



Crypto Flow

Crypto Flow Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

www.cryptoflowhk.com

The background features a dark blue gradient with several glowing, semi-transparent cubes in shades of orange, yellow, and blue. These cubes are arranged in a diagonal line from the bottom left towards the top right. Behind the cubes are numerous concentric, glowing circles or rings, also in various colors, creating a sense of depth and digital complexity.

2025
ANNUAL 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 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.*



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Li Hongbin (*Chairman*)
Dr. Yuan Quan (appointed with effect from
1 December 2025)
Ms. Xiong Jiayan
Mr. Yao Xiaohao (appointed with effect from
1 December 2025)
Mr. Huang Yibin (resigned with effect from
1 December 2025)

Independent Non-Executive Directors

Mr. Sun Yuqiang
Mr. Chu, Howard Ho Hwa
Mr. Tong, I Tony

BOARD COMMITTEES

Audit Committee

Mr. Sun Yuqiang (*Chairman*)
Mr. Chu, Howard Ho Hwa
Mr. Tong, I Tony

Remuneration Committee

Mr. Chu, Howard Ho Hwa (*Chairman*)
Mr. Sun Yuqiang
Mr. Tong, I Tony

Nomination Committee

Mr. Li Hongbin (*Chairman*)
Mr. Sun Yuqiang
Mr. Chu, Howard Ho Hwa
Mr. Tong, I Tony
Ms. Xiong Jiayan (appointed with effect from
30 June 2025)

CHIEF EXECUTIVE OFFICER

Dr. Yuan Quan (appointed with effect from
1 December 2025)
Mr. Sheng Ling (resigned with effect from
1 December 2025)

COMPLIANCE OFFICER

Dr. Yuan Quan (appointed with effect from
1 December 2025)
Mr. Huang Yibin (resigned with effect from
1 December 2025)

COMPANY SECRETARY

Ms. Li Yuen Shan (appointed with effect from
23 April 2025)
Ms. Chow Chiu Man, Mandy (resigned with effect from
23 April 2025)

AUTHORISED REPRESENTATIVES

Dr. Yuan Quan (appointed with effect from
1 December 2025)
Ms. Li Yuen Shan (appointed with effect from
23 April 2025)
Mr. Huang Yibin (resigned with effect from
1 December 2025)
Ms. Chow Chiu Man, Mandy (resigned with effect from
23 April 2025)

REGISTERED OFFICE

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Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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Suite 3204, Unit 2A
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P.O. Box 1586, Gardenia Court
Camana Bay
Grand Cayman, KY1-1100
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Shops 1712-1716, 17th Floor
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183 Queen's Road East
Wanchai
Hong Kong

CORPORATE INFORMATION

AUDITOR

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1001-1010, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

LEGAL ADVISOR

Nixon Peabody CWL
5/F, Standard Chartered Bank Building
4-4A Des Voeux Road Central
Hong Kong

PRINCIPAL BANKER

Bank of Communications Co., Ltd., Hong Kong Branch

STOCK CODE

The Stock Exchange of Hong Kong Limited: 8198

WEBSITE

www.cryptoflowhk.com

CHAIRMAN'S STATEMENT

Dear Shareholders,

Standing at the threshold of 2026 and looking back on 2025, I am pleased to report that the past year marked a defining chapter in the evolution of Crypto Flow Technology Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"). In a global environment characterised by regulatory recalibration, accelerating AI breakthroughs and structural shifts in digital finance, we have been transitioning decisively from infrastructure operator to integrated Web3.0 and digital financial ecosystem builder. Further, we have firmly been repositioning ourselves from an explorer to a pioneer.

On behalf of the board (the "**Board**") of directors (the "**Directors**") of the Company, I hereby present to you the results of the Group for the year ended 31 December 2025 (the "**Year**").

STRATEGIC TRANSFORMATION: FROM MINING INFRASTRUCTURE TO WEB 3.0 DIGITAL INFRASTRUCTURE ECOSYSTEM

1. Strengthening Digital Infrastructure and Data Capabilities

Throughout 2025, we continued to enhance the operational efficiency and resilience of our North American big data centre, which remains a cornerstone of the Group's technological foundation. Beyond supporting blockchain network operations, the data centre has evolved into a critical infrastructure layer underpinning our Web3.0 and AI ambitions.

Leveraging our operational expertise in high-performance computing environments, we have been deepening our focus on data assetisation. In particular, our wholly incubated on-chain intelligence platform, ChainStream, progressed from product validation to ecosystem integration. By delivering comprehensive, real-time and standardised on-chain data services, ChainStream is designed to serve as a secure and intelligent interaction layer for next-generation AI agents and Web3.0 applications.

We believe that the convergence of AI and blockchain will define the next phase of digital infrastructure. Through continuous R&D investment and strategic talent acquisition, the Group is positioning itself at the intersection of these transformative technologies.

2. Global Expansion and Licensed Platform Integration

In 2025, the Group accelerated its global footprint, with Hong Kong serving as our strategic hub and gateway to international capital markets.

Following our acquisition of Rhino Trading Pty Ltd (the "**Rhino**"), an Australian regulated digital asset exchange and over-the-counter service business, we would further strengthen our global compliance and transaction capabilities. The integration of Rhino enables the Group to establish a more efficient pathway connecting compliant capital formation in Hong Kong with regulated execution and settlement channels in Australia, and facilitating global asset deployment.

This cross-jurisdictional structure enhances our ability to serve institutional and professional participants seeking compliant digital asset solutions. It also reinforces our long-term strategy of building a technology-driven, compliance-oriented Web 3.0 infrastructure services ecosystem spanning multiple markets.

CHAIRMAN'S STATEMENT

3. Building an Open and Collaborative Financial Ecosystem

In addition to technological advancement, 2025 was a year of ecosystem construction.

We are actively pursuing partnerships aimed at bridging traditional finance and digital assets. Through collaboration with different background parties, we try to explore possible ways for establishing stable digital instruments and cross-border value transfer. These initiatives are intended to contribute to the development of regulated digital finance infrastructure and to stimulate responsible innovation within Hong Kong and beyond.

The Group remains committed to working with regulators, institutional partners and technology innovators to foster a transparent, secure and sustainable digital financial environment.

CAPITAL MARKET RECOGNITION AND CORPORATE GROWTH

Despite ongoing volatility in global technology and capital markets, the Company demonstrated resilience and growth momentum throughout the Year. Our strategic clarity and execution capabilities have been increasingly recognised by investors and market observers. We view such recognition not as an endpoint, but as a responsibility and a reminder for us to maintain disciplined governance, prudent risk management and sustainable value creation.

We remain focused on strengthening our balance sheet, optimising capital allocation and ensuring that all expansion initiatives are aligned with regulatory standards and shareholder interests.

APPRECIATION

On behalf of the Board, I would like to express our sincere gratitude to our shareholders for their trust and steadfast support. I also extend my heartfelt appreciation to our management team and employees for their dedication, professionalism and entrepreneurial spirit throughout a year of transformation.

Together with our partners and stakeholders, we will continue to navigate the evolving landscape of digital finance with discipline and vision.

Thank you for your continued confidence in Crypto Flow Technology Limited.

Li Hongbin
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in (i) the big data centre services providing storage, electricity and related services (the “**Big Data Centre Services**”), (ii) on-chain data analysis platform (the “**Analysis Platform**”), (iii) digital asset exchange and over-the-counter services business in Australia (the “**Exchange and OTC Services**”), and (iv) money lending business in Hong Kong (the “**Money Lending Business**”).

(i) Big Data Centre Services

The Group operates the big data centres 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 (the “**HK Data Centre**”), with a maximum processing capacity of approximately 1,400 kilowatts (“**kW**”), commenced business in November 2021 and ceased operations in June 2025.

With an area of 5 acres and a maximum processing capacity of approximately 11 megawatts (“**MW**”), the big data centre in the USA (the “**USA Data Centre**”) commenced business in December 2023.

During the Year, the Big Data Centre Services generated a revenue of approximately HK\$45.2 million, representing a decrease of approximately HK\$10.8 million as compared to the corresponding period in 2024, which was due to the decreased contribution from the HK Data Centre and the decrease in electricity consumption of the USA Data Centre during the Year.

(ii) Analysis Platform

The Group has been engaging in the provision of data analysis and storage services since 2019. The provision of data analysis services through ChainStream which is enhanced to a Web3.0 scale belongs to the Group’s principal business activities and represents an extension of service offering to the Company’s existing customers, as well as other potential customers from the Group’s networks and facilities within the Web3.0 ecosystem.

(a) Development history

The Group has been engaging in the provision of data analysis and storage services since 2019. The services offering covered a full range from monitoring the usage rate and working status of data processors to supervising the overall safety and security of both physical environment and internet connection within the big data centres. The Group has implemented a data analysis system to support its big data centres, which provides integrated solutions for operation and maintenance management, financial management and resources allocation, enabling the clients to remotely monitor their data processors and obtain real-time information on computing capacity, utilisation and operating status.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Extension of service through the launch of ChainStream

The Group has commenced the development of ChainStream, being its self-owned on-chain data infrastructure platform enhanced to a Web3.0 scale since March 2025. ChainStream provides developers and enterprises with a unified API for real-time multi-chain data, built-in security and compliance capabilities, and AI-driven tools. The platform supports real-time on-chain data from multiple public blockchains, integrated transaction risk assessment and address profiling, and AI execution capabilities.

ChainStream operates on a consumption-based revenue model measured in Compute Units (“**CU**s”), where each API call and data query consumes a variable number of CUs depending on complexity. Users may access the platform through tiered subscription plans which include a monthly CU allocation, or through direct pay-as-you-go CU purchases. The platform accepts payments in both fiat currency and approved stablecoins.

In response to constantly changing market development, evolving technology and customers’ needs, the business model of ChainStream has been continuously improved and its functions have been continuously optimised. As ChainStream was launched for less than one year, the platform is at an early stage of commercialisation and the Group continues to invest in product development and user acquisition.

During the Year, the Analysis Platform generated a revenue of approximately HK\$88,000.

(iii) Exchange and OTC Services

(a) Development of digital currency exchange and OTC business through acquisition of Rhino

The Company entered into respective sale and purchase agreements for the acquisition of equity interests in Rhino. On 22 August 2025, the acquisition of the entire equity interests of Rhino had been completed. Accordingly, Rhino became an indirect wholly-owned subsidiary of the Company and its financial results have been consolidated into the consolidated financial statements of the Group from the date of completion.

Rhino is an Australian-based digital asset exchange and OTC service provider. Rhino is duly registered with the Australian Transaction Reports and Analysis Centre (the “**AUSTRAC**”) for both digital currency exchange services and remittance services involving cross-border transfers. Rhino provides liquidity to clients by facilitating the exchange of major cryptocurrencies (BTC, ETH, USDT, USDC) for Australian Dollars and United States Dollars. Revenue is principally generated from the spread between the bid and ask prices of assets.

Rhino operates on a risk-neutral, back-to-back principal basis. Every client trade is immediately hedged through approved counterparties, including centralised exchanges and institutional liquidity providers, to lock in the spread. The core operations are powered by the OTCPro platform, a proprietary system that manages customer profiles and records trade details. Digital asset custody and settlement are managed via Fireblocks, an enterprise-grade Multi-Party Computation (“**MPC**”) wallet infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS

(b) Business development plan for Rhino

The Group has been setting up a management team of skilled professionals with experience across the crypto and traditional finance field. To effectively enlarge the client base of Rhino, the Group has been utilising part of the net proceeds from the placing to promote Rhino's exchange platform and increase user adoption.

By introducing new management team, devoting resources to business development and leveraging on the Group's existing networks and facilities within the Web3.0 ecosystem, it is expected that the Group would amplify the client base of Rhino, and the operation and financial performance of Rhino under the Group's management is expected to potentially improve.

During the Year, the Exchange and OTC Services generated a revenue of approximately HK\$0.3 million.

(iv) 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 (the "**Loan**"), 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.

On the maturity date on 2 April 2024, the borrower was required to fully repay the principal amount of the Loan together with the accrued interests but the Group only received part of the accrued interests of HK\$2 million. The principal amount of the Loan and remaining interest were not settled on the maturity date. After maturity date and up to the date of this report, the borrower further settled principal and interest of approximately HK\$20.5 million. During the Year, an interest income of approximately HK\$1.6 million was recorded.

On 6 July 2023, the Group entered into another loan agreement (the "**2nd Loan Agreement**") with another independent third party in the principal amount of HK\$3 million at an interest rate of 10% per annum for a term of 24 months (the "**2nd Loan**"). Interests for the first 12 months were settled in the first year and the principal amount together with interests for the next 12 months were repaid before the due date. During the Year, an interest income of approximately HK\$0.1 million was recorded for the 2nd Loan.

During the Year, the Money Lending Business generated a revenue of approximately HK\$1.7 million.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERNAL CONTROL PROCEDURES

The Group has implemented and adhered to a set of internal control measures (the “**Internal Control Procedures**”) governing its (i) Analysis Platform, (ii) Exchange and OTC Services and (iii) Money Lending Business, so as to ensure a holistic approach to risk management and safeguard the interests of the Company and the shareholders of the Company.

(i) Analysis Platform

The Group has established the following key internal control procedures for ChainStream:

1. User onboarding and compliance

Know Your Customer (“**KYC**”) verification is mandatory for individual users who elect to pay via crypto assets and whose transactions exceed the established threshold. Know Your Business (“**KYB**”) verification is required for all enterprise-tier clients. The KYC/KYB procedures and requirements are reviewed by the Legal and Compliance Team, and all verification records are properly stored and logged to maintain an auditable trail.

2. Payment processing controls

The platform accepts payments via designated payment gateways for both fiat currency and approved stablecoins. Administrative privileges for the payment gateways are restricted to designated senior members of the Finance and Executive teams. Any modification to critical settlement settings, including changes to the receiving bank account or the designated receiving crypto wallet address, requires formal, documented approval from at least two authorised administrators.

3. Revenue reconciliation

A mandatory monthly three-way reconciliation is performed by the Finance team, matching (a) internal data from the ChainStream production database, (b) external transactional reports from the payment gateways, and (c) settlement data from bank statements and on-chain transaction records. Any discrepancies identified during the reconciliation process are flagged for investigation and must be resolved before the monthly financial close.

4. Crypto asset safeguarding

The corporate receiving wallet for crypto revenue is configured as a multi-signature wallet, ensuring that no single individual has unilateral control over the funds. All outbound transfers from this wallet require approval from a minimum of two out of three designated senior signatories from the Finance and Executive teams. Changes to the list of authorised signatories must be formally documented and approved by the chief executive officer. Crypto assets are subsequently transferred to the company’s designated custodial account for off-ramping, with all subsequent treasury activities governed by the company’s Treasury Management Policy.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) Exchange and OTC Services

The Group has established the following key internal control procedures for the Exchange and OTC Services business operated through Rhino:

1. Trade execution and market risk controls

Rhino operates on a back-to-back hedging model whereby every client trade must be immediately hedged through approved counterparties within the same trading day. Prices quoted to clients systematically include a risk buffer spread to absorb intraday price fluctuations. Rhino is subject to a maximum intraday unhedged exposure limit, and any trade requiring exposure in excess of the prescribed limit requires real-time approval from the Group's headquarters. All hedging partners are subject to annual review for creditworthiness and operational stability, and the onboarding of any new hedging partner requires approval from the Group's headquarters.

2. Overnight risk management

The Group enforces a zero-overnight-risk policy. All open positions must be closed or fully hedged by the end of each trading day. Reconciliation reports are reviewed to flag and investigate any breach of this policy.

3. Treasury and asset security

Digital asset custody is managed through Fireblocks, an enterprise-grade MPC wallet infrastructure, which eliminates single private key risk. The Fireblocks environment is segregated into distinct wallet types to separate operational liquidity from reserve capital. Outbound transfers are governed by the Fireblocks Transaction Authorization Policy ("**TAP**"), which programmatically enforces multi-person approval requirements based on predefined value thresholds, with transactions above a prescribed amount requiring additional approval from the Group's headquarters.

4. AML/CTF compliance

Rhino maintains an Anti-Money Laundering and Counter-Terrorism Financing Program in compliance with Australian regulatory requirements. All incoming cryptocurrency deposits are systematically screened to verify the source of funds through Know Your Transaction ("**KYT**") procedures. Client onboarding is subject to identity verification and due diligence in accordance with the AUSTRAC requirements.

5. Reconciliation and reporting

The Finance team performs a comprehensive three-way reconciliation matching internal trade data from the OTC Pro system against external records from Fireblocks, centralised exchanges, liquidity providers and bank accounts. The reconciliation covers customer balance movements, asset movements and hedge positions. The Group is in the process of transitioning the reconciliation frequency from monthly to daily reporting to strengthen the timeliness of its detective controls.

MANAGEMENT DISCUSSION AND ANALYSIS

(iii) Money Lending Activities

In relation to credit risk assessment, credit approval, and continuous monitoring of loan recoverability and collection, the Group has established key internal control procedures.

1. Credit risk assessment

Upon receipt of a prospective client's application, the money lending control team (the "TMLCT"), comprising the chief executive officer of the Company and personnel from the accounting and company secretary departments, will conduct a credit risk assessment in accordance with relevant laws and regulations in Hong Kong. This assessment will evaluate and analyse the prospective client's credit rating, repayment capacity, financial status, and overall credit risk.

The credit risk assessment includes an evaluation of various aspects of the prospective client or guarantor (as applicable) and review of corresponding documents, including but not limited to, the following:

- a. KYC process documents received during the processes listed in items (b) to (h) below.
- b. Identity verification and authentication such as identity ID card and/or passport for individual; for corporate entities: business registration certificate, certificate of incorporation, and constitutional documents, among others.
- c. Historical credit records and rating such as credit and/or litigation search (if any).
- d. Purpose of loan, repayment plan, and source of funds for repayment such as loan application form, bank statement, and asset/worth proof (if any).
- e. Cash flows, assets, and liabilities (whether actual or contingent). For individuals: bank statement, income proof such as salary slip or tax return/demand note, and/or asset/worth proof; for corporate entities: audited financial statements, management accounts, and sales contract(s) (where applicable).
- f. Interview in person, or on-site visit in the case of corporate clients.
- g. The overall risk level assessment of provision of the loan conducted by the TMLCT.
- h. Other matters as may be considered necessary by the TMLCT case by case.

Meanwhile, the company secretary department will carry out a name screening to verify any connected person relationship under the GEM Listing Rules and the management will engage independent valuer(s) to appraise the value of assets/collaterals proposed by the prospective clients or guarantor (if applicable).

MANAGEMENT DISCUSSION AND ANALYSIS

2. Credit approval

The TMLCT will prepare a preliminary proposal, based on the outcomes of the aforementioned credit risk assessment, to establish the principal amount, interest rate and tenure of the loan on a case-by-case basis. The proposal will then be forwarded to the accounting team for additional review. The interest rate decided upon should align with the risk level associated with the transaction, subject to relevant legal restrictions and guidelines.

Upon receipt of all documents pertaining to the loan application by the TMLCT, the accounting team, which plays a pivotal role in supervising the Group's internal control procedures, will conduct an independent assessment of the complete application. Additionally, the accounting team will undertake size tests for each transaction contemplated and consider compliance requirements under the GEM Listing Rules, including but not limited to announcements, notification and approval requirements from shareholders. When necessary, the accounting team may consult with the Company's legal or financial adviser. Loan applications that have successfully undergone the above procedures will be forwarded to the Board, or the Company's shareholders (as appropriate) for approval, in compliance with the transaction size specified by the relevant percentage ratios under the GEM Listing Rules.

3. Ongoing monitoring of loan recoverability and loan collection

- a. Regarding the clients who have borrowed money, the financial department establishes a separate sub-account for each client in its loan register, which includes updated information such as the principal loan amount, repayment schedule for principal and interest, and repayment records. These records undergo review and approval by the financial controller and the chief executive officer.
- b. Upon receipt of clients' repayments, the financial department is responsible for verifying the repayment amount against the repayment schedule. If any discrepancy is identified, the TMLCT will be notified to follow up with the relevant client.
- c. To mitigate the Group's credit risk exposure, the management and the TMLCT perform quarterly reviews to monitor loan collection and recoverability, identify potential risks and issues and develop mitigating measures.
- d. In the event of a default by a client, the financial department will issue an overdue notice to the defaulting client and report the case to the management and the TMLCT. The TMLCT will closely monitor the situation by reviewing the reasons for the default, assessing the loan's recoverability, and directing appropriate action on a case-by-case basis. If the overdue persists after the issuance of the overdue notice, the TMLCT may instruct its legal representative to issue demand letters to the defaulting clients, including a final warning. If warranted, the TMLCT may consider initiating legal action against the defaulting client after seeking legal advice.

4. Loan impairment Policy

For events and circumstances that lead to the Company in recognising or further making impairment of its loans and interest receivables, management would include, but not limited to, the following factors for consideration:

- a. Significant delay in settlement of loan interest or loan principal amounts by the borrowers on the due date;

MANAGEMENT DISCUSSION AND ANALYSIS

- b. Legal actions being taken by the Company against the borrowers;
- c. Decrease in value of the collaterals due to the decline in public market or any other factors; and
- d. Unable to access borrower's financial documents.

Once one or more of above factors were found by TMLCT, an independent valuer will be appointed to assess the provision for impairment loss on loan and interest receivable.

FINANCIAL REVIEW

The Group is engaged in four operating segments which are (1) Big Data Centre Services, (2) Analysis Platform, (3) Exchange and OTC Services and (4) Money Lending Business. The Group recorded a total revenue of approximately HK\$47.2 million during the Year (2024: HK\$58.1 million), representing a decrease of HK\$10.9 million, which comprised the following:

(1) Big Data Centre Services

Revenue contributed by the Big Data Centre Services amounted to approximately HK\$45.2 million for the Year, representing a decrease of HK\$10.8 million as compared to the corresponding year in 2024 (2024: HK\$56.0 million).

(2) Analysis Platform

Revenue generated from the Analysis Platform amounted to approximately HK\$88,000 for the Year (2024: HK\$Nil).

(3) Exchange and OTC Services

Revenue generated from the Exchange and OTC Services amounted to approximately HK\$0.3 million for the Year (2024: HK\$Nil).

(4) Money Lending Business

Revenue generated from the Money Lending Business amounted to approximately HK\$1.7 million for the Year, representing a decrease of HK\$0.4 million as compared to the corresponding year in 2024 (2024: HK\$2.1 million).

Operating Results

The Group recorded a loss of approximately HK\$89.2 million for the Year, representing an increase of HK\$76.1 million or 580.9% as compared to a loss of HK\$13.1 million for the corresponding year in 2024, which was mainly attributable to the combined effect of:

- (i) decrease in gross profit of approximately HK\$5.2 million resulting from the provision of big data centre services due to the cessation of operation of the HK Data Centre and the decrease in electricity consumption of the USA Data Centre;

MANAGEMENT DISCUSSION AND ANALYSIS

- (ii) increase in one-off share-based payment expense of approximately HK\$44.0 million, included in administration and research and development expenses, in relation to the share options granted on 8 April 2025;
- (iii) increase in research and development expenses (excluding share-based payment expense) of approximately HK\$5.5 million derived from development projects for Web3.0 Business;
- (iv) decrease in reversal of impairment of approximately HK\$6.7 million under expected credit loss model on loan and interest receivables, trade receivables and other receivables mainly due to the reduction of provision on loan and interest receivable in 2024;
- (v) increase in marketing expense of approximately HK\$7.4 million mainly due to the promotion of the Group, Analysis Platform and Exchange and OTC Services;
- (vi) increase in consultancy and professional fees of approximately HK\$0.5 million which was mainly due to the investment of South Pacific Investment Limited (the “**South Pacific**”) and acquisition of Rhino completed in 2025;
- (vii) increase in office rental, related management fee and related other expenses of approximately HK\$3.2 million mainly due to the new office rented in 2025;
- (viii) increase in staff costs of approximately HK\$3.3 million attributable to the increased number of employees for the development of Web3.0 business and Exchange and OTC Services;
- (ix) increase in operating expenses (excluding staff costs) of approximately HK\$0.7 million due to newly acquired Exchange and OTC Services during the Year; and
- (x) offset by the increase in other income and gains of approximately HK\$2.5 million mainly due to the sale of electricity from the USA Data Centre.

MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS

1. As disclosed in the announcements of the Company on 21 February 2025, 28 February 2025, 6 March 2025, 14 July 2025 and 28 July 2025, the Company utilized an amount of approximately 41.0% of the net proceeds for the development and new business opportunities relating to Web3.0 from the placing (the “**First Placing**”) of new shares under general mandate granted to the Directors pursuant to ordinary resolution passed by the shareholders at the annual general meeting (the “**General Mandate**”). The First Placing was completed on 6 March 2025 and the Company has raised net proceeds of approximately HK\$33,228,000 from the First Placing of 109,681,764 new shares.
2. As disclosed in the announcements of the Company on 14 July 2025 and 24 July 2025 the Company utilized (i) an amount of approximately 35% of the net proceeds from the placing (the “**Second Placing**”) for the further development the Group’s business relating to Web3.0 and has been applying (ii) approximately 20% for the investment in application and/or project development relating to stablecoins and other Web3.0 products based on the net proceeds from the Second Placing of new shares under General Mandate. The Second Placing was completed on 24 July 2025 and the Company has raised net proceeds of approximately HK\$54,400,000 from the Second Placing of 27,372,000 new shares.

MANAGEMENT DISCUSSION AND ANALYSIS

3. As disclosed in the announcements of the Company on 28 July 2025, 15 August 2025, 4 September 2025, 19 September 2025, 23 September 2025, 13 October 2025, 31 October 2025 and 11 November 2025, the Company has been applying (i) an amount of approximately 50% of the net proceeds from the placing (the “**Third Placing**”) for the technical development and platform expansion of ChainStream and (ii) approximately 25% for the post-Acquisition integration support based on the net proceeds from the Third Placing of 32,000,000 new shares under General Mandate. The Third Placing was completed on 11 November 2025 and the Company has raised net proceeds of approximately HK\$99,200,000 from the Third Placing.
4. As disclosed in the announcements of the Company on 28 July 2025 and 15 August 2025, the Subscription Agreement (as supplemented by the Supplemental Subscription Agreement) in relation to the subscription and placing of new shares under General Mandate did not become unconditional by the extended long stop date of 4 September 2025. Accordingly, the Subscription Agreement lapsed and terminated. Pursuant to its terms, all obligations of the parties ceased and neither party has any further liability or responsibility to the other, save for any antecedent breach.
5. On 25 July 2025, Metamind Innovation Limited (the “**Metamind Innovation**”), an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement (the “**First SPA**”) with Golden Cactus Pty Ltd (the “**Golden Cactus**”) to acquire 20% equity interest in Rhino for a consideration of HK\$100,000. On 22 August 2025, Metamind Innovation further entered into another sale and purchase agreement (the “**Second SPA**”) with Golden Cactus to acquire 80% of the issued share capital of Rhino for a consideration of HK\$400,000. The First and Second SPA were completed on 22 August 2025. Rhino becomes an indirect wholly-owned subsidiary of the Company. For details, please refer to announcements of the Company on 25 July 2025 and 22 August 2025.
6. As disclosed in the announcement of the Company on 25 July 2025, Digital Chain Innovation Enterprises Limited (the “**Digital Chain**”), an indirect wholly-owned subsidiary of the Company and South Pacific entered into a Memorandum of understanding in relation to the possible subscription of new shares of South Pacific by Digital Chain. On 24 November 2025, Digital Chain entered into a subscription agreement and shareholders’ agreement with South Pacific for subscribing for 1,250,000 Class A Ordinary Shares, being 2.5% of total outstanding ordinary shares of South Pacific. On 5 December 2025, upon all conditions precedent being satisfied, the investment was completed. The total consideration for the subscription amounted to US\$1 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Save for the above disclosed, there were no significant investments held, material acquisitions, or disposals of subsidiaries by the Group during the Year. Apart from those disclosed in this report, there was no plan authorised by the Board for any other material investments or additions of capital assets as at the date of this report.

ADDITION TO PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND OTHER INTANGIBLE ASSETS

During the year, the Group recorded additions of approximately HK\$4,996,000 to property, plant and equipment (31 December 2024: HK\$1,632,000), recognised additions of approximately HK\$6,211,000 to right-of-use assets (31 December 2024: HK\$11,241,000), and recognised additions of approximately HK\$16,157,000 to other intangible assets (31 December 2024: HK\$Nil).

The additions to right-of-use assets include HK\$1,460,000 attributable to the renewal of 2-year lease of an office in Hong Kong, HK\$2,218,000 for 1-year lease of an additional office in Hong Kong, and HK\$2,533,000 relating to two separate lease agreements with 2 different landlords for 2-year leases for staff quarters in Hong Kong (2024: HK\$2,673,000 attributable to the renewal of lease for 1.5-year for the HK Data Centre, HK\$1,382,000 for 2-year lease of an office in the USA, and HK\$7,186,000 attributable to three separate lease agreements with 3 different landlords for 2-year leases of live-work spaces in Hong Kong).

The additions to other intangible assets during the year comprised approximately HK\$14,500,000 (2024:HK\$Nil) in development costs related to the Group's Analysis Platform and approximately HK\$1,657,000 (2024:HK\$Nil) attributable to technology knowhow acquired through the acquisition of a subsidiary.

LOAN RECEIVABLES

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license in Hong Kong in January 2020.

(1) The Loan Agreement

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 repayment of the Loan (as defined above) 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 (the "**Second Tranche Interest**") shall have been repaid on or before 2 April 2022. The Borrower 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 under the Extended Loan Agreement for the first 12 months in the amount of HK\$3 million were received by the Company in 2023.

On the maturity date on 2 April 2024, the Borrower was required to fully repay the principal amount of the Loan together with the accrued interests, but the Group only received part of the accrued interests of HK\$2.0 million. The principal amount of the Loan and remaining interests were not settled on the maturity date.

When the Borrower had not made full settlement on the Loan, the Group sought legal advice and issued a demand letter (the "**Demand Letter**") to the Borrower and the Guarantor demanding full repayment of the principal amount of the Loan and the accrued interests within seven (7) business days from the date of the Demand Letter. Failing which, the Group will take appropriate legal action to recover the aforementioned sums. As the Borrower had made partial repayments after the maturity date of the Loan, the Group intends to continue its discussion with the Borrower and the Guarantor regarding the repayment of the Loan.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has taken different measures and has monitored the recoverability and collection of the Loan according to the Internal Control Procedures.

After the maturity date and up to the date of this report, the Borrower further settled approximately HK\$20.5 million. During the Year, an interest income of approximately HK\$1.6 million was recorded.

(2) The Second Loan Agreement

On 6 July 2023, the Group entered into the 2nd Loan Agreement (as defined above) with another independent third party in the principal amount of HK\$3 million at an interest rate of 10% per annum for a term of 24 months (the “**2nd Loan**”). Interests for the first 12 months shall be repaid in the first year and the principal amount together with interests for the next 12 months shall be repaid by 5 July 2025. On 28 June 2024, the interests for the first 12 months were received by the Company. During the Year, an interest income of approximately HK\$0.1 million was recorded. The borrower settled principal and interest before the due date.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group continues to manage its balance sheet carefully and maintains conservative policies in cash and financial management. As at 31 December 2025, the Group’s cash and bank balances (including bank deposits with original maturity over three months) amounted to approximately HK\$81.4 million (2024: approximately HK\$2.1 million), representing an increase of HK\$79.3 million as compared to that as at 31 December 2024. As at 31 December 2025, about 19.7% (2024: 54.9%), 78.6% (2024: 45.1%) and 1.7% (2024: Nil) of the cash and cash equivalents were denominated in United States dollars (“**USD**” or “**US\$**”), Hong Kong dollars (“**HKD**” or “**HK\$**”) and Australian dollar (“**AUD**” or “**AUS\$**”) respectively. The increase in cash and bank balances were mainly due to the placings taken place in the Year.

As at 31 December 2025, the Group’s current assets exceeded its current liabilities by HK\$90.7 million (2024: HK\$6.9 million). The Group had a capital surplus of HK\$177.4 million as at 31 December 2025 (2024: HK\$36.8 million).

The Group had no bank borrowings in 2025 (2024: Nil) and generally finances its operations with internal resources, placings and repayments of loans.

OUTLOOK

The “Policy Statement on Development of Virtual Assets in Hong Kong” released in October 2022, the Policy Statement 2.0 on the Development of Digital Asset in Hong Kong released in June 2025 and the enactment of the Stablecoins Ordinance (Chapter 656 of the Laws of Hong Kong) in Hong Kong have been bolstering market confidence in the Web3.0 and digital asset field along with global standards alignment. In view of the favourable environment for the sustainable development of the Web3.0 industry in Hong Kong, the Company is driven not only to continuously perform research on the technology of blockchain and the technological application of Web3.0 but also to devote more resources so as to promptly explore wider scope of different business models and technology frameworks in response to the constantly evolving technology environment with an aim to provide blockchain related application services.

MANAGEMENT DISCUSSION AND ANALYSIS

As Web3.0 industry is an emerging industry at its relatively early stage, the Company would strive to capitalize on the first mover opportunities and gain competitive edges within the industry. To construct an ecosystem of Web3.0 and blockchain industries would drive innovation and increase agility. Hence, the Company has been rapidly developing different products, including but not limited to Analysis Platform and Exchange and OTC Services, both of which could contribute the ecosystem and were able to provide revenue to the Company during the Year.

Big data centre serves as the infrastructure sector of the ecosystem of Web3.0 and blockchain industries. Therefore, 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. As big data centre is highly cost sensitive, the Company would focus on developing the USA Data Centre and cease the HK Data Centre due to its high operating cost. The Company may consider expanding big data centre(s) in the overseas markets if an appropriate target is found.

The Company would explore and engage in different ways to accelerate and expand Web3.0 digital infrastructure ecosystem, such as investment, incubation, joint ventures etc., subject to the prevailing market conditions, prospect of targets, synergy generated with our existing business and the availability of internal resources. During the Year, the Company invested in the South Pacific for exploring future possible business opportunities. In 2026, the Company would consider participating in corporation licensed by the Securities and Exchange Commission of Hong Kong for the provision of services including but not limited to securities trading, specialized corporate finance advice and asset management. Further, investment in Web3.0 and AI products, which are beneficial to generating synergy for the Group's existing business, would be actively pursued.

In addition to the three placings of new shares under General Mandate completed on 6 March 2025, 24 July 2025 and 11 November 2025, the Group may also seek additional fundraising for expansion depending on the prevailing product development and market opportunities.

Realizing the legal and compliance requirements being essential for the long term growth of Web3.0 and blockchain industries, the Company would achieve a balance of opportunities and risk management by adhering and following the rules and regulations in relation to the sectors of Web3.0 and blockchain.

The Company will constantly review 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 or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

CHARGES ON GROUP ASSETS

None of the Group's assets were pledged as at 31 December 2025 and 2024.

RISKS REVIEW

(i) Exposure to Fluctuations in Exchange Rates

As at 31 December 2025 and 2024, all assets and liabilities of the Group were denominated in USD, HKD and AUD. During the Year, the business activities of the Group were mainly denominated in HKD and USD. Since the impact of foreign exchange exposure has been insignificant, no hedging or other alternatives have been implemented.

MANAGEMENT DISCUSSION AND ANALYSIS

(ii) Risks Related to Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing (“AMLO”)

During the Year, the Group has implemented policies and procedures for AMLO and KYC for the client onboarding process as well as continuous monitoring and reporting. The Group is required to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hng Kong) and the Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong).

(iii) Risks Related to Web3.0 and Blockchain Business

The Group considers that such risks and uncertainties are largely related to fast moving of Web3.0 and blockchain business, relentless information technological development, fluctuation of asset prices, ever-evolving legal and compliance requirements, and the consistently progressing nature of the markets. In order to mitigate such risks, the Group has been building the Big Data Centre Services as the infrastructure business of Web3.0 for providing stable income and has been performing researches on different business models before developing and launching other Web3.0 products. The Group expands IT infrastructure and hiring additional management personnel or seeking outside consultants with an emphasis on relevant experience in Web3.0 development, investment and finance, legal and compliance, operations and technology development.

(iv) Risks Related to Pricing of Digital Assets

As the volatility and unpredictability of the price of crypto assets relative to fiat currencies could cause impact to the Group’s performance, the Group maintains conservative policies to hold crypto assets for Exchange and OTC Services and daily operation and business.

Exchange and OTC Services operates on a risk-neutral, principal-at-risk basis. The Group does not take directional views on the market. Every client trade must be immediately hedged.

For crypto assets for daily operation and business, stablecoins, which are fiat-backed cryptocurrencies, are the currencies to be used.

(v) Risks Related to Safekeeping of Digital Assets

The Group keeps digital assets in both “hot” (internet-connected) and “cold” (not internet-connected) wallets. “Hot” wallets may be more susceptible to cyber-attacks or potential theft. The Group has implemented internal controls, including but not limited to the implementation of two-factor authentication and segregation of duties.

INVESTMENT DECISIONS

The executive Directors are responsible for identifying and evaluating investment opportunities, executing investment decisions, monitoring and enhancing investments of the Group. Pursuant to the policy of the Group, any one of the executive Directors may approve investments or a series of investments with an amount below 5% of the market capitalization and/or total assets of the Group from time to time. Any proposed investment exceeding such threshold must be reviewed and approved by the Board.

MANAGEMENT DISCUSSION AND ANALYSIS

STAFF AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 45 employees (2024: 36). For the year ended 31 December 2025, total Directors' and chief executive's emoluments were approximately HK\$16.5 million (2024: HK2.7 million), including HK\$13.9 million non-cash share-based payments to the Directors in 2025 (2024: HK\$Nil). The Group continues to provide remuneration packages to employees that are in line with market practices and past performance. The Group also provides employees with other benefits such as mandatory provident fund, staff training programs and share option schemes.

CAPITAL COMMITMENT

As at 31 December 2025, the Group has commitments amounting to HK\$3,000,000 in respect of development costs for on-chain data analysis platform "Chainstream".

USE OF PROCEEDS FROM PLACINGS

On 6 March 2025, the Company completed the First Placing and raised net proceeds of approximately HK\$33,228,000 from the First Placing of 109,681,764 new shares. For details, please refer to the Company's announcements dated 21 February 2025, 28 February 2025, 6 March 2025, 14 July 2025 and 28 July 2025.

Up to 31 December 2025, the net proceeds from the First Placing were applied as followings:

| | Intended use of proceeds HK\$'000 | Reallocation of the unutilized proceeds HK\$'000 | Utilized as at 31 December 2025 HK\$'000 | Remaining proceeds as at 31 December 2025 HK\$'000 | Expected Timeline |
|--|--|--|--|---|----------------------|
| Development and new business opportunities relating to Web3.0 | 11,621 | 2,000 | (13,621) | – | n/a |
| Expansion and improvement of big data centre (note) | 3,553 | (3,553) | – | – | n/a |
| Research & development | 6,508 | – | (6,508) | – | n/a |
| General working capital | 11,546 | 1,553 | (13,099) | – | n/a |
| | 33,228 | – | (33,228) | – | |

Note: Since most of the materials and equipments required for the US Data Centre expansion and improvement would be imported from China, the tariff war would have significantly increased costs. Therefore, the funds originally planned for expansion of the US Data Centre were reallocated to develop Web3.0 Business and general working capital.

MANAGEMENT DISCUSSION AND ANALYSIS

As disclosed in the Company's announcements dated 14 July 2025 and 24 July 2025 on 24 July 2025, the Company completed the Second Placing and raised net proceeds of approximately HK\$54,445,000 from the placing of 27,372,000 new shares.

Up to 31 December 2025, the net proceeds from the Second Placing have been applying as followings:

| | Intended use of proceeds HK\$'000 | Utilized as at 31 December 2025 HK\$'000 | Remaining proceeds as at 31 December 2025 HK\$'000 | Expected Timeline |
|---|--|--|---|----------------------|
| Development business relating to Web3.0 | 19,000 | (19,000) | – | n/a |
| Investment in application and/or project development relating to stablecoins & other Web3.0 products | 11,000 | (9,824) | 1,176 | 28 Feb 2026 |
| Research & development | 6,250 | (6,218) | 32 | 31 Jan 2026 |
| General working capital | 18,195 | (13,651) | 4,544 | 28 Feb 2026 |
| | 54,445 | (48,693) | 5,752 | |

On 11 November 2025, the Company completed the Third Placing of 32,000,000 new shares and raised net proceeds of approximately HK\$99,200,000. For details, please refer to the Company's announcements dated 28 July 2025, 15 August 2025, 4 September 2025, 19 September 2025, 23 September 2025, 13 October 2025 and 31 October 2025.

Up to 31 December 2025, the net proceeds from the Third Placing have been applying as followings:

| | Intended use of proceeds HK\$'000 | Reserved funds for the liquidity of Exchange and OTC Services HK\$'000 | Utilized as at 31 December 2025 HK\$'000 | Remaining proceeds as at 31 December 2025 HK\$'000 | Expected Timeline |
|--|--|---|--|---|----------------------|
| Technical development and platform expansion of ChainStream | 49,600 | – | (32,167) | 17,433 | 30 Jun 2026 |
| Post-Acquisition integration support of Exchange OTC Services | 24,800 | (15,620) | (744) | 8,436 | 30 Jun 2026 |
| Research & development | 3,970 | – | – | 3,970 | 30 Jun 2026 |
| General working capital | 20,833 | – | – | 20,833 | 31 Aug 2026 |
| | 99,203 | (15,620) | (32,911) | 50,672 | |

IMPORTANT EVENTS AFTER THE FINANCIAL YEAR

Save as disclosed elsewhere in this report, there were no other significant events subsequent to 31 December 2025.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Mr. Li Hongbin

Chairman and Executive Director

Mr. Li, aged 58, was appointed as an executive director (“**Executive Director**”) of the Company on 19 August 2022. Mr. Li was subsequently appointed as the Chairman of the Board of the Company and the Chairman of the nomination committee (the “**Nomination Committee**”) of the Company on 9 September 2022. Mr. Li was appointed as a director of Manful Kingdom Limited (“**Manful Kingdom**”), the controlling shareholder of the Company, on 17 February 2023. He also serves as a director of certain subsidiaries of the Company. Mr. Li is currently a partner of 深圳賢林文化產業投資有限公司 (Shenzhen Xianlin Cultural Industry Investment Company Limited) which is a company principally engaged in investment activities in cultural industries. From 1998 to 2017, Mr. Li worked as a general manager in various industries including companies principally engaged in the business of building materials trading and water sports events organising and management. Mr. Li obtained a bachelor’s degree in library science from Sun Yat-Sen University (中山大學) in 1989.

Dr. Yuan Quan

Executive Director / Chief Executive Officer

Dr. Yuan, aged 45, was appointed as an Executive Director, the Chief Executive Officer, the Authorised Representative and Compliance Officer of the Company on 1 December 2025. He is responsible for the business operation of the Group. Dr. Yuan also serves as a director of certain subsidiaries of the Company. Prior to this, Dr. Yuan was employed as the director of the Research and Development of the Company. Dr. Yuan has also been the general manager at Wuhan Sannong Technology Co., Ltd.* (武漢鈔穰科技有限公司) since September 2020. Dr. Yuan has been working at The China University of Geosciences (Wuhan) (中國地質大學(武漢)) since December 2014 and has been serving as an associate professor since December 2016. Dr. Yuan obtained a Ph. D degree in Electrocircuit & Systems from Huazhong University of Science and Technology (華中科技大學) in June 2010. Dr. Yuan received a Master’s degree in Computer Application Technology from Chongqing University of Posts and Telecommunications (重慶郵電大學) in June 2006. Dr. Yuan received a Bachelor’s degree in Engineering from Nanjing University of Posts and Telecommunications (南京郵電大學) in July 2003.

Ms. Xiong Jiayan

Executive Director/Vice President of Business Development

Ms. Xiong, aged 41, was appointed as an Executive Director of the Company on 1 December 2022. She is also a member of the Nomination Committee of the Company. Ms. Xiong was subsequently appointed as the vice president of business development of the Company on 1 July 2023. In 2014, Ms. Xiong founded Shenzhen Mengdan Interactive Network Co., Ltd. (深圳市萌蛋互動網絡有限公司) (“**Shenzhen Mengdan**”), a company principally engaged in the development and operation of internet games. She currently serves as the chairman of the board of directors of Shenzhen Mengdan and responsible for its daily management and operation. From 2007 to 2010, Ms. Xiong served as a patent engineer in the legal department of Shenzhen Tencent Computer System Co., Ltd. (深圳市騰訊計算機系統有限公司) and from 2010 to 2014, she served in the product operation position of Tencent Technology (Shenzhen) Co., Ltd. (騰訊科技(深圳)有限公司). Ms. Xiong has over 15 years of experience in business development, operation and management. Ms. Xiong obtained a bachelor’s degree in information management and information systems from Central China Normal University (華中師範大學) in 2007.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Yao Xiaohao

Executive Officer/Vice President of Investment Department

Mr. Yao, aged 43, was appointed as an Executive Director on 1 December 2025 and he is also the vice president of the Investment Department of the Company. Mr. Yao is responsible for finance and risk management affair of the Group. Mr. Yao has also been the investment director of Guangdong Gaohe Jingyi Equity Investment Fund Management Co., Ltd.* (廣東高合京毅股權投資基金管理有限公司) since January 2020. Prior to joining the Group, Mr. Yao was the founder of and the chief executive officer of Hunan Xiangjiang Venture Capital Incubator Co., Ltd.* (湖南湘江創投孵化器有限公司) from February 2018 to January 2020. Mr. Yao served as an executive director at Hunan Shunwei Capital Management Co., Ltd. (湖南順為資本管理有限公司) from May 2015 to December 2017. Mr. Yao received a Bachelor's degree in Computer and Management Sciences from University of Warwick in July 2004.

Mr. Sun Yuqiang

Independent Non-executive Director

Mr. Sun, aged 58, was appointed as an independent non-executive Director of the Company on 9 September 2022. He is also the Chairman of the audit committee ("**Audit Committee**"), a member of each of the remuneration committee ("**Remuneration Committee**") and the Nomination Committee of the Company. Mr. Sun is currently a certified public accountant at 廣東數誠會計師事務所有限公司 (Guangdong Shucheng Certified Public Accountants Co., Ltd.). Mr. Sun worked at the commissioner's office of the National Audit Office of the People's Republic of China in Guangzhou. He has over 20 years of experience in auditing field. Mr. Sun is a Certified Public Accountant and a qualified lawyer in the People's Republic of China. Mr. Sun obtained a bachelor's degree in auditing from Sun Yat-Sen University (中山大學) in 1989.

Mr. Chu, Howard Ho Hwa

Independent Non-executive Director

Mr. Chu, aged 61, was appointed as an independent non-executive Director of the Company on 9 September 2022. He is also the Chairman of the Remuneration Committee, a member of each of the Audit Committee and the Nomination Committee of the Company.

Mr. Chu is currently a partner of Go Capital Limited who takes lead in the overseas investment projects of the fund and is responsible for, among others, the due-diligence and the processing of the legal documents of the projects. Mr. Chu had held various positions including but not limited to, the head of Hong Kong origination of ABN AMRO Asia Corporate Finance Ltd., the co-CEO and co-founder of Hong Kong MyRice.com, the corporate finance director of HSBC Markets (Asia) Limited, the consultant of Shanghai Century Acquisition Corporation, the chief executive officer of mReferral Corporation (HK) Limited, the assistant to chairman of United Energy Group Limited (whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 467), the chief financial officer of China Smart Electric Group Limited and the chief financial officer of Trony Solar Holdings Company Limited (whose shares are listed on the Main Board of The Stock Exchange, stock code: 2468; delisted). Mr. Chu has approximately 30 years of business experience and more than 10 years of experience in corporate governance. Mr. Chu obtained a bachelor's degree in electrical engineering from University of Rochester in the United States of America in 1986 and a master's degree in business administration from Columbia University in the United States of America in 1990.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chu is currently an independent non-executive director of BOE Varitronix Limited (whose shares are listed on the Main Board of The Stock Exchange, stock code: 710). Mr. Chu was an independent non-executive director of each of Guolian Minsheng Securities Company Limited (formerly known as Guolian Securities Co., Ltd.) (whose shares are listed on the Main Board of The Stock Exchange, stock code: 1456), Directel Holdings Limited (whose shares are listed on the GEM Board of The Stock Exchange, stock code: 8337), China Kingstone Mining Holdings Limited (whose shares are listed on the Main Board of The Stock Exchange, stock code: 1380) and Weichai Power Co., Ltd. (whose shares are listed on the Main Board of The Stock Exchange, stock code: 2338).

Mr. Tong, I Tony

Independent non-executive Director

Mr. Tong, aged 57, was appointed as an independent non-executive Director of the Company on 9 September 2022. He is also a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Tong is currently the co-chairman of Hong Kong Blockchain Association (HKBA). Mr. Tong has more than 20 years of experience in the information technology and internet industry and approximately 8 years of experience in corporate governance. Mr. Tong obtained a bachelor's degree in mechanical engineering from the University of Minnesota in the United States of America in 1992.

Currently, Mr. Tong is an adjunct professor at International Technological University in the United States of America. Mr. Tong served as an adjunct professor at The College of Science and Engineering (formerly known as the Institute of Technology) under the University of Minnesota in the United States of America in 1999. Mr. Tong was an independent non-executive director of each of China Investment and Finance Group Limited (whose shares are listed on the Main Board of The Stock Exchange, stock code: 1226) and Sinofortune Financial Holdings Limited (whose shares are listed on the GEM Board of The Stock Exchange, stock code: 8123).

SENIOR MANAGEMENT

Dr. Yuan Quan

Chief Executive Officer

(Please refer to the profile details in above section)

Ms. Xiong Jiayan

Vice President of Business Development

(Please refer to the profile details in above section)

Mr. Yao Xiaohao

Vice President of Investment Department

(Please refer to the profile details in above section)

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Wong Siu Pan

Vice President of Core Business

Mr. Wong, aged 57, joined the Group on 6 May 2024. Mr. Wong was appointed on 19 May 2025 as Chief Executive Officer of Your Choice Investment, Inc., an indirect wholly-owned subsidiary of the Company, and is currently managing the Big Data Centre Services of the Group. Mr. Wong has over 30 years of experience in Information Technology and Telecommunication industry, expertizing in product development, service planning and business operation. Mr. Wong obtained a bachelor's degree in computer engineering from Shenzhen University (深圳大學) in 1990 and a master's degree in engineering from the University of Auckland in New Zealand in 1998.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to safeguard the interest of the Company's shareholders (the "**Shareholders**") and achieved these by an effective board, segregation of duties with clear accountability, sound internal controls, appropriate risk assessment procedures and transparency to all the Shareholders. Throughout the year ended 31 December 2025 (the "**Year**"), the Company has applied and complied with all applicable code provisions in the Corporate Governance Code (the "**CG Code**") set out in part 2 of appendix C1 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

The Board will continue to review and monitor the corporate governance practices of the Company to ensure compliance with the CG Code and maintain high standard of corporate governance practices.

CORPORATE CULTURE AND STRATEGY

The Company acts as an investment holding company and the principal activities of its subsidiaries (together with the Company, the "**Group**") include (i) the big data centre services providing storage, electricity and related services, (ii) the Analysis Platform, (iii) the Exchange and OTC Services in Australia, and (iv) the Money Lending Business in Hong Kong. As a group with diversified businesses, by recognising the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable services, and to create values to the stakeholders through sustainable growth and continuous development.

The Board has set out the following values to provide guidance on employees' conduct and behaviours as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- (a) Innovation – we challenge assumptions, seek other perspectives and pursue innovative opportunities to transform our business.
- (b) Sustainability – we prioritise health, safety and environment, operating responsibly to manage risk and opportunity.
- (c) Integrity – we behave ethically and respect each other and the customs, cultures and laws wherever we operate.
- (d) Accountability – we own our decision, actions and performance, and are empowered to make choices and learn from our experiences.
- (e) Collaboration – we collaborate with colleagues and stakeholders towards a common purpose and to achieve exceptional outcomes.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

Composition of the Board

The composition of the Board reflects the necessary balance of skills and experience desirable for the effective leadership of the Company. The Board currently comprises seven members, of whom four are executive Directors and the remaining three are independent non-executive Directors.

The Board members during the Year and as at the date of this annual report are as follows:

Executive Directors

Mr. Li Hongbin (*Chairman*)
Dr. Yuan Quan (*Chief Executive Officer*) (appointed on 1 December 2025)
Ms. Xiong Jiayan
Mr. Yao Xiaohao (appointed on 1 December 2025)
Mr. Huang Yibin (resigned on 1 December 2025)

Independent Non-executive Directors

Mr. Sun Yuqiang
Mr. Chu, Howard Ho Hwa
Mr. Tong, I Tony

The biographical details of the current Directors are set out on pages 22 to 24 of this annual report. An updated list of the Directors and their roles and functions is available on the websites of the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

For the following directors appointed during the Year and up to the date of this report, namely Dr. Yuan Quan and Mr. Yao Xiaohao, both serving as executive Directors, have obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules from a law firm qualified to advise on Hong Kong law on 28 October 2025 and confirmed they understood their legal obligations as directors of a listed issuer under the GEM Listing Rules.

Board Independence

The Group has established mechanisms to ensure independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board. During the Year, the Board has reviewed the implementation and effectiveness of the following mechanisms at the Board meeting:

- (a) three out of the seven Directors are independent non-executive Directors, which exceeds the requirement of the GEM Listing Rules that at least one-third of the Board are independent non-executive directors.

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- (b) all independent non-executive Directors submitted a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the GEM Listing Rules.
- (c) all Directors are entitled to retain independent professional advisors as and when it is required.
- (d) all Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.
- (e) the Chairman of the Board met with the independent non-executive Directors at least annually without the presence of the executive Directors.
- (f) a Director (including independent non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (g) no equity-based remuneration with performance-related elements will be granted to the independent non-executive Directors.

Independent Non-executive Directors

Composition of the independent non-executive Directors reflects the necessary balance of skills and varied business experiences of different geographical regions and independence in their decision making for effective and constructive contribution to the Board for governance of the Company. During the Year, the Board at all times had three independent non-executive Directors (representing more than one-third of the Board) with at least one of them possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to the independence guidelines set out in the GEM Listing Rules. The Nomination Committee and the Board, based on such confirmations consider that all independent non-executive Directors are independent.

Independent non-executive Directors are identified in all corporate communications containing the names of the Directors.

To the best knowledge of the Directors, there is no financial, business, family or other material/relevant relationships among the Directors. All of them are free to exercise their independent judgment. Every Director has sufficient time and attention to deal with the affairs of the Group. The Board considers the composition of executive Directors and independent non-executive Directors rational and appropriate and provides adequate checks and balances to safeguard the interests of Shareholders and the Group.

CORPORATE GOVERNANCE REPORT

Roles and Responsibilities of the Board

The Company is headed by the Board which is responsible for the leadership, control and promotion of success of the Group in the best interests of the Group and the Shareholders as a whole while taking into account the interests of other stakeholders by directing and supervising its affairs and by formulating strategic directions, business plans and monitoring the operational and financial performance of the Group. The functions performed by the Board also include but are not limited to deciding all significant financial and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the articles of association (the "**Articles**").

The Board also reviews the compensation policies, succession planning, internal control system and risk management system regularly through various committees established under the Board.

The Company has developed a schedule of matters reserved to the Board for decisions. The Board will review those arrangements on a regular basis to ensure that the arrangements meet the needs of the Company.

All Directors, including executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Chairman and Chief Executive Officer

The Chairman of the Board and the Chief Executive Officer of the Company positions are currently held by executive Directors, Mr. Li Hongbin and Dr. Yuan Quan, respectively.

The roles of Chairman and Chief Executive Officer are separate and held by different persons to ensure their independence, accountability and responsibility. The division of the responsibilities between the Chairman and the Chief Executive Officer has been established and set out clearly in writing. The Chairman is responsible for setting the Group's strategy and business directions, overseeing the functioning of the Board and ensuring that the Board is functioning properly and that good corporate governance practices are established. The Chief Executive Officer supported by the management, and is responsible for managing the Group's business, including implementation of major strategies, making day-to-day decisions and managing business operations.

Appointments and Re-election of Directors

Each of the Directors is engaged on a service contract (for executive Directors) or letter of appointment (for independent non-executive Directors) with the Company, which sets out the key terms of their appointment. Each of the Directors was appointed for an initial term of one year from the date of appointment, which shall be automatically renewed and extended for a consecutive term of another year, unless terminated by either the Company or each of the Directors by giving not less than one month's written notice or payment by the Company in lieu of notice in accordance with the terms of the service contract or letter of appointment.

In accordance with Article 86(3) of the Articles, any Directors who are appointed by the Board either to fill a casual vacancy on the Board or, as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election at that meeting. This year, in accordance with Article 86(3), Dr. Yuan Quan and Mr. Yao Xiaohao, being the new executive Directors as of 1 December 2025 who were appointed by the Board, shall hold office only until the forthcoming annual general meeting of the Company (the "**AGM**"), and being eligible, offer themselves for re-election at the AGM.

CORPORATE GOVERNANCE REPORT

In accordance with Article 87(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. This Year, Ms. Xiong Jiayan and Mr. Chu, Howard Ho Hwa, will retire from office by rotation at the AGM. In order to focus more on his other work commitments, Mr. Chu does not offer himself for re-election and therefore will retire at the AGM. Mr. Chu has confirmed that he has no disagreement with the board of Directors and there are no other matters in respect of his retirement that need to be brought to the attention of the shareholders. After retirement, Mr. Chu will cease as a chairman of the Remuneration Committee, and each of a member of the Nomination Committee and the Audit Committee of the Company. The Board of Directors would like to thank Mr. Chu for his valuable contribution to the Company during his tenure of Director's office. All the retiring Directors, except Mr. Chu, are eligible and offer themselves for re-election at the AGM.

The Board and the Nomination Committee recommend their re-appointments. The biographies of the retiring Directors proposed to be re-elected at the AGM are set out in the circular sent with this annual report to provide information to Shareholders to decide on their re-elections.

Board Diversity Policy

The Board has adopted its board diversity policy setting out the approach to achieve diversity on the Board. A summary of board diversity policy, together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives are disclosed as below:

Summary of Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The board diversity policy aims to set out the approach to achieve diversity on the Board. In designing the Board's composition, board diversity has been considered from a number of measurable aspects, including but not limited to diversity of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

The Nomination Committee considers that the ability to achieve the Company's corporate strategy should serve as a measurable objective for determining the desired level of board diversity. Selection of candidates will be based on a range of diversity perspectives, including but not limited to diversity of gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Company targets to have at least one of the independent non-executive directors being required to possess appropriate professional qualifications or accounting or related financial management expertise.

Implementation and Monitoring

The Nomination Committee reviews the board's composition under diversified perspectives and monitors the implementation of the board diversity policy annually.

CORPORATE GOVERNANCE REPORT

Gender Diversity

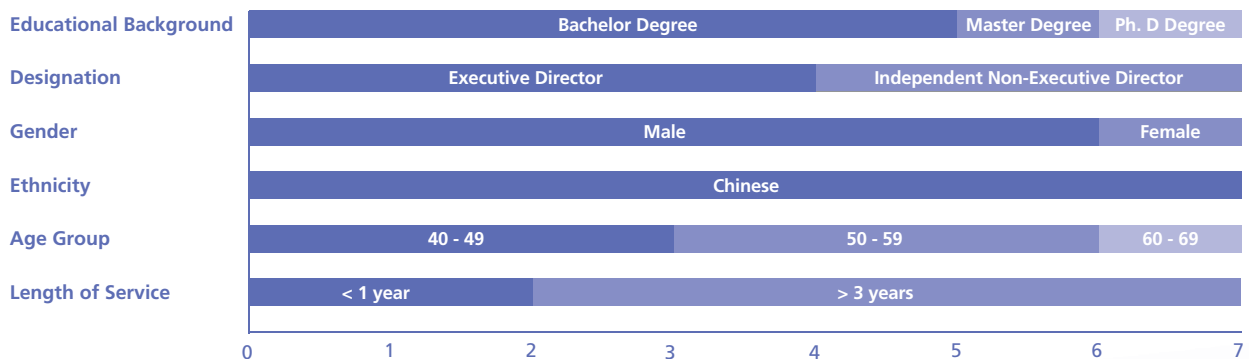
The Board recognises the importance and benefits of gender diversity at the Board level and shall continue to take initiatives to identify female candidate(s) to enhance the gender diversity among the Board members. To create a pipeline of potential successors of different genders to the Board, the Company will (i) ensure that there is emphasis on gender diversity in staff recruitment at all levels and (ii) provide equitable training resources for employees of different genders to promote them into senior management or Board positions. This commitment ensures the identification of qualified candidates of various genders from both internal and external sources in order to achieve diversity within the Company.

The Nomination Committee conducts regular assessments of the gender diversity profile, including the gender balance at the Board level and progress towards achieving gender diversity targets.

As at the date of this report, the Board comprised seven Directors, one of which is female. The Company targets to avoid a single gender in the Board and will timely review the gender diversity of the Board in accordance with the business development of the Group. The Company believes the balance of gender in the Board would bring more inspiration to the Board and enhance the business development of the Group, thus gender diversity is the essential factor for the Company to select suitable candidate as a Director.

As at the date of this report, approximately 16.7% of the Company's senior workforce (including the Directors and senior management) and approximately 37.8% of our total workforce were female. Same as the gender diversity of the Board, the Company targets to avoid a single gender senior workforce and will timely review the gender diversity of the senior workforce in accordance with the business development of the Group.

As at the date of this report, the Board's composition under diversified perspectives was summarised as follows:



The Board has reviewed the implementation and effectiveness of the board diversity policy of the Company during the Year and considered it to be effective. The Board is also satisfied with the gender ratio of the Company's workforce during the Year.

CORPORATE GOVERNANCE REPORT

Nomination Policy

The Board adopted a nomination policy to identify and evaluate a candidate for nomination to the Board for appointment or to the Shareholders for election as a Director.

Selection Criteria

The Nomination Committee shall consider, among others, the following criteria in evaluating and selecting candidates for directorships:

- (a) diversity in all its aspects, including but not limited to skills, knowledge, gender, age, ethnicity, cultural and educational background, professional experience and other personal qualities of the candidate;
- (b) ability to exercise sound business judgment and possess proven achievement and experience in directorship including effective oversight of and guidance to management;
- (c) commitment of the candidate to devote sufficient time for the proper discharge of the duties of a Director. In this regard, the number and nature of offices held by the candidate in public companies or organisations, and other executive appointments or significant commitments will be considered;
- (d) potential/actual conflicts of interest that may arise if the candidate is selected;
- (e) independence of the independent non-executive director candidates must satisfy the independence requirements under the GEM Listing Rules; and
- (f) in the case of a proposed re-appointment of an independent non-executive director, the number of years he/she has already served.

Nomination Process

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- (a) by giving due consideration to the current composition and size of the Board, develop a list of desirable skills, perspectives and experience at the outset to focus the search effort;
- (b) to consult any source it deems appropriate in identifying or selecting suitable candidates, such as referrals from existing Directors, advertising, recommendations from an independent agency firm and proposals from shareholders of the Company with due consideration given to the criteria;
- (c) to adopt any process it deems appropriate in evaluating the suitability of the candidates, such as interviews, background checks, presentations and third-party reference checks;
- (d) upon considering a candidate suitable for the directorship, the Nomination Committee will hold a meeting and/or by way of written resolutions to, if thought fit, approve the recommendation to the Board for appointment;
- (e) to make the recommendation to the Board in relation to the proposed appointment and the proposed remuneration package; and

CORPORATE GOVERNANCE REPORT

(f) the Board will have the final authority on determining the selection of nominees.

The Board will from time to time review the nomination policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practice.

Securities Dealings by Directors and Employees

The Company has adopted its own code for dealing in the Company's securities by Directors and employees who are likely to be in possession of inside information in relation to the securities of the Company (the "**Code of Securities Dealings**") on terms no less exacting than the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has received confirmation from all Directors that they have complied with the required standards set out in the Code of Securities Dealings throughout the Year.

During the Year, letters were sent to the Directors before the commencement of the "black-out periods" in preparation for the annual and interim results announcements to remind them that they should not deal in the securities of the Company during such periods.

Directors' Induction and Continuing Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations, businesses, policy and procedures as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the GEM Listing Rules and other relevant regulatory requirements. The company secretary of the Company (the "**Company Secretary**") from time to time provides the Directors with updates on latest development and changes in the GEM Listing Rules and other relevant legal and regulatory requirements.

The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skill. From time to time, Directors are provided with seminar and written training materials on the latest development of applicable laws, rules and regulations to assist them in discharging their duties. During the Year, all Directors have provided their records of training they received to the Company for record and a summary of which is set out in page 37 of this annual report.

Board Meetings

The Board met six times during the Year, and if necessary, had also transacted its business by way of written resolutions. In addition, the chairman of the Board met with the independent non-executive Directors once without the presence of the executive Directors during the Year.

The Board meets regularly over the Company's affairs and operations. At the Board meetings, the Directors considered and approved the financial results and budget, discussed the overall strategy, the operation and financial performance, approved material transactions and the grant of share options of the Group. The Directors either participated in the Board meetings in person, by phone or through other means of electronic communication in accordance with the Company's Articles. For regular Board meeting, a notice of the meeting is sent to all Directors at least 14 days before the intended date of meeting and an agenda and accompanying Board papers of the meeting are provided to all Directors at least three days in advance of every regular Board meeting. With the full support of the management of the Company, such Board papers and materials are provided in a timely manner and in a form and quality sufficient with appropriate explanation to enable the Board to prepare for the meetings, to include matters in the agenda for the meetings and keep the Directors apprised of the latest developments and financial position of the Group to make informed decisions on matters placed before it.

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Every Director is entitled to have access to the advice and services of the Company Secretary with a view to ensure that the Board procedures, and all applicable rules and regulations are followed. Directors are also entitled to seek independent professional advice in performing their duties at the Company's expense, where necessary.

Minutes of the Board meetings and the Board Committee meetings record the matters discussed and decisions resolved at the meetings. The minutes would be sent to all Directors within reasonable time after each meeting. The Company Secretary keeps full records of the meetings in accordance with applicable laws and regulations.

The Articles contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest. According to current Board practices, any material transaction, which involves a conflict of interest for a substantial Shareholder or a Director, will be considered and dealt with by the Board at a duly convened Board meeting.

The Company has arranged appropriate directors' and officers' liabilities insurance cover in respect of potential legal actions against its Directors and officers of the Company. The coverage and the amount insured are reviewed annually by the Company. During the Year, no claims under the insurance policy were made.

DELEGATION BY THE BOARD

Management Functions

The overall management and control of the Company's business are vested in its Board, which assumes responsibility for its leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs.

The management, under the leadership of the Chief Executive Officer, is responsible for the day-to-day management of the Group's long-term objectives, plans for achieving these objectives, businesses and the implementation of the strategies as well as overall policies and guidelines as determined by the Board.

Where the Board delegates aspects of its management and administrative functions to the management, it gives clear directions as to the powers of management and periodically reviews the delegations to the management to ensure that they are appropriate and continue to be beneficial to the Group as a whole.

Board Committees and Corporate Governance Functions

The Board has established three Board Committees to oversee various aspects of the Group's affairs: the Audit Committee, the Nomination Committee and the Remuneration Committee. The Board Committees are governed by their respective terms of reference which clearly defined their authorities and duties and are provided with sufficient resources to discharge their duties. The chairmen of the Board Committees report regularly to the Board their work, findings and recommendations. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee are available on the websites of the Company and the Stock Exchange. Details of the chairmen and members of the committees are set out on page 2 of this annual report.

Each committee is provided with sufficient resources to perform its duties. It may seek independent professional advice at the Company's expense, where necessary.

CORPORATE GOVERNANCE REPORT

(1) *Audit Committee*

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Sun Yuqiang, Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony and is chaired by Mr. Sun Yuqiang who has substantial accounting and related financial management expertise. The Audit Committee is responsible for (i) monitoring and reviewing the effectiveness of the Group's financial reporting system and, risk management and internal control systems; (ii) reviewing the Group's financial information; and (iii) overseeing the relationship with the auditors of the Company.

During the Year, the Audit Committee held two meetings and performed the following major tasks:

- Reviewed the 2024 annual report and the annual results announcement, and the 2025 interim report and the interim results announcement;
- Reviewed the approach and methodology applied with respect to the key audit matters included in the year end auditor's report;
- Reviewed and approved the external auditors' audit services and non-audit services fees for 2025;
- Reviewed the effectiveness of the Group's internal audit functions;
- Reviewed the Group's risk register and discussed the enhancement procedures;
- Recommended to the Board on the re-appointment of the external auditor of the Company at the 2025 AGM;
- Reviewed the adequacy and effectiveness of the risk management and internal control systems;
- Reviewed the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions; and
- Reviewed and approved the internal audit plans.

None of the members of the Audit Committee is a former or existing partner of the Company's existing auditor. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditors.

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(2) *Remuneration Committee*

The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Chu, Howard Ho Hwa, Mr. Sun Yuqiang and Mr. Tong, I Tony, and is chaired by Mr. Chu, Howard Ho Hwa. A majority of the members of the Remuneration Committee consists of independent non-executive Directors. The Remuneration Committee is responsible for (i) reviewing the remuneration packages of the executive Directors and senior management; (ii) making recommendations to the Board on the Directors' fee structure; (iii) reviewing and approving compensation-related issues; and (iv) reviewing and/or approving the matters relating to share option scheme under the GEM Listing Rules.

During the Year, the Remuneration Committee held three meetings and performed the following major tasks:

- Reviewed the remuneration packages of the Directors and senior management;
- Reviewed the discretionary bonus proposals;
- Recommended the remuneration packages of two new executive Directors and the new chief executive officer of the Company;
- Reviewed and recommended the adjustment of the remuneration packages of the Chairman of the Company; and
- Reviewed and approved matters relating to share option scheme under the GEM Listing Rules including the grant of shares options.

Details of remuneration of the Directors, chief executive are set out in note 10 to the consolidated financial statements.

(3) *Nomination Committee*

The Nomination Committee currently comprises two executive Directors, namely Mr. Li Hongbin and Ms. Xiong Jiayan, and three independent non-executive Directors, namely Mr. Chu, Howard Ho Hwa, Mr. Sun Yuqiang and Mr. Tong, I Tony, and is chaired by Mr. Li Hongbin. The Nomination Committee is responsible for (i) reviewing the structure, size and composition of the Board; (ii) assessing the suitability and qualification of any proposed director candidate; (iii) assessing the independence of the independent non-executive Directors; (iv) making recommendation to the Board on the appointment or re-appointment of Directors; and (v) monitoring and reviewing the implementation of the Board Diversity Policy.

During the Year, the Nomination Committee held two meetings and by written resolutions to perform the following major tasks:

- Reviewed the structure, size, composition and diversity of the Board;
- Assessed and reviewed the independence of independent non-executive Directors;
- Recommended to the Board on the re-election of retiring Directors at the annual general meeting;
- Reviewed the implementation and effectiveness of the Board Diversity Policy and the measurable objectives for implementing the Board Diversity Policy;
- Reviewed the amendments to its terms of reference;
- Recommended to the Board on the appointment of one Director of a different gender to the Nomination Committee;

CORPORATE GOVERNANCE REPORT

- Reviewed the disclosure of Board Diversity in the Corporate Governance Report; and
- Recommended the appointment of two new executive Directors, the new chief executive officer, authorised representative and compliance officer of the Company.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties set out in the CG Code which include (i) developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices in compliance with the legal and regulatory requirements; and (iv) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (v) reviewing the Company's compliance with the code provisions in the CG Code as set out in the GEM Listing Rules and disclosure in the corporate governance report in the annual report of the Company.

2025 BOARD AND COMMITTEE ATTENDANCE AND TRAINING RECORDS

The attendance of the Directors at the annual general meeting, Board meetings, and Board Committee meetings of the Company and training records for the Year are as follows:

| Directors | Meetings attended/eligible to attend during the Year ^(Note 1) | | | | | Type of Training |
|--|--|-----------------|----------------------|------------------------|------------------------|------------------|
| | Board | Audit Committee | Nomination Committee | Remuneration Committee | Annual General Meeting | |
| Executive Directors | | | | | | |
| Mr. Li Hongbin | 6/6 | | 1/2 | | 1/1 | (A) |
| Dr. Yuan Quan (appointed with effect from 1 December 2025) | 0/0 | | | | | (A) |
| Ms. Xiong Jiayan (note 2) | 6/6 | | 1/1 | | 1/1 | (A) |
| Mr. Yao Xiaohao (appointed with effect from 1 December 2025) | 0/0 | | | | | (A) |
| Mr. Huang Yibin (resigned with effect from 1 December 2025) | 6/6 | | | | 1/1 | (A) |
| Independent Non-executive Directors | | | | | | |
| Mr. Sun Yuqiang | 6/6 | 2/2 | 2/2 | 3/3 | 1/1 | (A) |
| Mr. Chu, Howard Ho Hwa | 6/6 | 2/2 | 2/2 | 3/3 | 1/1 | (A) |
| Mr. Tong, I Tony | 6/6 | 2/2 | 2/2 | 3/3 | 1/1 | (A) |
| Number of meetings held in 2025 | 6 | 2 | 2 | 3 | 1 | |

Notes:

- Directors may attend meetings in person, by phone or through other means of electronic communication in according with the Company's Articles.
 - Ms. Xiong Jiayan, an existing executive Director of the Company, was appointed as a member of Nomination Committee with effect from 30 June 2025.
- (A) Attending seminar/webinar or perusal of materials in relation to business or Directors' duties, regulatory/corporate governance, sustainability, anti-bribery and corruption.

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WORKFORCE DIVERSITY POLICY

The Group values the diversity of its employees and is committed to establishing a diverse and inclusive workplace. The Workforce Diversity Policy of the Group sets out its commitment to creating and maintaining a diversified, inclusive and supportive working environment for its employees, such that individual differences are respected and employees are treated with dignity, as well as its commitment to fostering gender empowerment, gender equality and gender diversity across its workforce, and providing equal opportunities in relation to recruitment, training and development, compensation, and career and promotion opportunities. The Group also from time to time provides training to its employees on diversity and inclusion-related topics. The Board reviews the Group's Workforce Diversity Policy regularly.

WHISTLEBLOWING POLICY

The Board has adopted its whistleblowing policy. The purpose of the whistleblowing policy is to (i) foster a culture of compliance, ethical behaviour and good corporate governance across the Group; and (ii) promote the importance of ethical behaviour and encourages the reporting of misconduct, unlawful and unethical behavior.

The nature, status and the results of the complaints received under the whistleblowing policy are reported to the chairman of the Audit Committee. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the Year has been discovered. The whistleblowing policy and mechanism is reviewed annually by the Audit Committee to improve its effectiveness.

CODE OF CONDUCT ON ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Company has adopted its code of conduct on anti-fraud and anti-corruption policy. The Group is committed to achieving the highest standards of integrity and ethical behaviour in conducting business. The code of conduct on anti-fraud and anti-corruption policy forms an integral part of the Group's corporate governance framework. The code of conduct on anti-fraud and anti-corruption policy sets out the specific behavioural guidelines that the Group's personnel and business partners must follow to combat corruption. It demonstrates the Group's commitment to the practice of ethical business conduct and the compliance of the anti-corruption laws and regulations that apply to its local and foreign operations. In line with this commitment and to ensure transparency in the Group's practices, the code of conduct on anti-fraud and anti-corruption policy has been prepared as a guide to all Group employees and third parties dealing with the Group.

The code of conduct on anti-fraud and anti-corruption policy and mechanism is reviewed and updated periodically to ensure its effectiveness and enforce the commitment of the Group to prevent all forms of fraud and corruption.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensive, assessment of the Group's performance, position and prospects in all corporate communications. The management provides the Board with monthly updates, with a view to giving it a balanced and understandable assessment of the Group's performance, financial position and prospects to enable the Board as a whole and each Director to discharge their duties.

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The Directors acknowledge that they are responsible for overseeing the preparation of the Group's consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group for that year. In preparing the consolidated financial statements for the Year, the Board has selected suitable accounting policies and applied them consistently; make judgements and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The statement by the independent auditor about its reporting and auditing responsibilities for the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 82 to 87 of this annual report.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Risk Management and Internal Control

Responsibility

The Group upholds the highest standards of integrity and credibility across all levels of its organisation.

The Board acknowledges its responsibility for establishing and maintaining sound systems of internal control and risk management on an ongoing basis to safeguard the shareholders' investment and the Group's assets. The controls built into the risk management system are intended to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

To fulfill this responsibility, the executive Directors are assigned to oversee the implementation of the Group's internal controls and risk management policy and to monitor the business and operations of business units of the Group. The Board also assigned the Audit Committee to review and supervise the financial reporting process and oversee the risk management and internal control systems of the Group.

The Board has, through the Audit Committee, conducted review of the effectiveness of the risk management and internal control systems of the Group for the Year with the assistance of an external independent consultant.

Risk Management and Internal Control

Risk management

The risk management policy provides a risk assessment framework to identify and evaluate the material business risk, operational risk, financial risk and compliance risk. The Group is committed to the identification, evaluating, and management of risks associated with its business activities through ongoing assessment of a risk register, by considering the likelihood and impact of each identified risk. For any newly identified significant risks, the Group will evaluate its financial or operational impacts to the Group and adopt mitigation measures to manage such risks. A risk assessment report has been reported to the Audit Committee and reviewed by the Board, which facilitates the Board in considering the changes in the nature and extent of significant risks, the Group's ability to respond to changes in its business and the external environment, as well as management's ongoing monitoring of risks.

CORPORATE GOVERNANCE REPORT

Internal Control

The Group's internal control system is designed to safeguard assets against misappropriation and unauthorised disposition and to manage operational risks. Review of the Group's internal controls covers major financial, operational and compliance controls. An internal control review report including the examination results of the review works covering areas such as corporate governance, finance, operations and compliance, with recommendations on the control weaknesses of the Group was duly reported to the Audit Committee and the Board for their assessment of the internal control effectiveness of the Group. For any identified control weaknesses, appropriate actions will be taken in a timely manner. All remedial actions will be regularly followed up when necessary to ensure the material control weaknesses have been duly addressed.

The Board considers that the risk management and internal control systems are effective and adequate and that the Group has complied with the code provisions relating to risk management and internal control of the CG Code.

INTERNAL AUDIT FUNCTION

The Company does not have an internal audit department. After reviewing the Group's size, nature, and complexity, the Board determined that engaging independent external professionals is a more efficient and cost-effective approach than diverting resources to establish a separate internal audit department. The external independent professionals will be able to carry out objective reviews of the Group's risk management and internal control systems to ensure their adequacy and effectiveness.

Nevertheless, the Board will continue to review the need for an internal audit department at least annually.

Procedures and Internal Controls for the Handling and Dissemination of Inside Information

The Group complies with requirements of the Securities and Futures Ordinance ("SFO") and the GEM Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensuring that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts. In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group has also adopted and implemented a policy and procedure for handling and dissemination of inside information. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent breaches of disclosure requirements in relation to the Group, which include:

- Restricting the access to information to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality;
- Putting confidentiality agreements in place when the Group enters into significant negotiations; and
- Appointment of executive Directors as the designated persons to speak on behalf of the Company when communicating with external parties, such as the media, analysts or investors.

CORPORATE GOVERNANCE REPORT

The Board is responsible for the risk management and internal control system of the Group and ensuring that a review of the system's effectiveness is conducted annually. Several areas have been considered during the Board's reviews, which include but are not limited to: (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; and (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control system.

Audit Committee Supervision

The Audit Committee holds the necessary meetings with the Company's financial controller, an external independent consultant and the independent auditor to review the financial statements and auditor's reports on financial, internal control and risk management matters. The Audit Committee reports to the Board on significant internal control and risk management matters, suspected frauds or irregularities, and alleged infringement of laws, rules and regulations, which come to their attention.

The Board, through the Audit Committee and the reviews conducted by the external adviser, has conducted a review of the effectiveness of the Group's risk management and internal control systems for the Year covering all material financial, operational and compliance controls and risk management functions, and considers that the systems are adequate and effective. The Board, through the Audit Committee, has also reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and final reporting functions and considers that they are adequate.

Independent Auditor's Remuneration

The Audit Committee is mandated to review and monitor the independence of the auditor to ensure objectivity and the effectiveness of the audit process of the financial statements in accordance with applicable standards. Members of the Audit Committee were of the view that the Company's independent auditor, Moore CPA Limited, is independent and has recommended the Board to re-appoint it as the Company's auditor at the 2026 AGM. The statement about its reporting responsibilities for the Company's financial statements is set out in the section headed "Independent Auditor's Report" on pages 82 to 87. The remuneration in respect of audit and non-audit services provided to the Group by the Company's auditors, Moore CPA Limited and its affiliate companies for the Year was as follows:

| Category of Services | Fees Paid/ Payable HK\$'000 |
|--------------------------------------|--|
| Audit services | 1,158 |
| Non-audit services ^(Note) | 473 |
| Total | 1,631 |

Note: The non-audit services mainly consist of interim review, tax advisory, environmental, social and governance report, review and other reporting services

Compliance Officer

Mr. Huang Yibin, a former executive Director, was resigned as the compliance officer of the Company with effect from 1 December 2025. On the same date, Dr. Yuan Quan, an executive Director, was appointed as the compliance officer of the Company. Please refer to Dr. Yuan's biographical details as set out in the "Biographical Details of Directors and Senior Management" in this annual report.

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS' RIGHTS

Procedures for Shareholders to Convene an Extraordinary General Meeting

Under Article 58 of the Articles, any one or more shareholders holding not less than one-tenth of the paid up capital of the Company and carrying the right of voting at the general meeting of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition.

Such a requisition, specifying the shareholding information of the shareholder who made the requisition, must be signed by the shareholder and deposited at the registered office of the Company or the Company's principal place of business in Hong Kong, the details of which are provided in the "Corporate Information" section of this annual report.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) may convene the extraordinary general meeting in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures for Putting Forward Proposal at General Meetings

Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at general meetings. The proposals shall be sent to the Company Secretary by a written requisition with his/her/its detailed contact information to the Company's head office and principal place of business in Hong Kong (details of which are set out in the section headed "Corporate Information" of this annual report). Shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in "Procedures for Shareholders to Convene an Extraordinary General Meeting" above.

Right to Put Enquiries to the Board

Shareholders may send their enquiries and concerns to the Board in writing through the Company Secretary by email to info@cryptoflowhk.com or by mail to Unit 1905, 19th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

Procedures for Proposing a Person for Election as a Director

Under Article 88 of the Articles, shareholders are entitled to elect a person to be a Director at a general meeting. The procedures for proposing a person for election as a Director are available on the Company's website at www.cryptoflowhk.com.

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS

Dividend Policy

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders to participate in the Company's profit and for the Company to retain adequate reserves for future growth.

The Company has adopted its dividend policy. In determining the dividend amount, the Board will take into account a number of factors such as the Group's current and future operations, strategic and business plans, capital expenditure and future development requirements, retained earnings and distributable reserve, working capital requirements, liquidity position, financial results, general financial condition as well as the economic outlook. No predetermined dividend payout ratio is set in the dividend policy. The declaration of dividends shall be determined at the decision of the Board and shall be subject to any restriction under the Companies Act (Cap. 22) of the Cayman Islands and the Articles.

Annual General Meeting

The Company considers the AGM an important event, as it provides an opportunity for the Board to communicate with the shareholders. The Company supports the CG Code's principle to encourage shareholders' participation. Questioning by shareholders at the Company's AGM is encouraged and welcomed.

The Chairman of the Board, all other members of the Board including independent non-executive Directors, the chairmen of all Board committees (or their delegates) and the Company's auditors attended the 2025 AGM and were on hand to answer their enquiries.

Shareholders' Communication Policy

The Company believes that effective communication with the shareholders and stakeholders is essential for enhancing investor relations and investors' understanding of the Group's business, performance and strategies. The Company aims to, via its corporate governance structure, enable all its shareholders an equal opportunity to exercise their rights in an informed manner and allow all shareholders to engage actively with the Company. The Company has adopted the shareholder's communication policy with the objective of ensuring that the shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company.

The Company has established a number of channels for maintaining an on-going dialogue with its shareholders as follows:

- (a) corporate communications such as annual reports, interim reports and circulars are issued in printed form and are available on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.cryptoflowhk.com;
- (b) periodic announcements are made through the Stock Exchange and published on the respective websites of the Stock Exchange and the Company;
- (c) corporate information is made available on the Company's website;

CORPORATE GOVERNANCE REPORT

- (d) annual and extraordinary general meetings provide a forum for the shareholders to make comments and exchange views with the Directors and senior management; and
- (e) the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, serves the shareholders in respect of share registration, dividend payment, change of shareholders' particulars and related matters.

Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the shareholders' communication policy has been properly in place during the Year and is effective.

The Company continues to promoting investor relations and enhancing communication with the existing shareholders and potential investors. The Company welcomes suggestions from investors, stakeholders and the public. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong.

COMPANY SECRETARY

Ms. Chow Chiu Man, Mandy resigned as the Company Secretary with effect from 23 April 2025. On the same date, Ms. Li Yuen Shan, a full-time employee of the Company, was appointed as the Company Secretary. The Company Secretary supports the Board and Board Committees by ensuring good information flow within the Board, and that the Board's policy and procedures and all applicable rules and regulations are followed. The Company Secretary reports to the Board and assists the Board in functioning effectively and efficiently. The Company Secretary also advises the Board on corporate governance matters and facilitating the induction and continuous professional development of Directors. During the Year, the Company Secretary undertook not less than 15 hours of relevant professional training to update her skills and knowledge in compliance with Rule 5.15 of the GEM Listing Rules.

CONSTITUTIONAL DOCUMENTS

During the Year, there has been no change in the memorandum of association and the articles of association of the Company. The latest version of the Company's memorandum of association and the articles of association are available on the websites of the Stock Exchange and the Company.

REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The activities of its principal subsidiaries, associates and joint venture are set out in notes 20, 21 and 22 respectively to the consolidated financial statements.

An analysis of the Group's performance for the Year by operating segments is set out in note 7 to the consolidated financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including a fair review of the Group's business, an indication of likely future development in the Group's business as well as particulars of important events affecting the Group that have occurred since the end of the Year can be found in the "Chairman's Statement" and the "Management Discussion and Analysis" set out on pages 4 to 5 and pages 6 to 21 respectively of this annual report. An analysis of the Group's performance during the Year using financial key performance indicators is set out in the Group's "Five-year Financial Summary" on page 172 of this annual report. A description of the principal risks and uncertainties facing the Group, discussions on the Group's environmental policies and performance, the compliance with the relevant laws and regulations that have a significant impact on the Group and the account of the Group's key relationships with its employees, suppliers and customers are set out in the sections headed "Key Risks and Uncertainties", "Environmental Policies and Performance", "Compliance with the Relevant Laws and Regulations" and "Relationships with Employees, Customers and Suppliers" on pages 45 to 48 of this annual report. The above discussions form part of the business review as contained in this report of the Directors.

KEY RISKS AND UNCERTAINTIES

Risk relating to legal and regulatory compliance

As the Web3.0 and blockchain business as well as the technology and big data industries continue to evolve, regulatory authorities in numerous jurisdictions have been attempting to keep up with these evolutions and developing more comprehensive and rigorous industry regulations. As the Group is currently operating in Hong Kong, the USA and Australia and expanding its businesses into other overseas markets, it is required to comply with new applicable laws and regulations in different jurisdictions that are specifically relevant to the Group's businesses, such as laws relating to cryptocurrencies, data protection, internet information security and those that relate to environmental, social and governance matters. The Group may be involved in legal and other proceedings from time to time, and as a result may face negative impact to its reputation or be exposed to legal liability.

Risk relating to the price fluctuation of the cryptocurrencies

The Group's revenue from the big data centre services in the USA fluctuates with the price movement of the cryptocurrencies. The decrease in the cryptocurrencies may lead to significant drop in revenues. The market volatility will create uncertainty and instability to the Group's revenue and may adversely impact the Group's business and operation results.

REPORT OF THE DIRECTORS

The Group also holds crypto assets and amounts due to customers, including stablecoins (mainly USDT), which have higher asset-backed fair value with limited price risk. However, the price risk of stablecoins may not be insignificant due to the fast-developing nature of crypto markets including evolving regulations, custody and trading mechanisms, as well as valuation and volume volatility.

Risk relating to the supply of and price volatility in electric power

The Group consumes considerable amount of electric power in its operations and rely on the stability of the supply and pricing of the local electricity in operating its big data service centres. The electricity costs incurred by the Group are substantial. Electricity supply may affect the performance of its big data service centres.

In addition, potential electricity supply interruption at the big data service centres may occur due to damages of electric power transmission facilities, construction defects and errors in operation. Any electricity interruption may adversely affect the Group's results of operations.

Risk relating to foreign currency

The Group's principal operating subsidiaries carry out their operations in Hong Kong, the USA and Australia. The Group exposed to foreign currency risk arising from various currency exposures, primarily through cash and bank balances arising from sales and purchases that are denominated in a currency other than the functional currency of the operations in which they related. The currency giving rise to this risk is primarily USD and AUD.

Risk relating to money laundering

The Group is currently operating the cryptocurrencies over-the-counter trading through its subsidiary which has online platform and registered with Australian Transaction Reports and Analysis Centre ("**AUSTRAC**"). It is required to comply with the relevant requirements of Anti-Money Laundering and Counter-Terrorism Financing Act 2006. The risks of failure to comply with such anti-money laundering requirements and consequences of breach may undermine the Group's performance.

The Group is also required to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the guidelines issued by the Companies Registry of Hong Kong.

The Group has implemented anti-money laundering and know-your-customer policies and procedures that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting.

Risk relating to safekeeping of digital assets

The Group keeps digital assets in both "hot" (internet-connected) and "cold" (not internet-connected) wallets. "Hot" wallets exposes to risk of cyber-attacks or potential theft.

The Group has implemented internal controls, including but not limited to the implementation of two-factor authentication and segregation of duties.

REPORT OF THE DIRECTORS

Risk relating to system continuity

As an operator of big data service centres, the Group provides the premises, hardware support, power supply and ancillary supervision and management service to its customers. The Group has also developed software which enables its customers to remotely monitor their data processors and obtain real-time information such as average computing capacity and operating time. It involves receiving, storage and processing of personal information and other private data. Any system or network failure or computer virus attack may result in operational disruption and breach of data privacy. The Group's business and operation results would be adversely affected.

Risk relating to client portfolio

The Group currently operates across four business segments: (1) Big Data Centre Services, (2) Analysis Platform, (3) Exchange and OTC Services, and (4) Money Lending Business. Among these, the Big Data Centre Services and the Money Lending Business rely on a limited number of clients, creating client concentration risk. The Big Data Centre Services contribute a significant portion of the Group's revenue, and sudden termination of service contracts by a major client may adversely affect business performance. Similarly, client concentration in the Money Lending Business exposes the Group to risks arising from changes in clients' credit situations, which may negatively impact the Group's operations and financial results.

Risk relating to accounts receivable management

As an operator of data centre business, the Group rents out the data centre facilities to its customers to generate revenues and pay its financial obligations such as payroll, rent and supplier payments. The Group is exposed to the cash flow risk if the accounts receivable collection is not properly managed.

Delay in customer payments may create negative cash flow gap and lead to liquidity shortage, hindering the Group's ability to meet immediate financial obligations. Persistent delays in receivable collections can also exacerbate cash flow issues, affecting the Group's overall financial stability and operational efficiency.

Risk relating to loan receivable recoverability

The Group currently operates the Money Lending Business in Hong Kong and is exposed to the default risk of the borrowers. In case of borrowers' default, the quality of the collateral assets as well as the financial strength of the guarantor (if any) are crucial to the Group.

The Group needs to properly perform the credit assessment process of the borrower and the process of how to monitor and acquire possession of the collateral assets. This could improve the Group's business and results of operations.

Description of the key risks and uncertainties facing the Group are also set out in note 5 to the consolidated financial statements. The Company's approach on risk management is set out on page 39 of the Corporate Governance Report.

REPORT OF THE DIRECTORS

SIGNIFICANT EVENTS SUBSEQUENT TO THE YEAR

Save as disclosed else where in consolidated financial statement, there were no other significant events subsequent to 31 December 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises the importance of environmental sustainability against modern ecological challenges. The Group strives to minimise its impact on the environment by saving electricity, petrol, diesel and water consumption, and encouraging recycling of office supplies and other materials. During the Year, the Group has not been the subject of any environmental claims, lawsuits, penalties or disciplinary actions.

More information is provided in the Environmental, Social and Governance Report on pages 61 to 81 of this annual report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has adopted internal control measures to monitor the continuous compliance with relevant laws and regulations such as the Companies Act (as Revised) of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the GEM Listing Rules and other laws and regulations implemented in relevant jurisdictions. During the Year, as far as the board of Directors (the “**Board**”) is concerned, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the Year.

The Group continues to commit to complying with the relevant laws and regulations.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises that employees, customers and suppliers are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its suppliers.

The Company has adopted workforce diversity policy which also provides a fair and safe workplace, promotes diversity to its staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group also understands that it is importance to maintain good relationship with its suppliers and customers. The Group maintains close relationship with the customers to fulfil their immediate and long-term need. The Group has established long term business relationship with the suppliers to enhance the stability of the Group’s businesses. During the Year, there were no material and significant disputes among the Group and its employees, customers and/or suppliers.

REPORT OF THE DIRECTORS

RESULTS AND DIVIDENDS

The results of the Group for the Year and the Group's financial position as at 31 December 2025 are set out in the consolidated financial statements on page 88 and pages 89 to 90 of this annual report respectively.

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

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, 15 May 2026 ("**AGM**"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 12 May 2026 to Friday, 15 May 2026 (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the above AGM, all transfer forms accompanied by relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 11 May 2026.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 172 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the Year are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association (the "**Articles**") or the laws of the Cayman Islands in relation to the offer of new shares on a pro rata basis to its existing shareholders of the Company.

RESERVES

Details of movements in reserves of the Company and the Group during the Year are set out in note 33 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

REPORT OF THE DIRECTORS

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have any reserves available for distribution, calculated in accordance with the Companies Act (as Revised) of the Cayman Islands. The share premium account of the Company is available for distribution or payment of dividends to the shareholders of the Company subject to the provisions of the Articles and provided that immediately following the distribution or the payment of dividends, the Company is able to pay its debts immediately as they fall due in the ordinary course of business.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's largest customer accounted for approximately 65.0% (2024: approximately 83.5%) of the Group's total revenue. The five largest customers of the Group in the Year accounted for approximately 100% (2024: 100%) of the Group's total revenue.

During the Year, the Group's largest supplier accounted for approximately 94.4% (2024: approximately 76.9%) of the Group's total purchases. The five largest suppliers in the Year accounted for approximately 100% (2024: 100%) of the Group's total purchases.

At no time during the Year did a Director, a close associate of a Director or a shareholder of the Company (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers or five largest customers.

DIRECTORS

The Directors during the Year and up to the date of this report are:

Executive Directors

Mr. Li Hongbin (*Chairman*)

Dr. Yuan Quan (*appointed with effect from 1 December 2025*)

Ms. Xiong Jiayan

Mr. Yao Xiaohao (*appointed with effect from 1 December 2025*)

Mr. Huang Yibin (*resigned with effect from 1 December 2025*)

Independent Non-executive Directors

Mr. Sun Yuqiang

Mr. Chu, Howard Ho Hwa

Mr. Tong, I Tony

In accordance with Article 86(3) of the Articles, any Directors who are appointed by the Board either to fill a casual vacancy on the Board or, as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election at that meeting. As such, Dr. Yuan Quan and Mr. Yao Xiaohao shall hold office only until the forthcoming annual general meeting of the Company (the "AGM").

REPORT OF THE DIRECTORS

In accordance with Article 87(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. As such, Ms. Xiong Jiayan and Mr. Chu, Howard Ho Hwa, shall retire from office by rotation at the forthcoming AGM. In order to focus more on his other work commitments, Mr. Chu does not offer himself for re-election and therefore will retire at the AGM. Mr. Chu has confirmed that he has no disagreement with the board of Directors and there are no other matters in respect of his retirement that need to be brought to the attention of the shareholders of the Company. After retirement, Mr. Chu will cease to be the chairman of the Remuneration Committee, and a member of each of the Nomination Committee and the Audit Committee of the Company.

All the retiring Directors, except Mr. Chu, are eligible and offer themselves for re-election at the AGM.

The Company has received annual confirmation from each of the independent non-executive Directors concerning his independence of the Company and considers that each of the independent non-executive Directors is independent of the Group.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five individuals with highest emoluments are set out in note 10 to the consolidated financial statements.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out on pages 14 to 17 of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming AGM of the Company has entered into any service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

UPDATE ON THE DIRECTORS' AND CHIEF EXECUTIVES' INFORMATION UNDER RULES 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes of information of the Directors and chief executives during the Year are set out below:

REPORT OF THE DIRECTORS

Ms. Xiong Jiayan, the executive Director, has been appointed as a member of the Nomination Committee with effect from 30 June 2025.

Mr. Huang Yibin resigned as an executive Director, an authorised representative and the compliance officer of the Company, and has been appointed as a consultant of the Company, with effect from 1 December 2025.

Mr. Sheng Ling resigned as the chief executive officer of the Company with effect from 1 December 2025.

Dr. Yuan Quan has been appointed as an executive Director, the chief executive officer, an authorised representative and the compliance officer of the Company with effect from 1 December 2025.

Mr. Yao Xiaohao has been appointed as an executive Director with effect from 1 December 2025.

Save as disclosed above, the Company is not aware of any other changes in the information of Directors and Chief Executives which is required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, each Director shall be entitled to be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain in or about the execution of the duties of his/her office or otherwise in relation thereto, save for matters in respect of his fraud or dishonesty. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against any Director of the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Year, nor were there any other contracts of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" of this annual report, at no time during the Year was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors or chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

REPORT OF THE DIRECTORS

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 December 2025, 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 Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(i) Long positions in the shares and underlying shares of the Company

| Name of Directors and Chief Executive | Nature of interest | Number of underlying shares held/interested (Note 1) | Approximate percentage of shareholding |
|---------------------------------------|--------------------|---|--|
| Mr. Li Hongbin | Beneficial owner | 5,000,000 | 0.70% |
| Dr. Yuan Quan | Beneficial owner | 3,000,000 | 0.42% |
| Ms. Xiong Jiayan | Beneficial owner | 5,000,000 | 0.70% |
| Mr. Sun Yuqiang | Beneficial owner | 500,000 | 0.07% |
| Mr. Chu Howard Ho Hwa | Beneficial owner | 500,000 | 0.07% |
| Mr. Tong, I Tony | Beneficial owner | 500,000 | 0.07% |

(ii) Long positions in the shares of associated corporations of the Company

| Name of Director | Name of associated corporation of the Company | Nature of interest | Number of ordinary shares held | Percentage of shareholding in the associated corporation of the Company (Note 2) |
|------------------|---|--------------------|--------------------------------|---|
| Mr. Li Hongbin | Manful Kingdom Limited (Note 3) | Beneficial owner | 150 | 25% |

Notes:

1. These shares are derived from the interests in share options granted by the Company pursuant to the 2022 Share Option Scheme.
2. The approximate percentage of total issued Shares was calculated based on the total number of issued Shares as at 31 December 2025, being 717,562,586 Shares.
3. 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 December 2025, being 600 ordinary shares.
4. As at 31 December 2025, Manful Kingdom Limited held 39.0% direct shareholding interest in the Company and was an associated corporation of the Company within the meaning of Part XV of the SFO.

REPORT OF THE DIRECTORS

Save as disclosed above, as at 31 December 2025, 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 Rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

2012 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**”) 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.

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

| Type of participants | Number of share options | | | | | Outstanding as at 31 December 2025 | Date of grant | Exercise price (HK\$) | Weighted average closing price of the Shares immediately before the date of exercise (HK\$) | Vesting period/ Exercise period (Note 1 to 2) |
|----------------------|---|---|---|--|---|---|------------------|-----------------------------|--|---|
| | Outstanding as at 1 January 2025 | Granted during the Year (Note 3) | Exercised during the Year (Note 3) | Lapsed during the Year (Note 3) | Cancelled during the Year (Note 3) | | | | | |
| Employees | 50,000 | - | 50,000 | - | - | - | 01.04.2019 | 1.10 | 1.93 | Note 1 |
| | 50,000 | - | 50,000 | - | - | - | 10.08.2020 | 0.26 | 0.94 | Note 2 |
| Total: | 100,000 | - | 100,000 | - | - | - | | | | |

Notes:

1. The share options granted on 1 April 2019 under the 2012 Share Option Scheme are exercisable for a period of ten years from the date of grant which are subject to the vesting period as follows:
 - (a) 33.32% of the share options will be vested on, and exercisable from, the date of grant to the expiry of the option period (both days inclusive);
 - (b) a further 33.32% of the share options will be vested on, and exercisable from, the first anniversary of the date of grant to the expiry of the option period (both days inclusive); and
 - (c) the remaining 33.36% of the share options will be vested on, and exercisable from, the second anniversary of the date of grant to the expiry of the option period (both days inclusive).

REPORT OF THE DIRECTORS

2. The share options granted on 10 August 2020 under the 2012 Share Option Scheme are exercisable for a period of ten years from the date of grant which are subject to the vesting period as follows:
 - (a) 33.29% of the share options will be vested on, and exercisable from, the date of grant to the expiry of the option period (both days inclusive);
 - (b) a further 33.29% of the share options will be vested on, and exercisable from, the first anniversary of the date of grant to the expiry of the option period (both days inclusive); and
 - (c) the remaining 33.42% of the share options will be vested on, and exercisable from, the second anniversary of the date of grant to the expiry of the option period (both days inclusive).
3. During the Year, no share options were granted, lapsed or cancelled, and 100,000 share options were exercised, under the 2012 Share Option Scheme.

REPORT OF THE DIRECTORS

2022 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, 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.

Movements of share options granted under the 2022 Share Option Scheme during the Year are set out below:

| Type of participants | Number of share options | | | | | | Outstanding as at 31 December 2025 (Note 5) | Date of grant | Exercise price (HK\$) | Closing price of the Shares immediately before the date of grant (HK\$) | Vesting period/ Exercise period (Note 1) | Fair value per option at the date of grant (Note 6) |
|-----------------------------------|---|---|------------------------------------|---|--|---|---|------------------|-----------------------------|--|--|---|
| | Outstanding as at 1 January 2025 | Granted during the Year (Note 5) | Reclassified during the Year | Exercised during the Year (Note 5) | Lapsed during the Year (Note 5) | Cancelled during the Year (Note 5) | | | | | | |
| | Directors | | | | | | | | | | | |
| Mr. Li Hongbin | - | 5,000,000 | - | - | - | - | 5,000,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Dr. Yuan Quan | - | - | 3,000,000 | - | - | - | 3,000,000 | 08.04.2025 | 2.25 | 1.74 | Note 1, 3 | 1.16 |
| Mr. Huang Yibin | - | 5,000,000 | (5,000,000) | - | - | - | - | 08.04.2025 | 2.25 | 1.74 | Note 1, 4 | 1.16 |
| Ms. Xiong Jiayan | - | 5,000,000 | - | - | - | - | 5,000,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Mr. Sun Yuqiang | - | 500,000 | - | - | - | - | 500,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Mr. Chu, Howard Ho Hwa | - | 500,000 | - | - | - | - | 500,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Mr. Tong, I Tony | - | 500,000 | - | - | - | - | 500,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Sub-total: | - | 16,500,000 | (2,000,000) | - | - | - | 14,500,000 | | | | | |
| Employees | - | 35,000,000 | (3,000,000) | - | (5,000,000) | - | 27,000,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.16 |
| Sub-total: | - | 35,000,000 | (3,000,000) | - | (5,000,000) | - | 27,000,000 | | | | | |
| Service Providers (Note 2) | - | 2,500,000 | 5,000,000 | - | - | - | 7,500,000 | 08.04.2025 | 2.25 | 1.74 | Note 1 | 1.13 |
| Sub-total: | - | 2,500,000 | 5,000,000 | - | - | - | 7,500,000 | | | | | |
| Total: | - | 54,000,000 | - | - | (5,000,000) | - | 49,000,000 | | | | | |

Notes:

- The share options granted on 8 April 2025 under the 2022 Share Option Scheme are exercisable on or after 8 April 2026 to 7 April 2027 (both days inclusive) which are subject to the vesting period of not less than 12 months from the date of grant.
- Service providers 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 recognizing their services similar to those rendered by employees of the Group.
- Dr. Yuan Quan was appointed as the Executive Director and Chief Executive Officer of the Company with effect from 1 December 2025. Prior to this, Dr. Yuan was employed as the director of the Research and Development of the Company and 3,000,000 share options were granted to him on 8 April 2025 under the 2022 Share Option Scheme.

REPORT OF THE DIRECTORS

4. Mr. Huang Yibin was resigned as the Executive Director and appointed as the consultant with effect from 1 December 2025. 5,000,000 share options granted to Mr. Huang on 8 April 2025 under 2022 Share Option Scheme were reclassified to the category “Service Providers” during the Year.
5. During the Year, 54,000,000 share options were granted. No share options were exercised or cancelled, and 5,000,000 share options were lapsed under the 2022 Share Option Scheme.
6. The fair values of the share options were calculated using the Binomial Tree model. The inputs to the model were as follows:

| | Share options granted on 8 April 2025 |
|--|--|
| Weighted average share price (HK\$) | 1.80 |
| Weighted average exercise price (HK\$) | 2.25 |
| Expected volatility | 99.87% |
| Risk free rate | 2.69% |
| Expected dividend yield | 0.00% |

As at 1 January 2025 and 31 December 2025, the total number of options available for grant under the scheme mandate of the 2022 Share Option Scheme was 54,840,882 and 840,882 respectively; and the total number of options available for grant under the service provider sublimit of the 2022 Share Option Scheme was 27,420,441 and 840,882 respectively.

During the Year, the number of shares that may be issued in respect of options granted under all schemes of the Company was 54,100,000. During the Year, the weighted average number of ordinary shares in issue was approximately 655,002,000. As such, during the Year, the number of shares that may be issued in respect of options under all schemes of the Company divided by the weighted average number of ordinary shares in issue was approximately 8.26%.

A summary of the principal terms of the 2012 Share Option Scheme and 2022 Share Option Scheme are set out in note 34 to the consolidated financial statements.

INTERESTS IN COMPETING BUSINESS

During the Year, none of the Directors, the controlling shareholder 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.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

During the Year, the Group did not have any connected transactions or continuing connected transactions which were subject to the reporting requirements under Chapter 20 of the GEM Listing Rules.

Details of the related party transactions undertaken by the Group for the Year are set out in note 37 to the consolidated financial statements of this annual report.

The related party transactions as disclosed in note 37(b) to the consolidated financial statements of this annual report are not regarded as connected transactions under chapter 20 of the GEM Listing Rules.

The Company confirms that the Group has complied with the disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules during the Year.

REPORT OF THE DIRECTORS

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests or short positions of every person (other than the Directors and chief executive of the Company) in the shares (the "Shares") and underlying Shares of the Company 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) | 39.0% |
| Mr. Fu Jiepin <i>(Note 3)</i> | Interest in controlled corporation | 279,815,740 (L) | 39.0% |
| Ms. Xia Bing <i>(Note 4)</i> | Interest of spouse | 279,815,740 (L) | 39.0% |
| Beyond Power Global Limited | Beneficial owner | 42,471,605 (L) | 5.92% |
| Mr. Yeung Hin Ming, Bosco <i>(Note 5)</i> | Interest in controlled corporation | 42,471,605 (L) | 5.92% |

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 December 2025, being 717,562,586 Shares.
3. As at 31 December 2025, Manful Kingdom Limited held 279,815,740 Shares as beneficial owner. Mr. Fu Jiepin held 65% 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 December 2025, Ms. Xia Bing was deemed to be interested in the Shares in which Mr. Fu Jiepin was interested under the SFO.
5. As at 31 December 2025, Beyond Power Global Limited held 42,471,605 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 42,471,605 Shares through his controlled corporation, Beyond Power Global Limited, under the SFO.

Save as disclosed above, as at 31 December 2025, 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.

REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

Other than the 2012 Share Option Scheme and 2022 Share Option Scheme as disclosed in the “Share Options Scheme” section of this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted at any time during the Year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the percentage of the Shares which are in the hands of the public (as defined in the GEM Listing Rules) exceeds 25% of the Company’s total number of issued Shares during the Year and up to the date of this annual report.

CORPORATE GOVERNANCE

Information on the Company’s corporate governance practices is set out in the Corporate Governance Report on pages 18 to 36 of this annual report.

EMOLUMENT POLICY

The employees of the Group are selected, remunerated and promoted on the basis of their merit, qualifications and competence.

The Board has the general power of determining the Directors’ remuneration, subject to the authorisation of the shareholders of the Company at the annual general meeting each year. The remuneration of the Directors is subject to review by the Remuneration Committee, and their remuneration is determined with reference to the Directors’ qualifications, experience, duties, responsibilities and performance and results of the Company. Particulars of the emoluments of Directors on a named basis for the Year are set out in note 10 to the consolidated financial statements.

REPORT OF THE DIRECTORS

The Company has adopted the 2022 Share Option Scheme as an incentive to Directors, employees and consultants. Details of the 2022 Share Option Scheme are set out in note 34 to the consolidated financial statements.

AUDIT COMMITTEE

The Company has an Audit Committee, which was established for the purposes of reviewing and providing supervision over the Group'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, made up of three independent non-executive Directors, met two times during the Year. At the meetings, the Audit Committee reviewed the accounting principles and practices adopted by the Group, the interim and the annual reports of the Group and discussed with the management of the Company the auditing, risk management, internal controls and financial reporting matters.

CHARITABLE CONTRIBUTIONS

During the Year, no charitable and other donations have been made by the Group.

AUDITORS

Moore CPA Limited has been the auditors of the Company since 1 December 2022. The consolidated financial statements of the Group for the year ended 31 December 2022, 2023, 2024 and 2025 have also been audited by Moore CPA Limited, who will retire and, being eligible, for re-appointment at the forthcoming AGM of the Company. A resolution for the re-appointment of Moore CPA Limited as auditors of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

Li Hongbin

Chairman

Hong Kong, 27 March 2026

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Crypto Flow Technology Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is pleased to present the Environmental, Social and Governance report (the “**ESG Report**”) of the Group in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “**Guide**”; which has been upgraded to the Environment, Social and Governance Reporting Code since 1 January 2025), Appendix C2 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). This environmental, social and governance report (the “**ESG Report**”) covers the overall performance of the Group in ESG aspects during the year from 1 January 2025 to 31 December 2025 (the “**Year**”).

The Group highly values the importance of making appropriate disclosure of corporate information to all investors and shareholders of the Company and believes that high level of transparency is the key to building confidence with investors. Therefore, in this ESG Report, it highlighted the sustainable achievements in the following areas to give stakeholders a better understanding of what the Group has done to protect the environment and promote social harmony during the Year:

| ESG Aspects | Issues |
|---------------------------------|---|
| Environmental | <ul style="list-style-type: none">• Emissions• Use of Resources• The Environment and Natural Resources• Climate change |
| Social | |
| Employment and Labour Practices | <ul style="list-style-type: none">• Employment• Health and Safety• Development and Training• Labour Standards |
| Operating Practices | <ul style="list-style-type: none">• Supply Chain Management• Labour Standards• Product Responsibility• Anti-corruption |
| Community | <ul style="list-style-type: none">• Community Investment |

For details on corporate governance, please refer to the “Corporate Governance Report” as set out on pages 26 to 44 of the 2025 Annual Report of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GOVERNANCE STRUCTURE

Board's oversight of ESG issues

The Board of Directors of the Company (the "**Board**") is committed to maintaining a sustainable development of its business as well as supporting the long-term sustainability of the environment and communities where the Group operates and continually enhances investment value to stakeholders through proper and effective internal control systems and ESG risk management measures throughout its operations. The Board considers ESG-related risks and opportunities as part of the Group's overall strategic formulation, and the significant ESG impact caused by daily operations and businesses. The Board maintains oversight of and approves the identification and assessment of ESG issues and confirms that to the best of its knowledge, this ESG Report addresses material topics related to the operations of the Group and fairly presents its ESG performance and impacts.

The Board has delegated the Group's management to supervise ESG-related issues and work of the Group. The Group's management is responsible for monitoring and reviewing the compliance with local laws and regulations with regards to ESG-related issues. The management is also responsible for establishment of sustainability strategies, policies and measures to implement sustainability initiatives, provide sustainability reporting and prepare the ESG Report.

Board's ESG management approach and strategy for evaluation, prioritization and management of material ESG-related issues

In order to better understand the opinions and expectations of different stakeholders on the ESG issues, materiality assessment is conducted annually. The Group ensures various platforms and channels of communication are used to reach, listen and respond to its key stakeholders. Through communication with the stakeholders, the Group is able to understand their expectations and concerns. The feedback obtained allow the Group to make more informed decisions, and to better access and manage the impacts of the business decisions.

The Group has evaluated the materiality for each of the ESG aspects through the following steps:

- (i) identification of ESG issues by the Group;
- (ii) key ESG areas prioritisation with stakeholder engagement; and
- (iii) validation and determining material ESG issues based on the results of communication with the stakeholders.

Taking these steps enhances the understanding of the degree of importance of the Group's stakeholders to each material ESG issue and enables the Group to plan the sustainable development direction more comprehensively in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Review by the Board on progress made against ESG-related goals and targets.

The progress of implementation and the performance of the ESG-related goals and targets are being closely reviewed by Board from time to time. In 2022, the Group has set clear reduction targets for each KPI, aiming to achieve a 5% reduction in KPIs by 2027 compared to 2022. Based on the business development of Group, we will constantly monitor fluctuations in each of its KPI to ensure that progress does not fall short of expectations and review the reasonableness of the target periodically. For the sustainable development, effective communication about the goals and targets with key stakeholders such as employees, customers and suppliers are essential, we will modify our reduction targets promptly to fulfill our business needs and stakeholder's expectations.

REPORTING PRINCIPLES

This ESG Report is based on the following four reporting principles:

Materiality: This ESG report disclosed: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. For detail process to identify and the criteria for the selection of material ESG factors, please refer to section "Materiality Assessment".

Quantitative: ESG data are presented numerically to enable comparability against our previous year's performance, market standards and our peers. Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. For the methodologies, assumptions, calculation tools used, and source of conversion factors used, please refer to "Environmental" section.

Balance: This report strives to achieve objective, fair and truthful disclosure and reflection of the Group's achievements and practices in the environment and social dimensions in 2025, and also the dilemmas encountered and improvement measures with a sense of responsibility.

Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. In 2025, the scope of the ESG report includes Hong Kong office and data centre and the USA data centre.

REPORTING BOUNDARIES

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) the big data centre services providing storage, electricity and related services (the "**Big Data Centre Services**"), and (ii) money lending business in Hong Kong (the "**Money Lending Business**").

In 2025, the scope covers the operational data centres in the USA and Hong Kong. Both USA and Hong Kong data centres provide comprehensive services, including premises, hardware support, power supply, ancillary supervision and management services to the customers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER ENGAGEMENT

The Group recognises the ESG Report as an important measure to showcase its efforts in sustainable development. In realising sustainable development, the Group is devoted to striking a balance between the interests of various stakeholders, such as government and regulatory authorities, investors and shareholders, suppliers, customers, employees, work partners as well as the community. The Company is searching for every opportunity to understand and engage its stakeholders to ensure improvement can be implemented to its products and services. The Group strongly believes its stakeholders play a crucial role in sustaining the success of its business.

The existing communication mechanism with stakeholders of the Group is set forth as below:

| Stakeholders | Probable Points of Concern | Communication and Response |
|----------------------------|---|---|
| The Stock Exchange | <ul style="list-style-type: none"> • Compliance with GEM Listing Rules • Timely and accurate announcements | <ul style="list-style-type: none"> • Meetings, training, workshops and programs • Website updates and announcements |
| Government | <ul style="list-style-type: none"> • Compliance with laws and regulations • Preventing tax evasion | <ul style="list-style-type: none"> • Interaction and visits and compliance operation • Tax returns and other information |
| Suppliers | <ul style="list-style-type: none"> • Payment schedule • Business ethics and credibility • Supply stability | <ul style="list-style-type: none"> • Fulfilment of payment obligation • Performing contracts in accordance with the law • Site investigation |
| Investors and shareholders | <ul style="list-style-type: none"> • Corporate governance • Business strategies • Performance and investment returns | <ul style="list-style-type: none"> • Optimising internal control and risk management • Organising and participating in seminars, interviews and shareholders' meetings • Issuance of financial reports or operation reports for investors and analysts |
| Media and Public | <ul style="list-style-type: none"> • Corporate governance • Environmental protection • Human rights | <ul style="list-style-type: none"> • Issuance of newsletters on the Company's website • Using environmental protection and energy saving equipment • Providing equal employment opportunities |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

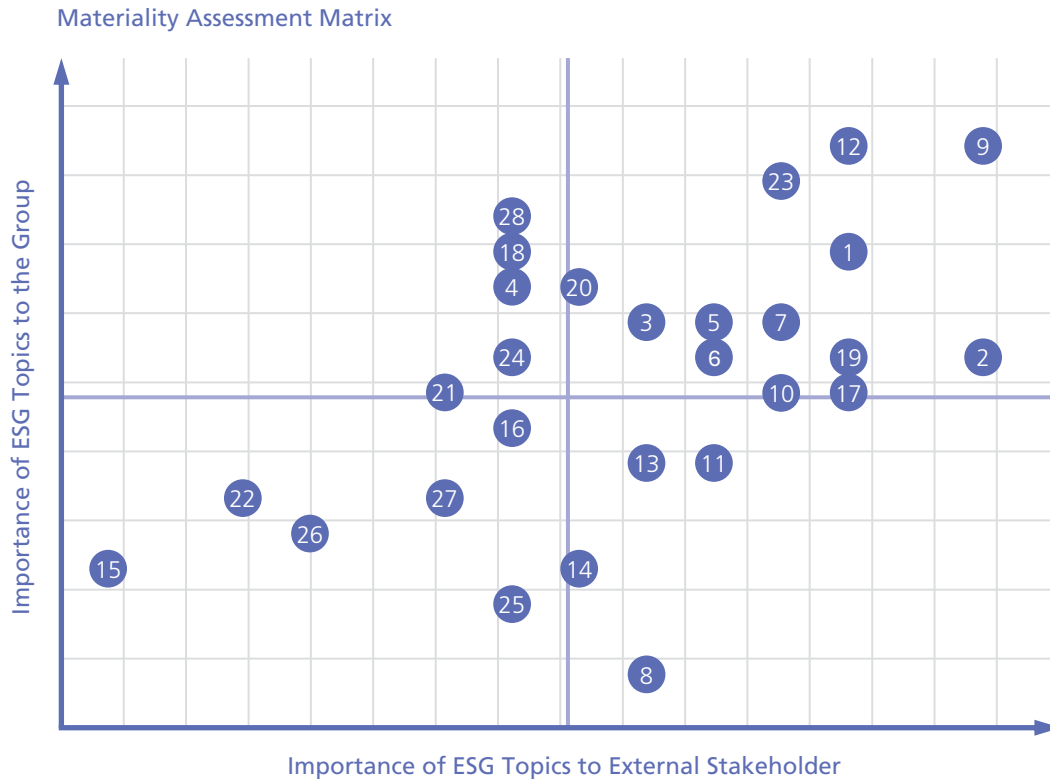
| Stakeholders | Probable Points of Concern | Communication and Response |
|--------------|---|---|
| Customers | <ul style="list-style-type: none"> • Service quality, service delivery schedule, reasonable prices and service value • Customer information security | <ul style="list-style-type: none"> • Quality products and services • Personal data protection |
| Employees | <ul style="list-style-type: none"> • Rights and benefits of employees • Training and development • Compensation, work hours, and working environment • Occupational health and safety | <ul style="list-style-type: none"> • Conducting union activities • Training, interviews with employees and internal memos • Setting up employee suggestion boxes • Conducting regular occupational health and safety training to increase staff awareness |
| Community | <ul style="list-style-type: none"> • Community environment • Employment opportunities • Community development, and social welfare | <ul style="list-style-type: none"> • Developing community activities • Providing employment opportunities • Employee voluntary activities and community welfare subsidies and donations |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

In the Year, the Company undertook its annual materiality assessment exercise, which included conducting interviews and/or surveys with internal and external stakeholders to identify the most significant operating, environmental and social impacts towards its business.

The Group's materiality matrix of ESG issues in 2025:



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| Item | ESG Topic | Item | ESG Topic |
|------|--|------|---|
| 1 | Product health and safety | 15 | Non-hazardous waste production |
| 2 | Energy use (e.g. electricity, gas, fuel) | 16 | Anti-corruption policies and whistle-blowing procedure |
| 3 | Selection and monitoring of suppliers | 17 | Occupational health and safety |
| 4 | Product and service labelling | 18 | Environmentally preferable products and services |
| 5 | Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers | 19 | Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions) |
| 6 | Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering | 20 | Marketing communications (e.g. advertisement) |
| 7 | Observing and protecting intellectual property rights | 21 | Anti-corruption training provided to directors and staff |
| 8 | Preventing child and forced labour | 22 | Cultivation of local employment |
| 9 | Customer information and privacy | 23 | Greenhouse gas emissions |
| 10 | Employee development and training | 24 | Mitigation measures to protect environment and natural resources |
| 11 | Air emissions | 25 | Water use |
| 12 | Customer satisfaction | 26 | Community support (e.g. donation, volunteering) |
| 13 | Hazardous waste production | 27 | Use of materials (e.g. paper, packaging, raw materials) |
| 14 | Diversity and equal opportunity of employees | 28 | Climate change |

The top issues that stakeholders are the most concerned are positioned in the above ESG topic table in descending order. In 2025, the key ESG areas of focus on were (i) Customer information and privacy, (ii) Customer satisfaction, (iii) Greenhouse gas emissions, and, (iv) Product health and safety.

ENVIRONMENTAL

The Group understands that greenhouse gases, sewage, solid wastes and other pollutants generated in its daily operation cause damage to the environment, and it is the responsibility of all corporations to ensure that emission of pollutants and consumption of resources are minimised and carbon footprints are reduced. We will continue to strengthen our management of nature related risk and opportunities and develop our business in an eco-friendly manner and target to minimise the emissions and reduce the usage of natural resources during our business operations.

In 2022, the Group had set climate related targets to reduce air emissions, greenhouse gas (GHG) emissions, non-hazardous waste, energy and water consumption on a per square meter floor area by 5% over five years. Most of our reduction target had been surpassing our set goals. In future, we will continue to monitor our climate related targets and analysis our ESG performance and consider implementing further measures and controls based on our analysis result.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A1 Emissions

In our Hong Kong's operation, the gross floor area of the office is 177 square metres while the big data centre is of 1,114 square metres. The tendency contract for this data centre has been terminated during the Year.

The US office has a gross floor area of 512 square metres, with its big data centre totalling 9,307.68 square metres in gross floor area. As an operator of these big data centre, the Group provides customers with storage places, hardware support, power supply, ancillary supervision and management services.

Electricity consumed by the big data centres and office and fuels consumed by motor vehicle are the main sources of nitrogen oxides ("NOX"), sulphur oxides ("SOX") and particulate matter ("PM") and greenhouse gas ("GHG") emissions.

The Group recognises that use of electricity contributes to the emission of air pollutants and GHG. Since the operation of big data centres requires consumption of enormous amount of energy and electricity, the Group has taken conscious efforts to select and review the suitability of the operating location to ensure the sufficient power supply. In addition, energy efficient fans and wet curtain paper in the data centres act as cooling facilities to keep the centres at an ideal temperature in order to prevent the data processors and network technology equipment from overheating.

During the Year, the vehicles were strictly used for transporting management team members, guests and customers and for business activities. The vehicles are running on unleaded automotive fuel, which was, in comparison to other fuels, cleaner and emits less pollutant into the air. The vehicles were under regular maintenance checks to enhance fuel consumption efficiency, road safety and keep the emission at a minimum level.

For air conditioning in office, the Group encourages its employees to set the air conditioners at the most comfortable temperature and switch them off when it is not necessary so as to reduce emission of GHGs. The Group has also put notices at eye-catching areas in the office to remind the employees about energy saving in the course of business. Air conditioners installed at the office are centrally controlled by the office building and are automatically switched off from 8 pm until 8 am of the following day.

The key environmental performance indicators of the Group's air emissions and GHG emissions in 2025 are shown in the tables below:

Air emissions from use of vehicle

| Air emissions ^{1&2} | Unit | 2025 | 2024 | Percentage (%) of Changes |
|----------------------------------|------|------|--------|------------------------------|
| NO _x | kg | 2.35 | 0.13 | 1708% |
| PM | kg | 0.17 | 0.01 | 1600% |
| SO _x | kg | 0.04 | 0.0018 | 2122% |

Notes:

1. The emission factor and calculation methodology were referenced to "How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.
2. The notable increase in air emission percentage changes between FY2024 and FY2025 primarily reflects the increased number of vehicles in Hong Kong. Despite the sharp percentage rise, the absolute volume of emissions remains low.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG emissions from operation

| GHG emissions ¹ | Unit | 2025 | 2024 | Percentage (%) of Changes |
|---|--|-----------|-----------|---------------------------|
| Direct emissions (Scope 1) | tCO _{2e} | 7.60 | 0.32 | 2275% |
| Indirect emissions (Scope 2) ² | tCO _{2e} | 16,495.10 | 18,669.12 | -11.65% |
| Other indirect emissions (Scope 3) | tCO _{2e} | 5.10 | 5.99 | -15% |
| Total GHG emissions ² | tCO _{2e} | 16,507.79 | 18,675.43 | -11.61% |
| GHG emission intensity ³ | tCO _{2e} /number of data processors | 7.10 | 4.95 | 43.43% |

Notes:

1. The emission factors used to calculate the GHG emission are sourced from: Hong Kong Electric Sustainability Report 2024, American Electric Power's 2024 Edison Electric Institute Investor ESG Report and the Reporting Guidance on Environmental KPIs published by the Stock Exchange.
2. In 2025, we continued our business operation of data centre in the United States of America. The operation of this data centre, including continuous power supply for uninterrupted client services, led to a high electricity consumption, as well as Scope 2 indirect emissions.
3. GHG emission intensity increased mainly because the retirement of the Hong Kong data centre which consists of lower-energy-consuming data processors during the year, which reducing the year-end number of data processors used as the calculation denominator.

Hazardous waste is seldom generated in the operations of the office and big data centre while hazardous waste has been generated during 2025 due to replacement of electrical equipment. Non-hazardous waste is mainly produced from the operations of the Group comprised of general office consumables and obsolete electronic equipment and parts.

| Environmental Indicators ¹ | Unit | 2025 | 2024 | Percentage (%) of Changes |
|---|-------------------|-------|-------|---------------------------|
| Non-hazardous wastes produced in total | kg | 2,500 | 1,000 | 150% |
| Intensity of non-hazardous wastes produced per square meter of floor area | kg/m ² | 0.23 | 0.05 | 360% |
| Hazardous wastes produced in total | kg | 3,000 | 1,000 | 200% |
| Intensity of hazardous wastes produced per square meter of floor area | kg/m ² | 0.27 | 0.10 | 170% |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Notes:

1. Non-hazardous wastes and hazardous wastes are produced from the Hong Kong operations. There is no waste data available for the USA data centre.

The Group will continue to focus on the possible impact of energy emissions and production on the environment to minimize energy consumption.

Solid waste of the Group is mainly produced in the daily business operation, including defective or obsolete electric cords and cables and processor unit cooling fans, daily paper consumption and office paper waste. All domestic waste is collected and disposed of by the property management office of the office buildings on a regular basis.

The Group is committed to reducing the waste volume. The Group encourages its employees to recycle stationery and reduce waste with the aim of preventing waste production at the initial stage. Moreover, the Group has adopted a digital operation method to centralise all documents and regularly educates its employees about environmental protection. For example, the employees are encouraged to go paper less as much as possible by limiting printouts, communicating via e-mail as opposed to fax, encouraging employees to print double-sided, reuse paper printed single-sided and set up recycling bins to minimise the disposal of wastes in order to save and reduce the use of paper and other natural resources.

The Group has established appropriate measures for the disposal of computers and related products such as printers and toner cartridges. In case it is necessary to dispose of an item, the Group encourages its employees to collect and classify the waste before disposing so as to reduce the negative impact on the environment.

During the Year, the Group complied with laws and regulations relating to environmental protection and pollutant emissions during its course of operation, including but not limited to, Air Pollution Control Ordinance (Cap.311), Waste Disposal Ordinance (Cap.354) in Hong Kong, Clean Air Act (United States of America) and Resource Conservation and Recovery Act (United States of America). The Group was not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous waste. In addition, there was no fine or non-monetary sanction for non-compliance with relevant laws and regulations that had been reported in the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A2 Use of Resources

The Group acknowledges that its business activities have impact on the environment. The Group strives to achieve efficient utilization of resources and attaches great importance to employees' environmental awareness, and thus has put forth a number of initiatives with the goal of "green office", educating employees about how to fully utilise resources and save energy. The Group aims at maximising the efficiency of its resources in commercial aspect while eliminating waste and contributing to the society in social aspect.

The Group also embraces its responsibility in environmental protection throughout the course of daily business operation and office administration. Apart from adhering to the principle of recycling and reducing use, the Group is committed to creating green office to minimise the impact on the environment.

The Group has introduced green office and operation practices to reduce the energy consumption and enhance the efficiency of use of resources. A summary of the practices is shown as below:

- Installing environmental protection and energy-saving equipment such as evaporative cooling pads in big data centre in order to reduce the electricity consumption;
- Adopting double-sided printing and promoting use of recycled paper;
- Widespread adoption of multi-function photocopiers (with printing, scanning and fax functions);
- Switching off unused lights and electric appliances to reduce energy consumption;
- Keeping the room temperature at a comfortable level and switching off the air conditioners when not necessary;
- Requiring employees to turn their computers and other devices to the sleep mode or switch them off when leaving the office; and
- Conducting regular maintenance for office equipment (such as air conditioners, computers, lights, refrigerators and paper shredders) to ensure normal operation.

The Group has installed energy-efficient fans and wet curtain paper in the data centre as cooling facilities to maintain the data centre at an ideal temperature. Wet curtain paper utilises natural water aiming to achieve energy saving.

Daily water consumption by employees in the office during business hours is very limited. The majority of our water usage comes from water supplies while we did not face any issue in sourcing water. The domestic sewage of the Group does not include hazardous wastewater and is directly discharged to the municipal sewer pipeline. As the Group operates in office premises of which both of the water supply and discharge are solely controlled by the building management of the office premises, it is considered that provision of water withdrawal and discharge data or sub-meter for individual occupant not feasible. However, in order to build the awareness on water conservation, the Group promotes water saving practices in the workplace. It encourages employees to use resources properly in order to save water resource.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The major use of resources of the Group is electricity consumption for office and big data centre. During the Reporting Period, the Group continued to adopt a series of initiatives for efficient energy use and energy conservation. Details of such measures are listed as follows:

| Energy saving measures | Details of measures |
|---|---|
| Installation of evaporation cooling pad | The Group has installed wet curtain paper in the big data centre as cooling facilities to maintain the centre at an ideal temperature to reduce energy consumption. |
| Water conservation | The evaporative cooling pad installed in big data centre using same natural water which can reduce electricity consumption for processing water. |

The below table shows the key environmental performance indicators regarding the Group's use of resources during the Year are shown in the table below:

| Environmental Indicators | Unit | 2025 | 2024 | Percentage (%) of Changes |
|--|---------------------------------|------------|------------|---------------------------|
| Electricity consumption ¹ | kWh | 77,426,517 | 91,237,821 | -15% |
| Petrol consumption | kWh | 27,688 | 1,173 | 2260% |
| Energy consumption in total ^{1 & 2} | kWh | 77,454,205 | 91,238,994 | -15% |
| Water consumption in total ³ | Cubic metre ("m ³ ") | N/A | N/A | N/A |
| Energy consumption intensity ¹ | kWh/number of data processors | 33,299.31 | 24,201.32 | 38% |
| Water consumption intensity | m ³ /m ² | N/A | N/A | N/A |

Notes:

1. The high electricity consumption was primarily due to the continuous operation of the data centre in the USA.
2. The conversion factors used to calculate the units to kWh are sourced from the Energy Statistics Manual issued by the International Energy Agency.
3. There is no water consumption data available for Hong Kong and USA data centres.

There were no packaging materials being used in the Group's business operation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A3 The Environment and Natural Resources

The Group aims to conserve natural resources and is concerned with the environmental impact of its activities. As an ongoing commitment to good corporate citizenship, the Group recognises the responsibility in minimizing the negative environmental impact of its business operations and its investment portfolio, in order to achieve a sustainable development for generating long-term values to its stakeholders and community as a whole.

The Group encourages all employees to participate in different kinds of recycling activities and minimize the use of natural resources. The Group regularly assesses the environmental risks of its business, review the environmental practices and adopt preventive measures as necessary to reduce the risks, and ensure the compliance with relevant laws and regulations.

A4 Climate Change

As awareness over climate change continues to grow and is one of the most discussed topics among companies. The Group is no exception, having increasing concerns over the potential impact from climate change on the Group's business and operation. The Group regularly reviews global and local government policies, regulatory updates and market trends to identify potential climate-related risks which may have impact on the Group's business operation.

In accordance with the reporting framework developed by the Task Force on Climate-related Financial Disclosures, there are two major categories of climate-related risks, physical and transition risks. The Group will immediately develop a response plan such as changing the business strategy and modifying the development plan in order to reduce the negative impacts of such climate-related risks.

Physical risks: The Group may face the impacts brought by the increased severity of extreme weather events (e.g. hurricanes, heavy rainfall and flooding) and chronic events (e.g. sea-level rise and heatwave). This is likely to threaten the Group's operation and influence its financial performance. To be more specific, more frequent natural catastrophes cause damage to facilities, resulting in increased maintenance costs, or projects must be delayed, resulting in decreased production capacity, and so on. These factors affect the Group's stability both directly and indirectly. In this regard, we will formulate disaster measures, including providing escape drills training to employees, adopting special work arrangements when necessary and applying highly efficient equipment.

Transition risks: We understand that stricter laws and regulations on climate change will be implemented, and stakeholders will put forward increasing demands for the enterprises on climate change. Failure to adhere to laws and regulations or meet stakeholders' expectations may jeopardize our reputation, lose customers, and even lose our competitive edge. In response, we will monitor updates on environmental policies regarding climate change to avoid unnecessary increments in cost and expense due to violations of environmental policies in relation to climate change.

The Group will continuously incorporate sustainable practices in its business operations and prepare and maintain sufficient resources for managing identified climate-related risks and studying the potential remediation measures.

During the Year, there is no climate-related risk, including physical and transitional risks, which have significant impact to the Group.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

B1 Employment

Human Resources Practices

Employees are regarded as the greatest and valuable assets and core competitive advantage of the Company and also provide driving force for the continuous innovation of the Company. The Group strives to attract and retain talent. The Group has developed a written human resources policy and staff manual to govern the recruitment, promotion, discipline, working hours, leaves and other benefits of its employees, in accordance with the relevant laws and regulations.

The Group offers competitive remuneration packages to its employees, with discretionary bonuses issued based on individual performance and its business performance. A wide range of benefits including comprehensive medical and life insurance and retirement schemes are also provided to employees.

Equal Opportunity

The Company respects cultural and individual diversity. It believes that no one should be treated less favourably on his/her personal characteristics (i.e. gender, pregnancy, marital status, disability, family status, race, etc.). Opportunities for employment, training and career development are equally opened to all qualified employees.

Employee Structure

As of 31 December 2025, the Group had a total of 45 employees (As of 31 December 2024: 36 employees) and all of them are full-time employees. The distribution of workforce classified by different categories is as follows:

| | 2025 | 2024 | Percentage (%) of Changes |
|----------------------------|------|------|------------------------------|
| Total Workforce | 45 | 36 | 25% |
| Gender | | | |
| Male | 28 | 25 | 12% |
| Female | 17 | 11 | 55% |
| Age Group | | | |
| Under 30 years old | 2 | 2 | – |
| 30-50 years old | 36 | 28 | 29% |
| Over 50 years old | 7 | 6 | 17% |
| Geographical Region | | | |
| Hong Kong | 36 | 29 | 24% |
| United States of America | 6 | 7 | -14% |
| Australia | 3 | – | N/A ¹ |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| | 2025 | 2024 | Percentage (%) of Changes |
|---|------|------|------------------------------|
| Turnover rate by gender | | | |
| Male | 3 | – | N/A ¹ |
| Female | 2 | – | N/A ¹ |
| Turnover rate by age | | | |
| Under 30 years old | – | – | – |
| 30-50 years old | 3 | – | N/A ¹ |
| Over 50 years old | 2 | – | N/A ¹ |
| Turnover rate by geographical region | | | |
| Hong Kong | 4 | – | N/A ¹ |
| United States of America | 1 | – | N/A ¹ |

Note:

1. As there was no data in the previous year, the percentage change is undefined.

During the Year, the Group has strictly complied with all applicable laws and regulations of labour practices, including but not limited to:

Hong Kong

- (i) Employment Ordinance (Cap.57),
- (ii) Minimum Wage Ordinance (Cap.608),

United States of America

- (iii) Title VII of the Civil Rights Act; and
- (iv) Fair Labor Standards Act

In addition, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B2 Health and Safety

The Group is committed to providing and maintaining a safe, healthy, and hygienic workplace for all employees. To foster and maintain a good, comfortable and healthy working environment, the Group has implemented a series of policies:

- Provide tailored-made safety training to the staff in carrying out the electrical works and machines;
- Provide and ensure the use of appropriate tools and personal protective equipment such as safety helmets to enable them to perform their task safely;
- Post safety procedures/signs and operation instructions in the office and data centre site;
- Exercise adequate monitoring and effective supervision to ensure that the safety precautionary measures are strictly implemented;
- Maintain obstruction-free emergency exits in the workplace
- Provide sufficient light at the workplace;
- Provide a workplace with moderate temperature;
- Conduct regular safety inspection and training of fire prevention; and
- Hold weekly safety meetings.

In order to manage environmental and social risks of the operation at data centre sites, the Group has implemented Safety Policy & Procedures (《安全制度及流程》) and Electricity Safety Department Management System (《電力安監部管理制度》) covering the areas including (i) operation and working safely; (ii) safe electrical work practices; (iii) reporting incidents that have led or may led to damage or injury; and (iv) health and safety education and training policies.

Employees also constantly remind each other to maintain appropriate viewing distance between their eyes and computer screens, maintain good posture when working and do stretching exercises during rest breaks.

The Group has installed closed-circuit televisions (the “**CCTV**”) at the big data centres. All these security systems and CCTV are controlled by the security team working at the big data centre sites.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group strictly regulates the operation of its business to ensure compliance with local laws and regulations relating to health and safety during the course of operation. During the Year, no serious work injury incidents and none of work-related fatalities occurred in the Group. The Group was not aware of any material non-compliance with the relevant laws and regulations including but not limited to Occupational Safety and Health Ordinance of Hong Kong (Cap.509) and Occupational Safety and Health Act (United States of America) that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards of the Group in the Year.

No non-compliance with law that resulted in significant fines or sanctions had been reported in 2025.

There were no work-related fatalities reported for the four years ended 31 December 2022, 2023, 2024, and 2025. During the Year, no lost days due to work injury were noted.

B3 Development and Training

The Group acknowledges the importance of training for the development of its employees as well as the Group. To help nurture professional talents and to promote overall efficiency, increase the morale and loyalty of the employees, the Group encourages and supports its employees in personal and professional training, through sponsoring training programmes, seminars, workshops and conferences, as well as reimbursement for external training courses to enhance their competencies in performing their jobs effectively and efficiently. The Group believes this is a mutually beneficial practice for achieving both personal and corporate goals as a whole.

During the Year, the percentage of employees trained and the average training hours completed per employee are as follows:

| | 2025 | 2024 | Percentage (%) of Changes |
|---|------|------|------------------------------|
| Percentage of employees trained¹ | 84% | 78% | 8% |
| Percentage of employees trained by gender² | | | |
| Male | 71% | 86% | -17% |
| Female | 29% | 14% | 107% |
| Percentage of employees trained by employee category² | | | |
| Senior management | 21% | 21% | – |
| Middle management | 26% | 29% | -10% |
| General staff | 53% | 50% | 6% |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

| | 2025 | 2024 | Percentage (%) of Changes |
|---|-------------|-------------|------------------------------|
| Average training hours completed per employee³ | 7.33 hours | 6.39 hours | 15% |
| Average training hours completed per employee by gender⁴ | | | |
| Male | 8.64 hours | 7.60 hours | 14% |
| Female | 5.18 hours | 3.64 hours | 42% |
| Average training hours completed per employee by employee category² | | | |
| Senior management | 18.00 hours | 15.56 hours | 16% |
| Middle management | 5.42 hours | 4.00 hours | 36% |
| General staff | 3.70 hours | 2.94 hours | 26% |

Notes:

1. Percentage of employees trained is calculated by dividing the number of employees who took part in training by the number of employees.
2. Percentage of employees trained by category is calculated based on the number of employees trained in each category during the period divided by the number of employees who took part in training.
3. Average training hours per employee is calculated by dividing the total number of training hours by the number of employees.
4. Average training hours by category is calculated by dividing the total number of training hours for such category by the number of employees in the corresponding category.

B4 Labour Standards

The Group strictly abides by the labour laws in Hong Kong and the United States of America, to combat against illegal employment of child labour, underage workers and forced labour, the human resources department is responsible for recruitment requires the job applicants to provide valid identity documents prior to confirmation of employment, to ensure that all applicants are lawfully employable. The human resources department is responsible for monitoring and ensuring the compliance of the relevant laws and regulations including those that prohibit child labour and forced labour. Any labour-related issues will be handled with diligently and appropriate actions will be taken seriously, such as termination of employment contract.

During the Year, the Group was not aware of any material non-compliance with the relevant laws and regulations including but not limited to (i) Employment Ordinance (Hong Kong); (ii) the Employment of Children Regulations (Hong Kong), (iii) Fair Labor Standards Act (United States of America) and Trafficking Victims Protection Act (United States of America) that prevent employment of child or forced labour by the Group. In addition, there was no fine or non-monetary sanction for non-compliance with relevant laws and regulations had been reported in the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OPERATING PRACTICES

B5 Supply Chain Management

The Group attaches importance to integrity and has the same requirements for suppliers and partners. The Group will only choose reputable suppliers and partners with good business records, satisfactory products and services quality, and will not simply consider the cost. The Group strictly monitors the procurement process to ensure that there are no interests transfer or corruption of any kind.

In addition, the Group hopes that suppliers and business partners have similar practices in respect of environmental protection, employment, operating practice and other aspects with us. If the Group identifies any violation of the relevant environmental protection, employment and other laws, it will immediately suspend the cooperation with such suppliers and business partners. The Group will also evaluate the products and services provided by the supplier, check whether the supplier has fulfilled the product liability, report the relevant information to the relevant departments and management, and replace the supplier if necessary.

The Group has signed agreements with its electricity supplier which is in stringent compliance with contractual requirements and applicable laws and Regulations on Supply and Use of Electric Power. In order to ensure full-load operation of the big data centre, the Group maintains regular communication with utility service providers in respect of resources allocation and application for increase or decrease in utility supply.

During the Year, the Group was not aware that key supplier had any significant actual and potential negative impact on business ethics, environmental protection, human rights and labour practices, nor any of them had any non-compliance incident in respect of human rights issues.

During 2025, the number of suppliers of the Group by geographical region is as follows:

| Region | 2025 | 2024 | Percentage (%) of Changes |
|--------------------------|-------------|-------------|--------------------------------------|
| Hong Kong | 3 | 1 | 200% |
| United States of America | 1 | 1 | 0% |
| Taiwan | 1 | – | N/A |
| Total | 5 | 2 | 150% |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B6 Product Responsibility

The Group is principally engaged in the (i) provision of storage, electricity and related services and (ii) money lending business in Hong Kong. The provision of storage, electricity and related services covering a full range from monitoring the average utilisation rate and working status of data processors to supervising the overall safety, security and quality of both physical environment and internet connection in the big data centre. The Group adheres to the highest standards of business ethics, while policies to assure that products and services responsibility are securely in place. These ethics underpin how the Group conducts business with its customers. Each customer is provided with a monthly report on operation results of its data processors. In the event of any unusual condition reported on the data processors, the relevant customer will receive an immediate notification and follow-up inspection and maintenance services upon request. The Group's comprehensive management software for the operation of big data centres enables its customers to remotely monitor their data processors and obtain real-time information on the average computing capacity and utilization and operating time of their data processors.

The safety and quality of the products and services are the Group's primary strategic objective. The Group consistently reassesses the relevance of, and continually refines, its standards throughout the entire services and supply chain.

The Group is committed to protecting the privacy and confidentiality of the personal data of its business partners. All confidential data related to the Group's business, financial and customer information are securely protected and only used for internal purpose or purposes consistent with those identified in the contracts. In addition, confidentiality agreements must be signed between the Group and its business partners to protect customers' data and privacy.

The Group recognises the importance of intellectual property protection, therefore it is dedicated to protecting and enforcing the Group's own intellectual property rights as well as the intellectual property rights of third party. The Group will ensure terms in relation to intellectual property rights are included in the cooperation agreements between the Group and its business partners.

The Group strictly abides by the legal and regulatory provisions, including Personal Data (Privacy) Ordinance (Hong Kong) and relevant Privacy Regulations in United States of America, and attaches great importance to the privacy of personal data to resolutely maintain and protect personal information. Only personal information needed for the business are collected and used subject to purposes mentioned in the course of collection unless with agreement from customers. The Group will not transfer or disclose any personal data to any entities other than the members of the Group without the consent, unless otherwise required by the laws or notification is given to customers in advance.

During the Year, there were no recalls of products due to safety and health reasons and no complaints related to product and service were received.

During the Year, the Group was not aware of any material non-compliance of laws and regulations that have a significant impact relating to the quality, health and safety and privacy matters relating to products and services provided. No significant fines had been reported in the Year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B7 Anti-corruption

The Group aims to maintain the highest standards of openness, uprightness and accountability and all its staff are expected to observe the highest standards of ethical, personal and professional conduct. The Group does not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of its business operations.

In addition to the code of conduct on anti-bribery and anti-corruption, the Group has implemented a whistleblowing policy for encouraging the reporting of suspected business irregularities. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities.

The Group is not aware of any material non-compliance with the Prevention of Bribery Ordinance of Hong Kong, Foreign Corrupt Practices Act of United States of America and other applicable laws and regulations that has a significant impact relating to bribery, extortion, fraud and money laundering in the Year. In addition, there was no report of heavy fines or sanctions as the result of non-compliance with relevant laws and regulations.

The Group provides anti-corruption education and training (through webcast and circulation of e-training materials) to its directors and staff on a regular basis to raise their awareness towards ethical and corruption issues. In 2025, 7 directors and 35 employees of the Group had attended anti-corruption training sections with a total of 63 training hours.

B8 Community Investment

As a corporate citizen, the Group promotes social contributions throughout its staff to the local communities in which it operates. The Group places great emphasis on cultivating social responsibility awareness among its staff and encouraging them to better serve our community at work and during their personal time. The Group will try to maximise its social investments as possible in order to create a more favourable environment for the community and the business. Employees are encouraged to participate in various charitable events and community service.

INDEPENDENT AUDITOR'S REPORT



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TO THE SHAREHOLDERS OF CRYPTO FLOW TECHNOLOGY LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Crypto Flow Technology Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 88 to 171, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”) as applicable to audits of financial statements of public interest entities. We also have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

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

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|--|---|
| Capitalisation of development costs as intangible assets | |
| <p>We identified the capitalisation of development costs as intangible assets as a key audit matter due to the significance of balances to the consolidated financial statements as a whole and the significant judgments involved.</p> <p>At 31 December 2025, the Group's intangible assets include development cost of HK\$14,258,000 (net of amortisation).</p> <p>During the year, the Group conducted a significant level of development activities to develop an on-chain data analysis platform "Chainstream". Management applied judgement in identifying projects and expenditures attributable to the projects that met the criteria for capitalisation under the accounting policy as disclosed in Note 3.2 to the consolidated financial statements.</p> <p>As detailed in Note 4 to the consolidated financial statements, determining the development costs, to be capitalised requires estimations and assumptions based on the expected future economic benefits to be generated by the products resulting from these development costs. Other important estimations and assumptions in this assessment process are the distinction between research and development, the feasibility of completing the projects and the likelihood of such products to deliver sufficient future economic benefits to the Group.</p> | <p>Our procedures in relation to capitalisation of development costs as intangible assets include:</p> <ul style="list-style-type: none">– Understanding and evaluating the Group's key controls on how management determined and measured costs that are directly attributable to the development activities;– Evaluating the nature of development expenses incurred that are capitalised as development costs;– Evaluating the reasonableness of the management's estimations on the expected future economic benefits to be generated by the products resulting from these development costs, including the management's business plan and expectation of market development of the products; and– Evaluating the appropriateness of expenses capitalised, on a sample basis, by agreeing the cost incurred to external invoices and internal records. |

INDEPENDENT AUDITOR'S REPORT

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|---|---|
| <p>Impairment assessment of loan and interest receivables</p> <p>We identified the impairment assessment of loan and interest receivables as a key audit matter due to the significance of the balance to the Group's consolidated financial position and the involvement of significant management judgment in evaluating the expected credit loss ("ECL") of loan and interest receivables at the end of the reporting period.</p> <p>As detailed in Note 4 to the consolidated financial statements, in making the assessment, the loan and interest receivables from borrowers are assessed by the management of the Group based on the financial background, financial condition, collaterals and the historical settlement records, including the past due dates and default rates, of the borrowers and reasonable and supportable forward-looking information that is available without undue cost or effort. The borrowers are assigned a risk grading under internal credit ratings to calculate the ECL, taking into consideration of the estimates of expected cash shortfalls. At every reporting date, the financial background, financial condition, collaterals and historical settlement records are reassessed and changes in the forward-looking information are considered.</p> <p>The management further assesses the amount of expected cash shortfall at default through assessing the potential loss as a result of the risk on credit-impaired loan receivables to which the Group is exposed and recovery actions the Group has taken. In assessing the amount of expected cash shortfall, the Group takes into account the amount and timing of cash flows that are expected from foreclosure on the collaterals less the costs of selling the collaterals.</p> <p>The gross carrying amount of the loan and interest receivables are HK\$14,894,000 in aggregate and the impairment allowance on loan and interest receivables are HK\$Nil in aggregate as at 31 December 2025 as set out in Note 23 to the consolidated financial statements.</p> | <p>Our procedures in relation to management's impairment assessment of loan and interest receivables included:</p> <ul style="list-style-type: none"> – Understanding and evaluating the Group's key controls on the related credit control and loan monitoring process and how the management estimates the credit loss allowance for loan and interest receivables and performs loan monitoring process; – Evaluating the reasonableness and appropriateness of the management's assessment of the internal credit rating of the loan and interest receivables by reference to past due status, past collection history, financial background and financial condition of the borrowers; – Evaluating the reasonableness and appropriateness of the management's basis and judgment in determining credit loss allowance on loan receivables at 31 December 2025, including the identification of credit-impaired loan and interest receivables, the estimated loss rate applied to the borrowers, and the estimated cash flows from the realisation of collaterals pledged to the Group, with the assistance of our internal valuation specialists; and – Evaluating the competence, capabilities and objectivity of the external valuation specialists appointed by management of the Group. |

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed term of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

Moore CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

Kong Shao Fung

Practising Certificate Number: P07996

Hong Kong, 27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| REVENUE | 6 | 47,236 | 58,109 |
| Cost of sales and services rendered | | (40,828) | (46,552) |
| Gross profit | | 6,408 | 11,557 |
| Other income, other gains and losses, net | 8(A) | 3,398 | 863 |
| Fair value changes on crypto assets | | (239) | – |
| Administrative expenses | | (67,292) | (22,618) |
| Research and development expenses | | (30,663) | (8,602) |
| (Provision for) reversal of impairment loss under expected credit loss model | 8(B) | (179) | 6,552 |
| Finance costs | 9 | (553) | (695) |
| Share of loss of an associate | | (47) | (138) |
| LOSS BEFORE TAX | | (89,167) | (13,081) |
| Income tax (expense) credit | 11 | (65) | 32 |
| LOSS FOR THE YEAR | 12 | (89,232) | (13,049) |
| OTHER COMPREHENSIVE EXPENSE | | | |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translation of foreign operations | | (1) | – |
| Item that will not be reclassified subsequently to profit or loss: | | | |
| Fair value changes of financial assets at fair value through other comprehensive income | | (1,072) | – |
| OTHER COMPREHENSIVE EXPENSE FOR THE YEAR, NET OF TAX | | (1,073) | – |
| TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR | | (90,305) | (13,049) |
| TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE COMPANY | | (90,305) | (13,049) |
| LOSS PER SHARE | 14 | | |
| – Basic and diluted | | (13.6) | (2.38) |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 15 | 15,621 | 17,001 |
| Right-of-use assets | 16 | 6,931 | 9,783 |
| Goodwill | 17 | 2,998 | – |
| Other intangible assets | 18 | 15,685 | – |
| Investments in an associate | 21 | – | 47 |
| Financial assets at fair value through other comprehensive income | 19 | 6,724 | – |
| Prepayments and deposits | 25 | 42,139 | 6,766 |
| Deferred tax assets | 31 | – | 70 |
| TOTAL NON-CURRENT ASSETS | | 90,098 | 33,667 |
| CURRENT ASSETS | | | |
| Loan and interest receivables | 23 | 14,894 | 20,855 |
| Trade receivables | 24 | 4,059 | 7,555 |
| Prepayments, deposits and other receivables | 25 | 11,758 | 3,481 |
| Crypto assets | 26 | 3,522 | – |
| Cash and cash equivalents | 27 | 81,427 | 2,091 |
| TOTAL CURRENT ASSETS | | 115,660 | 33,982 |
| CURRENT LIABILITIES | | | |
| Trade payables | 28 | 2,643 | 3,934 |
| Accruals and other payables | 29 | 14,345 | 13,100 |
| Lease liabilities | 30 | 4,359 | 6,394 |
| Tax payable | | 3,636 | 3,636 |
| TOTAL CURRENT LIABILITIES | | 24,983 | 27,064 |
| NET CURRENT ASSETS | | 90,677 | 6,918 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 180,775 | 40,585 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 30 | 2,886 | 3,756 |
| Deferred tax liabilities | 31 | 490 | – |
| | | 3,376 | 3,756 |
| NET ASSETS | | 177,399 | 36,829 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 32 | 71,756 | 54,841 |
| Reserves | 33 | 105,643 | (18,012) |
| TOTAL EQUITY | | 177,399 | 36,829 |

The consolidated financial statements on pages 88 to 171 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

Approved by:

Li Hongbin
Director

Yuan Quan
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 December 2025

| | Attributable to owners of the Company | | | | | | | Total equity HK\$'000 |
|---|---------------------------------------|---------------------------|---|---------------------------|------------------------------|---|--------------------------------|--------------------------|
| | Issued capital HK\$'000 | Share premium HK\$'000 | Share-based payment reserve HK\$'000 | Other reserve HK\$'000 | Exchange reserve HK\$'000 | Financial assets of fair value through other comprehensive income reserve HK\$'000 | Accumulated losses HK\$'000 | |
| At 1 January 2024 | 54,841 | 422,533 | 11,044 | (24,221) | - | - | (414,319) | 49,878 |
| Lapse of share options | - | - | (11,007) | - | - | - | 11,007 | - |
| Loss and total comprehensive expense for the year | - | - | - | - | - | - | (13,049) | (13,049) |
| At 31 December 2024 | 54,841 | 422,533 | 37 | (24,221) | - | - | (416,361) | 36,829 |
| At 1 January 2025 | 54,841 | 422,533 | 37 | (24,221) | - | - | (416,361) | 36,829 |
| Loss for the year | - | - | - | - | - | - | (89,232) | (89,232) |
| Exchange differences on translation of foreign operations | - | - | - | - | (1) | - | - | (1) |
| Fair value changes of financial assets at fair value through other comprehensive income | - | - | - | - | - | (1,072) | - | (1,072) |
| Total comprehensive expense for the year | - | - | - | - | (1) | (1,072) | (89,232) | (90,305) |
| Issue of shares on placement (Note 32) | 16,905 | 170,812 | - | - | - | - | - | 187,717 |
| Transaction costs attributable to issue of shares | - | (909) | - | - | - | - | - | (909) |
| Exercise of share options | 10 | 58 | (37) | - | - | - | 37 | 68 |
| Share-based payment (Note 34) | - | - | 43,999 | - | - | - | - | 43,999 |
| At 31 December 2025 | 71,756 | 592,494 | 43,999 | (24,221) | (1) | (1,072) | (505,556) | 177,399 |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (89,167) | (13,081) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 6,134 | 4,805 |
| Depreciation of right-of-use assets | 8,028 | 6,939 |
| Amortisation of intangible assets | 469 | – |
| Share-based payment expense | 43,999 | – |
| Share of loss of an associate | 47 | 138 |
| Reversal of impairment loss under expected credit losses on trade receivables, net | (77) | (377) |
| Reversal of impairment loss under expected credit losses on loan and interest receivables, net | (2,442) | (6,212) |
| Provision for impairment loss under expected credit losses on other receivables, net | 2,698 | 37 |
| Interest income from money lending business | (1,676) | (2,100) |
| Bank interest income | (21) | – |
| Finance costs | 553 | 695 |
| Loss on disposal of property, plant and equipment | 29 | – |
| Net gain on early termination of lease | (35) | – |
| Fair value changes on crypto assets | 239 | – |
| Operating cash flows before working capital changes | (31,222) | (9,156) |
| Increase in crypto assets | (2,837) | – |
| Decrease in trade receivables | 3,573 | 2,737 |
| Increase in prepayments, deposits and other receivables | (3,162) | (6,995) |
| (Decrease) increase in trade payables | (1,292) | 908 |
| (Decrease) increase in accruals and other payables | (4,033) | 6,249 |
| Cash used in operating activities | (38,973) | (6,257) |
| Income tax paid | – | – |
| Net cash flows used in operating activities | (38,973) | (6,257) |
| INVESTING ACTIVITIES | | |
| Interest received from money lending business | 1,826 | 4,350 |
| Interest received from bank | 21 | – |
| Repayment from a loan receivable | 8,253 | 9,853 |
| Purchase of property, plant and equipment | (4,996) | (1,632) |
| Purchase of financial assets at fair value through other comprehensive income | (7,796) | – |
| Payments for intangible asset | (56,300) | – |
| Advance to an associate | (1,209) | – |
| Net cash outflow on acquisition of a subsidiary | (167) | – |
| Proceeds from disposal of property, plant and equipment | 330 | – |
| Net cash flows (used in) from investing activities | (60,038) | 12,571 |

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| FINANCING ACTIVITIES | | |
| Repayment of lease liabilities | (8,046) | (6,779) |
| Interest paid | (553) | (695) |
| Transaction costs attributable to issue of shares | (909) | – |
| Issue of shares upon share placing | 187,717 | – |
| Exercise of share option | 68 | – |
| Net cash flows from (used in) financing activities | 178,277 | (7,474) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 79,266 | (1,160) |
| Cash and cash equivalents at beginning of year | 2,091 | 3,251 |
| Effect of foreign exchange rate change | 70 | – |
| Cash and cash equivalents at end of year | 81,427 | 2,091 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 81,427 | 2,091 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Crypto Flow Technology Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and its shares have been listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 17 May 2002. The addresses of the registered office of the Company is at P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands, and the principal place of business in Hong Kong of the Company is at Unit 1905, 19th Floor, Tower Two, Lippo Centre, 89 Queensway, Hong Kong.

The Company is an investment holding company. Its subsidiaries are principally engaged in (i) the provision of storage, electricity and related services, (ii) money lending business in Hong Kong, (iii) on-chain data analysis platform and (iv) digital asset exchange and over the counter services business in Australia.

The ultimate holding company of the Company is Manful Kingdom Limited, a company incorporated in Hong Kong with limited liability and beneficially owned as to 65% by Mr. Fu Jiepin, as to 25% by Mr. Li Hongbin, as to 5% by Ms. Liang Yun and as to 5% by Mr. Liu Weihong.

The consolidated financial statements are presented in Hong Kong dollars (“**HKS**”) which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standard issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

| | |
|-----------------------|-------------------------|
| Amendments to HKAS 21 | Lack of Exchangeability |
|-----------------------|-------------------------|

The application of the amendments to HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|--|--|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instruments ² |
| Amendments to HKFRS 9 and HKFRS 7 | Contracts Referencing Nature-dependent Electricity ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKFRS Accounting Standards | Annual Improvements to HKFRS Accounting Standards – Volume 11 ² |
| HKFRS 18 | Presentation and Disclosure in Financial Statements ³ |
| Amendments to HKAS 21 | Translation to a Hyperinflationary Presentation Currency ³ |

Note:

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2026.
- ³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, accounting principles generally accepted in Hong Kong and include the applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of The Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis except for consolidated financial assets at fair value through other comprehensive income (“**FVTOCI**”) and crypto assets. The measurement bases are fully described in the accounting policies below.

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

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Business combination

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

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Business combination (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and is not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Revenue from contracts with customers

Information about the Group's accounting policies relating to revenue from customers is provided in Note 6.

Crypto assets

Crypto assets are held mainly for crypto asset exchange and over-the-counter services business in Australia.

Based on the respective rights and obligations of the Group and its customers under crypto assets over-the-counter trading services agreement, crypto assets still held by the Group are recorded as assets of the Group with a corresponding amount due to the customer recorded and measured at fair value through profit or loss in current liabilities. Upon a customer's request to withdraw crypto assets, the Group transfers the crypto assets from its wallets to the customer's wallet and the related asset and amounts due to the customer is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Crypto assets (continued)

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

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases (continued)

The Group as a lessee (continued)

The Group applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

The cost of right-of-use assets includes:

- the amounts of the initial measurement of the lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Leases (continued)

Lease liabilities (continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group presents lease liabilities as a separate line item on the consolidated statement of financial position.

Employee benefits

Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For LSP obligation, the Group accounts for the employer MPF contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

Share-based payments

Share options granted to employees and others providing similar services

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Share-based payments (continued)

Share options granted to employees and others providing similar services (continued)

At the time when the share options are exercised, the amount previously recognised in the share-based payment reserve will be transferred to accumulated losses. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to accumulated losses.

Share options granted to non-employees

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit/(loss) before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Taxation (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Foreign currencies

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Foreign currencies (continued)

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

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Intangible assets (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial assets (continued)

Classification and subsequent measurement of financial assets *(continued)*

(i) Amortised cost and interest

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and continues to be held in the FVTOCI reserve.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income, other gains and losses, net line item in profit or loss.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade receivables, loan and interest receivables and other receivables) which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 (continued)

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(continued)*

(i) Significant increase in credit risk *(continued)*

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Financial assets (continued)

Impairment of financial assets subject to impairment assessment under HKFRS 9 *(continued)*

- (iii) Credit-impaired financial assets (continued)
 - (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
 - (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

- (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

- (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

3.2 Material accounting policy information *(continued)*

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

In the application of the Group's material accounting policy information, which are described in note 3.2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Capitalisation of development costs as intangible assets

Determining the development costs, to be capitalised requires estimations and assumptions based on the expected future economic benefits to be generated by the products resulting from these development costs. Other important estimations and assumptions in this assessment process are the distinction between research and development, the feasibility of completing the projects and the likelihood of such products to deliver sufficient future economic benefits to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Critical judgements in applying accounting policies *(continued)*

(b) Accounting for crypto assets

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

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

The Group provides crypto assets trading services through its proprietary platforms. The Group facilitates client trades by entering into corresponding hedging trades on a back-to-back basis with approved counterparties, including centralised exchanges and institutional liquidity providers. As the Group's role is to arrange access to liquidity and efficient trade execution, revenue is recognised on a net basis, representing the spread between the price at which the client trade is executed and the price of the corresponding hedging trade, at the point in time when the trade is executed.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Provision of ECL on loan and interest receivables

Management regularly reviews the impairment assessment and evaluates the ECL of the loan and interest receivables. Appropriate impairment allowance is recognised in profit or loss.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the one as at the date of initial recognition. In making this assessment, the loan receivable from borrower are assessed individually by the management of the Group, based on the financial background, financial condition; collaterals and the historical settlement records, including past due dates and default rates, of the borrower and reasonable and supportable forward-looking information (such as macroeconomic factors including Gross Domestic Product ("GDP") growth and unemployment rate with adjustment on different scenarios of economic environment prospect) that is available without undue cost or effort.

Each borrower is assigned a risk grading under internal credit ratings to calculate the ECL, taking into consideration of the estimates of expected cash shortfalls which are driven by estimates of possibility of default and the amount and timing of cash flows that are expected from foreclosure on the collaterals (if any) less the costs of selling the collaterals. At every reporting date, the financial background, financial condition collaterals and the historical settlement records are reassessed and changes in the forward-looking information are considered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

Key sources of estimation uncertainty *(continued)*

(a) *Provision of ECL on loan and interest receivables (continued)*

The management further assesses the amount of exposure of default through assessing the potential loss as a result of the risk on credit-impaired loan and interest receivables to which the Group is exposed and recovery actions the Group has taken. In assessing the amount of exposure of default, the Group takes into account the timing of expected cash flows from foreclosure on the collaterals less the costs of selling the collaterals.

The information about the ECL and the Group's loan and interest receivables are disclosed in Note 5.

(b) *Provision of ECL for trade receivables*

Trade receivables are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in Note 5.

(c) *Valuation of equity-settled share-based payment transactions*

The fair values of share options have been calculated using the Binomial Option Pricing Model which require the input of highly subjective assumptions, including the expected volatility of the share price. Because changes in subjective assumptions can materially affect the fair value estimate, in the opinion of the directors, the existing model may not always necessarily produce a reliable single measure of the fair value of the share options. Details of the assumptions used are set out in Note 34.

(d) *Estimation of fair value of financial instruments*

The fair value of financial instruments that are not traded in active markets are determined by using valuation techniques according to the nature of the financial instrument. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of the key assumptions used, the impact of changes to these assumptions and the carrying amounts financial assets at FVTOCI are disclosed in Note 5(g).

(e) *Business combination*

The Group accounts for business combination by using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation judgements. The most significant variables in these valuations are compound annual growth rate on revenue, pre-tax discount rate and terminal growth rate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

4. KEY ESTIMATES *(continued)*

Key sources of estimation uncertainty *(continued)*

(f) Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit (“CGU”) to which goodwill has been allocated. Significant judgment and assumptions were required by the management of the Group in assessing the recoverable amounts of CGUs. The recoverable amounts are determined with reference to the value-in-use of the relevant CGU derived from respective cash flow projection, which required significant judgment and assumptions including local economic development, growth rates of number of users, service fee income spread and discount rates during the forecasting period in order to derive the net present value of the discounted future cash flow analysis. Where the actual future cash are less than expected, or change in facts and circumstances which results in downward revision of future cash flow or upward revision of discount rate, there will be a change of recoverable amount, and impairment loss may arise.

As at 31 December 2025, the carrying amounts of goodwill subject to impairment assessment was approximately HK\$2,998,000 (2024: HK\$Nil). Details of the impairment assessment are disclosed out in Note 17.

5. FINANCIAL RISK AND CRYPTO ASSET ECOSYSTEM RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks: credit risk, market risk (including foreign currency risk and price risk), liquidity risk and crypto asset ecosystem risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

(a) Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade receivables, bank balances, other receivables and loan and interest receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with loan and interest receivables is mitigated because they are secured over properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk and impairment assessment *(continued)*

The Group's internal credit risk grading assessment comprises the following categories:

| Internal credit rating | Description | Trade Receivables | Financial assets other than trade receivables |
|------------------------|---|------------------------------------|---|
| Low risk | The counterparty has a low risk of default and does not have any past due amounts | Lifetime ECL – not credit-impaired | 12m ECL |
| Medium risk | Debtor frequently settles after due dates | Lifetime ECL – not credit-impaired | 12m ECL |
| High risk | There have been significant increases in credit risk since initial recognition through information developed internally or external resources | Lifetime ECL – not credit-impaired | Lifetime ECL – not credit-impaired |
| Loss | There is evidence indicating that the asset is credit-impaired | Lifetime ECL – credit-impaired | Lifetime ECL – credit-impaired |
| Write-off | There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written off | Amount is written off |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk and impairment assessment (continued)

| | Notes | External credit rating | Internal credit rating | 12m or lifetime ECL | 2025 Gross carrying amounts HK\$'000 | 2024 Gross carrying amounts HK\$'000 |
|--|-------|-------------------------------------|------------------------------------|--|--|--|
| Financial assets at amortised cost | | | | | | |
| Loan and interest receivables | 23 | N/A | Medium risk Loss (note (ii)) | 12m ECL Lifetime ECL – credit impaired | – 14,894 | 3,150 20,147 |
| Trade receivables | 24 | N/A | (note (i)) Loss | Lifetime ECL (simplified approach) Lifetime ECL – credit impaired | 3,550 3,175 | 10,298 – |
| Other receivables | 25 | N/A | High risk (note (ii)) | Lifetime ECL – not credit impaired | 8,462 | 409 |
| Electricity and other deposits | 25 | N/A | (note (ii)) | 12m ECL | 3,392 | 9,348 |
| Cash and cash equivalents including bank balances | 27 | BBB- to AA (2024: BBB- to AA) | N/A | 12m ECL | 81,427 | 2,091 |

- Notes: (i) The Group has applied the simplified approach in HKFRS 9 to measure the loss allowance for trade receivables on lifetime ECL basis.
- (ii) For the purpose of internal credit assessment, the Group assesses whether credit risk has increased significantly since initial recognition based on the financial background, financial condition and historical settlement records of the counterparties, and both the quantitative and qualitative information including reasonable and supportive forward-looking information available without undue cost or effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk and impairment assessment (continued)

Trade receivables

The Group has concentration of credit risk as 100% (2024: 100%) of the Group's trade receivables are due from the Group's two customers (2024: two customers). In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables with significant balances and credit-impaired individually. Details of the quantitative disclosures are set out in this note and Note 24.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

| | Lifetime ECL (not credit- impaired) HK\$'000 | Lifetime ECL (credit- impaired) HK\$'000 | Total HK\$'000 |
|--|---|---|-------------------|
| As at 1 January 2024 | 3,120 | – | 3,120 |
| – allowance for credit losses (note (i)) | 2,743 | – | 2,743 |
| – reversal of allowance for credit losses (note (iv)) | (3,120) | – | (3,120) |
| As at 31 December 2024 | 2,743 | – | 2,743 |
| – transferred to lifetime ECL (credit-impaired) (note (ii)) | (2,543) | 2,543 | – |
| – allowance for credit losses (note (iii)) | 153 | 1,093 | 1,246 |
| – reversal of allowance for credit losses (note (iv)) | (200) | (1,123) | (1,323) |
| As at 31 December 2025 | 153 | 2,513 | 2,666 |

Notes:

- (i) The allowance for credit losses of HK\$2,743,000 was recognised under lifetime ECL (not credit-impaired) based on the financial background, financial condition and historical settlement records of the counterparties, and both the quantitative and qualitative information including reasonable and supportive forward-looking information available without undue cost or effort. As at 31 December 2024, trade receivables were not considered as credit-impaired based on the assessment.
- (ii) Impairment allowance of HK\$2,543,000 was transferred from lifetime ECL (not credit-impaired) to lifetime ECL (credit-impaired) for trade receivables with gross carrying amount of HK\$5,687,000.
- (iii) Impairment allowance of HK\$153,000 was recognised under lifetime ECL (not credit-impaired), and impairment allowance of HK\$1,093,000 was recognised under lifetime ECL (credit-impaired) based on the financial background, financial condition and historical settlement records of the counterparties, and both the quantitative and qualitative information including reasonable and supportive forward-looking information available without undue cost or effort.
- (iv) The reversal of allowance for credit losses of HK\$1,323,000 (2024: HK\$3,120,000) was attributed to the settlement of trade receivables with gross carrying amount of HK\$4,611,000 (2024: HK\$13,036,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk and impairment assessment (continued)

Loan and interest receivables

The Group also has concentration of credit risk as 100% (2024: 80%) of the Group's loan and interest receivables is a loan granted to an independent third party which is secured by a collateral of a property in PRC.

The management estimates the estimated loss rates of loan and interest receivables based on historical credit loss experience of the debtors as well as the fair value (less cost of disposal) of the collateral pledged by the borrower of the loan and interest receivables. Details has been disclosed in Note 23.

The movement of impairment allowance on loan and interest receivables for the year is as follows:

| | 12m ECL HK\$'000 | Lifetime ECL (not credit- impaired) HK\$'000 | Lifetime ECL (credit- impaired) HK\$'000 | Total HK\$'000 |
|--|---------------------|---|---|-------------------|
| At 1 January 2024 | 107 | 8,547 | – | 8,654 |
| Changes due to loan and interest receivables recognised at 1 January 2024: | | | | |
| – Impairment allowance recognised (note (ii)) | 169 | – | – | 169 |
| – Reversal of impairment allowance (note (i)) | – | – | (6,381) | (6,381) |
| – Transferred to lifetime ECL (credit-impaired) (note (i)) | – | (8,547) | 8,547 | – |
| At 31 December 2024 | 276 | – | 2,166 | 2,442 |
| Changes due to loan and interest receivables recognised at 1 January 2024: | | | | |
| – Reversal of impairment allowance (note (iii)) | (276) | – | (2,166) | (2,442) |
| At 31 December 2025 | – | – | – | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk and impairment assessment *(continued)*

Loan and interest receivables (continued)

Notes:

- (i) Impairment allowance of HK\$8,547,000 was transferred from lifetime ECL (not credit-impaired) to lifetime ECL (credit-impaired) during the year ended 31 December 2024 for Loan A with net carrying amount of HK\$17,981,000 as Loan A has been past due.

Reversal of impairment allowance of HK\$6,381,000 on Loan A of loan and interest receivables was recognised in profit or loss for the year ended 31 December 2024 after considering the repayment of total loan principal of HK\$9,853,000 and accrued interest of HK\$4,050,000. The adjustment to reflect loss given default based on the fair value less cost of disposal of the pledged property.

- (ii) The impairment loss of HK\$169,000 for the year ended 31 December 2024 was related to Loan B with gross carrying amount of HK\$3,150,000 assessed under 12m ECL after considering the financial information and financial condition of the borrower.

- (iii) Reversal of impairment allowance of HK\$2,166,000 on Loan A of loan and interest receivables was recognised in profit or loss for the year ended 31 December 2025 after considering the repayment of total loan principal of HK\$5,253,000 and accrued interest of HK\$1,526,000 and the fair value less cost of disposal of the pledged property and costs of realising the pledge.

The reversal of allowance for credit losses of HK\$276,000 for the year ended 31 December 2025 was attributed to the settlement of Loan B with net carrying amount of HK\$2,874,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk and impairment assessment (continued)

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. There has been no history of default in relation to these banks. The Group performs impairment assessment on the bank balances under 12m ECL model. The management of the Group considers the risk of default is low based on the average loss rate by reference to credit ratings assigned by international credit-rating agencies. The Group assessed that the ECL for bank balances were insignificant.

Other receivables

The management of the Group conducts periodic individual assessment on the recoverability of other receivables (including deposits for trading of computer hardware and amount due from an associate) based on financial background, financial condition, historical settlement records, past experience, and also available reasonable and supportive forward-looking information.

The following table shows the movement in lifetime ECL that has been recognised for other receivables.

| | Lifetime ECL (not credit-impaired) HK\$'000 |
|---|---|
| As at 1 January 2024 | 105 |
| – allowance for credit losses (note (i)) | 142 |
| – reversal of allowance for credit losses (note (ii)) | (105) |
| As at 31 December 2024 | 142 |
| – allowance for credit losses (note (i)) | 2,840 |
| – reversal of allowance for credit losses (note (ii)) | (142) |
| As at 31 December 2025 | 2,840 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT *(continued)*

(a) Credit risk and impairment assessment *(continued)*

Other receivables (continued)

Notes:

- (i) The allowance for credit losses of HK\$2,840,000 (2024: HK\$142,000) was recognised under lifetime ECL (not credit-impaired) as the credit risk has increased significantly since initial recognition based on the financial background, financial condition and historical settlement records of the counterparties, and both the quantitative and qualitative information including reasonable and supportive forward-looking information available without undue cost or effort.
- (ii) The reversal of allowance for credit losses of HK\$142,000 (2024: HK\$105,000) was attributed to the settlement of other receivables with gross carrying amount of HK\$409,000 (2024: HK\$250,000).

Electricity and other deposits

For electricity and other deposits, the management assessed individually on the recoverability of electricity and other deposits based on the financial background, financial condition and historical settlement records of the service providers, and also quantitative and qualitative information including reasonable and supportive forward-looking information. The management believed that there was no significant increase in credit risk of electricity and other deposits of HK\$3,392,000 (2024: HK\$9,348,000) since initial recognition and the Group performed the impairment assessment based on 12m ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for these deposits as insignificant and thus no loss allowance was recognised.

(b) Foreign currency risk

The Group's principal operating subsidiaries carry out their operations in Hong Kong, the USA and Australia. The Group is exposed to foreign currency risk arising from various currency exposures, primarily through cash and bank balances arising from sales and purchases that are denominated in a currency other than the functional currency of the operations in which they related. The currency giving rise to this risk is primarily USD and AUD.

The Group's exposure to currency risk arising from US\$ against HK\$ is considered as insignificant since HK\$ is pegged to US\$.

As at 30 December 2025, if USD had weakened/strengthened by 5% (2024: 5%) against the AUD with all other variables held constant, loss for the year would have been HK\$72,000 (2024: HK\$Nil) higher/lower, respectively, mainly as a result of foreign exchange losses/gains on translation of AUD denominated cash and cash equivalents held by the group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Price risk of crypto assets

The Group held crypto assets and amounts due to customers, including stablecoins (mainly USDT), which are asset-backed with fair values approximately US\$1 per unit with limited price risk. However, the price risk of stablecoins may not be limited due to the fast-developing nature of crypto markets including evolving regulations, custody and trading mechanisms, as well as valuation and volume volatility.

The change in the price of stablecoins, crypto assets, the change of fair value of crypto assets are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Crypto assets | 3,552 | – |
| Amounts due to customers – cryptocurrencies | (588) | – |
| | 2,964 | – |
| If there were an increase/(decrease) on the price by: | 50% | 50% |
| The fair value of crypto assets and amount due to customers – cryptocurrencies would increase/(decrease) | 1,482 | – |

(d) Risks related to anti-money laundering

One of subsidiary of Group provide the cryptocurrencies Over-The-Counter trading through its online platform and registered with Australian Transaction Reports and Analysis Centre (“**AUSTRAC**”), is required to comply with the relevant requirements of Anti-Money Laundering and Counter-Terrorism Financing Act 2006. The risks of failure to comply with such anti-money laundering requirements and consequences of breach may undermine the Group’s performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(d) Risks related to anti-money laundering (continued)

The Group is also required to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) and the guidelines issued by the Companies Registry of Hong Kong.

To mitigate such risks, the Group has implemented policies and procedures for Anti-Money Laundering and Know-Your-Customer that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting.

(e) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the remaining contractual maturity of the Group for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

| | Weighted average interest rate % | On demand or less than 1 month HK\$'000 | Within 3 months 3 months HK\$'000 | 3 months to 1 year HK\$'000 | 1 to 5 years HK\$'000 | Total undiscounted cash flow HK\$'000 | Carrying amount HK\$'000 |
|----------------------------|---|--|--|-----------------------------------|--------------------------|--|--------------------------------|
| At 31 December 2025 | | | | | | | |
| Trade payables | Nil | 2,643 | - | - | - | 2,643 | 2,643 |
| Other payables | Nil | 11,897 | - | - | - | 11,897 | 11,897 |
| Lease Liabilities | 6.15 | 722 | 1,318 | 2,607 | 2,995 | 7,642 | 7,245 |
| | | 15,262 | 1,318 | 2,607 | 2,995 | 22,182 | 21,785 |

| | Weighted average interest rate % | On demand or less than 1 month HK\$'000 | Within 3 months 3 months HK\$'000 | 3 months to 1 year HK\$'000 | 1 to 5 years HK\$'000 | Total undiscounted cash flow HK\$'000 | Carrying amount HK\$'000 |
|----------------------------|---|--|--|-----------------------------------|--------------------------|--|--------------------------------|
| At 31 December 2024 | | | | | | | |
| Trade payables | Nil | 3,934 | - | - | - | 3,934 | 3,934 |
| Other payables | Nil | 7,013 | - | - | - | 7,013 | 7,013 |
| Lease Liabilities | 6.90 | 761 | 1,521 | 4,584 | 3,994 | 10,860 | 10,150 |
| | | 11,708 | 1,521 | 4,584 | 3,994 | 21,807 | 21,097 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(f) Categories of financial instruments

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| <u>Financial assets at fair value</u> | | |
| Financial assets at FVTOCI | 6,724 | – |
| <u>Financial assets at amortised cost:</u> | | |
| Loan and interest receivables | 14,894 | 20,855 |
| Trade receivables | 4,059 | 7,555 |
| Deposits and other receivables | 9,014 | 9,615 |
| Cash and cash equivalents | 81,427 | 2,091 |
| Total | 116,118 | 40,116 |

Financial liabilities:

| | | |
|---|---------------|---------------|
| <u>Financial liabilities at amortised cost:</u> | | |
| Trade payables | 2,643 | 3,934 |
| Other payables | 11,897 | 7,013 |
| Lease Liabilities | 7,245 | 10,150 |
| Total | 21,785 | 21,097 |

(g) Fair value

The fair value measurement of the Group's financial assets and liabilities utilises market observable inputs and data as far as possible. Input used in determining fair value measurements are categorised into different levels based on how observable inputs used in the valuation technique utilised (the "fair value hierarchy") are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(g) Fair value (continued)

Fair value hierarchy

The following table provides an analysis of financial instruments measured at fair value by level of fair value hierarchy:

Assets measured at fair value:

Recurring fair value measurement

| At 31 December 2025 Financial assets | Level 1 HK\$000 | Level 2 HK\$000 | Level 3 HK\$000 | Total HK\$000 |
|---|--------------------|--------------------|--------------------|------------------|
| Crypto assets | 3,522 | – | – | 3,522 |
| Financial assets at FVTOCI – Unlisted share | – | – | 6,724 | 6,724 |
| | 3,522 | – | 6,724 | 10,246 |

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

(i) Information about level 3 fair value measurement

The fair values of the financial instruments, including unlisted equity investment, included in the level 3 category as at the end of the reporting period have been determined by the directors of the Company with reference to valuation performed by an independent professional valuer. The valuation technique adopted is the market approach (i.e. comparable company approach). The valuation method used was the Guideline Public Company Method under Market approach.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis:

| | Fair value as at 31 December | | Valuation technique | Significant unobservable inputs | Range | Sensitivity of fair value to the inputs |
|---|------------------------------|-----------------|------------------------|---------------------------------------|-------|---|
| | 2025 HK\$000 | 2024 HK\$000 | | | | |
| Financial assets at FVTOCI – Unlisted share | 6,724 | – | Market approach | Lack of market ability discount | 30% | 1% increase in lack of market ability discount would result in decrease in fair value by HK\$74,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

5. FINANCIAL RISK MANAGEMENT (continued)

(g) Fair value (continued)

Fair value hierarchy (continued)

The following table provides an analysis of financial instruments measured at fair value by level of fair value (continued)

(ii) Crypto assets (Note 26)

The fair values of crypto assets in level 1 category were determined based on quoted market price as at end of each reporting period.

6. REVENUE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| <u>Revenue from contracts with customers</u> | | |
| Provision of big data centre services | 45,178 | 56,009 |
| On-chain data analysis platform services | 88 | – |
| Digital asset exchange and over-the-counter services business | 294 | – |
| <u>Revenue from other source</u> | | |
| Interest income from money lending business | 1,676 | 2,100 |
| | 47,236 | 58,109 |
| | | |
| Disaggregated by geographical location of customers: | | |
| Hong Kong | 1,764 | 9,587 |
| United States of America (“USA”) | 45,178 | 48,522 |
| Australia | 294 | – |
| | 47,236 | 58,109 |

Provision of big data centre services

During the year ended 31 December 2025, the Group operated big data centres (the “**Big Data Centres**”), providing storage, electricity and related services in relation to data machines of customers placed in the data centres, in Hong Kong and the USA (2024: Hong Kong and the USA) and charging the customers fixed monthly fee (for the Big Data Centre in Hong Kong) for these services and based on the electricity consumptions of their data machines (for the Big Data Centre in USA). The Big Data Centre in Hong Kong ceased operation in June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

6. REVENUE (continued)

Provision of big data centre services (continued)

Because of the difficulties in operating big data centre services for Hong Kong's cryptocurrency market, the Group has decided to expand its business overseas. To concentrate on its overseas market expansion, the Group has entered into an agreement with an independent third party ("**Party A**") during the year ended 31 December 2023 to locate potential customers for the Big Data Centre in Hong Kong. Under the agreement, the Group received a fixed monthly fee from Party A for the provision of the data centre services to the customers of Party A, which includes a predetermined level of electricity consumptions of the data machines placed in the Group's Big Data Centre in Hong Kong. When the level of electricity consumptions exceeds the predetermined level, additional service fee is charged by the Group on Party A based on the exceeded electricity consumptions. HK\$Nil additional service fee was recognised by the Group for the year ended 31 December 2025 (2024: HK\$287,000).

Revenue is recognised upon and measured at the amounts billed to the customers which are based on meter readings, as the Group has a right to consideration from its customers in an amount that corresponds directly with the meter readings, subject to the minimum pre-determined level in the case of revenue from Party A. After the rendering of the big data centre services, there is no unfulfilled obligation that could affect the customer's acceptance of the service.

On-chain data analysis platform services

On-chain data analysis platform services revenue are primarily from paid subscriptions and recognised revenue over the subscription period.

Digital asset exchange and over-the-counter services business

The Group provides crypto assets trading services through its proprietary platforms. The Group facilitates client trades by entering into corresponding hedging trades on a back-to-back basis with approved counterparties, including centralised exchanges and institutional liquidity providers. As the Group's role is to arrange access to liquidity and efficient trade execution, revenue is recognised on a net basis, representing the spread between the price at which the client trade is executed and the price of the corresponding hedging trade, at the point in time when the trade is executed.

All revenue are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

7. OPERATING SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the Chief Operating Decision Maker ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

During the year ended 31 December 2024, the Group has commenced the carrying out of research and development activities on blockchain, the application for Web3.0 and the business models of infrastructure platforms with supporting technologies ("**Web3.0 Business**") and has recruited certain talents in blockchain and its related fields including business development in overseas markets, operation of products and blockchain-based financial services. Accordingly, Web3.0 Business is considered as a new operating and reportable segment by the CODM.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OPERATING SEGMENT INFORMATION (continued)

During the year ended 31 December 2025, the Group has launched its on-chain data analysis platform, namely "Chainstream", and acquired the entire equity interest in Rhino. Accordingly, the CODM considered that under the original operating and reportable segment, Web3.0 Business should be separated further as Analysis Platform and Exchange and OTC Services businesses, representing the on-chain data analysis platform and over-the-counter crypto trading in Australia respectively. Prior year segment disclosures have been represented to conform with the current year's presentation.

The Group's reportable segments under HKFRS 8 Operating Segments in the operations of the Group as at 31 December 2025 are as follows:

- Provision of Big Data Centre services ("**Big Data Centre Services**")
- Money lending business ("**Money Lending Business**")
- Analysis Platform
- Exchange and OTC Services

No operating segments have been aggregated in arriving at the reportable segments of the Group from its operations.

Segment revenues and results

The following is an analysis of the Group's revenue and results from operations by reportable segments:

For the year ended 31 December 2025

| | Big Data Centre Services HK\$'000 | Money Lending Business HK\$'000 | Analysis Platform HK\$'000 | Exchange and OTC Services HK\$'000 | Total HK\$'000 |
|---|---|---------------------------------------|----------------------------------|--|-------------------|
| Revenue from external customers | 45,178 | 1,676 | 88 | 294 | 47,236 |
| Segment results | (576) | 2,311 | (45,108) | (1,313) | (44,686) |
| Unallocated other income and gains | | | | | 42 |
| Unallocated corporate and other expenses | | | | | (44,523) |
| Group's loss before tax | | | | | (89,167) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OPERATING SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

For the year ended 31 December 2024

| | Big Data Centre Services HK\$'000 | Money Lending Business HK\$'000 | Analysis Platform HK\$'000 | Total HK\$'000 |
|--|---|---------------------------------------|----------------------------------|-------------------|
| Revenue from external customers | 56,009 | 2,100 | – | 58,109 |
| Segment results | (2,250) | 8,198 | (8,813) | (2,865) |
| Unallocated other income and gains | | | | 863 |
| Unallocated corporate and other expenses | | | | (11,079) |
| Group's loss before tax | | | | (13,081) |

Segment results represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM makes decisions according to operating results of each segment. No analysis of segment assets and segment liabilities is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OPERATING SEGMENT INFORMATION (continued)

Other segment information

For the year ended 31 December 2025

| | Big Data Centre Services HK\$'000 | Money Lending Business HK\$'000 | Analysis Platform HK\$'000 | Exchange and OTC Services HK\$'000 | Unallocated HK\$'000 | Consolidated HK\$'000 |
|--|---|---------------------------------------|----------------------------------|--|-------------------------|--------------------------|
| Additions of property, plant and equipment | - | - | 3,392 | - | 1,604 | 4,996 |
| Depreciation of property, plant and equipment | (4,754) | - | (1,165) | (19) | (196) | (6,134) |
| Additions of right-of-use assets | - | - | 4,751 | - | 1,460 | 6,211 |
| Depreciation of right-of-use assets | (1,915) | - | (5,413) | - | (700) | (8,028) |
| Additions of other intangible assets | - | - | 14,500 | - | - | 14,500 |
| Amortisation of other intangible assets | - | - | (242) | (227) | - | (469) |
| Reversal of expected credit loss on trade receivables, net | (77) | - | - | - | - | (77) |
| Provision of expected credit loss on other receivables, net | - | - | - | - | 2,698 | 2,698 |
| Reversal of expected credit loss on loan and interest receivables, net | - | (2,442) | - | - | - | (2,442) |
| Research and development expenses (note) | - | - | (30,663) | - | - | (30,663) |

Note: Research and development expenses included depreciation of right-of-use assets amounting to HK\$3,110,000, staff cost amounting to HK\$5,648,000, share-based payments amounting to HK\$16,608,000 and cloud services fee amounting to HK\$5,297,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OPERATING SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2024

| | Big Data Centre Services HK\$'000 | Money Lending Business HK\$'000 | Analysis Platform HK\$'000 | Unallocated HK\$'000 | Consolidated HK\$'000 |
|--|--|--|----------------------------------|-------------------------|--------------------------|
| Additions of property, plant and equipment | 1,204 | – | – | 428 | 1,632 |
| Depreciation of property, plant and equipment | (4,726) | – | – | (79) | (4,805) |
| Additions of right-of-use assets | 4,055 | – | 7,186 | – | 11,241 |
| Depreciation of right-of-use assets | (4,202) | – | (2,046) | (691) | (6,939) |
| Reversal of expected credit loss on trade receivables, net | 377 | – | – | – | 377 |
| Provision of expected credit loss on other receivables, net | – | – | – | (37) | (37) |
| Reversal of expected credit loss on loan and interest receivables, net | – | 6,212 | – | – | 6,212 |
| Research and development expenses (note) | – | – | (8,602) | – | (8,602) |

Note: Research and development expenses included depreciation of right-of-use assets amounting to HK\$2,046,000, staff cost amounting to HK\$4,612,000 and cloud services fee amounting to HK\$1,944,000.

Geographical information

Information about the Group's revenue from operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

| | 2025 | | 2024 | |
|-----------|--|-----------------------------------|--|-----------------------------------|
| | Revenue from operations HK\$'000 | Non-current assets HK\$'000 | Revenue from operations HK\$'000 | Non-current assets HK\$'000 |
| Hong Kong | 1,764 | 23,137 | 9,587 | 7,189 |
| USA | 45,178 | 13,557 | 48,522 | 19,595 |
| Australia | 294 | 4,541 | – | – |

Note: Non-current assets excluded financial instruments, investments in associates and deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

7. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group for the operations are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-------------------------|------------------|------------------|
| Customer A ¹ | 30,714 | 48,522 |
| Customer B ¹ | 13,142 | N/A |
| Customer C ² | N/A | 7,487 |

1. Revenue from Big Data Centre Services in the USA.

2. Revenue from Big Data Centre Services in Hong Kong, the corresponding revenue did not contribute over 10% of total revenue of the Group during the relevant financial year.

8. OTHER INCOME, OTHER GAINS AND LOSSES, NET/(PROVISION FOR) REVERSAL OF IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS

(A) Other income, other gains and losses, net

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Net gain on early termination of lease | 35 | – |
| Loss on disposal of property, plant and equipment | (29) | – |
| Others | 8 | 2 |
| Net exchange gain | 62 | – |
| Bank interest income | 21 | – |
| Sale of electricity (note) | 3,301 | 861 |
| | 3,398 | 863 |

Note: The Big Data Centre in the USA has extra electricity capacity after the electricity has been consumed by its customer's data machines, accordingly the Big Data Centre in the USA has sales of electricity, which is recognised at a point of time when the electricity is supplied to the local grid company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

8. OTHER INCOME, OTHER GAINS AND LOSSES, NET/(PROVISION FOR) REVERSAL OF IMPAIRMENT LOSS UNDER EXPECTED CREDIT LOSS *(continued)*

(B) Provision for (reversal of) impairment loss under expected credit losses, net

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Provision for (reversal of) impairment loss under expected credit losses, net: | | |
| – Trade receivables | (77) | (377) |
| – Loan and interest receivables | (2,442) | (6,212) |
| – Other receivables | 2,698 | 37 |
| | 179 | (6,552) |

9. FINANCE COSTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---------------------------------------|------------------|------------------|
| Interest expense on lease liabilities | 553 | 695 |

10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable GEM Rules, and section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Fees | 917 | 900 |
| Other emoluments | | |
| Salaries, allowances and benefits in kind | 1,705 | 1,766 |
| Bonus | – | – |
| Pension scheme contributions | 66 | 65 |
| Share-based payments | 13,861 | – |
| | 16,549 | 2,731 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

The emoluments of each director and the chief executive, on a named basis, are set out below:

| | For the year ended 31 December 2025 | | | | | Total emoluments HK\$'000 |
|---|-------------------------------------|--|--------------------------------|--|---|------------------------------|
| | Fees HK\$'000 | Salaries, allowances and benefits in kind HK\$'000 | Bonus [#] HK\$'000 | Pension scheme contributions HK\$'000 | Equity- settled share based payment expense HK\$'000 | |
| <i>Independent non-executive directors:</i> | | | | | | |
| Mr. Chu, Howard Ho Hwa | 100 | – | – | – | 426 | 526 |
| Mr. Tong, I Tony | 100 | – | – | – | 426 | 526 |
| Mr. Sun Yuqiang | 100 | – | – | – | 426 | 526 |
| | 300 | – | – | – | 1,278 | 1,578 |
| <i>Executive directors:</i> | | | | | | |
| Mr. Li Hongbin | 200 | 628 | – | 18 | 4,258 | 5,104 |
| Ms. Xiong Jiayan | 200 | 540 | – | 18 | 4,258 | 5,016 |
| Mr. Huang Yibin ¹ | 183 | – | – | 9 | 3,780 | 3,972 |
| Dr. Yuan Quan ² | 17 | 67 | – | 2 | 287 | 373 |
| Mr. Yao Xiaohao ³ | 17 | 30 | – | 2 | – | 49 |
| | 617 | 1,265 | – | 49 | 12,583 | 14,514 |
| <i>Chief executive officer:</i> | | | | | | |
| Mr. Sheng Ling ¹ | – | 440 | – | 17 | – | 457 |
| | – | 440 | – | 17 | – | 457 |
| | 917 | 1,705 | – | 66 | 13,861 | 16,549 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

| | For the year ended 31 December 2024 | | | | | |
|---|-------------------------------------|-----------------------------------|--------------------|------------------------------|--|------------------|
| | Fees | Salaries, allowances and benefits | Bonus ^a | Pension scheme contributions | Equity-settled share based payment expense | Total emoluments |
| | HK\$'000 | in kind HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| <i>Independent non-executive directors:</i> | | | | | | |
| Mr. Chu, Howard Ho Hwa | 100 | - | - | - | - | 100 |
| Mr. Tong, I Tony | 100 | - | - | - | - | 100 |
| Mr. Sun Yuqiang | 100 | - | - | - | - | 100 |
| | 300 | - | - | - | - | 300 |
| <i>Executive directors:</i> | | | | | | |
| Mr. Li Hongbin | 200 | 576 | - | 18 | - | 794 |
| Ms. Xiong Jiayan | 200 | 540 | - | 18 | - | 758 |
| Mr. Huang Yibin ¹ | 200 | 314 | - | 15 | - | 529 |
| | 600 | 1,430 | - | 51 | - | 2,081 |
| <i>Chief executive officer:</i> | | | | | | |
| Mr. Sheng Ling ¹ | - | 336 | - | 14 | - | 350 |
| | - | 336 | - | 14 | - | 350 |
| | 900 | 1,766 | - | 65 | - | 2,731 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(a) DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

There were no other emoluments payable to the independent non-executive directors during the year (2024: HK\$Nil).

The executive directors' and chief executive officer's emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company. During the year, no emoluments were paid by the Group to any directors as an inducement to join, or upon joining the Group or as compensation for loss of office. No directors waived any emoluments for both years.

The bonus is approved by the Remuneration Committee, having regard to the individual's contribution to the Group.

Notes:

1. Mr. Huang Yibin has resigned as chief executive officer of the Group and retained his executive director position on 26 August 2024 and resigned as executive director on 1 December 2025.

Mr. Sheng Ling has appointed as chief executive officer of the Group on 26 August 2024, and resigned as chief executive officer on 1 December 2025.
2. Dr. Yuan Quan has appointed as chief executive officer and executive director of the Group on 1 December 2025.
3. Mr. Yao Xiaohao has appointed as executive director of the Group on 1 December 2025.

(b) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The five highest paid employees of the Group during the year included three directors (2024: two directors), details of whose remuneration are included in Note 10(a) above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Salaries, allowances and benefits in kind | 2,699 | 1,860 |
| Bonus | – | – |
| Pension scheme contributions | 36 | 54 |
| Share-based payments | 5,110 | – |
| | 7,845 | 1,914 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

10. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

(b) FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

| | Number of employees | |
|-------------------------------|---------------------|----------|
| | 2025 | 2024 |
| HK\$Nil – HK\$1,000,000 | – | 3 |
| HK\$1,000,001 – HK\$2,000,000 | – | – |
| HK\$2,000,001 – HK\$3,000,000 | – | – |
| HK\$3,000,001 – HK\$4,000,000 | 1 | – |
| HK\$4,000,001 – HK\$5,000,000 | 1 | – |
| | 2 | 3 |

During the year, no emoluments were paid by the Group to any five highest paid employees as an inducement to join, or upon joining the Group or as compensation for loss of office.

During the year, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group after the share option scheme of the Company. Details of the share option scheme are set out in note 34.

11. INCOME TAX EXPENSE (CREDIT)

| | 2025 | 2024 |
|--------------|-----------|-------------|
| | HK\$'000 | HK\$'000 |
| Deferred tax | | |
| Current year | 65 | (32) |

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%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

11. INCOME TAX EXPENSE (CREDIT) (continued)

The USA profits tax applicable to the USA subsidiary includes (a) federal income tax at 21% on the estimated USA federal taxable income in accordance with the Tax Cuts and Jobs Act of 2017 and (b) Indiana state income tax at 4.9%.

No provision for the USA profits tax has been made as the USA subsidiary was in tax loss position in the USA.

Subsidiary in Australia is subject to corporate income tax at a rate of 30%. No assessable profits has been generated for the year. Therefore, no provision for income taxes is required.

The tax charge for the year can be reconciled to the loss before taxation from continuing operations per the consolidated statement of profit or loss and other comprehensive income as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Loss before tax | (89,167) | (13,081) |
| Tax at the income tax rate of 16.5% (2024: 16.5%) | (14,713) | (2,158) |
| Tax effect of income not taxable for tax purpose | (433) | (1,531) |
| Tax effect of expenses not deductible for tax purpose | 339 | 583 |
| Tax effect of tax losses not recognised | 15,344 | 3,155 |
| Utilisation tax losses previously not recognised | (405) | (68) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | (67) | (13) |
| Income tax expense (credit) | 65 | (32) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

12. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting):

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Auditors' remuneration | 1,158 | 888 |
| Cost of sales and services rendered (note (i)) | 40,828 | 46,552 |
| Staff costs (including directors' remuneration): | | |
| Salaries and other benefits | 22,410 | 16,530 |
| Bonus | – | – |
| Pension scheme contributions | 818 | 505 |
| Share-based payments | 43,999 | – |
| | 67,227 | 17,035 |
| Depreciation of property, plant and equipment | 6,134 | 4,805 |
| Depreciation of right-of-use assets | 8,028 | 6,939 |
| Amortisation of other intangible assets (note (iii)) | 469 | – |
| Promotion and marketing expense | 8,036 | – |
| Professional and consultancy fees | 7,490 | 6,949 |
| Research and development expenses (note (ii)) | 30,663 | 8,602 |

Notes:

- (i) Cost of sales and services rendered mainly included cost of electricity amounting to HK\$33,822,000 (2024: HK\$38,031,000).
- (ii) Research and development expenses included depreciation of right-of-use assets amounting to HK\$3,110,000 (2024: HK\$2,046,000), staff cost amounting to HK\$5,648,000 (2024: HK\$4,612,000), share-based payments amounting to HK\$16,608,000 (2024: HK\$Nil) and cloud services fee amounting to HK\$5,297,000 (2024: HK\$1,944,000).
- (iii) Amortisation of other intangible assets included in cost of sales amounting to HK\$242,000 and administrative expenses amounting to HK\$227,000.

13. DIVIDEND

The directors do not recommend the payment of any dividend for each of the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

14. LOSS PER SHARE

The calculation of the basic loss per share amount is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares of the Company in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 December 2025 and 2024 in respect of the impact of the share options outstanding as these options had an anti-dilutive effect on the basic loss per share amounts presented.

The calculation of the basic and diluted loss per share is based on the following:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| <i>Loss</i> | | |
| Loss for the purposes of calculating basic and diluted loss per share | (89,232) | (13,049) |
| | 2025 '000 | 2024 '000 |
| <i>Number of shares</i> | | |
| Weighted average number of ordinary shares in issue during the year for the purposes of the basic and diluted loss per share | 655,002 | 548,409 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvements HK\$'000 | Machinery and equipment HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|--|---------------------------------------|--|-------------------------------|-------------------|
| As at 31 December 2025 | | | | |
| <i>COST:</i> | | | | |
| At 1 January 2025 | 11,519 | 21,016 | 428 | 32,963 |
| Additions | 2,273 | 1,119 | 1,604 | 4,996 |
| Acquired on acquisition of a subsidiary (Note 35) | – | 114 | – | 114 |
| Disposal | – | – | (428) | (428) |
| Written off | (9,145) | – | – | (9,145) |
| Exchange adjustment | – | 3 | – | 3 |
| At 31 December 2025 | 4,647 | 22,252 | 1,604 | 28,503 |
| <i>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</i> | | | | |
| At 1 January 2025 | 9,713 | 6,192 | 57 | 15,962 |
| Provided during the year | 1,380 | 4,519 | 235 | 6,134 |
| Disposal | – | – | (69) | (69) |
| Written off | (9,145) | – | – | (9,145) |
| At 31 December 2025 | 1,948 | 10,711 | 223 | 12,882 |
| <i>CARRYING AMOUNT:</i> | | | | |
| At 31 December 2025 | 2,699 | 11,541 | 1,381 | 15,621 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (continued)

| | Leasehold improvements HK\$'000 | Machinery and equipment HK\$'000 | Motor vehicles HK\$'000 | Total HK\$'000 |
|---|---------------------------------------|--|-------------------------------|-------------------|
| As at 31 December 2024 | | | | |
| <i>COST:</i> | | | | |
| At 1 January 2024 | 11,455 | 19,876 | – | 31,331 |
| Additions | 64 | 1,140 | 428 | 1,632 |
| At 31 December 2024 | 11,519 | 21,016 | 428 | 32,963 |
| <i>ACCUMULATED DEPRECIATION AND IMPAIRMENT:</i> | | | | |
| At 1 January 2024 | 9,186 | 1,971 | – | 11,157 |
| Provided during the year | 527 | 4,221 | 57 | 4,805 |
| At 31 December 2024 | 9,713 | 6,192 | 57 | 15,962 |
| <i>CARRYING AMOUNT:</i> | | | | |
| At 31 December 2024 | 1,806 | 14,824 | 371 | 17,001 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

15. PROPERTY, PLANT AND EQUIPMENT (continued)

The cost of the above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

| | |
|-------------------------|---|
| Leasehold improvement | Over the shorter of the term of lease, or 20% |
| Machinery and equipment | 20% – 33.33% |
| Motor vehicles | 10% – 20% |

16. RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| At 31 December: | | |
| Carrying amount of right-of-use assets | | |
| – Land and buildings | 6,931 | 9,783 |
| | 2025 HK\$'000 | 2024 HK\$'000 |
| Year ended 31 December: | | |
| Depreciation charge of right-of-use assets | | |
| – Land and buildings | 8,028 | 6,939 |
| Lease interests | 553 | 695 |
| Expense relating to short-term lease | 789 | – |
| Total cash outflow for leases | 9,388 | 7,474 |
| Additions to right-of-use assets | 6,211 | 11,241 |

The Group leases various land and buildings in the USA and Hong Kong. Lease agreements for leases of land and buildings are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

17. GOODWILL

| | HK\$'000 |
|--|--------------|
| COST AND CARRYING AMOUNTS | |
| At 1 January 2024, 31 December 2024 and 1 January 2025 | – |
| Arising on acquisition of a subsidiary (Note 35) | 2,928 |
| Exchange adjustment | 70 |
| <hr/> | |
| At 31 December 2025 | 2,998 |

Impairment assessment

The recoverable amount of Rhino Trading Pty Limited (“**Rhino**”), in which the goodwill has been allocated, has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management that cover a 5-year period, and use a discount rate of 20.8%. The Rhino’s cash flows beyond the 5-year period are extrapolated using a steady 2.0% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin, such estimation is based on the unit’s past performance and management’s expectations for the market development.

For the year ended 31 December 2025, management of the Group determined that there is no impairment on the goodwill arising from the acquisition of Rhino as the recoverable amount is greater than the carrying amount of the Rhino.

Management of the Group believes that any reasonably possible change in any of these assumptions would not result in impairment of goodwill.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

18. OTHER INTANGIBLE ASSETS

| | Development costs <i>HK\$'000</i> | Technology knowhow <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|---|--|--------------------------|
| COST: | | | |
| At 1 January 2024, 31 December 2024 and 1 January 2025 | – | – | – |
| Additions | 14,500 | – | 14,500 |
| Acquired on acquisition of a subsidiary (Note 35) | – | 1,618 | 1,618 |
| Exchange adjustment | – | 39 | 39 |
| At 31 December 2025 | 14,500 | 1,657 | 16,157 |
| AMORTISATION | | | |
| At 1 January 2024, 31 December 2024 and 1 January 2025 | – | – | – |
| Charge for the year | 242 | 227 | 469 |
| Exchange adjustment | – | 3 | 3 |
| At 31 December 2025 | 242 | 230 | 472 |
| CARRYING AMOUNT: | | | |
| At 31 December 2025 | 14,258 | 1,427 | 15,685 |

Development costs are internally generated. The Technology knowhow was purchased as part of a business combination during the year (Note 35).

The above intangible assets have finite useful lives. Such intangible assets are amortised on straight-line basis over the following:

| | |
|--------------------|---------|
| Development costs | 5 years |
| Technology knowhow | 3 years |

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------------------------|------------------|
| Non-current Financial asset at FVTOCI | | |
| – Unlisted equity investment (note (i)) | 6,724 | – |

Notes:

- (i) The unlisted equity investment was irrevocably designated at FVTOCI as the Group considers the investment to be strategic in nature.

On 24 November 2025, the Group invested in unlisted equity investment in 2.5% equity interest of a private company incorporated in Cayman. The investee is principally engaged in stablecoin business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

20. PRINCIPAL SUBSIDIARIES

Particulars of the subsidiaries at the end of the reporting period are as follows:

| Company name | Place of incorporation/ registration/ operation | Registered /issued share capital | Percentage of equity interests attributable to the Company | | Principal activities |
|-----------------------------------|---|--|---|------|---|
| | | | 2025 | 2024 | |
| Directly held: | | | | | |
| Interactive Lab Limited | BVI | US\$100 | 100% | 100% | Investment holding |
| Indirectly held: | | | | | |
| Hong Kong Interactive Lab Limited | Hong Kong | HK\$1 | 100% | 100% | Provision of Big Data Centre Services, development of Web3.0 platform and operation of on-chain data, analysis platform |
| Your Choice Investment Inc. | Delaware | US\$200,000 | 100% | 100% | Provision of Big Data Centre Services |
| Rhino Trading Pty Limited | Australia | AUD80 | 100% | N/A | Digital asset exchange and over-the Counter Services business in Australia |

None of the subsidiaries had issued any debt securities at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. INVESTMENTS IN ASSOCIATES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------------|------------------|------------------|
| Unlisted investments | | |
| Share of net assets | – | 47 |
| | – | 47 |

Particulars of the associates at the end of the reporting period are as follows:

| Company name | Place of incorporation/ registration/ operation | Percentage of equity interests attributable to the Company | | Principal activities |
|--|---|--|------|--|
| | | 2025 | 2024 | |
| ChariLot Company Limited ("ChariLot") | Hong Kong | 40% | 40% | Inactive |
| Cyberflow Digital Inc. ("Cyberflow") | USA | 30% | 30% | Development of Web3.0 mobile application |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

21. INVESTMENTS IN ASSOCIATES (continued)

The following table shows information of associates that are material to the Group. These associates are accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the financial statements of the associates prepared in accordance with HKFRS Accounting Standards.

| Name | Cyberflow 2025 | 2024 |
|---|---|-----------------|
| Principal place of business/country of incorporation | USA | |
| Principal activities | Development of Web3.0 mobile-application | |
| % of ownership interest/voting rights held by the Group | 30%/30% | 30%/30% |
| | HK\$'000 | HK\$'000 |
| At 31 December: | | |
| Current assets | 170 | 157 |
| Current liabilities | (1,341) | – |
| Net (liabilities) assets | (1,171) | 157 |
| Group's share of net assets | – | 47 |
| Group's share of carrying amount of interest | – | 47 |
| Year ended 31 December: | | |
| Revenue | – | – |
| Loss for the year | (1,329) | (460) |
| Total comprehensive loss for the year | (1,329) | (460) |

The Group has discontinued the recognition of its share of losses of the associate Charilot and Cyberflow because of the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of the associate for the year and cumulatively, are as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Unrecognised share of losses of an associate for the year | (355) | (6) |
| Accumulated unrecognised share of losses of an associate | (669) | (314) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

22. INVESTMENT IN A JOINT VENTURE

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Cost of unlisted investment in a joint venture | 15,560 | 15,560 |
| Share of post-acquisition losses | (15,560) | (15,560) |
| | - | - |

Particulars of the Group's joint venture is as follows:

| Company name | Place of incorporation and operation | Class of shares held | Proportion of ownership interest held by the Group | | Proportion of voting rights held by the Group | | Principal activities |
|-------------------------|--------------------------------------|----------------------|--|------|---|------|----------------------|
| | | | 2025 | 2024 | 2025 | 2024 | |
| PALTECH Company Limited | Hong Kong | Ordinary | 60% | 60% | 60% | 60% | Inactive |

The following table illustrates the financial information of the Group's joint venture that is not individually material:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Unrecognised share of lossess of joint venture for the year | (2) | (6) |
| Cumulative unrecognised share of total comprehensive loss of joint venture | (230) | (228) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. LOAN AND INTEREST RECEIVABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|-----------------------------|------------------|------------------|
| Fixed-rate loan receivables | 14,894 | 23,147 |
| Interest receivables | – | 150 |
| | 14,894 | 23,297 |
| Less: Impairment allowance | – | (2,442) |
| | 14,894 | 20,855 |
| Analysed as: | | |
| Current portion | 14,894 | 20,855 |
| | 14,894 | 20,855 |

As at 31 December 2025, there was one loan receivable outstanding (2024: two receivables). The interest rate of the Group's loan receivables at 31 December 2025 and 2024 were 10% per annum.

One of the loan receivables represented a loan ("**Loan A**") that was granted in April 2020 to an independent third party, Brighten Topper Limited ("**Brighten Topper**"), in the principal amount of HK\$30,000,000 at the interest rate of 10% per annum for a term of two years. Loan A was guaranteed by Ms. Li Xue ("**Ms. Li**"), a director and sole beneficial owner of Brighten Topper and was secured by a property in PRC held by Ms. Li and any rights and interests derived thereof. In April 2022, the Company has extended Loan A for another term of two years with the same term, considering Brighten Topper had paid the interest on time and the property in the PRC has been secured in favour of the Group.

During the year ended 31 December 2025, loan principal of HK\$5,253,000 (2024: HK\$9,853,000) and accrued interest of HK\$1,526,000 (2024: HK\$4,050,000) of Loan A has been repaid. At 31 December 2025, the outstanding loan principal amount of HK\$14,894,000 (2024: HK\$20,147,000) has been past due and the directors of the Company considered Loan A as credit-impaired. Subsequent to 31 December 2025 and up to the date of this consolidated financial statements are authorised for issue, the Group further received HK\$1,770,000 as repayment of loan principal amount.

In July 2023, loan receivable of principal amount of HK\$3,000,000 ("**Loan B**") has been granted to an independent third party, Victoria Yachting Management Co Limited ("**Victoria Yachting**") at the interest rate of 10% per annum for a term of two years. The Loan B was guaranteed by the director and sole beneficial owner of Victoria Yachting. If the Guarantor failed to perform the guaranteed obligations in a timely manner, the guarantor shall use its best effort to procure Victoria Yachting to transfer the vessel named "Victoria Yachting" to the Group for the purpose of repaying all or part of the loan and/or guaranteed obligations. During the year ended 31 December 2025, the borrower has repaid all principal and interest before the due date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

23. LOAN AND INTEREST RECEIVABLES (continued)

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk perceived at the date of initial recognition. In making this assessment, the loan receivables from borrowers are assessed individually by the management of the Group, based on the financial background, financial condition and historical settlement records, including past due dates and probability of default, of each borrower and reasonable and supportable forward-looking information that is available without undue cost or effort.

Each borrower is assigned a risk grading under internal credit ratings to calculate the ECL, taking into consideration the estimates of expected cash shortfalls which are driven by estimates of possibility of default and the expected loss given default including taking into account the amount and timing of cash flows that are expected from foreclosure on the collaterals (if any) less the costs of selling the collaterals. At every reporting date, the financial background, financial condition and historical settlement records of each borrower are reassessed and changes in the forward-looking information are considered.

At 31 December 2025, included in the Group's loan and interest receivables were debtors with aggregate gross carrying amount of HK\$14,894,000 (2024: HK\$23,297,000). The Group has engaged an independent third party qualified valuer, Norton Appraisals Holding Limited to perform the ECL calculation on the following basis:

- (i) for Loan A with gross carrying amount of HK\$14,894,000 (2024: HK\$20,147,000), direct comparison approach, adjusted for differences in nature, location and conditions of the property and the reference properties adopted for comparison, was used to determine the fair value less cost of disposal of the property pledged by the borrower. In estimating the fair value of the property, the highest and best use of the property is its current use. Cumulative ECL of HK\$Nil (2024: HK\$2,166,000) was provided after considering the adjustments to reflect loss given default based on the fair value less cost of disposal of the pledged property and costs of realising the pledge;
- (ii) As at 31 December 2024, Loan B with gross carrying amount of HK\$3,150,000 was guaranteed by the director and sole beneficial owner of Victoria Yachting and cumulative ECL of HK\$276,000 was provided based on the ECL assessment performed. During the year ended 31 December 2025, the borrower repaid all principal and interest before the due date and reversal of ECL of HK\$276,000 on Loan B was recognised in profits or loss.

The Group recognised reversal of impairment allowance of HK\$2,442,000 (2024: reversal of impairment allowance of HK\$6,212,000) on loan and interest receivables for the current year.

The Group is not permitted to sell or repledge the collaterals in the absence of default by the borrowers. There had not been any significant changes in the quality of the collateral held for the loan and interest receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

24. TRADE RECEIVABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Trade receivables – contracts with customers | 6,725 | 10,298 |
| Less: Allowance for credit losses | (2,666) | (2,743) |
| | 4,059 | 7,555 |

As at 1 January 2024, trade receivables from contracts with customers amounted to HK\$9,916,000 (net of allowance for credit losses of approximately HK\$3,120,000).

An aging analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of allowance for credit losses, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------------|------------------|------------------|
| Within 30 days | 3,397 | 4,745 |
| 31 days to 90 days | – | 663 |
| 91 days to 180 days | – | 994 |
| 181 days to 365 days | 662 | 1,153 |
| | 4,059 | 7,555 |

Reconciliation of allowance for credit losses for trade receivables:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| At 1 January | 2,743 | 3,120 |
| Decrease in allowance for credit losses for the year | (77) | (377) |
| At 31 December | 2,666 | 2,743 |

The Group's trading terms with its customers are usually on credit, however, in some instances, payment in advance is required. The credit period is generally 7 to 30 days from invoice date (2024: 7 to 30 days from invoice date). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$662,000 (2024: HK\$2,810,000) which are past due as at the reporting date. Out of the past due balances, HK\$662,000 (2024: HK\$2,147,000) has been past due 90 days or more and is considered as in default (2024: is not considered as in default). Trade receivables of HK\$3,697,000 has been subsequently settled after 31 December 2025 and up to the date of this consolidated financial statements are authorised for issue.

Details of impairment assessment of trade receivables are set out in Note 5.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Electricity deposit | 690 | 7,427 |
| Deposits for trading of computer hardware (note (iii)) | 7,253 | 409 |
| Amount due from an associate (note (ii)) | 1,209 | – |
| Other deposits | 2,702 | 1,921 |
| Prepayments to IT developers (note (i)) | 41,800 | – |
| Prepayments | 3,083 | 632 |
| Less: Allowance for credit losses | (2,840) | (142) |
| | 53,897 | 10,247 |
| Analysis of prepayments, deposits and other receivables | | |
| Non-current portion | 42,139 | 6,766 |
| Current portion | 11,758 | 3,481 |
| | 53,897 | 10,247 |

Notes:

- (i) The amount represents prepayments to independent IT developers for the development of the on-chain analysis system "Chainstream" for the Group. During the year ended 31 December 2025, basic function of Chainstream has been completed and launched to the market, with relevant costs of HK\$14,500,000 capitalised as other intangible assets and amortised to profit and loss over 5 years. In the opinion of the Directors, the remaining amount for additional function of HK\$41,800,000 is expected to be completed in 2026.
- (ii) The amount due from an associate is unsecured, interest-free and repayable on demand.
- (iii) The amount represents trading of computer hardware in 2026. Subsequent to the end of reporting period, approximately HK\$3,147,000 has been settled.

26. CRYPTO ASSETS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Crypto assets | | |
| Held in own wallets of the Group | 714 | – |
| Held on crypto centralized exchange institutions | 2,808 | – |
| | 3,522 | – |
| Representing: | | |
| Bitcoin ("BTC") | 517 | – |
| Ethereum ("ETH") | 2,288 | – |
| Tether ("USDT") | 671 | – |
| Other crypto assets | 46 | – |
| | 3,522 | – |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

27. CASH AND CASH EQUIVALENTS

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Cash at banks and in hand | 76,021 | 2,091 |
| Cash at crypto centralized exchange institutions (note (i)) | 714 | – |
| Cash at pay service provider (note (i)) | 4,692 | – |
| Cash and cash equivalents | 81,427 | 2,091 |

Note:

- (i) The cash at crypto centralised exchange institutions and cash at pay service provider are for over-the-counter crypto trading in Australia.

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Cash and cash equivalents denominated in: | | |
| HKD | 63,963 | 943 |
| USD | 16,023 | 1,147 |
| AUD | 1,440 | – |
| RMB | 1 | 1 |
| | 81,427 | 2,091 |

28. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods and services, is as follows:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|----------------|------------------|------------------|
| Within 30 days | 2,643 | 3,934 |

The average credit period on purchases of goods and services is 30 to 60 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

29. ACCRUALS AND OTHER PAYABLES

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Other payables | 490 | 730 |
| Amounts due to customers (note (iii)) | 1,685 | – |
| Deposit received from customer | 577 | 3,831 |
| Amounts due to a then director of a subsidiary (note (iv)) | 4,155 | – |
| Amounts due to an employee of a subsidiary (note (v)) | 2,656 | – |
| Amount due to an associate (note (i)) | – | 118 |
| Amount due to a shareholder of a joint venture (note (ii)) | 2,334 | 2,334 |
| Accruals | 2,448 | 6,087 |
| | 14,345 | 13,100 |

Notes:

- (i) Amount due to an associate is non-trade nature, interest free, unsecured and repayable on demand.
- (ii) Amount due to a shareholder of a joint venture is non-trade nature, interest free, unsecured and repayable on demand.
- (iii) Amounts due to customers included fiat currency amounting to HK\$1,097,000 and cryptocurrencies amounting to HK\$588,000.
- (iv) Amounts due to a then director of a subsidiary is non-trade nature, interest free, unsecured and repayable on demand.
- (v) Amounts due to an employee of a subsidiary is non-trade nature, interest free, unsecured and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

30. LEASE LIABILITIES

| | Lease payments | | Present value of lease payments | |
|--|------------------|------------------|---------------------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2025 HK\$'000 | 2024 HK\$'000 |
| Within one year | 4,647 | 6,866 | 4,359 | 6,394 |
| Within a period of more than one year but not exceeding two years | 2,653 | 2,637 | 2,550 | 2,473 |
| Within a period of more than two years but not exceeding five years | 342 | 1,357 | 336 | 1,283 |
| | 7,642 | 10,860 | | |
| Less: Future finance charges | (397) | (710) | | |
| Present value of lease liabilities | 7,245 | 10,150 | 7,245 | 10,150 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | | | (4,359) | (6,394) |
| Amount due for settlement after 12 months | | | 2,886 | 3,756 |

At 31 December 2025, the average effective incremental borrowing rate was 6.15% (2024: 6.90%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

31. DEFERRED TAX ASSETS/LIABILITIES

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--------------------------|------------------|------------------|
| Deferred tax assets | – | 70 |
| Deferred tax liabilities | (490) | – |
| | (490) | 70 |

| | Right-of-use assets HK\$'000 | Lease liabilities HK\$'000 | Fair value adjustments on business combinations HK\$'000 | Total HK\$'000 |
|---|------------------------------------|----------------------------------|--|-------------------|
| As at 1 January 2024 | (1,063) | 1,101 | – | 38 |
| Recognised upon initial recognition of leases | (1,917) | 1,917 | – | – |
| Credited/(charged) to profit or loss | 1,210 | (1,178) | – | 32 |
| As 31 December 2024 | (1,770) | 1,840 | – | 70 |
| Acquisition of a subsidiary | – | – | (485) | (485) |
| Recognised upon initial recognition of leases | (1,025) | 1,025 | – | – |
| Credited/(charged) to profit or loss | 1,501 | (1,633) | 67 | (65) |
| Exchange adjustment | – | – | (10) | (10) |
| As 31 December 2025 | (1,294) | 1,232 | (428) | (490) |

At 31 December 2025, the Group had unused tax losses of HK\$421,731,000 (2024: HK\$327,833,000) available to offset against future taxable profits, which may be carried forward indefinitely. No deferred tax asset has been recognised in respect of unused tax losses due to the unpredictability of future profit streams.

32. SHARE CAPITAL

| | 2025 HK\$'000 | 2024 HK\$'000 |
|---|------------------|------------------|
| Authorised | | |
| 2,000,000,000 ordinary shares of HK\$0.1 each | 200,000 | 200,000 |

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| Issued and fully paid: | | |
| 717,562,586 ordinary shares (2024: 548,408,822) of HK\$0.1 each | 71,756 | 54,841 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

32. SHARE CAPITAL (continued)

A summary of movements in the Company's share capital is as follows:

| | Number of shares in issue | Share Capital HK\$'000 |
|--|------------------------------|---------------------------|
| At 1 January 2024, 31 December 2024 and 1 January 2025 | 548,408,822 | 54,841 |
| Issue of shares (note (i)) | 109,681,764 | 10,968 |
| Issue of shares (note (ii)) | 27,372,000 | 2,737 |
| Issue of shares (note (iii)) | 32,000,000 | 3,200 |
| Exercise of share options | 100,000 | 10 |
| At 31 December 2025 | 717,562,586 | 71,756 |

Notes:

- (i) On 21 February 2025, the Company has entered into a placing agreement with Lego Securities Limited pursuant to which the Company conditionally agreed to place, through the placing agent on a best-effort basis, a maximum of 109,681,764 placing shares at a price of HK\$0.305 per share to not less than six placees, who and whose ultimate beneficial owner(s) (where applicable) shall be independent third parties of the Company. The placing was completed on 6 March 2025 and a total of 109,681,764 shares satisfied in cash of HK\$33.2 million has been placed. Details of the placing are set out in the Company's announcement dated 21 February 2025, 28 February 2025 and 6 March 2025.
- (ii) On 14 July 2025, the Company entered into a placing agreement with Lego Securities Limited, pursuant to which Lego Securities Limited as the placing agent agreed to place, on a best effort basis, a maximum of 27,372,000 placing shares at the placing price of HK\$2.0 per placing share to not less than six independent placees under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 2 May 2025 ("**General Mandate**"). The placing was completed on 24 July 2025 and the Company has raised net proceeds of approximately HK\$54.4 million from the placing of 27,372,000 new Shares. For details, please refer to the Company's announcements dated 14 July 2025 and 24 July 2025.
- (iii) On 28 July 2025, the Company has entered into a placing agreement with Lego Securities Limited pursuant to which the Company conditionally agreed to place, through the placing agent on a best-effort basis and entered supplemental placing agreements on 15 August 2025, 4 September 2025, 23 September 2025, 13 October 2025 and 31 October 2025. Under the supplemental placing agreement on 31 October 2025, a maximum of 32,000,000 placing shares at the placing price of HK\$3.11 per placing share to not less than six independent placees under the General Mandate. The placing was completed on 11 November 2025 and the Company has raised net proceeds of approximately HK\$99.2 million from the placing of 32,000,000 new Shares. For details, please refer to the Company's announcements dated 28 July 2025, 15 August 2025, 4 September 2025, 19 September 2025, 23 September 2025, 13 October 2025, 31 October 2025 and 11 November 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

33. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

| | Share premium HK\$'000 | Share-based payment reserve HK\$'000 | Accumulated losses HK\$'000 | Total HK\$'000 |
|--|------------------------------|---|-----------------------------------|-------------------|
| 1 January 2024 | 422,533 | 11,044 | (462,649) | (29,072) |
| Lapse of share options | – | (11,007) | 11,007 | – |
| Loss for the year | – | – | (12,231) | (12,231) |
| At 31 December 2024 and 1 January 2025 | 422,533 | 37 | (463,873) | (41,303) |
| Issue of shares on placement | 170,812 | – | – | 170,812 |
| Transaction costs attributable to issue of shares | (909) | – | – | (909) |
| Exercise of share options | 58 | (37) | 37 | 58 |
| Share-based payment | – | 43,999 | – | 43,999 |
| Loss for the year | – | – | (62,358) | (62,358) |
| At 31 December 2025 | 592,494 | 43,999 | (526,194) | 110,299 |

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For the year ended 31 December 2025

33. RESERVES (continued)

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and consultants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 3 to the consolidated financial statements.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations for consolidation purpose. The reserve is dealt with in accordance with the accounting policy information set out in Note 3 to the consolidated financial statements.

34. SHARE-BASED PAYMENTS

The 2012 Scheme

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations and to encourage the participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The share option scheme which was adopted by the shareholders of the Company on 20 April 2002 expired on 20 April 2012 (the "**2002 Scheme**"). Following the expiry of the 2002 Scheme, the shareholders of the Company adopted a new share option scheme on 18 May 2012 (the "**2012 Scheme**"). Under the 2012 Scheme, the directors of the Company may, at their discretion, grant to any participants share options to subscribe for the Company's shares, subject to the terms and conditions stipulated therein. Notwithstanding the expiry of the 2002 Scheme, the share options which had been granted during the life of the 2002 Scheme shall continue to be valid and exercisable in accordance with their terms of issue.

On 17 August 2017, the board of directors resolved that (i) the cancellation of an aggregate of 3,408,599 share options granted but not exercised under the 2002 Scheme; and (ii) the cancellation of an aggregate of 113,042,871 share options granted but not exercised under the 2012 Scheme, subject to the written consent of the option holders to cancel their respective share options ("**Resolution**").

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For the year ended 31 December 2025

34. SHARE-BASED PAYMENTS *(continued)*

The following is a summary of the principal terms of the 2012 Scheme:

(a) Purpose of the schemes

The purpose of the 2012 Scheme is to provide incentives and rewards to eligible participants for their contribution to the Group and to attract, retain and motivate high-caliber eligible participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

(b) Participants of the schemes

The participants of the 2012 Scheme shall be (1) any full time or part time employees of the Group (including any executive or non-executive directors of the Company or any of its subsidiaries) and (2) any suppliers, consultants, agents and advisers.

(c) Total number of shares available for issue under the schemes

The total number of shares which may be issued upon exercise of all share options to be granted under the 2012 Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue on the respective dates of approval of each of the schemes. The 10% limit may be refreshed with the approval by ordinary resolution of the Company's shareholders.

As at 31 December 2025, 0 shares were available for issue under 2012 Scheme.

(d) Maximum entitlement of each participant under the schemes

The total number of shares issued and to be issued upon exercise of the share options granted or to be granted to each participant (including exercised, cancelled and outstanding options) in any twelve-month period must not exceed 1% of the shares in issue unless the same is approved by the Company's shareholders in general meeting.

In addition, for any grant of share options to a substantial shareholder and/or an independent non-executive director of the Company or any of their respective associates, and where the total number of the shares issued and to be issued upon exercise of all options granted or to be granted to such person in any twelve-month period exceed 0.1% of the shares in issue and with an aggregate value in excess of HK\$5 million, then the proposed grant is also subject to the approval of the Company's shareholders in general meetings.

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34. SHARE-BASED PAYMENTS (continued)

(e) The period within which the shares must be taken up under an option

The period during which an option may be exercised is determined by the board of directors at its absolute discretion, save that such period shall not be longer than 10 years from the date of grant.

(f) The minimum period for which an option must be held before it can be exercised

As determined by the board of directors upon the grant of an option.

(g) The amount payable on acceptance of an option and the period within which payments shall be made

Under the 2012 Scheme, the acceptance of an offer of the grant of the share options must be made within 28 days from the date of grant and HK\$1.00 is payable on acceptance of the grant of options.

(h) The basis of determining the exercise price

The exercise price is determined by the board of directors which shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date when an option is offered; (ii) a price being the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date on which an option is offered; and (iii) the nominal value of the share.

(i) The remaining life of the scheme

The 2012 Share Option Scheme was valid and effective for a period of ten years from the date of adoption until 17 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.

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34. SHARE-BASED PAYMENTS *(continued)*

The 2022 Scheme

Following the expiration of the 2012 Share Option Scheme in May 2022, the Company does not have a share option scheme in place. Accordingly, a new share option scheme (the “**2022 Scheme**”) has been approved by the shareholders of the Company through an extraordinary general meeting on 28 December 2022.

The following is a summary of the principal terms of the New Share Option Scheme:

(a) Purpose of the 2022 Scheme

The purpose of the 2022 Scheme is to recognise and acknowledge the contributions the eligible participants have had or may have made to our Group, and will provide the eligible participants an opportunity to have a personal stake in the Company with the view to achieve the following objectives: (a) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (b) attract and retain or otherwise maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Eligible participants of the 2022 Scheme

The eligible participants of the 2022 Scheme (the “**Eligible Participants**”) shall be:

- (i) directors and employees of the Group (including persons who are granted options as an inducement to enter into employment contracts with the Company or any of its subsidiaries and part-time employees of the Company) (“**Employee Participants**”);
- (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and
- (iii) any consultant, independent contractor or advisor who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to its provision of data analysis and storage services in Hong Kong (the “**Service Providers**”).

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34. SHARE-BASED PAYMENTS *(continued)*

The 2022 Scheme *(continued)*

- (c) *Total number of Shares available for issue under the 2022 Scheme together with the percentage of the issued Shares that it represents as at the date of this annual report*

The total number of shares in the Company (the “**Shares**”) which may be issued upon exercise of all share options to be granted under the 2022 Scheme must not in aggregate exceed 54,840,882 Shares, representing 7.64% of the Shares in issue as at the date of this annual report.

- (d) *Maximum entitlement of each Eligible Participant under the 2022 Scheme*

The maximum number of Shares in respect of which options may be granted under this Scheme (the “**Options**”) to any Eligible Participant, shall not, when aggregated with: (a) any Shares issued upon exercise of Options or options under the other schemes which have been granted to that Eligible Participant; (b) any Shares which would be issued upon the exercise of outstanding Options or options under the other schemes granted to that Eligible Participant; and (c) any cancelled Shares which were the subject of Options or options under the other schemes which had been granted to and accepted by that Eligible Participant, in any 12-month period up to the date to which an Option is offered in writing to an Eligible Participant (the “**Offer Date**”), exceed 1% of the number of Shares in issue on the Offer Date.

- (e) *The period within which an Option may be exercised under the 2022 Scheme*

The period during which an Option may be exercised is determined by the Board at its absolute discretion, save that such period shall not be longer than 10 years from the date which an Option is deemed to be granted and accepted.

- (f) *The vesting period of Options granted under the 2022 Scheme*

The vesting period of Options shall be not less than 12 months (save where applicable under the GEM Listing Rules when the Remuneration Committee has approved the offer for the grant of an Option to a specifically identified participant who is an Employee Participant of the Company or any of its subsidiary with a shorter vesting period, and has clearly explained the reason for so doing in the grant announcement published by the Company as required under the GEM Listing Rules).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE-BASED PAYMENTS (continued)

The 2022 Scheme (continued)

(g) *The amount payable on acceptance of an Option and the period within which payments shall be made*

Under the 2022 Scheme, the acceptance of an offer of the grant of an Option must be made within 30 days from the date of which the Option is offered and HK\$1.00 is payable on acceptance of an offer of the grant of Options.

(h) *The basis of determining the exercise price of Options granted*

The exercise price is determined by the Board which shall not be less than the higher of: (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date; and (b) the average closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Offer Date.

(i) *The remaining life of the 2022 Scheme*

The 2022 Scheme shall be valid and effective for a period of ten years from the Adoption Date until 28 December 2032.

Movements of the share options under the 2012 Scheme and 2022 Scheme during the year ended 31 December 2025 and 2024 are set out below:

| Category of participants | Outstanding at 1 January 2024 | Lapsed during year | Outstanding at 31 December 2024 and 1 January 2025 | Exercised during the year | Granted during the year | Reclassified during the year | Forfeiture during the year | Outstanding at 31 December 2025 | Date of grant of share options | Exercise price of share options HK\$ |
|--|-------------------------------|--------------------|--|---------------------------|-------------------------|------------------------------|----------------------------|---------------------------------|--------------------------------|--------------------------------------|
| Director ¹ | - | - | - | - | 16,500,000 | (2,000,000) | - | 14,500,000 | 08.04.2025 | 2.25 |
| Sub-total: | - | - | - | - | 16,500,000 | (2,000,000) | - | 14,500,000 | | |
| Employees ¹ | - | - | - | - | 35,000,000 | (3,000,000) | (5,000,000) | 27,000,000 | 08.04.2025 | 2.25 |
| Employees ² | 50,000 | - | 50,000 | (50,000) | - | - | - | - | 01.04.2019 | 1.10 |
| Employees ³ | 50,000 | - | 50,000 | (50,000) | - | - | - | - | 10.08.2020 | 0.26 |
| Sub-total: | 100,000 | - | 100,000 | (100,000) | - | - | - | - | | |
| Others ⁴ | - | - | - | - | 2,500,000 | 5,000,000 | - | 7,500,000 | 08.04.2025 | 2.25 |
| Others ^{2,4,5} | 13,233,600 | (13,233,600) | - | - | - | - | - | - | 01.04.2019 | 1.10 |
| Others ^{3,4,5} | 16,900,000 | (16,900,000) | - | - | - | - | - | - | 10.08.2020 | 0.26 |
| Sub-total: | 30,133,600 | (30,133,600) | - | - | 2,500,000 | 5,000,000 | - | 7,500,000 | | |
| Total: | 30,233,600 | (30,133,600) | 100,000 | (100,000) | 54,000,000 | - | (5,000,000) | 49,000,000 | | |
| Weighted average exercise price (HK\$) | 0.63 | | 0.68 | - | - | - | - | 2.25 | | |
| Share options exercisable | 30,233,600 | | 100,000 | - | - | - | - | - | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE-BASED PAYMENTS (continued)

The 2022 Scheme (continued)

The share options outstanding at 31 December 2025 had a weighted average remaining contractual life of 1.2 years (2024: 5.5 years).

Notes:

- 1 The share options granted on 8 April 2025, the vesting period is 8 April 2025 to 7 April 2026 and the exercisable period is 8 April 2026 to 7 April 2027.
- 2 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.
- 3 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.
- 4 The category "Others" represents consultants of the Group and include resigned employees/directors of the Group who entered into consultancy agreements with the Group upon leaving the Group. The consultants rendered consultancy services in respect of the business development to the Group without receiving any cash compensation.
- 5 In accordance with the consultancy agreements, upon the end of the consultancy agreement period, all the unexercised share options automatically lapsed during the year ended 31 December 2024.

The share options under 2022 scheme were granted on 8 April 2025. The closing price of the Company's shares immediately before 8 April 2025, the date of grant, was HK\$1.74.

During the year ended 31 December 2025, the Group recognised an expense of HK\$43,999,000 (2024: HK\$Nil) as equity-settled share-based payments in the consolidated statement of profit or loss with reference to their respective vesting period.

The following assumptions were used to calculate the fair values of share options:

| | 8 April 2025 |
|------------------------------|------------------------|
| Weighted average share price | HKD1.80 |
| Exercise price | HKD2.25 |
| Expected life | 2 years |
| Expected volatility | 99.87% |
| Expected dividend yield | 0.00% |
| Risk-free interest rate | 2.69% |
| Fair value per share option | HK\$1.133 to HK\$1.164 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

34. SHARE-BASED PAYMENTS (continued)

The 2022 Scheme (continued)

The volatility was assumed based on the daily share price volatility of the Company and comparable companies for a historical observation period equal to the life of the options.

The Binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the independent valuer's best estimates. Changes in variables and assumptions may result in changes in the fair value of the options.

At the end of each year ended, the Group revises its estimates of the number of options that are expected to vest ultimately. The impact of the revision of the estimates, if any, is recognised in profit and loss, with a corresponding adjustment to the share-based payments reserve.

35. ACQUISITION OF A SUBSIDIARY

On 22 August 2025, the Group acquired the entire equity interest in Rhino Trading Pty Limited ("Rhino"), a company incorporated in Australia for a consideration of HK\$500,000. Rhino is principally engaged in over-the-counter crypto trading in Australia. This transaction has been accounted for by the acquisition method.

The fair values of the identifiable assets and liabilities acquired in the transaction are as follows:

Analysis of assets and liabilities over which acquired:

| | HK\$'000 |
|--|----------------|
| Property, plant and equipment | 114 |
| Other intangible asset | 1,618 |
| Crypto assets | 868 |
| Prepayment, deposits and other receivables | 177 |
| Cash and cash equivalents | 333 |
| Other payables and accruals | (4,133) |
| Amounts due to customers | (920) |
| Deferred tax liabilities | (485) |
| | <u>(2,428)</u> |

Goodwill arising on acquisition:

| | HK\$'000 |
|---|--------------|
| Consideration transferred | 500 |
| Add: recognised amounts of net liabilities acquired | 2,428 |
| Goodwill arising on acquisition | <u>2,928</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

35. ACQUISITION OF A SUBSIDIARY (continued)

Goodwill arose on the acquisition included the assembled workforce of Rhino which are skilled professionals with experience across the crypto and traditional finance field. This benefits to the Group's business development and creates synergies on the Group's existing networks and facilities within the Web3.0 ecosystem. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Acquisition-related costs amounting to HK\$193,000 have been excluded from the consideration transferred and have been recognised as an expense in the current year, within the administrative expenses line item in the consolidated statement of profit or loss and other comprehensive income.

Net cash outflow on acquisition:

| | HK\$'000 |
|---|------------|
| Cash consideration paid | 500 |
| Less: cash and cash equivalents balances acquired | (333) |
| | <u>167</u> |

36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The following table shows the Group's changes in liabilities arising from financing activities during the year:

| | Lease liabilities HK\$'000 |
|--|---------------------------------------|
| At 1 January 2024 | 5,688 |
| Change in cash flows | (7,474) |
| Non-cash changes | |
| – additions | 11,241 |
| – interest charges | 695 |
| At 31 December 2024 and 1 January 2025 | 10,150 |
| Change in cash flows | (8,599) |
| Non-cash changes | |
| – additions | 6,211 |
| – termination of lease | (1,070) |
| – interest charges | 553 |
| At 31 December 2025 | <u>7,245</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

37. RELATED PARTY TRANSACTIONS

(a) During the year ended 31 December 2025, except as disclosed below, the Group has no related party transaction (2024: Nil).

(b) **Compensation of key management personnel of the Group:**

| | 2025 HK\$'000 | 2024 HK\$'000 |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 2,622 | 2,666 |
| Post-employment benefits | 66 | 65 |
| Share-based payments | 13,861 | – |
| | 16,549 | 2,731 |

Further details of directors' and chief executive's emoluments are included in Note 10 to the consolidated financial statements.

In addition to the amounts above, the Group also provides other non-monetary benefits (i.e accommodation), to key management personnel. During the year ended 31 December 2025, depreciation of right-of-use assets in relation to these non-monetary benefits amounted to HK\$22,000 (2024: HK\$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

| | 2025 HK\$'000 | 2024 HK\$'000 |
|--|------------------|------------------|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 7 | 391 |
| Investments in subsidiaries | 2 | 2 |
| Amounts due from subsidiaries | 104,882 | 13,778 |
| | 104,891 | 14,171 |
| CURRENT ASSETS | | |
| Prepayments, deposits, trade and other receivables | 984 | 1,655 |
| Amounts due from subsidiaries | 39,739 | 25,095 |
| Cash and cash equivalents | 61,903 | 483 |
| | 102,626 | 27,233 |
| CURRENT LIABILITIES | | |
| Accruals and other payables | 1,414 | 3,818 |
| Amount due to subsidiaries | 24,048 | 24,048 |
| | 25,462 | 27,866 |
| NET CURRENT ASSETS (LIABILITIES) | 77,164 | (633) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 182,055 | 13,538 |
| NET ASSETS | 182,055 | 13,538 |
| EQUITY | | |
| Share capital | 71,756 | 54,841 |
| Reserves/(deficit) (Note 33(b)) | 110,299 | (41,303) |
| TOTAL EQUITY | 182,055 | 13,538 |

39. EVENT AFTER THE REPORTING PERIOD

Save as disclosed above and elsewhere in this report, there were no other significant events subsequent to 31 December 2025.

40. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the board of directors of the Company on 27 March 2026.

FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the audited results and of the assets and liabilities of the Group for the five years ended 31 December 2025.

| | Year ended 31 December | | | | |
|--|------------------------|------------------|------------------|------------------|------------------|
| | 2025 HK\$'000 | 2024 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 | 2021 HK\$'000 |
| RESULTS | | | | | |
| Revenue | 47,236 | 58,109 | 25,187 | 29,550 | 180,721 |
| Loss for the year | (89,232) | (13,049) | (30,548) | (56,894) | (292,336) |
| Attributable to: | | | | | |
| Owners of the Company | (89,232) | (13,049) | (30,548) | (56,893) | (286,686) |
| Non-controlling interests | – | – | – | (1) | (5,650) |
| | (89,232) | (13,049) | (30,548) | (56,894) | (292,336) |
| At 31 December | | | | | |
| | 2025 HK\$'000 | 2024 HK\$'000 | 2023 HK\$'000 | 2022 HK\$'000 | 2021 HK\$'000 |
| ASSETS AND LIABILITIES | | | | | |
| Total assets | 205,758 | 67,649 | 70,142 | 109,716 | 165,520 |
| Total liabilities | (28,359) | (30,820) | (20,264) | (32,755) | (28,519) |
| Non-controlling interests | – | – | – | 233 | 232 |
| Total equity attributable to owners of the Company | 177,399 | 36,829 | 49,878 | 77,194 | 137,233 |