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Crypto Flow

Crypto Flow Technology Limited

加幂科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8198)

CHANGE IN USE OF PROCEEDS

References are made to (i) the announcements of Crypto Flow Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) 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 in relation to the placing (“**Placing**”) of new shares under general mandate by the Company (the “**Placing Announcement**”); and (ii) the annual report of the Company for the year ended 31 December 2025 published on 22 April 2026 (the “**Annual Report**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Placing Announcement and Annual Report.

USE OF PROCEEDS FROM THE PLACING

As disclosed in the placing announcement dated 11 November 2025 and the Annual Report, the Placing was completed on 11 November 2025 and the net proceeds from the Placing of approximately HK\$99.2 million (the “**Net Proceeds**”) would be applied as follows: (i) approximately 50% (HK\$49.6 million) for the technical development and platform expansion of ChainStream; (ii) approximately 25% (HK\$24.8 million) for the Post-Acquisition integration support; (iii) approximately 4% (HK\$4.0 million) for the continuous enhancement of research and development capabilities; and (iv) approximately 21% (HK\$20.8 million) for the general working capital of the Group.

As at the date of this announcement, the Company has utilised approximately HK\$72.9 million of the Net Proceeds. The total remaining balance of the Net Proceeds as at the date of this announcement is approximately HK\$26.3 million, comprising an amount of approximately HK\$15.6 million allocated for the reserved funds for the liquidity of Exchange and OTC Services under the post-acquisition integration support of Exchange and OTC Services and the unutilized net proceeds (the “**Unutilized Net Proceeds**”) of approximately HK\$10.7 million.

CHANGE IN USE OF PROCEEDS

After careful consideration and detailed evaluation of the factors set out in the paragraph headed “Reasons for and benefits for change in use of proceeds” below and the current business development and operation of the Group, the Board has resolved to change the use of approximately HK\$11.7 million originally allocated for reserved funds for the liquidity of Exchange and OTC Services under post-acquisition integration support of Exchange and OTC Services to general working capital.

Details of the original allocation of the Net Proceeds, utilised amount as at the date of this announcement, original reserved funds for the liquidity of Exchange and OTC Services, original Unutilised Net Proceeds as at the date of this announcement, revised reserved funds for the liquidity of Exchange and OTC services, revised allocation of the Unutilised Net Proceeds, and the updated expected timeline for utilisation of the Unutilised Net Proceeds after the change in use of proceeds are set out as follows:

Use of Net Proceeds	Original allocation HK\$'000	Utilised amount as at the date of this announcement HK\$'000	Original Reserved funds for the liquidity of Exchange and OTC Services HK\$'000	Original Unutilised Net Proceeds as at the date of this announcement HK\$'000	Revised Reserved funds for the liquidity of Exchange and OTC Services HK\$'000	Revised allocation of the Unutilised Net Proceeds HK\$'000	Updated expected timeline for utilisation after the change in the use of proceeds (Note)
(i) Technical development and platform expansion of ChainStream	49,600	49,600	–	–	–	–	
(ii) Post-Acquisition integration support of Exchange and OTC Services	24,800	2,769	15,620	6,411	3,905	6,411	30 September 2026
(iii) Research and development	3,970	3,970	–	–	–	–	
(iv) General working capital	20,833	16,555	–	4,278	–	15,993	30 September 2026
Total	99,203	72,894	15,620	10,689	3,905	22,404	

Note: The updated expected timeline for utilising the Unutilised Net Proceeds after the change in use of proceeds is based on the best estimation of the present and future business market situations made by the Group.

REASONS FOR AND BENEFITS FOR CHANGE IN USE OF PROCEEDS

In the first half of year 2026, the cryptocurrency sector has been experiencing a market downturn, characterized by valuation declines in flagship digital assets, specifically Ethereum (ETH) and Bitcoin (BTC). This macro-level contraction directly depressed the trading volumes across the industry and consequently has negatively affected our trading volume of the Exchange and OTC Services business in Australia.

Although the Board believes that the business model of the Exchange and OTC Services remains prevailing, the Board has identified that the reserved funds currently exceed operational requirements for two reasons. First, reduced trading turnover has left a portion of the reserved funds idle. Second, the Management has entered into a trading credit and netting arrangement with a counterparty, with a credit limit of approximately US\$1 million, which has reduced the amount of working capital required to support the OTC trading operations.

After consideration, the Board decided to reallocate HK\$11.7 million originally allocated for reserved funds for the liquidity of Exchange and OTC Services under post-acquisition integration support of Exchange and OTC Services to general working capital in order to allow higher level of financial flexibility for the Group and improve the utilization of our existing financial resources. The reallocation would not affect the current operation of the Exchange and OTC Services.

The purpose of reserve funds for Exchange and OTC Services is to maintain a sufficient level of fund ensuring that trades and/or conversion between cryptocurrencies and fiat currencies can be settled smoothly during any sudden market fluctuations which is important for the operation of the Exchange and of OTC Services.

Save for this change, there is no other change in the use of the Unutilised Net Proceeds. The Board considered that the change in use of the Unutilised Net Proceeds is fair and reasonable, will enhance the resource utilization and is in the best interests of the Company and its shareholders as a whole.

By order of the Board
Crypto Flow Technology Limited
Li Hongbin
Chairman

Hong Kong, 23 June 2026

As at the date of this announcement, the executive Directors are Mr. Li Hongbin (Chairman), Dr. Yuan Quan (Chief Executive Officer), Ms. Xiong Jiayan and Mr. Yao Xiaohao; and the independent non-executive Directors are Mr. Sun Yuqiang, Mr. Tong, I Tony and Mr. Niu Jun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its publication and on the Company’s website at www.cryptoflowhk.com.