



# Crypto Flow

## Crypto Flow Technology Limited

*(formerly known as Loto Interactive Limited)*  
*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 8198)

[www.cryptoflowhk.com](http://www.cryptoflowhk.com)



# 2023

## FIRST QUARTER REPORT

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the "**Directors**") of Crypto Flow Technology Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## FIRST QUARTER RESULTS

The board (the “**Board**”) of Directors hereby announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three-month period ended 31 March 2023 (the “**Reporting Period**”) as follows:

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three-month period ended 31 March 2023

	Notes	For the three-month period ended 31 March	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>REVENUE</b>	3	<b>6,150</b>	7,635
Cost of sales and services rendered		(1,581)	(6,842)
<b>Gross profit</b>		<b>4,569</b>	793
Other income and gains		–	21
Administrative expenses		(6,772)	(7,137)
Other expenses		–	(21)
Share of (loss) of associates		–	(18)
Finance costs		(123)	(98)
Loss on disposal of subsidiaries		(3,627)	–
<b>LOSS BEFORE TAX</b>		<b>(5,953)</b>	(6,460)
Income tax expense	4	–	–
<b>LOSS FOR THE PERIOD</b>		<b>(5,953)</b>	(6,460)

	Notes	For the three-month period ended 31 March	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Other comprehensive income for the period, net of tax:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Exchange differences on translation of foreign operations		–	371
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		–	371
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>		<b>(5,953)</b>	<b>(6,089)</b>
<b>LOSS FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(5,953)</b>	(6,460)
Non-controlling interests		–	–
		<b>(5,953)</b>	<b>(6,460)</b>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO:</b>			
Owners of the Company		<b>(5,953)</b>	(5,870)
Non-controlling interests		–	(219)
		<b>(5,953)</b>	<b>(6,089)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (HK cent's)</b>			
– Basic and diluted	6	<b>(1.09)</b>	(1.18)

## NOTES:

### (1) BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules and with Hong Kong Accounting Standard 34, Interim Financial Reporting.

### (2) SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention. The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2022, except for the adoption of all the new and revised Hong Kong Financial Reporting Standards, amendments and interpretations ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2023. The adoption of these new and revised HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Directors anticipate that the application of the other new or revised standards, amendments or interpretations will have no material impact on the unaudited consolidated financial statements.

### (3) REVENUE

An analysis of the Group's revenue for the three-month period ended 31 March 2023 is as follows:

	For the three-month period ended 31 March	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Big data centre services	5,400	6,885
Money lending business	750	750
	<b>6,150</b>	<b>7,635</b>

#### (4) INCOME TAX EXPENSE

	For the three-month period ended 31 March	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Deferred tax	–	–
	–	–

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2 million of profits of the qualifying group entity are taxed at 8.25% and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit arising from Hong Kong for the three-month period ended 31 March 2023 and its corresponding period in 2022.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

#### (5) DIVIDEND

The Directors do not recommend the payment of any dividend for the three-month period ended 31 March 2023 (the three-month period ended 31 March 2022: Nil).

#### (6) LOSS PER SHARE

The calculation of basic loss per share for the three-month period ended 31 March 2023 is based on the unaudited loss attributable to owners of the Company of approximately HK\$6.0 million (three-month period ended 31 March 2022: HK\$6.5 million) and on the weighted average number of approximately 548,408,822 (three-month period ended 31 March 2022: 548,378,822) ordinary shares in issue during the period.

The computation of diluted loss per share in the three-month periods ended 31 March 2023 and 2022 respectively did not include the Company's outstanding share options since their assumed exercise would result in the decrease in the diluted loss per share.

## (7) SHARE CAPITAL AND RESERVES

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Share-based payment reserve		Exchange reserve HK\$'000	Accumulated losses HK\$'000	Sub-Total HK\$'000	Non- controlling interests HK\$'000	
			HK\$'000	HK\$'000					
At 1 January 2023 (audited)	54,841	422,533	11,044	(24,221)	23,532	(410,535)	77,194	(233)	76,961
Loss for the period	-	-	-	-	-	(5,953)	(5,953)	-	(5,953)
Other comprehensive (expense)/income for the period	-	-	-	-	-	-	-	-	-
Total comprehensive (expense)/income for the period	-	-	-	-	-	(5,953)	(5,953)	-	(5,953)
Disposal of subsidiaries	-	-	-	-	(21,197)	24,589	3,392	233	3,625
At 31 March 2023 (unaudited)	54,841	422,533	11,044	(24,221)	2,335	(391,899)	74,633	-	74,633

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Share-based payment reserve		Exchange reserve HK\$'000	Accumulated losses HK\$'000	Sub-Total HK\$'000	Non- controlling interests HK\$'000	
			HK\$'000	HK\$'000					
At 1 January 2022 (audited)	54,838	422,524	10,989	(5,255)	26,930	(372,793)	137,233	(232)	137,001
Loss for the period	-	-	-	-	-	(6,460)	(6,460)	-	(6,460)
Other comprehensive (expense)/income for the period	-	-	-	-	590	-	590	(219)	371
Total comprehensive (expense)/income for the period	-	-	-	-	590	(6,460)	(5,870)	(219)	(6,089)
Equity-settled share-based payment expense	-	-	175	-	-	-	175	-	175
At 31 March 2022 (unaudited)	54,838	422,524	11,164	(5,255)	27,520	(379,253)	131,538	(451)	131,087

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review

The Group is principally engaged in (i) the provision of data analysis and storage services (the “**Big Data Centre Services**”); and (ii) money lending business in Hong Kong (the “**Money Lending Business**”).

#### *Big Data Centre Services*

The Group operates big data centre to provide comprehensive services including premises, hardware support, power supply, ancillary supervision and management services to our clients.

The big data centre in Hong Kong, with a maximum processing capacity of approximately 1,400 kWh, commenced business in November 2021 and generated a revenue of approximately HK\$5.4 million in the Reporting Period.

As disclosed in the announcements of the Company dated 3 January 2023, 11 January 2023 and 7 February 2023, and in the circular dated 28 February 2023 (the “**Disposal**”), the Group completed the Disposal of Brighten Express Limited, a wholly-owned subsidiary of the Company, and its subsidiaries with the three big data centres in Sichuan Province, the People’s Republic of China (the “**PRC**”). Due to the compliance with the relevant PRC laws and regulations, all the big data centres in Sichuan Province were closed before 2022 and generated no revenue in the Reporting Period.

During the Reporting Period, the Big Data Centre Services generated a revenue of approximately HK\$5.4 million, representing a decrease of approximately HK\$1.5 million as compared to the corresponding period in 2022, which was primarily due to lower rental fee on each data processor being hosted in 2023 due to the decreasing price of cryptocurrency in the Reporting Period.



### **Money Lending Business**

In order to leverage our corporate expertise and resources to broaden income source, an indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in January 2020. On 3 April 2020, a loan in the principal amount of HK\$30 million for a term of 24 months at an interest rate of 10% per annum, was granted to an independent third party. On 1 April 2022, the Group entered into a supplemental loan agreement with the borrower and the guarantor to extend the repayment date of the loan by 24 months to 2 April 2024 at an interest rate of 10% per annum.

During the Reporting Period, the Money Lending Business generated a revenue of approximately HK\$0.8 million. The Group will continue to maintain its prudent risk management policy in order to control the quality of its loan portfolio, and balance profitability and risk management.

### **Financial Review**

The Group is engaged in two operating segments which are (1) Big Data Centre Services, and (2) Money Lending Business. The Group recorded a total revenue of approximately HK\$6.2 million during the Reporting Period (three-month period ended 31 March 2022: HK\$7.6 million), representing a decrease of HK\$1.4 million, which comprised the following:

#### **(1) Big Data Centre Services**

Revenue contributed by the Big Data Centre Services amounted to approximately HK\$5.4 million for the Reporting Period, representing a decrease of HK\$1.5 million as compared to the corresponding period in 2022 (three-month period ended 31 March 2022: HK\$6.9 million).

#### **(2) Money Lending Business**

Revenue generated from Money Lending Business amounted to approximately HK\$0.8 million for the Reporting Period, the same as the amount of the corresponding period in 2022 (three-month period ended 31 March 2022: HK\$0.8 million).

## Operating Results

The Group recorded a loss of approximately HK\$6.0 million for the Reporting Period, representing a decrease of HK\$0.5 million or 7.8% as compared to a loss of HK\$6.5 million for the corresponding period in 2022, which was mainly attributable to the combined effect of:

- (i) increase in gross profit of approximately HK\$3.8 million of the Big Data Centre Services owing to the decrease in the consumption of electricity by customers due to the relatively lower market price of cryptocurrency affecting customers' margin;
- (ii) decrease in staff cost of approximately HK\$1.6 million attributable to the decreased number of employees due to the Disposal and cessation of operation in PRC;
- (iii) offset by the increase in loss on disposal of subsidiaries of approximately HK\$3.6 million which was due to the Disposal of Brighten Express Limited; and
- (iv) offset by the increase in the professional fee of approximately HK\$1 million which was mainly due to the Disposal of Brighten Express Limited.

## OUTLOOK

In response to the "Policy Statement on the Development of Virtual Assets in Hong Kong" released by The Hong Kong Finance and Treasury Bureau, the Company has been performing research on the technology of blockchain, the technological application of web3.0 and the business models of support platforms. The Company has also been recruiting certain talents in blockchain related technology. Going forward, the Company will continue to devote resources into the research and development of blockchain technology and the technological application of web3.0, with an aim to provide blockchain related application services.

The Company will continuously review on the operations and financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Company may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

The Company continuously commits to the development of big data centres in line with the Group's overall development strategy, in order to seize opportunities to meet market demand and expand our big data centre business. The Company will expand the existing businesses of the Group through, among others, the development of big data centre(s) in the overseas markets including, but not limited to, the North America and Southeast Asia regions.

Following the completion of Disposal on 11 January 2023, the Company has been focusing on business development and expansion with two major development projects as follows:

1. As disclosed in the announcement of the Company dated 16 March 2023 (the "**Acquisition**"), the Company has entered into a sales and purchase agreement with independent third parties to purchase 55% equity interest in Your Choice Ever Best, Inc. ("**Your Choice**"), a company incorporated in the state of Delaware of the United States of America ("**USA**"). Your Choice is principally engaged in the operation of the big data centre in the USA. As at the date of this report, the Acquisition has not yet been completed.
2. Reference to the announcement of the Company dated 6 April 2023, Your Choice Investment Inc. ("**YCI**"), a wholly-owned subsidiary of the Company, and Green Land Energy Inc. ("**GLE**") entered into the agreement in relation to the provision of consultancy services by GLE to YCI for the construction of the big data centre (the "**Transaction**"). GLE will provide the consultancy services to YCI in relation to the construction of the big data centre to be developed and operated by YCI in the United States of America.

## LOAN RECEIVABLE

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license in Hong Kong in January 2020. On 3 April 2020, the Group entered into a loan agreement (the "**Loan Agreement**") with an independent third party, Bright Topper Limited (the "**Borrower**"), in the principal amount of HK\$30 million at an interest rate of 10% per annum for a term of 24 months (the "**Loan**"). The repayment of the Loan was guaranteed by a director and the sole beneficial owner (the "**Guarantor**") of the Borrower. Interests for the first 12 months shall be repaid in the first year and the principal amount and interests for remaining period ("**Second Tranche Interest**") shall have been repaid on or before 2 April 2022. The Borrower has paid the interests for the Loan for the first 12 months in the amount of HK\$3 million in accordance with the Loan Agreement and the Second Tranche Interest was due by 2 April 2022 according to the Loan Agreement. On 1 April 2022, the Group entered into a supplemental loan agreement with the Borrower and the Guarantor to extend the repayment date of the Loan by 24 months to 2 April 2024 at an interest rate of 10% per annum (the "**Extended Loan Agreement**") and to extend the payment date of the Second Tranche Interest to 4 April 2022. The Second Tranche Interest was paid by the Borrower on 4 April 2022. The interest of the Extended Loan Agreement for the first 12 months in the amount of HK\$3 million was also received by the Company.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

The Company entered into a sales and purchase agreement with an independent third party to dispose of Brighten Express Limited and its subsidiaries at a consideration of HK\$37,000,000 on 3 January 2023. All conditions precedent under the sales and purchase agreement had been fulfilled and the Disposal took place on 11 January 2023 accordingly. Details about the Disposal have been disclosed in the Company's announcements dated 3 January 2023, 11 January 2023, 27 January 2023 and 7 February 2023, and in the Company's circular dated 28 February 2023.

On 16 March 2023, the Company has entered into a sales and purchase agreement with independent third parties to purchase 55% equity interest in Your Choice, a company incorporated in the state of Delaware of the USA with limited liability and the loans borrowed by Your Choice due to the sellers at a consideration of US\$4,311,913 (equivalent to approximately HK\$33,848,515). The consideration shall be settled by the Company issuing and allotting 80,591,701 of the Company's shares at the issue price of HK\$0.42 to the sellers upon completion. Your Choice is principally engaged in the operation of the Big Data Centre in the USA. Details about the Acquisition and the conditions precedent under the Acquisition have been disclosed in the Company's announcement dated 16 March 2023. As at the date of this report, the Acquisition has not yet been completed.

On 3 March 2023, the Company invested US\$150,000 (approximately HK\$1,177,500) in Cyberflow Digital Inc. (“**Cyberflow**”), a company incorporated in the the state of Delaware of the USA. The Company has 30% equity interest in Cyberflow, which is principally engaged in developing and operating mobile applications and communication platforms in Web3.0.

Save for the above-mentioned transactions, there were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Reporting Period. There was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

## EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 6 April 2023. On 6 April 2023, YCI, a wholly-owned subsidiary of the Company, and GLE entered into the agreement in relation to the provision of consultancy services by GLE to YCI for the construction of the big data centre. GLE will provide the consultancy services to YCI in relation to the construction of the big data centre to be developed and operated by YCI in the United States of America in the total consultancy fee of US\$800,000 (equivalent to approximately HK\$6.28 million). As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Transaction is 5% or more but is less than 25%, the Transaction constitutes a discloseable transaction of the Company.

## DIVIDEND

The Directors do not recommend the payment of any dividend for the Reporting Period (three-month period ended 31 March 2022: Nil).

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2023, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporation of the Company	Nature of interest	Number of ordinary shares held <i>(Note 1)</i>	Percentage of shareholding in the associated corporation of the Company <i>(Note 2)</i>
Mr. Li Hongbin	Manful Kingdom Limited <i>(Note 3)</i>	Beneficiary of a trust (other than a discretionary interest)	150 (L)	25%

#### Notes:

1. The letter “L” denotes the entity/person’s long position in the shares.
2. The percentage of shareholding in the associated corporation of the Company was calculated based on the total number of issued shares of Manful Kingdom Limited as at 31 March 2023, being 600 ordinary shares.
3. As at 31 March 2023, Manful Kingdom Limited held 51.02% direct shareholding interest in the Company and was an associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at 31 March 2023, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 to 5.67 of the GEM Listing Rules.

## SHARE OPTION SCHEME

The share option scheme adopted at the annual general meeting of the Company on 18 May 2012 (the “**2012 Share Option Scheme**”) has expired on 18 May 2022. The share options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme.

At the extraordinary general meeting of the Company held on 28 December 2022, the shareholders of the Company approved the adoption of a new share option scheme (the “**2022 Share Option Scheme**”) under which the Directors may grant share options to eligible persons to subscribe for the shares of the Company (the “**Shares**”), subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain valid for a period of 10 years from the date of its adoption. No share options had been granted under the 2022 Share Option Scheme during the Reporting Period.

Movements of share options granted under the 2012 Share Option Scheme during the Reporting Period are set out below:

Type of participants	Number of share options						As at 31 March 2023	Date of grant	Exercise price (HK\$)	Exercise period (Notes 1 to 2)
	As at 1 January 2023	Granted during the period (Note 6)	Reclassified during the period (Note 4)	Exercised during the period (Note 6)	Lapsed during the period (Note 6)	Cancelled during the period (Note 6)				
<b>Former Director</b>										
Ms. Zhang Jing (Note 3)	466,800	-	(466,800)	-	-	-	01.04.2019	1.10	Note 1	
	3,100,000	-	(3,100,000)	-	-	-	10.08.2020	0.26	Note 2	
Sub-total:	3,566,800	-	(3,566,800)	-	-	-				
<b>Employees</b>										
	50,000	-	-	-	-	50,000	01.04.2019	1.10	Note 1	
	50,000	-	-	-	-	50,000	10.08.2020	0.26	Note 2	
Sub-total:	100,000	-	-	-	-	100,000				
<b>Others</b>										
(Note 5)	12,766,800	-	466,800	-	-	13,233,600	01.04.2019	1.10	Note 1	
	13,800,000	-	3,100,000	-	-	16,900,000	10.08.2020	0.26	Note 2	
Sub-total:	26,566,800	-	3,566,800	-	-	30,133,600				
<b>Total:</b>	<b>30,233,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,233,600</b>				

**Notes:**

1. The share options granted on 1 April 2019 are divided into 3 tranches exercisable from 1 April 2019, 1 April 2020 and 1 April 2021 respectively to 31 March 2029.
2. The share options granted on 10 August 2020 are divided into 3 tranches exercisable from 10 August 2020, 10 August 2021 and 10 August 2022 respectively to 9 August 2030.
3. Ms. Zhang Jing resigned as a non-executive Director with effect from 9 September 2022.
4. To better reflect certain grantee's position in relation to the Group, their respective types of participant have been reclassified from Director to others as appropriate.
5. The category "Others" represents the consultants of the Group. Consultants are individuals who rendered consultancy services in respect of the business development to the Group without receiving any compensation. The Group granted share options to them for recognising their services similar to those rendered by employees of the Group.
6. During the Reporting Period, no share options were granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme.



## SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, the interests or short positions of every persons (other than the Directors and chief executive of the Company) in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO and the amount of such interests and short positions were as follows:

Name	Capacity/ Nature of interest	Number of Shares held/ interested in <i>(Note 1)</i>	Approximate percentage of total issued Shares <i>(Note 2)</i>
Manful Kingdom Limited	Beneficial owner	279,815,740 (L)	51.02%
Mr. Fu Jiepin <i>(Note 3)</i>	Interest in controlled corporation	279,815,740 (L)	51.02%
Ms. Xia Bing <i>(Note 4)</i>	Interest of spouse	279,815,740 (L)	51.02%
Ever Marvel Group Limited <i>(Note 5)</i>	Beneficial owner	67,548,564 (L)	12.32%
Sichuan Hengjia Energy Development Group Co., Limited* (四川恒嘉能源開發集團有限公司) (“ <b>Sichuan Hengjia</b> ”) <i>(Note 6)</i>	Interest in controlled corporation	67,548,564 (L)	12.32%
Mr. Wang Heng <i>(Note 6)</i>	Interest in controlled corporations	67,548,564 (L)	12.32%
Beyond Power Global Limited	Beneficial owner	48,195,605 (L)	8.79%
Mr. Yeung Hin Ming, Bosco <i>(Note 7)</i>	Interest in controlled corporation	48,195,605 (L)	8.79%

*Notes:*

1. The letter "L" denotes the entity/person's long position in the Shares.
2. The approximate percentage of total issued Shares was calculated based on the total number of issued Shares as at 31 March 2023, being 548,408,822 Shares.
3. As at 31 March 2023, Manful Kingdom Limited held 279,815,740 Shares as beneficial owner. Mr. Fu Jiepin held 35% direct interest in Manful Kingdom Limited. Therefore, Mr. Fu Jiepin was deemed to be interested in 279,815,740 Shares through his controlled corporation, Manful Kingdom Limited, under the SFO.
4. Ms. Xia Bing is the spouse of Mr. Fu Jiepin. Accordingly, as at 31 March 2023, Ms. Xia Bing was deemed to be interested in the Shares in which Mr. Fu Jiepin was interested under the SFO.
5. On 16 March 2023, Ever Marvel Group Limited and Lewin Technology HK Limited as sellers and Interactive Lab Limited, a wholly-owned subsidiary of the Company, as the purchaser entered into a stock sale and purchase agreement for the sale and purchase of 510 shares and 100 shares respectively owned by the sellers in, and the respective loans advanced by the sellers to, Your Choice Ever Best, Inc. The consideration of US\$4,311,913 under the stock sale and purchase agreement will be satisfied by the allotment and issue of 80,591,701 new Shares by the Company to the sellers in which 67,548,564 Shares will be issued to Ever Marvel Group Limited. Completion of the stock sale and purchase agreement is subject to fulfillment of certain conditions as stated therein.
6. As at 31 March 2023, Sichuan Hengjia held 100% direct interests in Ever Marvel Group Limited and Mr. Wang Heng in turn held 50% direct interests in Sichuan Hengjia. Therefore, both Sichuan Hengjia and Mr. Wang Heng were deemed to be interested in 67,548,564 Shares through the controlled corporation, Ever Marvel Group Limited, under the SFO.
7. As at 31 March 2023, Beyond Power Global Limited held 48,195,605 Shares as beneficial owner. Mr. Yeung Hin Ming, Bosco held 100% direct interests in Beyond Power Global Limited. Therefore, Mr. Yeung Hin Ming, Bosco was deemed to be interested in 48,195,605 Shares through his controlled corporation, Beyond Power Global Limited, under the SFO.

Save as disclosed above, as at 31 March 2023, no other interests or short positions in the Shares or underlying Shares of the Company had been recorded in the register required to be kept under section 336 of the SFO.

## INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had interest in any business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

## AUDIT COMMITTEE

The Company has an audit committee, which was established for the purposes of reviewing and providing supervision over the Company's financial reporting process and overseeing the Group's risk management and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Sun Yuqiang (chairman of the Audit Committee), Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony.

The unaudited condensed consolidated results of the Group for the Reporting Period and this report have not been audited by the auditors of the Company, but have been reviewed by the Audit Committee. The Audit Committee was of the opinion that the preparation of such statements complied with applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made in respect thereof.

By order of the Board

**Crypto Flow Technology Limited**

**Huang Yibin**

*Chief Executive Officer and Executive Director*

Hong Kong, 10 May 2023

*As at the date of this report, the executive Directors are Mr. Li Hongbin (Chairman), Mr. Huang Yibin (Chief Executive Officer) and Ms. Xiong Jiayan; and the independent non-executive Directors are Mr. Sun Yuqiang, Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony.*

\* *For identification purpose only*