OSL Group Limited
OSL集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 863)

SHARE TRANSACTION IN RELATION TO ACQUISITION OF THE SALE SHARES IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

THE ACQUISITION

The Board is pleased to announce that, on 30 May 2025 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendor entered into the SPA, pursuant to which the Vendor conditionally agreed to sell to the Purchaser, and the Purchaser conditionally agreed to purchase from the Vendor, the Sale Shares, representing 90% of the total issued shares of the Target Company, at the Consideration of US$15,000,001.31 in total (equivalent to approximately HK$117,495,010.24), which shall be satisfied by way of allotment and issue of Consideration Shares.

The Consideration Shares represent approximately (i) 1.48% of the total issued Shares of the Company as at the date of this announcement; and (ii) 1.46% of the total issued Shares of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there are no other changes to the issued share capital of the Company).

Upon Completion, the Target Company will become an indirect subsidiary of the Company. As a result, the financial results of the Target Group will be consolidated into the financial statements of the Company.

GENERAL MANDATE TO ISSUE THE CONSIDERATION SHARES

It is currently expected that the Consideration Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to issue, allot and deal with up to 125,270,636 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to and including the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares and the allotment and issue of the Consideration Shares is not subject to approval of the Shareholders. The General Mandate will be utilised as to approximately 7.40% upon the allotment and issue of all the Consideration Shares.

APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

IMPLICATIONS UNDER THE LISTING RULES

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as the Consideration will be satisfied by the allotment and issuance of the Consideration Shares, the Acquisition constitutes a share transaction, and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the discounted cash flow method was applied in the Valuation Report, the calculation of the value of the Sale Shares as set out in the Valuation Report is regarded as profit forecast under Rule 14.61 of the Listing Rules. Further announcement will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

As Completion is subject to fulfilment (or waiver) of the conditions precedent under the SPA, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

THE ACQUISITION

The Board is pleased to announce that, on 30 May 2025 (after trading hours), the Purchaser, being a wholly-owned subsidiary of the Company, and the Vendor entered into the SPA, pursuant to which the Vendor conditionally agreed to sell to the Purchaser, and the Purchaser conditionally agreed to purchase from the Vendor, the Sale Shares, representing 90% of the total issued shares of the Target Company, at the Consideration of US$15,000,001.31 in total (equivalent to approximately HK$117,495,010.24), which shall be satisfied by way of allotment and issue of Consideration Shares.

THE SPA

Set out below are the principal terms of the SPA:

Date

30 May 2025

Parties

(i) Ms. Lau Shu Ming, as the Vendor; and

(ii) OSL Midaspay Limited, as the Purchaser.

Subject matter

Pursuant to the SPA and subject to the conditions thereunder, the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to purchase from the Vendor, the Sale Shares, representing 90% of the total issued shares of the Target Company, free from any encumbrance.

Consideration Shares

The Consideration to be paid by the Purchaser to the Vendor is US$15,000,001.31 in total (equivalent to approximately HK$117,495,010.24), which shall be satisfied by the allotment and issue of Consideration Shares (being 9,266,168 Shares) by the Company to the Vendor at the Issue Price of HK$12.68 per Consideration Share upon Completion in accordance with the terms and conditions of the SPA.

The Consideration Shares represent approximately (i) 1.48% of the total issued Shares of the Company as at the date of this announcement; and (ii) 1.46% of the total issued Shares of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there are no other changes to the issued share capital of the Company).

The Consideration Shares, when issued and credited as fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Consideration Shares, including the rights to receive all dividends and other distributions declared, made or paid on or after the date on which the Consideration Shares are allotted and issued and duly listed on the Stock Exchange.

For details of the basis for determination of the Consideration, please refer to the section headed "Basis of Determination of the Consideration" below. For details of the Consideration Shares, please refer to the section headed "Issue Price" below.

Issue Price

The Issue Price of the Consideration Shares: (i) represents a premium of approximately 3.59% to the closing price of HK$12.24 per Share as quoted on the Stock Exchange on the date of the SPA; and (ii) is identical to the average closing price of HK$12.68 per Share quoted on the Stock Exchange for the five (5) consecutive trading days immediately preceding the date of the SPA. The Issue Price was determined after arm's length negotiation between the Company and the Vendor with reference to, among other things, the prevailing market prices of the Shares. The Directors consider that the Issue Price is fair and reasonable and the issuance of the Consideration Shares at the Issue Price is in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the fulfilment (or waiver) of the following conditions:

(a) in respect of the Company Subscription:

  (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal, in the Consideration Shares (and such listing and permission not subsequently revoked prior to the allotment and issue of the Consideration Shares); and

  (ii) there being no breach of any of the warranties under the SPA which is material in the context of the Company Subscription;

(b) In respect of the Subsidiaries:

  a. Subsidiary 1 delivering (i) evidence of Bappebti's approval for the change of controller and beneficial owners resulting from the Acquisition, including successful completion of the fit and proper test for each of the identified controlled and beneficial owners as required by the relevant regulation of Bappebti; and (ii) evidence that its futures broker business licence and related decree of Bappebti on the approval as participant of alternative trading system remain valid, each in a form satisfactory to the Purchaser; and

  b. Subsidiary 2 delivering evidence that its digital financial asset trader business licence remains valid, in a form satisfactory to the Purchaser;

(c) due diligence of the Target Company and each of the Subsidiaries having been completed to the satisfaction of the Purchaser;

(d) all amounts due and owing to the Vendor or her affiliates or family members by the Target Group having been repaid or otherwise settled in full or waived (as the case may be);

(e) all necessary waivers, approvals, consents, filings or registrations which are necessary to consummate the sale and purchase of the Sale Shares having been obtained; and

(f) the warranties under the SPA remaining true and accurate in all material respects and not misleading in any material respect.

Save for the conditions precedent set out in paragraph (a) above, any of the conditions precedent may be waived or deferred by the Purchaser (in whole or in part) at its sole discretion by written notice to the Vendor. If any of the conditions precedent has not been satisfied or waived by the Longstop Date, the SPA (other than the surviving provisions therein) shall automatically terminate.

Completion

Completion shall take place on the fifth Business Day after the last of the conditions precedent under the SPA is fulfilled or waived (or if such day is not a Business Day, the next succeeding Business Day), or such other date as may be agreed between the Vendor and the Purchaser in writing.

Upon Completion, the Target Company will become an indirect subsidiary of the Company. As a result, the financial results of the Target Group will be consolidated into the financial statements of the Company.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was determined on an arm's length basis and on normal commercial terms pursuant to the negotiation between the Purchaser and the Vendor after taking into account, among other things, (i) the valuation of the Sale Shares as at the Valuation Date in the amount of approximately US$15,167,309 as set out in the Valuation Report by using the discounted cash flow method; (ii) the growth prospects of the Target Group; and (iii) the reasons and benefits of the Acquisition as disclosed in the section headed "Reasons for and Benefits of the Acquisition" below.

As the Valuer adopted the discounted cash flow method to estimate the fair value of the Sale Shares as set out in the Valuation Report, which constitutes a profit forecast under Rule 14.61 of the Listing Rules, the Company will make a further announcement within 15 business days after publication of this announcement in accordance with the requirements under Rule 14.60A of the Listing Rules.

Having examined and reviewed the following factors, including but not limited to the valuation methodology and key inputs adopted by the Valuer in its preparation of the Valuation Report, and considering that the Target Group is at an early growth and expansion stage in digital asset market, the Directors consider that that discounted cash flow method is an appropriate valuation methodology and that the fair value of the Sale Shares as set out in the Valuation Report is fair and reasonable basis for the determination of the Consideration.

Valuation methodology

After considering the use of three valuation approaches, namely (i) market approach; (ii) cost approach; and (iii) income approach (also known as the discounted cash flow method), the Valuer adopted income approach for its valuation of the Sale Shares for reasons set out below:

(a) The market approach provides an indication of value by comparing the Target Company to similar assets that have been sold in the market, with appropriate adjustments for the differences between the assets. The Valuer experienced difficulty in finding suitable comparable transactions in the market to compare against the Acquisition. Due to the Target Group being in early business stage, sustainable financial metrics such as revenue, earnings before interest and taxes (EBIT) and net profit of the Target Company cannot be determined at this stage.

(b) The cost approach provides an indication of value based on the principle that an informed buyer would pay no more than the cost of producing a substitute asset with equal utility as the Target Company. The cost approach is not recommended by the Valuer, as such approach assumes that the assets and liabilities of the Target Group are separable and can be sold independently. This method is generally more suitable for industries with highly liquid assets, such as property development and financial institutions, and thus is not appropriate for the Target Group's business. Additionally, given the early-stage nature of the Target Group's business, the cost approach may not accurately reflect its potential for future growth.

(c) The discounted cash flow method provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the Target Company. It takes into account future economic benefits and uses an appropriate discount rate to determine their present value, considering all risks associated with realising those benefits. As the discounted cash flow method is able to provide a clearer picture of the future earnings potential of the Target Group which is in its early stage of business, the Valuer adopted the discounted cash flow method for its valuation of the Target Group.

Key inputs adopted in the valuation

The key inputs adopted in the Valuation Report are set out as follows:

(1) the discount rate (i.e. WACC) is 20.0%;

(2) the projection period in the Valuation Report is approximately 5 years from 2025 to 2030 with terminal growth rate of 5%;

(3) the discount on lack of marketability is approximately 30.0%;

(4) the Target Group is subject to an income tax rate of 22%;

(5) the interest rate of the Target Group is approximately 8.6%;

(6) the revenue of the Target Group is derived from the income of the Subsidiaries, which mainly includes income from commission and trading spread earned from spot trading, commission earned from derivatives trading, over-the-counter (OTC) trading, and interest income. In particular, revenue of Subsidiary 1 consists of income from derivatives commission. Revenue of Subsidiary 2 consists of (i) commission income; (ii) trading spread income; and (iii) OTC trading income. The derivatives commission, the commission income and the trading spread income were mainly driven by the number of active trading users, average trading volume per active trading user, commission rate or trade spread;

(7) cost of sales of the Subsidiaries are mainly expenses related to incentives to market makers, referral fees, insurance expenses, and channel costs. The expenses are directly attributable to (i) derivative commission; (ii) commission income; (iii) trading spread income; and (iv) OTC trading income;

(8) the operating costs of the Target Group include marketing cost, salary expense, general and administrative expense, and technology development expense. In particular, marketing costs represent the largest expense item for the Target Group, as the Target Group plans to implement intensive marketing initiatives to attract new users and achieve annual growth in its user base. These initiatives include referral programs, advertising and promotional campaigns, incentive schemes, and trading competitions. Staff salaries are projected based on the number of employees and prevailing salary levels within the cryptocurrency exchange industry in Indonesia. By the end of 2026 and 2027, the Target Company expects to employ 52 and 66 staff members, respectively;

(9) the annual net working capital requirement of the Target Group is estimated to be 10% of its total revenue;

(10) capital expenditures of the Target Group is mainly composed of software, office equipment and furniture and fixture, which are depreciated or amortised over 48 months;

(11) working capital is projected based on the ratio of working capital to revenue; and

(12) the surplus asset of the Target Company as of the Valuation Date is the cash and cash equivalents of the Subsidiaries attributable to the Target Company. Apart from cash, the Subsidiaries did not have other non-operating assets or liabilities.

Determination of discount rate

The discounted cash flow method adopted in the Valuation Report indicates the value of a business enterprise based on the present value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate that reflects the time value of money, and the risks associated with the cash flows.

The weighted average cost of capital ("**WACC**") is selected by the Valuer as the discount rate for its valuation. WACC represents a weighted average of the after-tax cost of debt and cost of equity. To adequately reflect the nature of the subject investment and the risk of the underlying cash flows, the Valuer calculated the WACC by taking into account (i) cost of debt; (ii) cost of equity; (iii) the ratio of interest-bearing debt to total capital; and (iv) corporate tax rate.

For cost of debt, the Valuer adopted the current interest rate that a typical market participant would pay to finance the capital structure, and the Valuer took the view that since the interest expense of a business is tax deductible, the effective cost of debt is less than this nominal rate.

In addition, the Valuer estimated the cost of equity by using the capital asset pricing model (CAPM) that has been modified to account for business-specific or unsystematic risk. The cost of equity is estimated with reference to the risk free rate of Indonesia, market risk premium of Indonesia, beta of guideline public companies, size premium and company specific risk premium.

Long-term growth rate

For the long-term growth rate, the Valuer adopted the 5-year average real gross domestic product (GDP) growth forecasts provided by IMF for each respective country. In determining the appropriate rate, the Valuer also incorporated the operating location of the Target Group, selecting Indonesia as the relevant country factor.

Terminal value

The Valuer has made the following normalisation adjustments to the terminal cash flow for the purpose of calculating the terminal value:

(1) The normalised working capital requirement in the terminal year has been determined by assuming equal net working capital to revenue ratio as of 2030. The changes in working capital requirement were then estimated by the terminal growth rate; and

(2) The Valuer has assumed that the capital expenditure requirement in the terminal year is roughly the same as the annual depreciation expenses.

The Valuer has assumed a terminal growth rate of 5% would apply, based on the long-term real GDP growth rate in Indonesia as indicated by the IMF.

Discount for lack of marketability

In arriving at its valuation of the Sale Shares, the Valuer further applied a discount for lack of marketability on the basis that, compared to similar interest in public companies, ownership interest in privately held companies is not readily marketable and, therefore, the value of a share in a privately held company is usually less than that in a publicly held company. The Valuer made a downward adjustment to the equity value of the Sale Shares to reflect their reduced level of marketability by applying the Black Scholes put option model.

Sensitivity analysis

The Valuer has identified WACC and terminal growth rate to be sensitivity factors.

In the Valuer's assessment, WACC and terminal growth rate is taken to decrease by 1%, 2% and increase by 1%, 2% respectively from the existing WACC and terminal growth rates. The corresponding assessment results are shown in the table below.

Equity Value with Separate Changes in Sensitivities in WACC (in US$)

	Increment	WACC	Corresponding equity value in US$	Difference from base case
	0.0%	20.00%	15,167,309	—
	1.0%	21.00%	14,440,694	(726,615)
WACC	2.0%	22.00%	13,804,105	(1,363,204)
	(1.0%)	19.00%	16,003,468	836,159
	(2.0%)	18.00%	16,974,707	1,807,398

Equity Value with Separate Changes in Sensitivities in Terminal Growth Rate (in US$)

	Increment	Terminal growth rate	Corresponding equity value in US$	Difference from base case
	0.0%	5.00%	15,167,309	—
	1.0%	6.00%	15,607,164	439,855
Terminal growth rate	2.0%	7.00%	16,114,688	947,379
	(1.0%)	4.00%	14,782,436	(384,873)
	(2.0%)	3.00%	14,442,843	(724,466)

Qualifications, experience and independence of the Valuer

The Board has reviewed and enquired into the qualification and experience of the Valuer in relation to the preparation of the Valuation Report and noted that the Valuer is an independent professional valuer and composed of a team of valuation professionals with various international professional accreditations (including but not limited to, Chartered Financial Analyst and Certified Public Accountant) and headed by Jason Chu, managing director of the Valuer, who has over 10 years of experiences in performing business valuations, financial instruments and intangible assets for the purposes of corporate advisory, merger and acquisition and public listing. Jason Chu has completed over five valuation exercises with listed companies in Hong Kong for transaction disclosure purposes.

The Valuer has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its opinions and the references to its name, logo and qualifications in the form and context in which they respectively appear.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Valuer is an Independent Third Party. As at the date of this announcement, the Valuer (i) does not have any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and (ii) does not have any direct or indirect interest in any assets which had been since 31 December 2024 (the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

THE SHAREHOLDERS' AGREEMENT

In connection with the Acquisition, the Purchaser, the Minority Shareholder and the Target Company are expected to enter into a shareholders' agreement on the date of Completion to, among other things, govern the operation of the business carried on by the Target Company from time to time, and regulate the rights and obligations of the Purchaser and the Minority Shareholder as shareholders of the Target Company.

The principal terms of the Shareholders' Agreement are set out below:

Parties

(a) Purchaser;

(b) Minority Shareholder; and

(c) Target Company.

Board of directors

The Purchaser has the right to appoint at least two (2) directors to the board of directors of the Target Company, one of whom shall be the chairman of the board of directors; and the Minority Shareholder has the right to appoint one (1) director to the board of directors of the Target Company. The same requirements on the composition of the board of directors of the Target Company shall also apply to each of the Subsidiaries.

Appointment of commissioner

The Minority Shareholder shall be appointed to the board of commissioners of each of the Subsidiaries, and shall advise the board of directors of the Subsidiaries. The composition of the board of commissioners of each of the Subsidiaries may be changed by a decision of the board of directors of the Target Company.

Reserved matters

Certain matters concerning material business and financial affairs of the Target Company and each of the Subsidiaries shall not be carried out without the prior approval of each of the Purchaser and the Minority Shareholder as prescribed under the Shareholders' Agreement.

Restrictions on the Disposal of shares

None of the shareholders of the Target Company may Dispose of any share of the Target Company prior to the third anniversary of the date of the Shareholders' Agreement unless otherwise permitted in accordance with the terms of the Shareholders' Agreement.

Right of first refusal

If any existing shareholder of the Target Company intends to Dispose part or all the shares of the Target Company held by it, each of the other shareholder(s) of the Target Company shall have the right of first refusal to acquire such shares of the Target Company on the same terms in proportion to the shareholding of such shareholder(s) in the Target Company in accordance with the terms of the Shareholders' Agreement.

Drag-along right

If a shareholder of the Target Company representing at least 75% of the issued shares of the Target Company wishes to transfer its shares in the Target Company to a bona fide purchaser on an arm's length terms, such shareholder may require the other shareholders of the Target Company to sell all their shares of the Target Company to the proposed purchaser in accordance with the terms of the Shareholders' Agreement.

Tag-along right

If a shareholder of the Target Company proposes to transfer any of its shares in the Target Company to any person, each other shareholder(s) of the Target Company shall have the right to participate in such sale based on the pro rata shareholding of such shareholder(s) in the Target Company in accordance with the terms of the Shareholders' Agreement.

INFORMATION ON THE VENDOR AND THE PURCHASER

The Vendor

The Vendor is an individual and a merchant. The Vendor is the legal and beneficial owner of the Sale Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is, as at the date of this announcement, an Independent Third Party.

The Purchaser

The Purchaser is a company incorporated in the BVI with limited liability. It is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company incorporated under the laws of the BVI with limited liability on 8 November 2023 and is directly owned by the Vendor and the Minority Shareholder as to 90% and 10%, respectively. The Target Company directly holds 95% of the issued shares of Subsidiary 1 and 99% of the issued shares of Subsidiary 2.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Minority Shareholder of the Target Company and the remaining shareholders of the Subsidiaries are Independent Third Parties.

The Target Company is in the course of setting up the operation (through the Subsidiaries) of a digital assets exchange. Subsidiary 1 is a holder of licence in relation to futures brokerage in Indonesia. Subsidiary 2 is a holder of licences in relation to crypto trader in Indonesia.

Set out below is the financial information of the Target Group based on the audited financial statements of the Target Group for the two years ended 31 December 2024 and the unaudited financial statements of the Target Group for the three months ended 31 March 2025:

	For the year ended 31 December		**For the three months ended 31 March**
	2023	**2024**	**2025**
	(audited)	(audited)	(unaudited)
	HK$	*HK$*	*HK$*
Revenue	61,560.00	62,130.00	422,005.81
Loss before taxation	(1,483,109.20)	(2,535,626.89)	(1,038,859.25)
Loss after taxation	(1,482,182.66)	(2,534,156.82)	(1,038,859.25)

The unaudited net asset value of the Target Group as at 31 March 2025 was approximately HK$68,869,313.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 626,353,184 Shares in issue. Set out below is a summary of the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following Completion (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Consideration Shares from the date of this announcement and up to Completion); and (iii) immediately following Completion (assuming all Share Options have been exercised and there is no other change to the issued share capital of the Company from the date of this announcement and up to Completion other than (a) the allotment and issue of the Consideration Shares and (b) the allotment and issue of new Shares upon the exercise of all of the Share Options):

Shareholders		**As at the date of this announcement**		**Immediately following Completion (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Consideration Shares from the date of this announcement and up to Completion)**		**Immediately following Completion (assuming all Share Options have been exercised and there is no other change in the issued share capital of the Company from the date of this announcement and up to Completion other than the allotment and issue of the Consideration Shares and the allotment and issue of new Shares upon the exercise of all of the Share Options)** *(Note 1)*	
	Note	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Directors							
Mr. Tiu Ka Chun, Gary	*1*	285,000	0.046%	285,000	0.045%	885,000	0.139%
Mr. Chau Shing Yim, David	*1*	20,000	0.003%	20,000	0.003%	620,000	0.098%
Sub-total		305,000	0.049%	305,000	0.048%	1,505,000	0.236%
Substantial Shareholder							
Mr. Liu Shuai	2	187,600,000	29.951%	187,600,000	29.515%	187,600,000	29.459%
Public Shareholders		438,448,184	70.000%	438,448,184	68.980%	438,448,184	68.850%
Vendor		0	0.000%	9,266,168	1.458%	9,266,168	1.455%
Total		626,353,184	100%	635,619,352	100%	636,819,352	100%

Notes:

1. As at the date of this announcement, each of Mr. Tiu Ka Chun, Gary and Mr. Chau Shing Yim, David is a holder of share options of the Company under the Company's share option schemes. As disclosed in the announcement of the Company dated 13 May 2025, the Company granted to certain Directors and other grantees a total of 3,406,250 awarded shares, which will be satisfied by issuance of new Shares upon vesting. Having considered the Longstop Date of the Acquisition and that the vesting period of the awarded shares is at least 12 months from 13 May 2025, it is expected that the earliest vesting date of the awarded shares will be later than Completion. Therefore, for the purpose of this announcement, the above table does not include any interests in the underlying shares of the Company to be issued to the Directors and other grantees in respect of the awarded shares granted to them on 13 May 2025.

2. As at the date of this announcement, Mr. Liu Shuai is indirectly interested in 187,600,000 Shares through his controlled corporations, Crown Research Investments Limited ("**Crown Research**") and DeltaByte Holdings Limited ("**DeltaByte**"), whereas Crown Research is a wholly owned subsidiary of DeltaByte which in turn is wholly owned by Mr. Liu Shuai.

3. Certain percentage figures in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

GENERAL MANDATE TO ISSUE CONSIDERATION SHARES

It is currently expected that the Consideration Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to issue, allot and deal with up to 125,270,636 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Since the date of the AGM and up to and including the date of this announcement, no Shares have been allotted and issued under the General Mandate. Accordingly, the General Mandate is sufficient for the allotment and issue of the Consideration Shares. The General Mandate will be utilised as to approximately 7.40% upon the allotment and issue of all the Consideration Shares.

APPLICATION FOR LISTING OF THE CONSIDERATION SHARES

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the digital assets and blockchain platform business in the Asia-Pacific region. Following the Group's recent acquisitions in Europe and Japan, as disclosed in the 2024 annual report of the Company published on 28 April 2025, the Group aims to accelerate its international expansion plan by pursuing accretive merger and acquisition opportunities and to maintain its expansion momentum through, among other things, strategic acquisitions in key markets such as Southeast Asia.

The Directors believe that the Acquisition will bring substantial strategic benefits to the Group for the following key reasons:

1. The Acquisition is expected to provide the Company with immediate and strategic access to the Indonesian digital asset market, which the Company considers to be one of Asia's most promising cryptocurrency markets. Indonesia possesses key attributes conducive to growth in this sector, including a substantial and youthful demographic, robust economic growth fundamentals, and a rapidly increasing rate of cryptocurrency adoption. Based on publicly available information such as the Industry Association Report in relation to the crypto and Web3 industry in Indonesia, the Indonesian cryptocurrency sector has demonstrated significant expansion. Among other things, the Industry Association Report noted that (i) Indonesia had approximately 22.1 million cryptocurrency users as at November 2024; (ii) the total transaction value of crypto assets for the period from December 2023 to November 2024 reached approximately US$34.25 billion, representing a year-on-year increase of approximately 356.16%; and (iii) the number of registered cryptocurrency companies rose to 2,251 by June 2024, representing an approximately 72% year-on-year increase. The Acquisition allows the Group to strategically embed itself within Indonesia's dynamic, diverse, and rapidly growing Web3 ecosystem.

2. A significant strategic benefit of the Acquisition is the expedited procurement of valuable regulatory licences for both cryptocurrency spot and derivatives trading in Indonesia that are held by the respective Subsidiaries of the Target Company. Through the Acquisition, the Company will be relieved from the potentially protracted and uncertain process of new licence applications, thereby de-risking market entry and achieving a significantly faster speed-to-market.

3. The Acquisition and the regulatory licences of the Subsidiaries provide the Group with a compliant platform to expand its service offerings in Indonesia and into emerging business lines, notably real-world assets (RWA) and payment finance (PayFi), subject to necessary licence permissions. According to the Industry Association Report, Indonesia was ranked third in place for RWA interest globally in 2024, accounting for approximately 10.1% of the global total. As such, Indonesia has demonstrated significant activity in the field of RWA. Furthermore, the relevant regulatory framework in Indonesia is anticipated to allow licensed institutions to launch more complex financial services products, including RWA and cryptocurrency lending.

4. The Acquisition will allow the Group to enhance its brand visibility, market presence, and reputation within the Indonesian market and across the broader Southeast Asian digital asset landscape. The Target Group's brand, "KoinSayang", and associated tagline, "SAYANGI ASETMU" (Love/Cherish Your Assets), possesses local resonance. The Group will be able to expand its brand influence in Indonesia through the Target Group via unified marketing and public relations activities to attract a wider customer base and build a more powerful brand image.

5. The Acquisition is expected to generate synergistic value and operational efficiencies by, on the one hand, combining the Group's established technological capabilities, operational excellence and extensive product suite with the Target Group's local licences and the strategic contributions from its local partner; and, on the other hand, leveraging the Group's existing global infrastructure for functions such as blockchain technology development and compliance frameworks.

6. The settlement of the Consideration for the Acquisition by allotment and issue of Consideration Shares, instead of payment in cash, allows the Group to preserve its existing cash reserves, which can otherwise be deployed towards the operations, business development and potential investments of the Group in the future.

In view of the foregoing, the Directors consider that the terms of the SPA, the Shareholders' Agreement and the respective transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as the Consideration will be satisfied by the allotment and issuance of the Consideration Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the discounted cash flow method was applied in the Valuation Report, the calculation of the value of the Sale Shares as set out in the Valuation Report is regarded as profit forecast under Rule 14.61 of the Listing Rules. Further announcement will be made by the Company within 15 business days after publication of this announcement in compliance with Rule 14.60A of the Listing Rules.

As Completion is subject to fulfilment (or waiver) of the conditions precedent under the SPA, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

"Acquisition"	the acquisition of the Sale Shares pursuant to the terms and conditions of the SPA
"AGM"	the annual general meeting of the Company convened on 30 May 2024
"Bappebti"	the Commodity Futures Trading Regulatory Agency *(Badan Pengawas Perdagangan Berjangka Komoditi)*
"Board"	the board of Directors
"Business Day"	a day (other than Saturday and Sunday) on which commercial banks are open for business in Hong Kong, BVI and Indonesia
"BVI"	the British Virgin Islands
"Company"	OSL Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 863)
"Company Subscription"	the allotment and issue by the Company to the Vendor of the Consideration Shares, credited as fully paid, at the Issue Price in accordance with the terms of the SPA
"Completion"	the completion of the Acquisition in accordance with the terms of the SPA

"connected person(s)"	has the meaning ascribed to it by the Listing Rules
"Consideration"	the aggregate consideration to be paid by the Purchaser to the Vendor for the Sale Shares of US$15,000,001.31 (equivalent to approximately HK$117,495,010.24), which shall be satisfied by allotment and issue of the Consideration Shares
"Consideration Shares"	9,266,168 new Shares to be allotted and issued by the Company at the Issue Price under the General Mandate to the Vendor for settlement of the whole of the Consideration in accordance with the SPA
"Director(s)"	the director(s) of the Company
"Disposal"	sale, transfer, assignment, creation of any encumbrance, creation of any trust, entering into any agreement in respect of votes or the right to receive dividends, renunciation of the assignment of any right to subscribe or receive, a Share, or entering into any agreement to do so; and "Dispose" shall be construed accordingly
"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and otherwise deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IMF"	the International Monetary Fund
"Independent Third Party(ies)"	an individual or a company who or which is independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
"Industry Association Report"	a report titled "2024 Indonesia Crypto & Web3 Industry Report" compiled and published by Asosiasi Blockchain dan Pedagang Aset Kripto Indonesia on its website (https://asosiasiblockchain.co.id/2024_Indonesia%20Crypto_&_Web3_Industry_Report.pdf), which is an association composed of business entities implementing blockchain technology and registered crypto exchanges in Indonesia
"Issue Price"	HK$12.68, being the issue price per Consideration Share

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	31 December 2025 or such later date as agreed between the Purchaser and the Vendor
"Main Board"	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Minority Shareholder"	an individual and merchant who is ordinarily residing in Indonesia and an Independent Third Party, being the legal and beneficial owner of 5,000 shares in the Target Company, representing 10% of the total issued shares of the Target Company
"percentage ratios"	has the meaning ascribed to it by the Listing Rules
"PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this announcement, do not include Taiwan, Hong Kong or the Macau Special Administrative Region of the PRC
"Purchaser"	OSL Midaspay Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
"Sale Shares"	45,000 shares of the Target Company
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Share Options"	share options granted by the Company under its share option schemes adopted on 10 April 2012 and 28 May 2021, which remain outstanding as at the date of this announcement
"Shareholder(s)"	holder(s) of the Shares for the time being
"Shareholders' Agreement"	the shareholders' agreement to be entered into between the Purchaser, the Minority Shareholder and the Target Company on Completion in respect of the governance of the Target Company by the Purchaser and the Minority Shareholder post-Completion
"SPA"	the share purchase agreement dated 30 May 2025 entered into between the Vendor and the Purchaser in relation to the Acquisition
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Subsidiaries"	collectively, Subsidiary 1 and Subsidiary 2
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Subsidiary 1"	PT Langit Indonesia Berjangka, a company limited by shares and incorporated in Indonesia, which is a subsidiary of the Target Company
"Subsidiary 2"	PT Multikripto Exchange Indonesia, a company limited by shares and incorporated in Indonesia, which is a subsidiary of the Target Company
"Target Company"	EvergreenCrest Holdings Ltd., a BVI business company limited by shares and incorporated in the BVI
"Target Group"	collectively, the Target Company and the Subsidiaries
"US$"	United States dollars, the lawful currency of the United States of America
"Valuation Date"	31 March 2025
"Valuation Report"	the valuation report in respect of the Sale Shares dated 22 May 2025 issued by the Valuer
"Valuer"	ValQuest Advisory (Hong Kong) Limited, an independent professional valuer appointed by the Company
"Vendor"	Ms. Lau Shu Ming, an individual who is ordinarily residing in Singapore and an Independent Third Party, being the legal and beneficial owner of the Sale Shares immediately prior to Completion
"%"	per cent

By order of the Board of
OSL Group Limited
Cui Song
Executive Director and Chief Executive Officer

Hong Kong, 2 June 2025

For the purpose of illustration only, conversion of US$ to HK$ in this announcement is based on the exchange rate of US$1 = HK$7.833. This should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

As at the date of this announcement, the executive Directors are Mr. Cui Song, Mr. Tiu Ka Chun, Gary, Ms. Xu Kang and Mr. Yang Chao, the non-executive Director is Mr. Lee Kam Hung Lawrence and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Xu Biao and Mr. Yang Huan.