



新火科技
SINOHOPE

SINOHOPE TECHNOLOGY HOLDINGS LIMITED
新火科技控股有限公司

(Incorporated in the British Virgin Islands with limited liability)
(Stock code: 1611)

2025
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-Executive Director

Mr. Li Lin (*Chairman*)

Executive Directors

Mr. Du Jun (*Chief Executive Officer*)
Ms. Zhang Li (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. Yip Wai Ming
Dr. LAM Lee G., *BBS, JP*
Mr. Yu Chun Kit

AUDIT COMMITTEE

Mr. Yip Wai Ming (*Chairman*)
Dr. LAM Lee G., *BBS, JP*
Mr. Yu Chun Kit

REMUNERATION COMMITTEE

Dr. LAM Lee G., *BBS, JP* (*Chairman*)
Mr. Yip Wai Ming
Mr. Yu Chun Kit

NOMINATION AND CORPORATE GOVERNANCE COMMITTEE

Mr. Yu Chun Kit (*Chairman*)
Mr. Yip Wai Ming
Dr. LAM Lee G., *BBS, JP*

REGISTERED OFFICE

Vistra Corporate Services Centre
Wickhams Cay II
Road Town, Tortola
BVI VG 1110

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 702-3, 7/F
100 Queen's Road Central, Central
Hong Kong

CORPORATE WEBSITES

<http://www.sinohope.com>
<http://www.irasia.com/listco/hk/sinohope/>

PRINCIPAL BANKER

DBS Bank Ltd., Hong Kong Branch

BVI PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

AUDITORS

Moore CPA Limited
Certified Public Accountant
Registered Public Interest Entity Auditor

COMPANY SECRETARY

Ms. Peng Sisi

AUTHORISED REPRESENTATIVES

Mr. Du Jun
Ms. Peng Sisi

INVESTOR RELATIONS CONTACT

Email: ir@sinohope.com

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Sinohope Technology Holdings Limited (the "Company", together with its subsidiaries, the "Group" or "Sinohope Tech"), I am pleased to present the interim report of the Group for the six months ended 31 March 2025 ("Period 2025").

EXTERNAL ENVIRONMENT

In the past half year, there have been increasing uncertainties for global economic growth. Trump's tariff order triggered massive shocks in global financial markets, and the international landscape was full of turbulence and complexity. Global debt hit a record high, supply and industrial chains underwent significant challenges, anti-globalisation ideology continued to rise, and geopolitical conflicts continued to drag on and escalate.

After Trump takes office, the U.S. is facing the reflation risk. The Federal Reserve maintains a cautious stance in the high-interest rate environment and may consider slowing down the pace of interest rate cuts. The uncertainty of the interest rate path continues to suppress the upside of risky assets. Meanwhile, a new round of technological revolution and industrial transformation represented by artificial intelligence is in the ascendant, and the global innovation landscape is accelerating its restructuring.

A new round of trade friction between China and the U.S. around new energy, high technology and digital infrastructure has become a new variable. While crypto assets are not directly involved, geopolitical risks have increased market volatility. The overall movement of crypto market is characterised by high level volatile and structural differentiation. Despite hitting a new high driven by the halving cycle, Bitcoin has since entered a corrective phase. When coupled with the failure of monetary policy of the Federal Reserve to turn to more accommodative as expected and the escalation of China-U.S. trade tension, the crypto market has once again been shrouded in the shadow of macro uncertainty.

However, notably, the globalisation and anti-disturbance ability of the crypto sector has improved significantly compared to the past. Multiple jurisdictions such as Hong Kong, Japan, South Korea, Russia, Turkey, and the UAE launched supportive policies in the past half year to promote the integration of RWA (Real World Assets) with traditional finance, implement stable coin regulations and accelerate operation of Web3 sandbox. The implementation of these policies provided a clearer path for traditional capital participation in a compliant way. This trend of international support has partially offset the negative impact of the U.S. regulatory tightening, creating a crypto market landscape characterized by "regional sluggishness amid global balance".

BUSINESS OVERVIEW

The complex and volatile external environment has not impacted the rapid development of Sinohope Tech. During Period 2025, Sinohope Tech leveraged its years of experience in trading systems and its head start in compliant operations to develop and launch Sinohope Tech's quantitative product services ("Sinohope Quant").

CHAIRMAN'S STATEMENT

As a preferred choice for high-net-worth users who prefer low-risk investments with moderate to high returns, Sinohope Quant offers quantitative products that employ hedging strategies to reduce the volatility associated with investing in the crypto market and help users achieve relatively stable access to Alpha returns.

As two of the Company's core pillar businesses that have matured, asset management and custody services have grown by leaps and bounds.

As at 31 March 2025, Sinohope Asset Management (Hong Kong) Limited ("SINOHOPE Asset Management"), the wholly-owned asset management subsidiary of the Company, in collaboration with its partners, has launched a total of 12 funds, with the combined AUM of its asset management funds reaching approximately US\$88.7 million, expanding into more heavyweight partners in the traditional financial sector in Hong Kong. On 20 March 2025, SINOHOPE Asset Management entered into a partnership with Orient Securities (Hong Kong), which will serve as a distribution channel for multiple compliant fund products offered by SINOHOPE Asset Management, including the Sinohope Multi-Strategy Virtual Asset Fund and the Sinohope Quantitative Arbitrage Neutral Strategy Portfolio Fund. With the rapid growth of the virtual asset market, the demand for compliant and professional asset management services is increasing. SINOHOPE Asset Management's partnership with Orient Securities (Hong Kong) aims to leverage its robust financial network and distribution channels to introduce high-quality virtual asset fund products to a broader investor base, fulfilling the market's demand for diversified investment tools.

In addition, the multi-strategy virtual asset fund under SINOHOPE Asset Management has been awarded the title of "Best Digital Asset Fund" in "Asset Management Awards 2025" organised by Asian Investor, the authoritative asset management magazine in the Asia-Pacific region.

At the custody business level, the MPC self-custody platform SINOHOPE has undergone comprehensive iteration and upgrade, launching a one-stop MPC payment solution encompassing interconnected functions such as collection, wallet management, compliance and risk control, asset management, and service integration. It maintains fund security through the MPC multi-party signature scheme. SINOHOPE boasts a comprehensive and robust MPC wallet infrastructure, enabling secure, low-cost, and swift integration into clients' cross-chain bridges or custody addresses, allowing clients to focus more on their own business development. As at 31 March 2025, the custody business of Sinohope Tech has served over 170 high-net-worth institutional clients, with the overall custody asset scale reaching tens of millions of USD.

Sinohope Trust Company Limited ("Sinohope Trust") has also made remarkable progress in the first half of this year, comprehensively upgrading its account system to provide institutional investors with convenient, fast, and cost-effective same-name fiat currency custody services. The upgraded system supports multiple currencies, including USD, HKD, and SGD, making it convenient for various funds and asset management institutions to open fiat currency accounts and meet fund audit requirements. Sinohope Trust holds a license from the Hong Kong Trust or Company Service Providers (TCSP), enabling it to offer regulated digital asset custody services in Hong Kong.

MACROCOSMIC POINT

In the past half year, the global economy gradually emerged from the post-pandemic high-inflation environment, with major central banks, particularly the Federal Reserve and the European Central Bank, gradually adjusting their monetary policies and slowing the pace of interest rate hikes. Market consensus expects a potential easing cycle to commence in the second half of the year. This trend has profound implications for the cryptocurrency market.

Firstly, a low-interest-rate environment typically reduces the returns on traditional financial assets, further driving capital flows towards high-risk, high-return asset classes. Secondly, as interest rates decline, institutional investors and high-net-worth individuals, in pursuit of higher returns, may increase their allocations to cryptocurrency assets, thereby driving up the prices of major cryptocurrencies such as Bitcoin and Ethereum. Additionally, as the U.S. government and other global economies strive to stimulate economic vitality through monetary easing policies, the cryptocurrency market, as an “alternative investment asset,” may become an integral part of the capital markets, attracting more institutional and retail investors to participate.

The long-term development of the cryptocurrency market hinges not only on price fluctuations but also on the practical applications of blockchain technology. In 2025, blockchain technology has made significant strides in various fields such as finance, supply chain, healthcare, and copyright management. Particularly in applications such as cross-border payments, smart contracts, and Decentralized Autonomous Organization (DAO), blockchain technology is continuously breaking down traditional industry barriers and promoting the scalability and maturation of the cryptocurrency asset market.

Sinohope Tech, standing at the forefront of the global digital finance transformation, leverages Hong Kong, an international financial innovation hub, as its strategic fulcrum and fully capitalizes on the HKSAR's cryptocurrency-friendly policies and the unique geographical advantage of being at the crossroads of East and West. We firmly believe that by steadfastly implementing our established strategic development blueprint, deepening our core business areas, and continuously providing clients with competitive and differentiated solutions, we will seize the initiative amidst the industry's transformative wave.

With a forward-looking strategic vision, we remain bullish on the long-term development potential of Hong Kong as a global virtual asset hub, a fintech innovation hub and a Web3.0 ecosystem center. The Company maintains a keen insight into the evolution of regulatory policies, dynamically optimizing its business architecture and constructing a future-oriented, multi-tiered service system. Within the compliance framework, we will continue to explore innovative business models and refine our industrial ecosystem layout. Based on Hong Kong's unique institutional advantages and a thriving digital economy environment, Sinohope Tech's future development space is broad, and its value growth trajectory is promising.

We are at a historic juncture where digital assets and traditional finance are deeply integrating. Sinohope Tech will embrace transformation with a more open stance and create value with more professional services, to write a new chapter of development on the international fintech hub of Hong Kong.

On behalf of the Board,

Li Lin
Chairman
Hong Kong, China
26 May 2025

MATERIAL EVENTS

Very Substantial Acquisition and Connected Transactions

On 16 August 2024, the Company as BVI Purchaser and FCCR, Lightning Pay, Sky Fort, Tekne, Vision Leader, Hong Jia, Zhen Partners, HSG, Avenir Investment, Mr. Song, Mr. Hu and Mr. Du collectively as BVI Vendors entered into the BVI Agreement, pursuant to which the BVI Vendors have conditionally agreed to sell, and the Company has conditionally agreed to acquire the BVI Sale Shares, representing the entire issued share capital of the BVI Company, at the consideration of US\$30,462,086.38 (equivalent to approximately HK\$237,604,273.76), which shall be satisfied by the allotment and issue of the Consideration Shares A at the Issue Price to the BVI Vendors (or their nominees) at completion.

On 16 August 2024, the Company as BitTrade Purchaser and Goldenway as BitTrade Vendor entered into the BitTrade Agreement, pursuant to which Goldenway has conditionally agreed to sell, and the Company has conditionally agreed to acquire the BitTrade Sale Shares, representing approximately 7.69% of the entire issued share capital of BitTrade, at the consideration of US\$2,769,435.22 (equivalent to approximately HK\$21,601,594.72), which shall be satisfied by the allotment and issue of the Consideration Shares B at the Issue Price to Goldenway (or its nominees) at completion.

Immediately after completion, the BVI Company became a wholly-owned subsidiary of the Company and BitTrade became an indirect subsidiary of the Company, and the financial results of the BVI Company and the BitTrade will be consolidated to the financial statements of the Group.

The extraordinary general meeting of the Company held on 31 March 2025 passed the related resolutions. On 15 April 2025, the BVI Agreement was completed and the BitTrade Agreement was completed on 29 May 2025.

For details, please refer to the Company's announcements dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024, 31 December 2024, 23 January 2025, 7 March 2025, 31 March 2025, the circular dated 14 March 2025, the poll results announcement dated 31 March 2025, the completion announcement dated 29 May 2025, and the Next Day Disclosure Returns dated 15 April 2025 and 29 May 2025. The terms defined above have the same meanings as those defined therein.

Refreshment of Scheme Mandate Limit Under Share Option Scheme

On 16 August 2024, the Board proposed to refresh the Scheme Mandate Limit to 10% of the Shares in issue as at the date of approval by the Shareholders at the extraordinary general meeting of the Company (the "Refreshment") on 31 March 2025. Upon the passing of the resolution at the extraordinary general meeting of the Company on 31 March 2025 for the approval of the Refreshment, the total number of Shares available for issue under the Scheme and any other share option schemes shall not exceed 46,656,066.

For details, please refer to the Company's announcements dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024, 31 December 2024, 23 January 2025, 7 March 2025, 31 March 2025, the circular dated 14 March 2025 and the announcement of poll results and adoption of the amended and restated memorandum and articles of association dated 31 March 2025. The terms above shall have the same meanings as those defined therein, unless otherwise specified.

Increase in Authorised Share Capital

On 16 August 2024, the Board proposed to increase the authorised share capital of the Company from HK\$500,000 divided into 500,000,000 Shares to HK\$700,000 divided into 700,000,000 Shares by the creation of an additional 200,000,000 new Shares. Such new Shares, upon issued and fully paid, shall rank pari passu in all respects with the Shares.

The extraordinary general meeting of the Company held on 31 March 2025 passed the related resolution.

For details, please refer to the Company's announcements dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024, 31 December 2024, 23 January 2025, 7 March 2025, 31 March 2025, the circular dated 14 March 2025 and the announcement of poll results and adoption of the amended and restated memorandum and articles of association dated 31 March 2025. The terms above shall have the same meanings as those defined therein, unless otherwise specified.

Amendments to Memorandum and Articles of Association

On 16 August 2024, in view of the proposed increase in authorised share capital of the Company, the Board proposed to make certain amendments to the Memorandum and Articles of Association. The proposed amendments to the Memorandum and Articles of Association has been approved by the Shareholders at the extraordinary general meeting on 31 March 2025.

For details, please refer to the Company's announcements dated 16 August 2024, 6 September 2024, 24 September 2024, 22 October 2024, 22 November 2024, 23 December 2024, 31 December 2024, 23 January 2025, 7 March 2025, 31 March 2025, the circular dated 14 March 2025, the announcement of poll results and adoption of the amended and restated memorandum and articles of association and the constitutional documents dated 31 March 2025.

Disclosable Transaction Involving Quantitative Arbitrage Service Agreement

On 3 October 2024, HotGroup, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with Top Value Limited ("Top Value") pursuant to which HotGroup agreed to deposit a total of 8 million USDT (equivalent to US\$8 million and approximately HK\$62.4 million) into the Account, for Top Value to manage on behalf of HotGroup on a discretionary basis for spots and futures arbitrage trading.

For details, please refer to the Company's announcements dated 3 October 2024 and 22 October 2024. The terms above shall have the same meanings as those defined therein, unless otherwise specified.

Continuing Connected Transaction in Relation to the Asset Management Service Framework Agreement II 2023/24

On 11 July 2024, the Asset Management Services Framework Agreement II was entered into between Sinohope Asset Management, an indirect wholly-owned subsidiary of the Company and Mr. Du, pursuant to which Sinohope Asset Management will provide asset management services to the Existing Funds II and the Other Funds, in which Mr. Du and/or his associates have subscribed or will from time to time subscribe for participating shares, limited partnership interests or other interests, for a term of three years commencing retrospectively from 1 October 2023 to 30 September 2026 (both days inclusive).

MANAGEMENT DISCUSSION AND ANALYSIS

In the course of finalising the annual results of the Group for the year ended 30 September 2024, the Company discovered that the 2023/24 Transaction Amount, being the asset management service fees paid to the Group under the Asset Management Services Framework Agreement II for the year ended 30 September 2024, amounted to HK\$7,321,753.58, which exceeded the 2023/24 Annual Cap. On 13 December 2024, the Board resolved to revise the Existing Annual Caps.

For details, please refer to the Company's announcements dated 11 July 2024 and 13 December 2024. The terms above shall have the same meanings as those defined therein, unless otherwise specified.

Litigation Updates

The Company has received a sealed consent order dated 13 February 2025 from the High Court of England and Wales that all the Claimant's claims in relation to the UK Action against the Company have been dismissed.

Moreover, the Company has received a notice of voluntary dismissal dated 26 February 2025 from the United States Bankruptcy Court for the District of Delaware that all claims in the adversary proceeding against Hbit have been dismissed.

For details, please refer to the Company's announcements dated 20 September 2024 and 28 February 2025. The terms defined above have the same meanings as those defined therein.

PERFORMANCE REVIEW

The Group recorded a total revenue of approximately HK\$3,455.7 million for Period 2025, representing an increase of approximately 427.1% or HK\$2,800.1 million from approximately HK\$655.6 million for the six months ended 31 March 2024 ("Period 2024").

The gross profit of the Group was approximately HK\$11.0 million for Period 2025 as compared to the gross profit of approximately HK\$32.1 million for Period 2024.

The Group recorded a net loss of approximately HK\$12.3 million for Period 2025 compared to a net profit of approximately HK\$101.2 million for Period 2024.

Basic and diluted loss per share of the Group for Period 2025 was HK 2.64 cents (Period 2024: basic and diluted earnings per share of HK\$21.42 cents).

BUSINESS REVIEW

Provision of technology solution services

The Group, through Sinohope APAC Limited and Sinohope Digital Limited, both wholly-owned subsidiaries of the Company, provides specific technology solution services including blockchain solutions, peripheral accessories such as browser, faucet and official website, fundamental Dapps and Software-as-a-Service to global customers in blockchain, virtual assets, fintech, big data as well as other innovative technology sectors.

The revenue from the technology solution business was approximately HK\$3.7 million for the Period 2025 compared to approximately HK\$2.9 million for Period 2024 benefiting from effective marketing and brand building.

Virtual asset ecosystem

(i) *Asset management*

The Group has carried on asset management businesses through SINOHOPE Asset Management. SINOHOPE Asset Management was incorporated in Hong Kong with limited liability for carrying on businesses in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “SFO”).

SINOHOPE Asset Management’s vision is to bridge the gap between traditional and virtual asset investments and offer integrated investment solutions to professional investors. The products integrate traditional financial assets and virtual assets and cover the primary and secondary markets.

SINOHOPE Asset Management is managing twelve funds containing virtual assets as at 31 March 2025. The funds include seven virtual assets funds named BitMind Trend Fund SP, Evolving Investment Crypto Multi-Strategy Fund SP, SINOHOPE Multi Strategy Crypto Fund SP, Progressive Asset Management SP, Alpha Blockchain SP1 (as sub-investment manager), Metastone Crypto Multi-Strategy Fund SP and Whizard Future Fund SP, two private equity funds for blockchain mining related businesses, one private equity fund for blockchain/web3 businesses and two FOF funds for virtual assets investment. SINOHOPE Asset Management shall only provide services to professional investors, as defined in the SFO and its subsidiary legislation.

The revenue generated from the provision of asset management services was approximately HK\$12.8 million for Period 2025, representing a decrease of approximately HK\$4.5 million or 25.7% as compared to approximately HK\$17.3 million for Period 2024. The decrease was primarily attributable to the decrease of fund performance fee income compared to Period 2024.

The total assets under management was approximately US\$88.7 million as at 31 March 2025 and US\$100.8 million as at the date of this report.

(ii) *Trust and custodian business*

The custodian business includes two types of business, centralised custodian and MPC self-custody business, which was being carried out through Sinohope Trust and Sinohope Digital Limited separately during Period 2025.

Sinohope Trust, a company incorporated in Hong Kong and an indirectly wholly-owned subsidiary of the Company, obtained a certificate issued by the Registrar of Companies under section 78(1) the Trustee Ordinance (Cap.29 of the laws of Hong Kong) for registration as a trust company. The centralised custodian provided services including safekeeping, settlement and other customised services of its clients’ assets.

Sinohope Digital Limited, a company incorporated in Seychelles and an indirectly wholly-owned subsidiary of the Company, has registered as Money Service Business (MSB) pursuant to the Bank Secrecy Act (BSA) regulations at 31 CFR 1022.380(a)-(f), administered by the Financial Crimes Enforcement Network (FinCEN). The MPC self-custody business launched WaaS (Wallet-as-a-Service), which is a comprehensive set of MPC digital asset custody wallet infrastructure for Web3 developers. Institutions can construct and compile MPC enterprise-level wallets in a more secure and swift manner to serve the tens of millions of users and help the business develop rapidly.

The types of assets custodied under the business include virtual asset, fiat currency, financial instrument and/or any type of other assets.

The revenue generated from the provision of custodian services was approximately HK\$0.6 million for Period 2025, representing an increase of approximately HK\$0.2 million or 64.3% as compared to approximately HK\$0.4 million for Period 2024 arising from the increase of custodian size driven by the increase of virtual asset price.

(iii) Virtual asset lending and cryptocurrency trading business

During Period 2025, the Group has provided (i) virtual asset lending management business to clients; (ii) over-the-counter (the “OTC”) virtual asset trading business to trade virtual assets with corporate and individual customers; and (iii) virtual assets trading in cryptocurrency exchanges. The lending management services income generated from the virtual asset lending was approximately HK\$0.1 million.

The OTC trading business generates income through the trading spreads from clients who buy and/or sell virtual assets using the Group’s services. Its current clients include high-net-worth individuals, institutional investors and firms to execute large trades with more privacy, reduced slippage, and potentially better pricing.

During Period 2025, the Group also generates income from commission earned by matching clients with suppliers.

During Period 2025, the revenue from cryptocurrency trading business was approximately HK\$3,437.8 million and the cost of sales of OTC trading business was approximately HK\$3,433.3 million. The Group recognised a gross profit of approximately HK\$4.5 million during Period 2025 compared to a gross profit of approximately HK\$7.7 million for Period 2024 from the cryptocurrency trading business. The decrease in the gross profit of the cryptocurrency trading business was attributable to the increase in transaction fees by major suppliers. The Group is actively working to expand its supplier base to ensure the stability and improvement of gross profit.

(iv) Consultancy services income

During Period 2025, the Group has provided consultancy services in relation to Blockchain and Web3 business to its customers. The consultancy services cover different types of consultancy projects based on the terms stated in the corresponding contracts.

The revenue generated from the consultancy services income was approximately HK\$0.7 million for Period 2025, representing a slight decrease of approximately HK\$0.1 million as compared to approximately HK\$0.8 million for Period 2024.

NON-OPERATING EXPENSES OVERVIEW

Other income and gains/(losses)

Other income and gains/(losses), which includes gain or loss on disposal of subsidiaries, disposal of property, plant and equipment, and derecognition of subsidiary, net income and fair value change on crypto investments, fair value change on financial assets through profit or loss, impairment loss on property, plant and equipment, exchange difference and sundry income, has increased by approximately HK\$7.0 million to net other income and gains of approximately HK\$6.0 million for Period 2025 from net other losses of approximately HK\$0.9 million for Period 2024. The other income and gains for Period 2025 was mainly attributable to the income and fair value gains on crypto investments benefiting from the rise of crypto prices.

Administrative expenses

Administrative expenses have decreased significantly by approximately HK\$14.8 million or approximately 27.4% to approximately HK\$39.3 million for Period 2025 from approximately HK\$54.1 million for Period 2024 because of the implementation of cost management measures. The administrative expenses mainly consist of employee benefit expenses (including Director's remuneration) of approximately HK\$28.5 million for Period 2025 compared to approximately HK\$33.9 million for Period 2024.

Finance costs

Finance costs have decreased by approximately HK\$4.6 million or approximately 97.4% to approximately HK\$0.1 million for Period 2025 from approximately HK\$4.7 million for Period 2024, in line with the decrease of other loans from a related company.

(Loss)/profit before income tax

The Group's loss before income tax for Period 2025 was approximately HK\$12.3 million as compared to a net profit before income tax of approximately HK\$99.3 million for Period 2024. The loss was mainly attributable to the net effect of a decrease in revenue from other business of approximately HK\$16.7 million as compared with that of the Period 2024 mainly due to the suspension of cryptocurrency mining services. The shift from a net profit in the Period 2024 to a net loss in the Period 2025 was also attributable to the decrease in fair value gains on cryptocurrencies of approximately HK\$43 million, and the absence of a one-off reversal of the provision of impairment of the FTX Deposit of approximately HK\$78.8 million.

Income tax credit

The Group did not record any income tax expense or income tax credit for Period 2025 compared to an income tax credit of approximately HK\$1.9 million for Period 2024.

(Loss)/profit after income tax

The Group's loss after income tax for Period 2025 was approximately HK\$12.3 million as compared to a profit after income tax of approximately HK\$101.2 million for Period 2024.

Dividend

The Directors do not recommend the payment of an interim dividend for Period 2025 (Period 2024: Nil).

FINANCIAL REVIEW

Cash Flow from Operating Activities

Net cash used in operating activities was approximately HK\$46.2 million for Period 2025 (Period 2024: approximately HK\$52.3 million). The decrease in cash outflow was due to the decrease of cash used in administrative expenses and acquisition of cryptocurrencies for operating usage.

Cash Flow from Investing Activities

Net cash generated from investing activities was approximately HK\$41.8 million for Period 2025 compared to net cash generated from investing activities of approximately HK\$0.7 million for Period 2024.

The cash inflows for Period 2025 mainly resulted from the receipt of repayment from amount due from a former subsidiary.

Cash Flow from Financing Activities

Net cash used in financing activities was approximately HK\$0.4 million for Period 2025 compared to approximately HK\$223.0 million cash used in financing activities for Period 2024. The outflow for Period 2025 was mainly repayment of lease liabilities.

Capital Expenditure

There is no capital expenditure in Period 2025 (Period 2024: HK\$24,000) financed by internal resources and credit facilities.

Treasury Management

During Period 2025, there has been no material change in the Group's funding and treasury policies. The Group has a sufficient level of cash for the conduct of its trade in the normal course of business.

We closely review our trade receivable balances and any overdue balances on an ongoing basis and only trade with creditworthy parties. To manage liquidity risk, we closely monitor the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

For exchange risk management, the Group's foreign currency risk is mainly concentrated on the fluctuation of the US dollars against Renminbi and Singapore dollars. During Period 2025, the Group did not enter into any financial instrument for hedging purpose. The Group seeks to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency risks, when necessary.

Capital Structure

The Company has no outstanding borrowings as at 31 March 2025 (30 September 2024: HK\$Nil). As at 31 March 2025, the Group's gearing ratio was 0% (30 September 2024: 0%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period.

Charge on Group Assets

As at 31 March 2025, there are no banking facilities of the Company's wholly-owned subsidiaries which were based in Mainland China and HKSAR (30 September 2024: HK\$Nil).

As at 31 March 2025, there is no other asset pledged (30 September 2024: HK\$Nil).

Significant Investments, Material Acquisitions and Disposals, and Future Plans for Significant Investment or Acquisition of Capital Assets

During Period 2025, save as disclosed in this section “MANAGEMENT DISCUSSION AND ANALYSIS” of this report, there were no other material acquisitions or disposals of subsidiaries, associates and joint ventures or significant investments, and the Company does not have any specific plans for material investments or acquisitions of capital assets in the coming year.

Contingent Liabilities

As at 31 March 2025, the Group did not have any material contingent liabilities (30 September 2024: except for certain matters related to litigations disclosed in Note 44 to the consolidated financial statements in the annual report for year 2024, the Group did not have any material contingent liabilities).

Major Customers and Major Suppliers

Sales to the largest customer and the five major customers respectively accounted for 37.9% and 90.2% of total revenue of the Group for Period 2025. Purchases from the largest supplier and the five largest suppliers respectively accounted for 35.8% and 85.5% of the total purchases of the Group for Period 2025. As at the date of this report, as far as the Directors were aware of, none of the Directors, their associates, or any shareholder of the Company had any interest in the aforementioned customers or suppliers of the Company.

Changes in Principal Subsidiaries and Major Non-controlling Interests

During Period 2025, save as disclosed in this section “MANAGEMENT DISCUSSION AND ANALYSIS” of this report, there has been no material change in the Company’s principal subsidiaries and the Group’s major non-controlling interests.

Capital Commitments

As at 31 March 2025, the Group has no capital commitments in respect of acquisition of property, plant and equipment (30 September 2024: HK\$Nil).

Liquidity, Financial Resources and Funding

The Group finances its operations primarily through cash generated from operations, bank and other borrowings. The Group’s net liquidity position as at 31 March 2025, together with the position as at 30 September 2024 is summarised below:

	As at 31 March 2025 HK\$'000	As at 30 September 2024 HK\$'000
Cash and cash equivalents	61,856	62,282
Less: Other borrowings	–	–
Net cash	<u>61,856</u>	<u>62,282</u>

Cash and cash equivalents were denominated in Hong Kong Dollars, US Dollars, Renminbi and Singapore Dollars.

As at 31 March 2025 and 30 September 2024, the Group did not have any borrowings.

RISK REVIEW

Foreign Currency Risk

The Group's principal operating subsidiaries carry out their operations in the PRC (including HKSAR) and Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies with regard to the selling and purchase of products. As a consequence of the various trading activities, certain bank balances and trade receivables of the Group are denominated in foreign currencies. Exposure to movements in exchange rates for such trading transactions may affect the Group's financial position. While the Group has no formal hedging policy, it does seek to manage its foreign currency exposures by constructing natural hedges as well as entering into certain forward foreign exchange contracts to minimise any currency exposure risks.

Risk Related to Digital Assets and Related Digital Asset Business

The fast-developing nature of digital asset markets including evolving regulations, custody and trading mechanisms, the dependency on information technology integrity and security, as well as valuation and volume volatility all subject the digital assets and business of the Group to unique risks. Changes in regulations and laws in particular may impact the Group's operation and increase the need for monitoring compliance. The Directors consider that such risks and uncertainties are largely related to information technology, safekeeping of digital assets, fluctuation of asset prices, compliance, and the ever-evolving nature of the markets. As the industry is in a growth stage, the Group has been implementing an operational infrastructure to support business development and growth. These initiatives include expanding IT infrastructure and hiring additional management personnel with an emphasis on experience in legal, regulatory, compliance, financial reporting, operations and technology development.

Risks Related to Safekeeping of Digital Assets

The Group maintains digital assets in both "hot" (connected to the Internet) and "cold" (not connected to the Internet) wallets. "Hot" wallets are more susceptible to cyber-attacks or potential theft as they are connected to the public Internet. Given the Group's business activities and involvement in digital assets, the risks related to safekeeping may adversely affect the Group's operation and business plan. To mitigate such risks, the Group has implemented a series of internal controls, including but not limited to the implementation of two-factor authentication, segregation of duties, and day-to-day wallet management.

Price Risk of Digital Assets

The Group holds cryptocurrencies for daily operation and businesses. The volatility and unpredictability of the price of cryptocurrencies relative to fiat currencies could cause impact to the Group's performance. The Group provides trust and custody services to its clients. Such assets constitute trust assets and are not accounted for as assets of the Group and do not give rise to liabilities to the relevant customers. Accordingly, the Group has no price volatility exposure from these holdings.

Risks Related to Anti-money Laundering

During Period 2025, the Group provides trust and custody services to its clients and is 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 risks of failure to comply with such anti-money laundering requirements and consequences of breach may undermine the Group's performance. To mitigate such risks, the Group has implemented policies and procedures for Anti-Money-Laundering (AML) and Know-Your-Client (KYC) that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting. In enhancing these policies and procedures, we have also considered industry best-practice and the recommendations of the Financial Action Task Force (FATF).

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2025, the Group had 75 employees (30 September 2024: 86 employees) working in Mainland China, HKSAR and Singapore.

The total employment costs (including Directors' remuneration and mandatory provident fund contributions) for the six months ended 31 March 2025 amounted to approximately HK\$28.5 million (for the six months ended 31 March 2024: HK\$33.9 million). The remuneration policy and package of the Group's employees are structured in accordance to market terms, individual employee performance, qualifications and experience and statutory requirements where appropriate. The Group also provides other staff benefits such as share option scheme and medical insurance scheme. In addition, the Group continues to provide training (including professional skills training) and development plans.

EVENTS AFTER THE REPORTING PERIOD

On 22 April 2025, an aggregate of 8,020,000 share options to subscribe for 8,020,000 Shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.60 per share of the Company.

For detail, please refer to the Company's announcement dated 22 April 2025.

OUTLOOK

While continuing to adhere to the service principles of security, compliance, professionalism and diversity, for the year ending 30 September 2025, the Group will focus on the core businesses including a variety of services in virtual asset ecosystem, such as asset management, trust and custodian business, cryptocurrency trading, and Web 3 and public chain technology solutions, and develop the quantitative arbitrage business. This provides customers with more professional one-stop virtual asset services experience, establishing a leading profile of the Company in the financial technical services industry of Web3 in Asia-Pacific region and across the globe.

The Group will focus on comprehensively upgrading our one-stop virtual asset service ecosystem and continue to integrate custody, asset management and quantitative product services by taking the compliance exchange business as a new starting point to create a seamless one-stop product matrix. By optimising the user experience throughout the entire process, customers can realise closed-loop management from fiat currency deposit and withdrawal, virtual asset trading, asset custody to diversified investment through a single point. Meanwhile, the Group will deepen its cooperation with financial institutions and public chain ecosystems in the Asia-Pacific region to expand the custody service scenario, thereby enabling institutions and individual users to participate in the global virtual asset market more flexibly.

In the aspect of exchange business, up to the date of this report, Sinohope Tech has completed the acquisition of more than 50% of the shares in BitTrade, a Japanese compliant exchange, and thus has become the controlling shareholder with the highest shareholding in BitTrade. After the completion of the acquisition, Sinohope Tech indirectly held 92.31% of the shares in BitTrade, and at that time, Sinohope Tech will create a new exchange market to expand global users, forming a full ecological business matrix with exchange business as the core and multi-terminal coordinated development of asset management, custody and quantitative businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

The custody business will continue to focus on the brand positioning of “one-stop custody platform”, while concentrating on the two directions of “complementing product capabilities and integrating compliance services” and upgrading from “brand and security” to “business scenarios and value-added services”. In the aspect of product capabilities, we are catching up with first-tier custody service providers to make up for the shortcomings of its products. We have introduced functions such as automatic pooling, energy leasing and trading strategies which equipped it with the ability to serve exchanges, payment service providers and other customer types. In the aspect of value-added services, the Group has bridged the gap between custody, OTC and quantitative businesses, realising effective synergies between business lines and providing customers with the ability of trading and appreciation of their assets.

In the aspect of asset management business, the Group will further expand the business in the Hong Kong market with its first-mover advantage. Furthermore, the Group will continue to optimize the virtual asset fund product mix of SINOHOPE Asset Management to provide a more diversified virtual asset investment fund portfolio for customers. In a market with increasingly rich investment targets and diverse demands, SINOHOPE Asset Management hopes to provide a wide range of product choices for professional investor (PI) clients, such as family offices, high net worth individuals and professional institutions.

This year, we will place great emphasis on expanding our quantitative trading business. We will continue to develop and refine our trading systems and quantitative strategies, aiming to provide clients with quantitative services that offer stable returns and neutral risk exposure. Sinohope Quant’s neutral arbitrage strategy primarily employs fee arbitrage as its main trading approach, complemented by basis arbitrage. Meanwhile, it introduces exchange node staking and mining. This composite strategy stacking method effectively mitigates the issue of unstable returns caused by market fluctuations associated with a single strategy; it enables adaptive position allocation based on market conditions, ensuring that capital provides liquidity to the market in a more efficient manner.

To better match products with clients’ risk preferences, Sinohope Quant will also launch strategies such as Delta-neutral strategies, accumulator option strategies, CTA strategies, high-frequency trading strategies and market-making strategies. This comprehensive coverage of quantitative trading strategy types ensures that clients can receive one-stop services from Sinohope Tech for asset appreciation and quantitative trading needs.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
	Notes		
Revenue			
Cryptocurrency trading business		3,437,756	620,989
Other business		17,923	34,619
	6	<u>3,455,679</u>	<u>655,608</u>
Cost of sales and services			
Cryptocurrency trading business		(3,433,274)	(613,316)
Other business		(11,415)	(10,151)
		<u>(3,444,689)</u>	<u>(623,467)</u>
Gross profit			
Other income and gains/(losses), net	7	6,043	(917)
Fair value (loss)/gain on cryptocurrencies, net		(514)	42,165
Interest income		316	759
Reversal of impairment loss on other assets	14	–	78,810
Reversal of impairment loss on other receivables	14	10,250	–
Administrative expenses		(39,263)	(54,093)
Share of result of a joint venture		–	5,080
Finance costs	8	(122)	(4,679)
		<u>(12,300)</u>	<u>99,266</u>
(Loss)/profit before income tax	9	(12,300)	99,266
Income tax credit	10	–	1,901
		<u>(12,300)</u>	<u>101,167</u>
(Loss)/profit for the period			
(Loss)/profit for the period attributable to:			
– Owners of the Company		(12,300)	99,813
– Non-controlling interests		–	1,354
		<u>(12,300)</u>	<u>101,167</u>
(Loss)/earnings per share			
– Basic	12	(2.64)	21.42
– Diluted		(2.64)	21.42

CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
(Loss)/profit for the period	(12,300)	101,167
Other comprehensive income		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on the translation of financial statements of foreign operations	4,338	(729)
Reclassification of foreign currency translation reserve upon disposal of subsidiaries	–	331
Item that will not be reclassified subsequently to profit or loss:		
Change in fair value of equity instruments at fair value through other comprehensive income	(2,274)	–
Other comprehensive income/(loss) for the period, net of tax	2,064	(398)
Total comprehensive (loss)/income for the period	(10,236)	100,769
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(10,236)	99,415
Non-controlling interests	–	1,354
	(10,236)	100,769

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	13	112	270
Right-of-use assets	13	4,130	4,830
Other receivables	14	–	18,056
Financial asset at fair value through other comprehensive income		5,519	–
Total non-current assets		9,761	23,156
Current assets			
Cryptocurrencies		27,153	96,277
Crypto investments		126,311	31,233
Financial assets at fair value through profit or loss		30,485	5,557
Trade and other receivables	14	190,958	240,685
Tax recoverable		383	383
Time deposits with original maturity of over three months		1,500	1,500
Cash and bank balances		61,856	62,282
Total current assets		438,646	437,917
Current liabilities			
Other payables	15	167,973	173,526
Lease liabilities		3,100	2,718
Tax payable		772	772
Total current liabilities		171,845	177,016
Net current assets		266,801	260,901
Total assets less current liabilities		276,562	284,057
Non-current liabilities			
Lease liabilities		1,077	2,148
Net assets		275,485	281,909
EQUITY			
Share capital	16	467	466
Reserves	19	275,018	281,443
Total equity		275,485	281,909

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2025

	Unaudited										
	Share capital HK\$'000 (note 16)	Share premium HK\$'000 (notes 17 and 19)	Share option reserve HK\$'000 (note 19)	Other reserve HK\$'000 (note 19)	Capital reserve HK\$'000 (note 19)	Fair value reserve HK\$'000 (note 19)	Translation reserve HK\$'000 (note 19)	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
At 1 October 2024	466	436,699	13,412	110,165	-	-	(888)	(277,945)	281,909	-	281,909
Issue of shares upon exercise of share options (note 16(ii))	1	1,762	(629)	-	-	-	-	-	1,134	-	1,134
Equity-settled share based compensation expenses (note 18)	-	-	2,678	-	-	-	-	-	2,678	-	2,678
Transfer of share option reserve upon the lapse of share options	-	-	(2,663)	-	-	-	-	2,663	-	-	-
Transactions with owners	1	1,762	(614)	-	-	-	-	2,663	3,812	-	3,812
Loss for the period	-	-	-	-	-	-	-	(12,300)	(12,300)	-	(12,300)
Change in fair value of equity instrument at fair value through other comprehensive income	-	-	-	-	-	(2,274)	-	-	(2,274)	-	(2,274)
Exchange differences arising on the translation of financial statements of foreign operations	-	-	-	-	-	-	4,338	-	4,338	-	4,338
Total comprehensive income/(expense) for the period	-	-	-	-	-	(2,274)	4,338	(12,300)	(10,236)	-	(10,236)
At 31 March 2025	467	438,461	12,798	110,165	-	(2,274)	3,450	(287,582)	275,485	-	275,485

For the six months ended 31 March 2024

	Unaudited										
	Share capital HK\$'000 (note 16)	Share premium HK\$'000 (notes 17 and 19)	Share option reserve HK\$'000 (note 19)	Other reserve HK\$'000 (note 19)	Capital reserve HK\$'000 (note 19)	Fair value reserve HK\$'000 (note 19)	Translation reserve HK\$'000 (note 19)	Accumulated losses HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interest HK\$'000	Total HK\$'000
At 1 October 2023	309	112,251	74	101,135	324,605	(1,808)	317	(330,533)	206,350	7,426	213,776
Equity-settled share based compensation expenses (note 18)	-	-	6,789	-	-	-	-	-	6,789	-	6,789
Transfer of capital reserve to share capital and share options	-	-	(659)	-	-	-	-	659	-	-	-
Transfer of share option reserve upon the lapse of share premium upon completion of share subscription	157	324,448	-	-	(324,605)	-	-	-	-	-	-
Reversal of fair value gain on loan modification from a related party, net of deferred tax	-	-	-	(9,341)	-	-	-	-	(9,341)	-	(9,341)
Transactions with owners	157	324,448	6,130	(9,341)	(324,605)	-	-	659	(2,552)	-	(2,552)
Profit for the period	-	-	-	-	-	-	-	99,813	99,813	1,354	101,167
Other comprehensive income/(expense)	-	-	-	-	-	-	-	-	-	-	-
Exchange differences arising on the translation of financial statements of foreign operations	-	-	-	-	-	-	(729)	-	(729)	-	(729)
Reclassification of foreign currency translation reserve upon disposal of a subsidiary	-	-	-	-	-	-	331	-	331	-	331
Total comprehensive income/(expense) for the period	-	-	-	-	-	-	(398)	99,813	99,415	1,354	100,769
Transfer of fair value reserve to accumulated losses upon derecognition of FVTOCI	-	-	-	-	-	1,808	-	(1,808)	-	-	-
Gain on disposal of a subsidiary	-	-	-	13,819	-	-	-	-	13,819	-	13,819
Disposal of a subsidiary	-	-	-	-	-	-	-	-	-	(8,780)	(8,780)
At 31 March 2024	466	436,699	6,204	105,613	-	-	(81)	(231,869)	317,032	-	317,032

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 31 March	
		2025	2024
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Unaudited)
Cash flows from operating activities			
(Loss)/profit before income tax		(12,300)	99,266
Adjustments for:			
Depreciation of property, plant and equipment	9	157	279
Depreciation of right-of-use assets	9	1,380	–
Equity-settled share-based compensation expenses		2,678	6,789
Gain on disposal of property plant and equipment		(701)	–
Imputed interest expense on other loans from a related company	8	–	4,419
Interest expenses on lease liabilities	8	122	260
Interest income		(316)	(759)
Provision for impairment loss on property, plant and equipment	7	–	481
Loss on disposal of a subsidiary	7	–	1,216
(Reversal of)/provision for expected credit loss on other assets	14	–	(78,810)
Reversal of impairment on amount due from a former subsidiary		(10,250)	–
Fair value gain on financial asset at fair value through profit or loss	7	(1,316)	–
Fair value loss/(gain) on cryptocurrencies		514	(42,165)
Income and fair value change on crypto investment	7	(7,444)	–
Share of result of a joint venture		–	(5,080)
Operating loss before working capital changes		(27,476)	(14,104)
Increase in cryptocurrencies		(19,024)	(29,538)
Decrease/(increase) in trade and other receivables		2,949	(9,134)
(Decrease)/increase in trade and other payables		(2,652)	1,079
Cash used in operations		(46,203)	(51,697)
Income tax paid		–	(651)
<i>Net cash used in operating activities</i>		(46,203)	(52,348)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
	Notes	
Cash flows from investing activities		
Repayment from amount due from a former subsidiary	40,778	–
Purchase of property, plant and equipment	–	(24)
Proceeds from disposal of property, plant and equipment	701	–
Interest received on bank deposits and balances	316	759
	<u>41,795</u>	<u>735</u>
<i>Net cash generated from investing activities</i>		
	<u>41,795</u>	<u>735</u>
Cash flows from financing activities		
Issue of shares of share option	1,134	–
Net cash outflow from other loans from a related company	–	(223,041)
Repayment of principal portion of lease liabilities	(1,369)	–
Repayment of interest portion of lease liabilities	(122)	–
	<u>(357)</u>	<u>(223,041)</u>
<i>Net cash used in financing activities</i>		
	<u>(357)</u>	<u>(223,041)</u>
Net decrease in cash and cash equivalents	(4,765)	(274,654)
Cash and cash equivalents at beginning of the period	62,282	320,161
Effect of foreign exchange rate changes	4,339	(654)
	<u>61,856</u>	<u>44,853</u>
Cash and cash equivalents at end of the period	61,856	44,853
	<u>61,856</u>	<u>44,853</u>
Analysis of the balance of cash and cash equivalents		
Cash and bank balances	61,856	44,853
	<u>61,856</u>	<u>44,853</u>

MAJOR NON-CASH TRANSACTIONS

During the six months ended 31 March 2025, the Group had the following major non-cash transactions:

- (i) additions to right-of-use assets and lease liabilities of HK\$680,000 (30 September 2024: HK\$5,520,000) and HK\$680,000 (30 September 2024: HK\$5,520,000) respectively, in respect of the lease arrangements for a leased property;
- (ii) the amounts of crypto investments paid and redeemed during the year made by cryptocurrencies, which amounted to HK\$168,822,000 and HK\$82,525,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

1. GENERAL INFORMATION

Sinohope Technology Holdings Limited (the “Company”) was incorporated in the British Virgin Islands (the “BVI”) as a limited liability company on 27 December 1990 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 November 2016. The address of the Company’s registered office is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and its principal place of business is Unit 702–3, 7/F, 100 Queen’s Road Central, Central, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively, referred to as the “Group”) are principally engaged in the provision of technology solution services, a varieties of services in virtual asset ecosystem, such as asset management, trust and custodian business and cryptocurrency trading. These business segments are the basis upon which the Group reports its primary segment information.

On 16 August 2024, the Company entered into sale and purchase agreements to acquire (i) the entire equity interest in Avenir Asset Holding Limited (the “BVI Company”), at the consideration of USD30,462,086.38 (equivalent to approximately HK\$237,604,273.76) (the “BVI Company Acquisition”); and (ii) approximately 7.69% of the entire issued share capital of the BitTrade Inc. (“BitTrade”), at the consideration of USD2,769,435.22 (equivalent to approximately HK\$21,601,594.72) (the “BitTrade Acquisition”, together with the BVI Company Acquisition collectively, the “Acquisition”).

The BVI Company is a company incorporated in the BVI with limited liability and is principally engaged in investment holding, and holds approximately 84.62% of the issued share capital of BitTrade. BitTrade is a company incorporated in Japan with limited liability in 2016 and is principally engaged in cryptocurrency trading business. BitTrade is a licensed virtual currency exchange service provider in Japan.

Immediately after completion, the BVI Company became a wholly-owned subsidiary of the Company and BitTrade became an indirect subsidiary of the Company, and the financial results of the BVI Company and its subsidiary will be consolidated in the financial statements of the Group.

The consideration of the Acquisition would be settled by (i) the allotment and issue of the 108,992,785 ordinary shares of the Company at the issue price of HK\$2.18 per share to the vendors of the BVI Company; and (ii) by the allotment and issue of a maximum number of 9,908,988 ordinary shares of the Company at the issue price of HK\$2.18 per share to the vendor of BitTrade.

For the details, please refer to the announcements dated 16 August 2024 and 31 December 2024, the circular dated 14 March 2025 and the poll results announcement dated 31 March 2025 of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

1. GENERAL INFORMATION *(continued)*

The BVI Company Acquisition was completed on 15 April 2025 by issuing 108,992,785 ordinary shares of the Company to the vendors of the BVI Company and the BitTrade Acquisition is still under process as at the date of this report.

To the best of the knowledge, information and belief of the directors of the Company (the “Directors”), upon issuance of new ordinary shares of the Company to the vendors of the BVI Company on 15 April 2025, the beneficial interest of Mr. Li Lin (李林) (“Mr. Li”) in the issued share capital of the Company was increased from 19.50% to 29.59%.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

(a) Basis of preparation

The unaudited condensed consolidated financial statements (the “Interim Financial Statements”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standard 34, “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “Listing Rules”).

The Interim Financial Statements have been prepared under the historical cost basis except for financial assets at fair value through other comprehensive income (“FVTOCI”), financial assets at fair value through profit or loss (“FVTPL”), cryptocurrencies, crypto investments and amount due to sub-funds investors.

The Interim Financial Statements have been prepared with the same accounting policies adopted in the consolidated financial statements for the year ended 30 September 2024 (the “2024 Annual Financial Statements”), which have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 October 2024. Details of the new standards/interpretation adopted for the first time in the current period and their effect on the Group’s accounting policies are set out in note 2(b).

The Interim Financial Statements are presented in Hong Kong Dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand (“HK\$’000”), unless otherwise stated.

The Interim Financial Statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2024 Annual Financial Statements.

The Interim Financial Statements is unaudited but have been reviewed by the Audit Committee.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

(b) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following new or amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to the Group’s operations and first effective for the current accounting period of the Group.

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification Non-current of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of these new or amendments to HKFRS Accounting Standards did not have significant impact on the Group’s financial performance and financial position. The Group has not early applied any new or amendments to HKFRS Accounting Standard that is not yet effective for the current accounting period.

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

The following new and amendments to HKFRS Accounting Standards, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ³
Amendments to HKFRS Accounting Standards	Annual improvements to HKFRS Accounting Standards – Volume 11 ³
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴
Amendments to HK Int 5	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ⁴

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 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

Except as described below, the above new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group. The Group will adopt the new and amendments to HKFRS Accounting Standards to existing standards when they become effective.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

(c) New and amendments to HKFRS Accounting Standards in issue but not yet effective *(continued)*

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 the related amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and disclosures in the future consolidated financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of Interim Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the 2024 Annual Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK

The Group is exposed to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk and virtual asset ecosystem risk. The Group's overall risk management focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by key management under the policies approved by the Board. The Group does not have written risk management policies. However, the Board meets regularly and co-operates closely with key management to identify and evaluate risks and to formulate strategies to manage financial risks.

The Interim Financial Statements does not include all risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2024 Annual Financial Statements. There have been no changes in any risk management policies since the year ended 30 September 2024.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's credit risk primarily relates to the Group's time deposits and bank balances, trade receivables and other receivables. The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at end of the financial period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position. In order to minimise the risk, the Board closely monitors overdue debts. The recoverable amount of each individual debt is reviewed at each reporting period and adequate allowance for doubtful debts has been made for irrecoverable amounts. In this regard, the Board considers that credit risk associated with the Group's trade receivables and other receivables is significantly reduced.

(i) *Time deposit and bank balances*

The Group expects that there is no significant credit risk associated with cash deposits at banks since they are substantially deposited at state-owned banks and reputable banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

(ii) *Trade receivables*

The Group applies the simplified approach to provide for expected credit losses ("ECLs") prescribed by HKFRS 9 "Financial instruments" ("HKFRS 9"), which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK *(continued)*

Credit Risk *(continued)*

(ii) Trade receivables (continued)

As at 31 March 2025, trade receivables of HK\$1,314,000 (30 September 2024: trade receivables of HK\$3,001,000) were contributed by the top five customers. The Group has monitoring procedures to ensure that follow up action is taken to recover overdue debts. The Group applies the simplified approach to provide for ECLs prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for all trade receivables. To measure the ECLs, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECLs also incorporate forward-looking information. The Group has identified the GDP and the unemployment rate of the countries in which it sells the goods and renders the services to be the most relevant factors, and accordingly adjusts the ECL rates based on expected changes in these factors. The Directors consider that there are no significant credit risk on trade receivables due to the past payment history and taking into account of the sound financial performance and position of the debtors to meet contractual cash flow obligations in the near term. Accordingly, the ECL on trade receivables was assessed to be minimal and no provision was made for the period (30 September 2024: HK\$Nil).

(iii) Other receivables

The Group has adopted general approach to measure ECLs on financial assets included in prepayments and other receivables, and other financial assets at amortised cost. Under the general approach, the Group applies the “3-stage” impairment model for ECLs measurement based on change in credit risk since initial recognition as follows:

Stage 1: If the credit risk of the financial instrument has not increased significantly since initial recognition, the financial instrument is included in Stage 1.

Stage 2: If the credit risk of the financial instrument has increased significantly since its initial recognition but is not deemed to be credit-impaired, the financial instrument is included in Stage 2.

Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in Stage 3.

The ECLs for financial instruments in Stage 1 are measured at an amount equivalent to 12-month ECLs whereas the ECLs for financial instruments in Stage 2 or Stage 3 are measured at an amount equivalent to lifetime ECLs.

When determining whether the risk of default has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit risk assessment and including forward-looking information.

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK *(continued)*

Credit risk *(continued)*

(iii) Other receivables (continued)

Having regard to industry practice and relevant regulation, as well as the background and behaviour of the debtors/counterparties, the Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise. In addition, the Group considers that a financial asset to be in default when: (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criteria is more appropriate.

At the end of the reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is considered as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the debtor;
- (b) a breach of contract, such as a default or past due event;
- (c) granting a concession to the debtors that the debtor would not otherwise consider for economic or contractual reasons relating to the debtor's financial difficulty; or
- (d) it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience as well as ECL assessment. Other than an amount due from a former subsidiary as described below, the Directors believe that there is no material credit risk inherent in the Group's outstanding balance of deposits and other receivables.

As at 31 March 2025, the Group has amount due from a former subsidiary with outstanding amount of HK\$40,735,000 which has been fully settled subsequent to the end of the reporting period (30 September 2024: HK\$81,513,000 of which HK\$40,778,000 has been subsequently recovered). Hence, a reversal of HK\$10,250,000 impairment provision were made for the six months ended 31 March 2025. (Year ended 30 September 2024: due to change of repayment term subsequent to the end of the report period, the management of the Company considered that the credit risk has increased significantly since initial recognition and included in Stage 2 where life time ECLs are recognised).

The key input to determine the ECLs are probability of default, loss given default and adjusting factor for forward-looking information.

The Directors believe that there is no material credit risk inherent in the Group's outstanding balances of other receivables. Accordingly, the ECL rate was assessed to have minimal changes since 30 September 2024, no additional provision was recognised for the Period 2025.

As at 31 March 2025, the Group has other assets with original deposited amounts of HK\$141,748,000 (30 September 2024: HK\$141,748,000). A reversal of provision of impairment amounting to HK\$85,897,000 has been recognised in profit or loss for the year ended 30 September 2024. For details, please refer to note 14(b).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK (continued)

Liquidity risk

The Group's objective is to ensure that adequate funds are available to meet commitments associated with its financial liabilities.

The Group manages its liquidity needs by carefully monitoring short-term and long-term cash outflows on a regular basis. The Group mainly utilises cash to meet its liquidity requirements. Funding for long-term liquidity needs will be considered when liquidity requirements in the long term are identified.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contracted maturity date. The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities and the earliest date the Group can be required to pay.

	Carrying amount HK\$'000	Total contractual undiscounted cash flows HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but not exceeding 2 years HK\$'000
As at 31 March 2025 (Unaudited)				
Non-derivative financial liabilities:				
Other payables and accruals	167,973	167,973	167,973	–
Lease liabilities	4,177	4,424	3,304	1,120
	<u>172,150</u>	<u>172,397</u>	<u>171,277</u>	<u>1,120</u>
As at 30 September 2024 (Audited)				
Non-derivative financial liabilities:				
Other payables and accruals	173,526	173,526	173,526	–
Lease liabilities	4,866	5,112	2,921	2,191
	<u>178,392</u>	<u>178,638</u>	<u>176,447</u>	<u>2,191</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK *(continued)*

Fair value measurement

The fair value measurement of the Group's financial statements 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 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).

(i) Financial instruments measured at fair value

At the end of the reporting period, unlisted fund investments included in the consolidated financial statements require measurement at, and disclosure of, fair value.

The following methods and assumptions were used to estimate the fair value:

The fair values of three (30 September 2024: two) unlisted fund investments, one unlisted equity investment and amounts due to sub-funds investors were determined by the Directors, with reference to mark-to-market statements provided by the fund administrator as at the end of reporting period.

The key input to determine the fair values of the above unlisted fund investments and amounts due to sub-funds investors are the transaction price. A higher in the transaction price would result in an increase in the fair value of unlisted fund investments, and vice versa.

The key input to determine the fair value of the above unlisted equity investment is the share transaction price. A higher in the share transaction price would result in an increase in the fair value of unlisted equity investment, and vice versa.

(ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and bank balances, trade and other receivables, pledged bank deposit, trade and other payables, bank and other borrowings and lease liabilities.

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short-term maturity of these financial assets and liabilities.

The fair values of non-current financial assets/liabilities for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK *(continued)*

Fair value measurement *(continued)*

(iii) Information about level 3 fair value measurement

The fair values of the financial instruments, included three of the unlisted fund investments, an unlisted equity investment and amounts due to sub-fund investors (30 September 2024: two of the unlisted fund investments and amounts due to sub-fund investors), included in the level 3 category as at the end of the reporting period have been determined by the Directors with reference to recent transaction and mark-to market statements provided by the fund administrator as at the end of the reporting period (30 September 2024: with reference to mark-to-market statements published by the fund administrator as at the end of the reporting period).

(iv) Cryptocurrencies and crypto investments

The fair values of cryptocurrencies and crypto investments were determined based on quoted market price as at end of the Period 2025.

(v) Other assets, net

The recoverable amount of the FTX Deposit has been determined based on their fair value less costs of disposal. The fair value of the FTX Deposit is level 2 fair value measurement and with reference to price quoted by online claim pricing service providers (the "Quote"), which provide a good estimation of the amount that the Company recover from the sales of FTX Claim in the market. The costs of disposal were estimated based on the incremental costs for assignment of the FTX Deposits, such as agency fees.

The key input to determine the fair value of the FTX Deposit is the "Quote". A higher in the "Quote" would result in an increase in the fair value of the FTX Deposit, and vice versa.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK (continued)

Fair value hierarchy

The following table provides an analysis of financial statements assets and liabilities measured at fair value by level of fair value hierarchy:

Assets/liabilities measured at fair value:

Recurring fair value measurement

	Fair value measurement using			Total HK\$'000
	Quoted prices in active markets for identical assets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	
As at 31 March 2025 (Unaudited)				
Assets				
Cryptocurrencies	27,153	–	–	27,153
Crypto investments	126,311	–	–	126,311
Financial asset at FVTPL – unlisted fund investments	–	–	30,485	30,485
Financial asset at FVTOCI – unlisted equity investment	–	–	5,519	5,519
Liabilities				
Amounts due to sub-fund investors	–	–	1,375	1,375
As at 30 September 2024 (Audited)				
Assets				
Cryptocurrencies	96,277	–	–	96,277
Crypto investments	31,233	–	–	31,233
Financial asset at FVTPL – unlisted fund investments	–	–	5,557	5,557
Liabilities				
Amounts due to sub-fund investors	–	–	4,665	4,665

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

4. FINANCIAL RISK MANAGEMENT AND VIRTUAL ASSET ECOSYSTEM RISK (continued)

Fair value hierarchy (continued)

The following table provides an analysis of financial statements assets and liabilities measured at fair value by level of fair value hierarchy:

Assets/liabilities measured at fair value: (continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

	Unlisted equity investment HK\$'000	Unlisted Fund Investment HK\$'000	Amounts due to sub-funds investors HK\$'000
At 1 October 2023	–	–	–
Addition	–	5,605	(4,665)
Fair value change	–	(48)	–
	<hr/>	<hr/>	<hr/>
At 30 September 2024/1 October 2024	–	5,557	(4,665)
Addition	7,793	23,612	–
Fair value change	(2,274)	1,316	180
Decreased in amount due to sub-funds investors	–	–	3,110
	<hr/>	<hr/>	<hr/>
At 31 March 2025	<u>5,519</u>	<u>30,485</u>	<u>(1,375)</u>

There was no transfer under the fair value hierarchy classification during the six months ended 31 March 2025 and the year ended 30 September 2024.

5. SEGMENT INFORMATION

The Group has determined its operating segments and prepared segmental information based on regular internal financial information reported to the chief operating decision makers, i.e. the executive Directors of the Company, who are responsible for making strategic decisions. The executive Directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on these reports.

During the six months ended 31 March 2025 and 2024, the Group principally operates in one business segment, which is virtual assets ecosystem. Other businesses were considered relatively insignificant for the six months ended 31 March 2025 and 2024.

Geographical information

The Group's operations are mainly located in the People's Republic of China (the "PRC") (including Hong Kong Special Administrative Region ("HKSAR")). The revenue information above is based on the location of the customers or location of trading cryptocurrencies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

5. SEGMENT INFORMATION (continued)

Geographical information (continued)

Revenue from major customers, each of them accounting for 10% or more of the Group's revenue of each segment for the period, is set out below:

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Continuing operations:		
Customer A	1,306,070	NA [#]
Customer B	987,135	NA [#]
Customer C	373,093	NA [#]
Customer D	NA [#]	187,999
Customer E	NA [#]	91,762

[#] Revenue does not over 10% during the corresponding period.

All of the Group's non-current assets are located in the PRC (including HKSAR).

6. REVENUE

Revenue mainly includes cryptocurrency trading, provision of technology solution services and provision of virtual asset ecosystem for the period.

The Group's disaggregated revenue from its major products and service lines are as follows:

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Cryptocurrency trading	3,437,756	620,989
Revenue recognised at a point in time	3,437,756	620,989
Cryptocurrency mining services	–	12,583
Provision of asset management services	12,812	17,250
Provision of custodian services	585	356
Provision of lending management services	103	716
Provision of technology solution services	3,745	2,922
Provision of consultancy services	678	792
Revenue recognised over time	17,923	34,619
Total revenue	3,455,679	655,608

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

7. OTHER INCOME AND GAIN/(LOSSES)

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss on disposal of subsidiaries	–	(1,216)
Gain on disposal of property, plant and equipment	701	–
Gain on derecognition of subsidiary	764	–
Income and fair value change on crypto investments, net	7,444	–
Fair value gain on financial asset at FVTPL, net	1,316	–
Impairment loss on property, plant and equipment	–	(481)
Loss on exchange difference, net	(4,326)	–
Sundry income	144	780
	<u>6,043</u>	<u>(917)</u>

8. FINANCE COSTS

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Imputed interest on other loans from a related company	–	4,419
Interest expenses on lease liabilities	122	260
	<u>122</u>	<u>4,679</u>

9. (LOSS)/PROFIT BEFORE INCOME TAX

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit before income tax is arrived at after charging:		
Cost of inventories recognised as expenses		
– cryptocurrency trading business	3,433,274	613,316
Depreciation of property, plant and equipment	157	279
Depreciation of right-of-use assets	1,380	–
Short term lease expenses	392	1,844
Employee benefit expenses (including Directors' remuneration)	28,533	33,871
	<u>28,533</u>	<u>33,871</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

10. INCOME TAX CREDIT

Income tax credit for the period comprises:

	Six months ended 31 March	
	2025 HK\$'000 (Unaudited)	2024 HK\$'000 (Unaudited)
Current income tax:		
Provision for the period		
HKSAR	-	239
Deferred tax	-	(2,140)
	<hr/>	<hr/>
Income tax credit	-	(1,901)
	<hr/> <hr/>	<hr/> <hr/>

Hong Kong profits tax is calculated at the rate of 16.5% (31 March 2024: 16.5%) on the estimated assessable profits for the period, except for the first HK\$2,000,000 of a qualified entity's assessable profit which is calculated at the rate of 8.25%, in accordance with the new two-tiered tax rate regime.

The PRC corporate income tax charge was determined in accordance with the relevant laws and regulations in Mainland China, and was assessed at a rate of 25% (31 March 2024: 25%).

Taxation arising in other jurisdictions is provided on the estimated taxable profits arising in those jurisdictions at the prevailing local rates.

11. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the six months ended 31 March 2025 and 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

12. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares of 466,173,190 (31 March 2024: 465,960,665) in issue or issuable during the period.

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to owners of the Company	(12,300)	99,813
	Share	Share
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	466,173,190	465,960,665

Diluted (loss)/earnings per share

The computation of diluted (loss)/earnings per share for the periods ended 31 March 2025 and 2024 do not assume the exercise of certain share options since their assumed exercise for both periods would have an anti-dilutive effect.

13. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

There are no additions to property, plant and equipment during the six months ended 31 March 2025 (31 March 2024: HK\$24,000).

Items of plant and machinery with a net book value of HK\$Nil were disposed of during the six months ended 31 March 2025, resulting in a gain on disposal of HK\$701,000 (31 March 2024: HK\$Nil).

In addition, the Group has entered into leases for office premises and staff dormitory during the six months ended 31 March 2025, Right-of-use assets amounted to HK\$680,000 (30 September 2024: HK\$5,520,000) has been recognised for the current period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

14. TRADE AND OTHER RECEIVABLES

		At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
	Notes		
Non-current portion			
Deposits for acquisition of investments		–	18,056
Current portion			
Other assets		141,748	141,748
Less: provisions for impairment		–	–
Other assets, net	(b)	141,748	141,748
Deposits for acquisition of investments		–	16,250
Amount due from a former subsidiary		40,735	81,513
Less: provision for expected credit loss		–	(10,250)
	(a)	40,735	71,263
Trade receivables	(c)	1,705	4,384
Rental and other deposit and prepayments		5,300	5,510
Other receivables		1,470	1,530
		190,958	240,685
		190,958	258,741

- (a) As at 31 March 2025, amount due from a former subsidiary of HK\$40,735,000 (30 September 2024: HK\$81,513,000) was unsecured, interest-free and repayable on demand. Subsequent to the end of the reporting period, the amount has been fully settled in cryptocurrency of USDT.

During the six months ended 31 March 2025, a reversal of loss allowances amounting to HK\$10,250,000 have been recognised in profit or loss (six months ended 31 March 2024: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

14. TRADE AND OTHER RECEIVABLES (continued)

- (b) On 11 November 2022, FTX group entities (“Debtors”), including cryptocurrency exchange FTX (“FTX”), has filed for bankruptcy protection in the United States. For details, please refer to the Company’s announcement dated 14 November 2022.

The Group had fiat currencies and cryptocurrencies deposited in FTX with original amounts of HK\$107,169,000 and HK\$34,579,000, respectively (“FTX Deposits”). On 29 March 2023, the Group thereafter completed the submission of a claim of FTX Deposits amounting to approximately US\$18,089,000 (equivalent to approximately HK\$141,748,000) (“Claim Amount”) against FTX to the liquidators of FTX (“FTX Claim”) which had been agreed and accepted by the liquidators.

On 24 May 2024, Hbit Limited (“Seller”), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement for the Claim Amount with an independent third party (“Buyer”) to dispose of the Claim Amount at a consideration of approximately US\$19,500,000 (equivalent to approximately HK\$152,125,000) (“Consideration”). For details, please refer to the Company’s announcement dated 24 May 2024.

The sale and purchase agreement contained a disallowance clause that:

If (i) all or any part of the FTX Claim is objected to, avoided, disallowed, subordinated, reduced, set-off, subject to any preference action or otherwise impaired, (ii) the FTX Claim is subsequently scheduled by the Debtors or is amended such that all or any portion of the FTX Claim is listed on the Debtors’ amended schedule of liabilities as unliquidated, contingent or disputed or is listed (or is otherwise allowed) in a lesser amount than the Claim Amount, or (iii) the US Bankruptcy Court does not substitute the Buyer for the Seller as the sole legal and beneficial owner of the FTX Claim (each of the foregoing, a “Disallowance”), then the Seller shall, no later than 5 Business Days after receiving a written notice from the Buyer of such Disallowance, make an immediate restitution payment of all or part of the Consideration proportional to disallowed portion of the FTX Claim, and the Buyer shall immediately have no further rights or interest with respect to the disallowed portion of the FTX Claim.

In view of the Claim Amount is still subject to numerous uncertainties and risks beyond the Group’s control, and the Group has an obligation to repay the Buyer any shortfall in the Claim Amount as per Clause 8 of the sales and purchase agreement, the significant risks related to the FTX Claim have not been transferred to the Buyer by the Group. Therefore, the Group has continued to recognise the full carrying amount of the FTX Claim as other asset and has recognised the cash received from the Buyer as a receipt in advance for disposal of other asset (note 15). These assets were carried at amortised cost in the Group’s consolidated statement of financial position.

Based on the latest net book value of FTX that is available to the Directors as of 31 March 2025 and with reference to the transaction price of the FTX Claim, no impairment loss has been recognised as of 31 March 2025 (six months ended 31 March 2024: a reversal of impairment loss of HK\$78,810,000 has been recognised in profit or loss).

- (c) As at 31 March 2025, included in trade receivables was amounts due from related companies amounting to HK\$1,007,000 (30 September 2024: HK\$2,759,000) in which Mr. Li Lin, a director of the Company, has beneficial interests. The amount is unsecured, interest-free and trade in nature.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

14. TRADE AND OTHER RECEIVABLES *(continued)*

As at the reporting date, the aging analysis of trade receivables, based on invoice date, is as follows:

	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
0–60 days	1,132	2,182
61–90 days	16	381
91–120 days	12	67
More than 120 days	545	1,754
	<u>1,705</u>	<u>4,384</u>

The Group allows credit periods ranging from 14 to 30 days (30 September 2024: 14 to 30 days) to its trade customers depending on their credit status and geographical location during the period. The Directors consider that the carrying amounts of trade and other receivables approximate to their fair values.

15. OTHER PAYABLES

	Notes	At 31 March 2025 HK\$'000 (Unaudited)	At 30 September 2024 HK\$'000 (Audited)
Other payables and accruals		14,473	16,736
Receipt in advance for disposal of other assets	14(b)	152,125	152,125
Amounts due to sub-fund investors		1,375	4,665
		<u>167,973</u>	<u>173,526</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

16. SHARE CAPITAL

	Number of ordinary shares of HK\$0.001 each Share	Amount HK\$'000
Authorised:		
At 1 October 2023, 30 September 2024 and 1 October 2024	500,000,000	500
Increase in authorised shares (note (iii))	200,000,000	200
At 31 March 2025 (Unaudited)	700,000,000	700
Issued and fully paid:		
At 1 October 2023 (Audited)	308,960,665	309
Issue of shares (note (i))	157,000,000	157
At 30 September 2024 and 1 October 2024	465,960,665	466
Issue of shares upon exercise of share options (note (ii))	600,000	1
At 31 March 2025 (Unaudited)	466,560,665	467

Notes:

- (i) An extraordinary general meeting was held on 28 July 2023 in which the resolution to approve the proposed subscription of 157,000,000 new ordinary shares of par value of HK\$0.001 each (the "Subscription Shares"), at the subscription price of HK\$2.08 per Subscription Share (the "Subscription") was passed by the shareholders of the Company.

The proceeds of the Subscription were fully received by the Company on 25 September 2023 and the proceeds, net of related expenses, of HK\$324,605,000 were credited to capital reserve.

The Subscription was completed on 10 October 2023 and 157,000,000 ordinary shares have been issued on 10 October 2023. Approximately HK\$157,000 representing the par value of 157,000,000 new ordinary shares were credited to share capital from capital reserve. In addition, HK\$324,448,000 representing the difference between the subscription price and the par value was credited to share premium from capital reserve.

Please refer to the announcements and circular of the Company dated 26 April 2023, 30 June 2023, 6 July 2023, 28 July 2023 and 10 October 2023 for details of the Subscription.

- (ii) During the six months ended 31 March 2025, the subscription rights attaching to 126,500, 373,500 and 100,000 share options were exercised at a subscription price of HK\$1.89, HK\$1.89 and HK\$1.89 per share respectively, resulting in the issue of 600,000 new shares at par value of HK\$0.001 each for a total cash consideration of approximately HK\$1,134,000. Approximately HK\$1,133,000 representing the difference between the subscription price and the par value was credited to share premium. In addition, HK\$629,000 representing that portion of the share option reserve in relation to the exercise of the share options during the six months ended 31 March 2025 was transferred from the share option reserve to share premium account.
- (iii) An extraordinary general meeting was held on 31 March 2025 in which the resolution to approve the Company's maximum authorised share capital was increased from 500,000,000 ordinary shares at par value of HK\$0.001 each to 700,000,000 ordinary shares at par value of HK\$0.001 each was passed by the shareholders of the Company.
- (iv) All the shares issued during the reporting period ranked pari passu in all respects with the then existing shares in issue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

17. SHARE PREMIUM

	HK\$'000
At 1 October 2023 (Audited)	112,251
Issue of shares (note 16(i))	324,448
	<hr/>
At 30 September 2024 (Audited) and 1 October 2024	436,699
Arising from issue of shares on exercise of share options (note 16(ii))	1,762
	<hr/>
At 31 March 2025	<u>438,461</u>

18. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

The Company has adopted a share option scheme for eligible participants of the Group on 27 October 2016, which remains in force for 10 years from the date of adoption. Participants may include: any employee (full time or part-time), Director, consultant or adviser of the Group; any substantial shareholder of the Group; and any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group, to be determined by the Board, based on their contribution or potential contribution to the development and growth of the Group.

The total number of shares available for issue under the scheme was originally 30,000,000, representing 10% of the issued share capital of the Company immediately following the commencement of dealings in the shares of the Company on the Stock Exchange of Hong Kong (the "Previous Share Mandate Limit"). The refreshment of the Previous Share Mandate Limit was approved by the Shareholders of the Company at the annual general meeting on 19 March 2021, allowing the Company to grant further options under the Share Option Scheme for subscription of up to a total of 30,742,766 Shares, which represents 10% of the Company's shares in issue as at the date of the approval of the refreshed limit.

The number of shares issued and to be issued in respect of which options granted and which may be granted to any individual in any 12-month period up to the date of the grant, shall not exceed 1% of the shares of the Company in issue. Any further grant of options in excess of this limit must be separately approved by the Company's shareholders in a general meeting with such grantee and his/her close associates abstaining from voting. Any grant of an option to a Director, chief executive or substantial shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).

Where any grant of options to a substantial shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the scheme and any other share option scheme of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to an including the date of grant representing in aggregate over 0.1% of the shares in issue, such further grant of options is required to be approved by shareholders at a general meeting of the Company, with voting to be taken by way of a poll.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

18. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

Upon acceptance of an option to subscribe for shares, the eligible participant shall pay HK\$1 to the Company as consideration for the grant. The subscription price of a share subject to options granted under the scheme shall be a price determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the shares as stated in the Stock Exchange of Hong Kong's daily quotations sheet on the date of the grant of the option;
- (ii) the average closing price of the shares as stated in the Stock Exchange of Hong Kong's daily quotations sheets for the five trading days immediately preceding the date of the grant of the option; and
- (iii) the nominal value of a share on the date of the grant of the option.

After considering (i) the current remuneration package (including performance bonus) of the management and employees; and (ii) other incentive programme of the Group currently in place, the Board, as a commercial decision, has amended the schedule for vesting of options under the share option scheme to the effect that one-fourth of the options shall be vested in the holders of options on each anniversary of the first 4 years from the date of grant with effect from 17 November 2020. The amendments shall not apply to the outstanding options as at 17 November 2020 which have already been granted but remain unexercised under the share option scheme. For details, please refer to the Company's announcements dated 19 October 2020, 22 October 2020, 17 November 2020 and the circular of the Company dated 22 October 2020 respectively.

On 30 March 2023, taking into account of the consultation conclusion published by the Stock Exchange on 29 July 2022, the Company has amended the Scheme to align with the amendments to the Listing Rules relating to the share schemes of listed issuers which had taken effect from 1 January 2023. Pursuant to the Scheme as amended, the vesting period of share options shall be no less than 12 months and the share options shall be vested on the 1st anniversary of the date on which a share option is granted to a grantee. For details, please refer to the Company's circular dated 1 March 2023 and announcement dated 30 March 2023.

In order to ensure the practicability and flexibility of the share option scheme, the Board and the remuneration committee of the Board are of the view that the vesting date of the share options should not be strictly limited to the 1st anniversary of the date on which a share option is granted to a grantee. The Board and the remuneration committee of the Board are of the view that at their discretion, the vesting period of the share options could be longer than one financial year which would allow the Company to assess the grantee's performance on a sustainable basis and encourage the grantee's continuous growth. On 28 July 2023, the share option scheme was amended to the effect that the vesting period of the share options could be longer than one financial year, after having been approved at the extraordinary general meeting held on 28 July 2023.

For details, please refer to the Company's circular dated 6 July 2023 and announcement dated 28 July 2023.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

18. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

Share options granted on 16 October 2023:

On 16 October 2023, the Company granted 6,000,000 share options and 19,400,000 share options to management and employees respectively with an exercise price of HK\$1.89 per share.

The share options to management vest over a period of three years starting from the date of the grant by two-thirds of the options vested on first anniversary and one-sixth of the options vested on remaining anniversary and will be fully vested on 16 October 2026.

The share options to employees' vest over a period of four years starting from the date of the grant by one-fourth each anniversary and will be fully vested on 16 October 2027. The share options vested are exercisable immediately but not exceeding ten years from the date of the grant.

The fair value of the options granted on 16 October 2023 has been calculated by an external valuer using the Binominal Option Pricing Model. The assumptions used were as follows:

	Granted on 16 October 2023
Grant date share price	HK\$1.89
Exercise price	HK\$1.89
Expected volatility	70.79%
Contractual option life	10 years
Risk-free rate	4.14%
Expected dividend yield	0%

The expected volatility is based on historical price volatility of similar listed companies in the past few years. The risk-free rate is the yields of Hong Kong government bonds and treasury bills as extracted from Bloomberg as at 16 October 2023. At the date the options were granted on 16 October 2023, this was determined to be 4.14%. The dividend yield of the Company of 0% has been adopted.

Based on the fair values derived from the above pricing model, the fair value of the share options granted to management on 16 October 2023 was approximately HK\$7,342,000 (HK\$1.2237 each), and the fair value of the share options granted to employees on 16 October 2023 was approximately HK\$22,926,000 (HK\$1.1878 each), totalling HK\$30,268,000. During the six months ended 31 March 2025, HK\$2,457,000 (31 March 2024: HK\$6,789,000) have been charged as share-based compensation expenses to profit or loss.

The assumption used in computing the fair value of the share options are based on management's best estimate. The valuation of options is dependent upon a number of variables using subjective assumptions. Any changes in the variables may materially affect the estimation of the fair value of an option.

There was no market vesting condition or non-market performance condition associated with the options granted.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

18. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS *(continued)*

Share options granted on 22 August 2024:

On 22 August 2024, the Company granted 1,000,000 share options to employees with an exercise price of HK\$1.99 per share.

The share options to employees' vest over a period of four years starting from the date of the grant by one-fourth each anniversary and will be fully vested on 22 August 2028. The share options vested are exercisable immediately but not exceeding ten years from the date of the grant.

The fair value of the options granted on 22 August 2024 has been calculated by an external valuer using the Binominal Option Pricing Model. The assumptions used were as follows:

	Granted on 22 August 2024
Grant date share price	HK\$1.99
Exercise price	HK\$1.99
Expected volatility	71.35%
Contractual option life	10 years
Risk-free rate	2.81%
Expected dividend yield	0%

The expected volatility is based on historical price volatility of the Company in the past five years. The risk-free rate is the yields of Hong Kong 10-year government bonds and treasury bills as extracted from Bloomberg as at 22 August 2024. At the date the options were granted on 22 August 2024, this was determined to be 2.85%. The dividend yield of the Company of 0% has been adopted.

Based on the fair values derived from the above pricing model the fair value of the share options granted to employees on 22 August 2024 was approximately HK\$1,228,000 (HK\$1.2284 each). During the six months ended 31 March 2025, HK\$221,000 have been charged as share based compensation expenses to profit or loss.

The assumption used in computing the fair value of the share options are based on management's best estimate. The valuation of options is dependent upon a number of variables using subjective assumptions. Any changes in the variables may materially affect the estimation of the fair value of an option.

There was no market vesting condition or non-market performance condition associated with the options granted.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

18. EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (continued)

The movement in the number of share options under the share options scheme are as follows:

For the six months ended 31 March 2025

	Date of grant	Exercise price HK\$	Outstanding at 1 October 2024	Granted during the period	Exercised during the period	Forfeited during the period	Lapsed during the period	Outstanding at 31 March 2025
Executive Director								
Mr. Du Jun	16/10/2023	1.89	3,000,000	-	-	-	-	3,000,000
Employee – management position								
	16/10/2023	1.89	3,000,000	-	-	-	-	3,000,000
Employees – other								
	16/10/2023	1.89	13,800,000	-	(600,000)	(750,000)	(3,800,000)	8,650,000
Employees – other								
	22/8/2024	1.99	1,000,000	-	-	-	(280,000)	720,000
			<u>20,800,000</u>	<u>-</u>	<u>(600,000)</u>	<u>(750,000)</u>	<u>(4,080,000)</u>	<u>15,370,000</u>
Weighted average exercise price			<u>HK\$1.89</u>	<u>-</u>	<u>HK\$1.89</u>	<u>HK\$1.89</u>	<u>HK\$1.90</u>	<u>HK\$1.89</u>

Note:

The weighted average closing price of the shares immediately before the dates of exercise of options during the six months ended 31 March 2025 was HK\$1.89.

As at 31 March 2025, the total number of share options outstanding were 15,370,000 (30 September 2024: 20,800,000).

For the share options outstanding as at 31 March 2025, the weighted average remaining contractual life was 3,133 days (30 September 2024: 3,315 days).

Total share-based compensation expenses of HK\$2,678,000 have been charged to the condensed consolidated statement of profit or loss for the six months ended 31 March 2025 (31 March 2024: share-based compensation expenses of HK\$6,789,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

19. RESERVES

The amounts of the Group's reserves and the movements therein for the period are presented in the condensed consolidated statement of changes in equity on page 20 of this report.

Share premium

The share premium comprises the excess of the proceeds received over the par value of the shares of the Company issued at a premium, less the amount of expenses incurred in connection with the issue of the shares and on exercise of share options, the amount previously recognised in the share option reserve is transferred to share premium.

Share option reserve

The fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in the share option reserve. At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest and the impact of the revision of these estimates, if any, is recognised in the statement of profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

At the time when the options are exercised, the amount previously recognised in the share option reserve is transferred to the share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in the share option reserve is transferred to retained profits/accumulated losses.

Other reserve

The other reserve represents the deemed contribution from the Company's shareholders or its related companies with respect to (i) waiver of loans from/amount due to shareholders or its related companies; (ii) fair value gain on interest-free loans from shareholders or its related company; and (iii) gain on disposal of subsidiaries to related companies.

Capital reserve

The capital reserve represents net proceeds received for issuance of 157,000,000 new ordinary shares of the Company, net of related expenses, which have not yet completed as at 30 September 2023 and transferred to share capital and share premium during the year ended 30 September 2024. Please refer to note 16(i) for details.

Fair value reserve

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of financial assets designated at FVTOCI under HKFRS 9 that are held at the end of the reporting period.

Translation reserve

The translation reserve comprises the exchange differences arising on the translation of the financial statements of foreign operations.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

20. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the financial statements, the Group entered into the following significant transactions with related parties during the period.

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Assets management income from a related company*	–	606
Assets management income from a related company [#]	3,093	2,176
Assets management income from former subsidiaries [®]	9,220	14,241
Assets management advisory service expenses charged by related company [^]	2,216	–
Custodian services income from related companies*	31	–
Referral services income from related companies*	103	102

* Related companies are companies in which Mr. Li Lin, a Director of the Company, has beneficial interests.

[#] Related company is a fund company in which Mr. Li Lin and Mr. Du Jun, the Directors of the Company, have significant beneficial interests.

[^] Related company is a company in which Mr. Du Jun, a Director of the Company, has beneficial interests.

[®] Former subsidiaries are companies in which Mr. Li Lin, a Director of the Company, has beneficial interests. The Group has completed the disposal of certain subsidiaries to Mr. Li Lin in February 2024 and those ceased to be subsidiaries of the Company and become related parties of the Group.

The above transactions were conducted on mutually agreed terms.

Compensation of the key management personnel of the Group, including Directors' remuneration, is as follows:

	Six months ended 31 March	
	2025	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Directors' fees	2,160	2,120
Salaries, discretionary bonus, allowances and other benefits	725	556
Retirement benefits scheme contributions	14	27
Equity-settled share-based payment expenses	362	1,213
	3,261	3,916

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2025

21. EVENTS AFTER THE REPORTING PERIOD

Saved as disclosed above and elsewhere in this interim report, no other significant events took place subsequent to 31 March 2025.

22. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The unaudited Interim Financial Statements of the Group were approved and authorised for issue in accordance with a resolution of the Board on 26 May 2025.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2025, so far as is known to the Directors, the interests or short positions of the Directors and chief executive of the Company and its associated corporations in the ordinary shares (the "Shares") of the Company (within the meaning of Part XV of the SFO which are required to be notified to the Company and the Stock Exchange pursuant to divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or deemed to have taken under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 of the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Positions in the Company's shares and underlying shares

(a) Ordinary shares of HK\$0.001 each of the Company

Name of Directors	Capacity	Number of the Shares (L) (Note 1)	Approximate percentage of the Shares to total issued shares	Number of the underlying shares involved (L) (Note 1)	Total number of Shares and underlying shares involved (L) (Note 1)	Approximate Percentage of total number of Shares and underlying shares to total issued shares
Mr. Li (Note 2)	Interest of controlled corporation (Note 3)	90,990,474	19.50%	–	90,990,474	19.50%
Mr. Du (Note 4)	Beneficial owner	80,682,305	17.29%	3,000,000	83,682,305 (Note 5)	17.94%

Notes:

- The letter "L" denotes the person's long position in the shares.
- Mr. Li is also the non- executive Director.
- Avenir Investment Limited is a beneficial owner holding 90,990,474 Shares. Since Avenir Investment Limited is wholly owned by Avenir View Limited, which is in turn wholly owned by Avenir Investment Holdings Limited, and Avenir Investment Holdings Limited is wholly owned by Mr. Li, Mr. Li therefore is deemed to be interested in the Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
- Mr. Du is the executive Director and chief executive officer of the Company.
- Mr. Du is interested in 83,682,305 Shares. He is a beneficial owner of 80,682,305 Shares and has been granted 3,000,000 share options of the Company, which shall entitle him to subscribe for 3,000,000 Shares upon exercise of all such share options.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND SECURITIES OF THE COMPANY

As at 31 March 2025, to the knowledge of the Directors, the interests or short positions of those persons (other than the Director or chief executive of the Company whose interests are disclosed above) in the Shares or underlying shares or debentures of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO were as follows:

Name of Shareholders	Capacity in which Shares were held	Number of Shares (L) (Note 3)	Approximate percentage of the issued shares
Avenir Investment Holdings Limited	Interest in controlled corporation (Note 1)	90,990,474	19.50%
Avenir View Limited	Interest in controlled corporation (Note 1)	90,990,474	19.50%
Avenir Investment Limited	Beneficial owner (Note 1)	90,990,474	19.50%
Mr. Zhong	Interest in controlled corporation (Note 2)	82,300,000	17.64%
ON CHAIN Technology LIMITED	Beneficial owner (Note 2)	82,300,000	17.64%

Notes:

- 1 Avenir Investment Limited holds 90,990,474 Shares, representing approximately 19.50% of the total issued shares of the Company. Avenir Investment Limited is a wholly-owned subsidiary of Avenir View Limited, whose sole shareholder is Avenir Investment Holdings Limited, and hence each of Avenir View Limited and Avenir Investment Holdings Limited is deemed to be interested in 90,990,474 Shares held by Avenir Investment Limited for the purpose of Part XV of the SFO.
- 2 Mr. Zhong holds 100% interest in the total issued share capital of ON CHAIN Technology LIMITED. Therefore, Mr. Zhong is deemed to be interested in the shares held by ON CHAIN Technology LIMITED for the purpose of Part XV of the SFO.
- 3 The letter "L" denotes the long position in the Shares.

Save as disclosed above, as at 31 March 2025, so far as is known to the Directors, the Company has not been notified of any other interests or short positions in the ordinary shares of the Company which had been recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The following is a summary of the principal terms of the share option scheme (the “Scheme”) adopted by way of written resolutions passed on 27 October 2016 and amended with effect from 17 November 2020 and 30 March 2023 and 28 July 2023. The terms of the Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

The Scheme is a share incentive scheme and has been established for the purpose of recognising and acknowledging the contributions eligible participants have made to the Group. The Scheme is valid and effective for a period of ten years commencing on the date of adoption of the Scheme, unless terminated earlier by the shareholders of the Company (the “Shareholders”) in general meeting.

Participants of the Scheme may include: (a) any full-time or part-time employee of the Company and its subsidiaries; and (b) any director (including executive, non-executive or independent non-executive directors) and chief executive officers of the Company and its subsidiaries.

Upon the passing of the resolution at the extraordinary general meeting of the Company on 31 March 2025 for the approval of refreshment of share options limit (the “Refreshment”), the total number of Shares available for issue under the Scheme and any other share option schemes was 46,656,066, representing around 10% of the issued share capital of the Company as at the date of the said annual general meeting of the Company and 7.97% of the issued share capital of the Company as at the date of this interim report.

The number of share options available for grant under the Scheme at the beginning of the Period 2025 as 4,342,766 and at the end of the Period 2025 is 46,656,066. The aggregate number of shares which may be issued upon exercise of all outstanding options granted and to be exercised under the Scheme and any other share option schemes of the Company, must not in aggregate exceed 10% of the Company’s shares in issue. The shareholders’ approval may be sought by the Company in general meeting for refreshing the 10% limit under the Scheme after three years from the date of shareholders’ approval for the last refreshment, such refreshment within the aforementioned three-year period must be approved by the Shareholders subject to the requirements under Rule 17.03C(1) of the Listing Rules.

The maximum entitlement of share options of each eligible person under the Scheme shall not exceed 1% of the shares of the Company. Where any grant of share options under the Scheme to an eligible person would result in the shares issued and to be issued in respect of all share options and awards granted under the share schemes of the Company (including the Scheme and any other share schemes of the Company (as defined under the Listing Rules), where applicable, but excluding any share option lapsed in accordance with the terms of the Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the shares of the Company in issue (i.e. the 1% Individual limit), such grant must be separately approved by the Shareholders in general meeting of the Company with such eligible person and his/her close associates (or associates if the eligible person is a connected person) abstaining from voting.

Subject to the terms in the Scheme, each grant of the share options and awards granted under the share schemes of the Company (which include the Scheme and any other share schemes (as defined under the Listing Rules), where applicable) to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial shareholder, or any of their respective associates, under the Scheme or any other share schemes (as defined under the Listing Rules) shall comply with the requirements of Rule 17.04 of the Listing Rules and shall be subject to approval by the independent non-executive Directors (excluding independent non-executive Director who is a grantee).

Where any grant of share options or awards under the Scheme to an independent non-executive Director or a substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates, would result in the total number of Shares issued or to be issued upon exercise of all share options and share awards already granted and to be granted (including Options exercised, cancelled and outstanding) under the Scheme, and any other options or share awards under any other share schemes of the Company, to such person any 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, any such further grant of share options must be approved by the Shareholders at a general meeting of the Company. The grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting (except where any core connected person intends to vote against the proposed grant and his intention to do so has been stated in the aforesaid circular).

Upon acceptance of an option to subscribe for shares, the eligible participant shall pay HK\$1.00 to the Company as consideration for the grant. The subscription price of a share subject to options granted under the Scheme shall be a price determined by the Board and notified to a participant and shall be at least the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date which share options are offered, which must be a business day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the five (5) business days immediately preceding the date which share options are offered; and
- (iii) the nominal value of a Share.

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

The options may be exercised in accordance with the terms of the Scheme upon being vested at any time during a period as the Board may determine which shall not exceed 10 years from the date of offer subject to the provisions for early termination thereof.

On 17 November 2020, the Company has amended the schedule for vesting of options under the Scheme to the effect that one-fourth of the options shall be vested on each anniversary of the first 4 years from the date of grant (the "Amendments"). The Amendments have become effective from 17 November 2020 and shall not apply to the outstanding options as at 17 November 2020 which have already been granted but remain unexercised under the Scheme. For details, please refer to the announcements published by the Company dated 19 October 2020 and 17 November 2020 and the circular dated 22 October 2020.

On 30 March 2023, the Company has amended the schedule in relation to the vesting, performance and clawback mechanism of the Share Option Scheme. Under the Scheme, the vesting period of Share Options shall be no less than 12 months.

On 28 July 2023, the Share Option Scheme was further amended by allowing the vesting period of the Share Options to be longer than one financial year which would allow the Company to assess the Grantee's performance on a sustainable basis and encouraging the Grantee's continuous growth.

On 16 October 2023, an aggregate of 25,400,000 share options to subscribe for 25,400,000 Shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.89 per share of the Company. For detail, please refer to the Company's announcement dated 16 October 2023.

On 22 August 2024, an aggregate of 1,000,000 share options to subscribe for 1,000,000 Shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.99 per share of the Company. For details, please refer to the Company's announcement dated 22 August 2024.

On 22 April 2025, an aggregate of 8,020,000 share options to subscribe for 8,020,000 Shares of HK\$0.001 each in the Company was granted to certain eligible participants at the exercise price of HK\$1.60 per share of the Company. For details, please refer to the Company's announcement dated 22 April 2025.

The number of shares that may be issued in respect of the share options granted under the Scheme during the six months ended 31 March 2025 divided by the weighted average number of shares in issue for the six months ended 31 March 2025 is 0.033.

Please refer to Note 18 on page 43 to page 47 for the details of the exercise price and number of share options outstanding during the six months ended 31 March 2025 which have been granted to, exercised and forfeited by the eligible participants.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during Period 2025.

CAPITAL STRUCTURE

The Company has no outstanding borrowings as at 31 March 2025 (30 September 2024: Nil). As at 31 March 2025, the Group's gearing ratio was 0% (30 September 2024: 0%). Gearing ratio equals total borrowings divided by net asset value as at the end of the reporting period.

CHANGES OF DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors subsequent to the date of the 2024 Annual Report is set out below:

On 9 April 2025, Mr. Li Lin, a Non-executive Director of the Company, entered into a Supplemental Agreement to his existing Director's Service Agreement with the Company, pursuant to which he has agreed not to receive any remuneration from the Company with effect from 1 April 2025. The Supplemental Agreement was approved by the Board and is in compliance with the Listing Rules and the Company's Articles of Association.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code. Specific enquiries have been made of all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during Period 2025 and up to the date of this report.

CORPORATE GOVERNANCE CODE

During the Period 2025, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the Corporate Governance Code (the "CG Code") under Part 2 of Appendix C1 to the Listing Rules.

REVIEW OF INTERIM REPORT BY AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three independent non-executive Directors, namely Mr. Yip Wai Ming (Chairman), Mr. Yu Chun Kit and Dr. LAM Lee G, *BBS, JP*. The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting systems and internal control procedures and review of the Group's financial information. The Audit Committee has reviewed the unaudited interim results and the unaudited interim condensed consolidated financial statements of the Group for the six months ended 31 March 2025, including the accounting principles and practices adopted by the Group, and discussed internal control and financial reporting matters of the Group.



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