to \$4.45 million in the previous year. This decline is contributed by a decrease in revenue from corporate consultancy services and referral income, partially offset by an increase in revenue from investment advisory and asset management services. The latter two remain the key revenue-generating sources, accounting for 87% and 65% of total revenue for the year ended March 2024 and 2023, respectively. Both the major segments depend heavily on the company's clients and the funds managed by the company, deriving revenue in the form of management and performance fees.

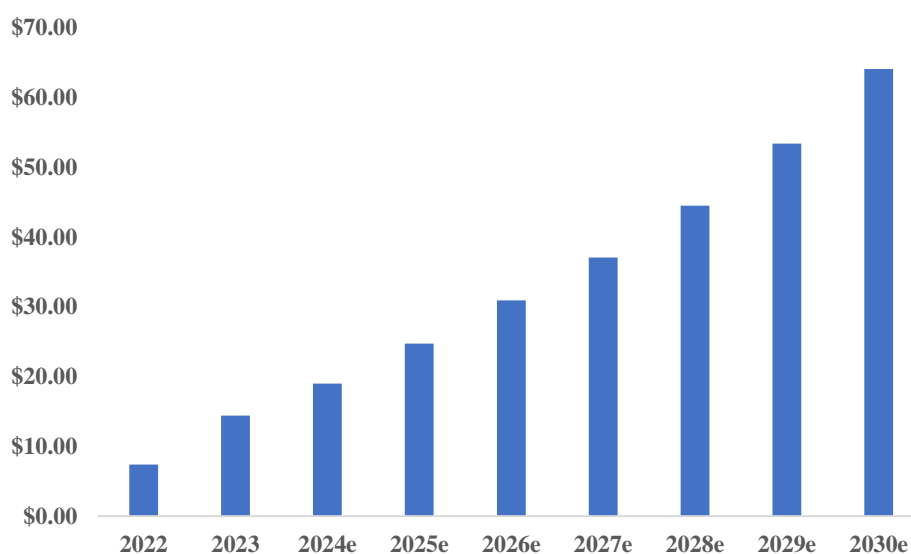


Exhibit 15: Solomon's AUM Trends and Forecast (in \$mm). Source: Company Filings, Diamond Equity Research

The total AUM of funds managed by the company was reported at \$19.01 million at the end of March 2024, compared to \$14.42 million in the preceding year and \$7.38 million as of March 2022. The robust AUM growth of the fund managed, and the resulting increase in revenues from investment advisory fees supplemented by additional revenue streams have offset the significant decline in revenues from securities and brokerage commissions that accounted for 57% of total revenues in FY 2022. The company continues to introduce additional offerings, including the recent expansion into the private wealth management business and virtual asset allocation opportunities. By reinforcing its existing client relationships and enhancing its service portfolio, the company is well-positioned to potentially drive sustained revenue growth.

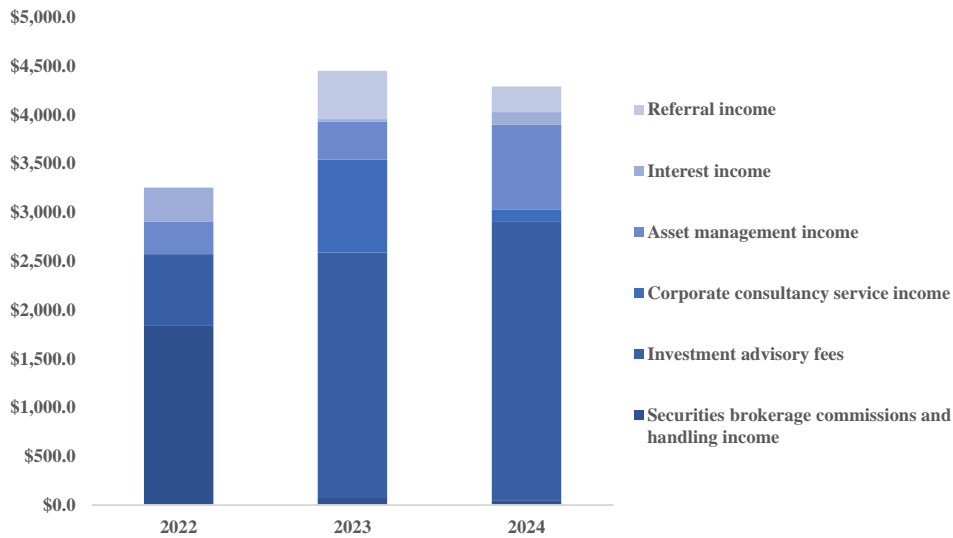


Exhibit 16: Revenue Sources and Trends. (in \$000's). Source: Diamond Equity Research, Company Filings



Exhibit 17: Revenue Trends and Forecast (Left) and Profit Trends and Forecast (Right) (in \$000's). Source: Diamond Equity Research, Company Filings

Marketing and Employee Benefits Remain the Primary Cost Drivers: Over the past three years, the company's most significant expenses have been focused on marketing & promotion, as well as employee benefit expenses. These two expense heads together accounted for 50.6%, 38.9%, and 139.1% of total revenue for the year ended 2022, 2023, and 2024 respectively. Total expenditure for the year 2024 increased by 175.6% from \$3.16 million to \$8.72 million in 2024. This increase was predominantly fueled by a significant rise in employee benefit expenses with a corresponding expansion in employee headcount. Within the employee benefits, share-based compensation constituted a significant portion. Moving forward, we anticipate a normalization of these costs as the company streamlines its operations and optimizes its spending and workforce strategy following the conclusion of the IPO. With this, we expect the profitability to return back in 2025, driven by a more balanced cost structure, enhanced growth in existing revenue channels, and the introduction of new revenue streams.

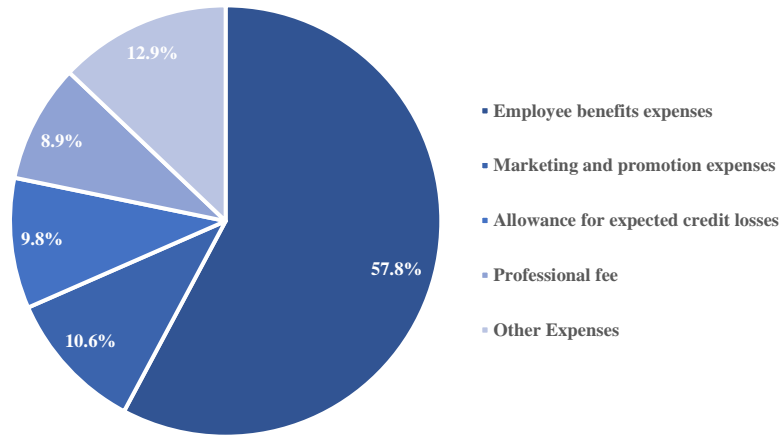


Exhibit 18: Major Expenses and their Share in Total Expenses. Source: Diamond Equity Research, Company Filings

Adequate Cash Reserves and Steady Financial Standing: As of the close of FY 2024, the company-maintained cash reserves totalling \$2.14 million with no significant interest-bearing liabilities. Moreover, a significant investment in working capital has contributed to an increase in operating cash burn. We believe the current cash reserves provide a sufficient runway to streamline its working capital and cost structures supporting its ongoing operations and strategic initiatives without the immediate need for external financing.

Appendix

| Year-end 31 March. (in \$'000s) | 2023A | 2024A | 2025E | 2026E | 2027E |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| INCOME STATEMENT | | | | | |
| Revenue | \$4,453.0 | \$4,291.0 | \$5,588.5 | \$7,215.5 | \$8,826.9 |
| Expenses | | | | | |
| Marketing and Promotion | (\$444.0) | (\$927.0) | (\$21.6) | (\$34.8) | (\$46.0) |
| Commission and Handling | (\$7.0) | (\$15.0) | (\$18.5) | (\$29.9) | (\$39.4) |
| Professional Fee | (\$199.0) | (\$371.0) | (\$774.0) | (\$838.3) | (\$1,010.2) |
| Information and Technology | (\$332.0) | (\$439.0) | (\$383.0) | (\$503.0) | (\$649.4) |
| Office Expense | (\$231.0) | (\$227.0) | (\$342.0) | (\$391.2) | (\$505.1) |
| Allowance for Exp. Credit Losses | (\$99.0) | (\$18.0) | (\$854.0) | (\$167.7) | (\$216.5) |
| Employee Benefit Expenses | (\$944.0) | (\$1,289.0) | (\$5,043.0) | (\$2,794.2) | (\$2,886.2) |
| Interest Expense | (\$229.0) | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other Expenses | (\$325.0) | (\$370.0) | (\$386.0) | (\$447.1) | (\$577.2) |
| Total Expenses | (\$3,165.0) | (\$8,724.0) | (\$5,181.6) | (\$5,909.3) | (\$6,705.6) |
| Income From Operations | \$1,288.0 | (\$4,433.0) | \$406.9 | \$1,306.3 | \$2,121.3 |
| Interest Income/Expense | \$61.0 | \$32.0 | \$1,341.2 | \$1,659.6 | \$1,941.9 |
| Profit Before Tax (PBT) | \$1,349.0 | (\$4,401.0) | \$1,748.1 | \$2,965.8 | \$4,063.3 |
| Profit After Tax (PAT) | \$1,349.0 | (\$4,556.0) | \$1,459.7 | \$2,476.5 | \$3,392.8 |
| Basic Shares Outstanding ('000s) | 12,000.0 | 13,724.7 | 16,469.6 | 16,798.9 | 17,134.9 |
| EPS - basic | \$0.11 | (\$0.33) | \$0.09 | \$0.15 | \$0.20 |
| BALANCE SHEET | | | | | |
| Cash and cash equivalents | \$1,925.0 | \$2,140.0 | \$5,661.4 | \$9,940.7 | \$15,619.3 |
| Other current assets | \$7,799.0 | \$10,655.0 | \$11,722.9 | \$12,211.1 | \$12,193.2 |
| Total current assets | \$9,724.0 | \$12,795.0 | \$17,384.3 | \$22,151.8 | \$27,812.5 |
| Non-current assets | \$503.0 | \$2,606.0 | \$2,723.4 | \$2,902.0 | \$3,083.2 |
| Total Assets | \$10,227.0 | \$15,401.0 | \$20,107.7 | \$25,053.9 | \$30,895.6 |
| Short-term borrowing | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other current liabilities | \$7,459.0 | \$6,791.0 | \$6,038.0 | \$9,285.0 | \$11,754.7 |
| Total current liabilities | \$6,791.0 | \$6,038.0 | \$9,285.0 | \$11,754.7 | \$14,203.6 |
| Long-term borrowing | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other non-current liabilities | \$95.0 | \$439.0 | \$439.0 | \$439.0 | \$439.0 |
| Total liabilities | \$6,886.0 | \$6,477.0 | \$9,724.0 | \$12,193.7 | \$14,642.6 |
| Total Equity | \$3,341.0 | \$8,924.0 | \$10,383.7 | \$12,860.2 | \$16,253.0 |
| Total Liabilities & Equity | \$10,227.0 | \$15,401.0 | \$20,107.7 | \$25,053.9 | \$30,895.6 |

Exhibit 19: Income Statement and Balance Sheet Snapshot. Source: Diamond Equity Research

Valuation

Solowin Holdings diversified revenue streams and its capacity to meet evolving market demands through the introduction of multiple new offerings highlight its adaptability and innovation. Furthermore, the ability to leverage its existing user base to launch additional and complementary services not only enhances customer value but also lays a strong foundation for the growth of its new offerings. Solowin has received a positive response from its recent foray into the rapidly expanding financial segments of Private Wealth and Virtual Assets. Transitioning from a traditional securities-related service provider, Solowin has developed a diversified portfolio that now includes investment advisory, corporate consultancy, asset management, and the recent additions of virtual asset and private wealth management services. This expansion enables Solowin to cater to a broad range of customers, further solidifying its position as an emerging player in the financial services industry.

We have assessed Solowin’s valuation using a combination of Discounted Cash Flow (DCF) and Comparable Company Analysis methods. Our DCF model discounts the estimated free cash flows at a rate of 12.10%, assuming a terminal growth of 1.50%. For the comparable company analysis, we applied the Price/Revenue multiple derived from comparable financial services companies to arrive at an average comparable multiple. Integrating these two approaches, we have determined a valuation of \$4.74 per share, contingent on the company’s successful execution.

| | | Approaches (in \$ mm) | Value (USD) | Weight | Wtd. Value |
|--|----------------|---|-------------|--------|----------------|
| Calculated Equity Value (\$ mm) | | DCF | \$73.34 | 80% | \$58.67 |
| Enterprise Value | \$71.84 | GPCM | \$85.58 | 20% | \$17.12 |
| - Debt and Preferred Stock | \$0.64 | GTM | - | 0% | \$0.00 |
| + Cash | \$2.14 | Wtd. Avg. Equity Value (USD) | | | \$75.79 |
| Net Debt | \$1.50 | No of Diluted Shares Outstanding | | | 15.98 |
| Equity Value | \$73.34 | Intrinsic Value Per Share | | | \$4.74 |

| Company Name | Ticker | Price | Currency | Country | Market Cap. | P/S |
|--|--------|----------|----------|---------|-------------|--------------|
| The Charles Schwab Corporation | SCHW | \$62.52 | USD | US | \$115,888 | 7.20x |
| Interactive Brokers Group, Inc | IBKR | \$108.43 | USD | US | \$12,207 | 2.90x |
| Robinhood Markets, Inc. | HOOD | \$16.39 | USD | US | \$15,714 | 9.80x |
| Sun Hung Kai & Co. Limited | 86 | \$2.56 | HKD | HK | \$5,030 | 2.20x |
| China Renaissance Holdings Limited | 1911 | \$7.27 | HKD | CN | \$4,132 | 2.40x |
| Bright Smart Securities | 1428 | \$1.83 | HKD | HK | \$3,106 | 3.10x |
| Value Partners Group Limited | 806 | \$1.43 | HKD | HK | \$2,612 | 4.60x |
| Quam Plus International Financial Ltd. | 952 | 0.21 | HKD | HK | \$1,315 | 3.70x |
| China Silver Group Ltd.. | 815 | 0.25 | HKD | CN | \$498 | 0.10x |
| Emperor Capital Group Ltd. | 717 | 0.03 | HKD | HK | \$229 | 1.80x |
| Median | | | | | | 3.00x |
| Mean | | | | | | 3.78x |

Exhibit 20: Valuation Snapshot. Source: Diamond Equity Research
(Valuation multiples are based on 2023 figures) *

Risks Profile

- **Regulatory Compliance Risk:** Solowin Holdings operates in a heavily regulated environment, with oversight from the Cayman Islands Monetary Authority (CIMA) and the Securities and Futures Commission of Hong Kong (HKSF). These bodies govern various aspects of the company's operations, from sales practices to client asset safeguarding. Compliance with these evolving regulations is complex and costly, and any failure to comply could result in significant penalties, operational restrictions, or damage to the company's reputation and financial standing.
- **Foreign Exchange Control Risks:** Solowin Holdings faces significant risks related to the PRC government's control over currency conversion and cross-border remittances. The majority of the company's clients are PRC residents, subject to strict foreign exchange regulations enforced by the State Administration of Foreign Exchange (SAFE). These regulations limit PRC citizens to converting a maximum of \$50,000 annually for non-investment uses. PRC regulations also restrict direct investments into foreign securities, requiring residents to use designated channels for such investments. Despite compliance efforts, there is no guarantee that clients will always adhere to these regulations, and any non-compliance could result in severe regulatory actions against the company.
- **Commission and Fee Rate Risks:** Solowin Holdings' profitability is heavily reliant on the commission and fee rates charged for services like investment advisory and securities transactions through Solomon JFZ. A significant portion of the company's revenue, particularly from advisory services, is sensitive to adjustments in pricing models that balance cost, value, and market competitiveness. The company faces competitive pressure from other financial service providers and online brokerages, some of which offer lower or zero commission rates to attract a larger client base. This competition could lead to a reduction in Solowin's fee rates, potentially diminishing its market share and adversely impacting profitability.
- **Risk Management Ineffectiveness:** Solowin Holdings' risk management policies and procedures may not always adequately address the multitude of risks faced, such as regulatory, market condition, credit, liquidity, capital adequacy, and operational risks. Despite reliance on an Internal Control and Compliance Manual and adherence to regulatory standards, these policies and procedures may not effectively mitigate all risk exposures. Many of Solowin's risk management strategies are based on historical market behaviors or statistical models, which may not hold during periods of market volatility or unexpected events, potentially leading to significant losses.
- **Dependency on External Service Providers:** Solowin Holdings relies heavily on external service providers for technology, processing, and support functions essential to its operations. These include market makers, brokers, custody banks, exchanges, clearing agents, and payment services, along with providers of financial information and trading tools. Failures by these providers—such as technical disruptions, security breaches, or

performance issues—could disrupt Solowin's trading activities, delay transactions, or lead to client losses, potentially harming the company's reputation and financial standing.

- **Financial Dependency on Subsidiary Distributions:** Solowin Holdings, a holding company, relies heavily on dividends and other equity distributions from its subsidiary, Solomon JFZ, to meet its cash and financing needs, including servicing debts and potential cash distributions to shareholders. Legal frameworks in the Cayman Islands and Hong Kong dictate that these distributions must be made from profits or distributable reserves, not from share capital. Additionally, potential future restrictions by the PRC government on cash transfers from Hong Kong could severely restrict Solowin's financial flexibility. If Solomon JFZ incurs debt, the associated covenants may further restrict these distributions, limiting Solowin's ability to invest, grow, and manage financial obligations effectively, which could materially and adversely impact the company's operations and financial health.

These risk factors are not comprehensive. For a full list of risk factors, please read Solowin Holding's latest prospectus and/or annual filings

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