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OSL

OSL Group Limited

OSL集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 863)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

- The Group's IFRS income reached HK\$195.4 million, representing a remarkable year-over-year ("YoY") growth of 57.9% from HK\$123.8 million
- The Group's adjusted non-IFRS income* rose 187.3% YoY to HK\$188.6 million from HK\$65.6 million
- The loss from continuing operations increased to HK\$20.3 million YoY from HK\$9.6 million, primarily attributable to the increase in headcount to accelerate global expansion

* See the section entitled "Non-IFRS Measures" for more information about the adjusted non-IFRS income.

The board (the “**Board**”) of directors (the “**Directors**”) of OSL Group Limited (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025 (the “**Period**” or “**1H2025**”), together with the comparative figures for the corresponding period in 2024 (“**1H2024**”). The condensed consolidated interim financial information is unaudited but has been reviewed by the Company’s audit committee (the “**Audit Committee**”).

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

		Unaudited For the six months ended 30 June	
		2025	2024
	Notes	HK\$'000	HK\$'000
Continuing operations			
Income from digital assets and blockchain platform business	5	195,433	123,789
Other income		13	75
Other gains, net		62,571	16,244
Fee and commission expenses		(26,689)	(3,667)
Staff costs	6(b)	(146,867)	(82,129)
IT costs		(24,543)	(13,661)
Depreciation and amortisation		(10,458)	(14,664)
Other operating expenses	6(a)	(64,990)	(40,068)
Provision for impairment losses on financial assets, net		—	(1,333)
Operating loss		(15,530)	(15,414)
Finance income		3,105	10,348
Finance costs		(1,571)	(1,753)
Finance income, net		1,534	8,595
Share of net post-tax loss of an associate accounted for using the equity method		(6,288)	(2,777)
Loss before income tax		(20,284)	(9,596)
Income tax expense	7	—	(47)
Loss from continuing operations		(20,284)	(9,643)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
<i>Notes</i>	HK\$'000	HK\$'000
Loss from continuing operations	(20,284)	(9,643)
Discontinued operations		
Loss from discontinued operations	(19,991)	(8,254)
Loss for the period	(40,275)	(17,897)
Other comprehensive (loss)/income		
<i>Items that may be reclassified to profit or loss:</i>		
Currency translation differences on translation of operations with a functional currency different from the Company's presentation currency	1,849	(2,850)
Reclassification to profit or loss on dissolution of discontinued operation	19,991	—
Reclassification of profit or loss on disposal of a subsidiary in the discontinued operations	—	8,254
<i>Items that will not be reclassified to profit or loss:</i>		
Revaluation loss on intangible assets	(98,898)	—
Currency translation differences on translation of operations with a functional currency different from the Company's presentation currency	(41)	(66)
Other comprehensive (loss)/income for the period	(77,099)	5,338
Total comprehensive loss for the period	(117,374)	(12,559)
Loss for the period attributable to:		
Owners of the Company		
— Loss from continuing operations	(20,209)	(9,720)
— Loss from discontinued operations	(19,991)	(8,254)
	(40,200)	(17,974)
Non-controlling interests		
— (Loss)/profit from continuing operations	(75)	77
	(40,275)	(17,897)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

		Unaudited	
		For the six months ended	
		30 June	
		2025	2024
<i>Notes</i>		HK\$'000	HK\$'000
Total comprehensive loss for the period attributable to:			
Owners of the Company			
	— Loss from continuing operations	(117,258)	(12,085)
	— Loss from discontinued operations	<u>—</u>	<u>(485)</u>
		(117,258)	(12,570)
Non-controlling interests			
	— (Loss)/income from continuing operations	(116)	66
	— Loss from discontinued operations	<u>—</u>	<u>(55)</u>
		<u>(117,374)</u>	<u>(12,559)</u>
Loss per share for loss from continuing operations attributable to the owners of the Company			
	Basic (<i>HK\$ per share</i>)	9 (0.03)	(0.02)
	Diluted (<i>HK\$ per share</i>)	9 <u>(0.03)</u>	<u>(0.02)</u>
Loss per share for loss from continuing and discontinued operations attributable to the owners of the Company			
	Basic (<i>HK\$ per share</i>)	9 (0.07)	(0.03)
	Diluted (<i>HK\$ per share</i>)	9 <u>(0.07)</u>	<u>(0.03)</u>

The above unaudited condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with accompanying notes.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment		25,450	21,117
Intangible assets	10	262,555	288,750
Prepayments, deposits and other receivables		5,625	6,473
Investment accounted for using equity method		9,454	15,743
Financial assets at fair value through profit or loss		40,866	33,058
Total non-current assets		343,950	365,141
Current assets			
Digital assets	10	728,447	655,678
Trade receivables	11	51,375	5,272
Collateral receivables	15(a)	13,900	–
Prepayments, deposits and other receivables		29,518	25,238
Restricted bank balance		–	149
Cash held on behalf of licensed entities' customers	12	492,351	176,997
Cash and cash equivalents		459,214	635,262
Total current assets		1,774,805	1,498,596
Total assets		2,118,755	1,863,737
LIABILITIES			
Non-current liabilities			
Provision		4,222	4,091
Lease liabilities		2,491	6,755
Total non-current liabilities		6,713	10,846

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

		Unaudited	Audited
		As at	As at
		30 June	31 December
		2025	2024
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Current liabilities			
Trade payables	13	116,333	273
Contract liabilities		4,835	6,869
Accruals, other payables and provision		73,104	69,285
Liabilities due to customers	14	621,101	439,929
Lease liabilities		12,587	11,739
Borrowings	15	142,811	40,326
Current income tax liabilities		123	104
		<u>970,894</u>	<u>568,525</u>
Total current liabilities		<u>970,894</u>	<u>568,525</u>
Total liabilities		<u>977,607</u>	<u>579,371</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	16	6,264	6,264
Other reserves		3,108,053	3,216,378
Accumulated losses		(1,961,715)	(1,929,774)
		<u>1,152,602</u>	<u>1,292,868</u>
Non-controlling interests		<u>(11,454)</u>	<u>(8,502)</u>
Total equity		<u>1,141,148</u>	<u>1,284,366</u>

The above unaudited condensed consolidated statement of financial position should be read in conjunction with accompanying notes.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION

The principal activity of the Company is investment holding. During the Period, the Group was principally engaged in the digital assets and blockchain platform business in the Asia-Pacific region and Europe.

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 15 March 2011 and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Its principal place of business is located at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

The unaudited condensed consolidated interim financial information is presented in thousands of Hong Kong Dollars (HK\$’000), unless otherwise stated.

1.1 Discontinued operations of wholly foreign-owned enterprise of the traditional advertising segment

Two wholly foreign-owned enterprise subsidiaries of the Group, Shanghai SumZone Enterprise Management Consultancy Company Limited (上海三眾企業管理諮詢有限公司) and Shanghai You Xiong Enterprise Management Consultancy Company Limited (上海有熊企業管理諮詢有限公司) ceased operation and deregistered. The deregistration process of the above subsidiaries was subsequently completed on 26 January 2025 and 13 March 2025, respectively. Certain figures related to the discontinued operations have been presented as part of “loss from discontinued operations” in the unaudited condensed consolidated statement of profit and loss and other comprehensive income.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange (the “**Listing Rules**”).

The unaudited condensed consolidated interim financial information has been prepared on a historical cost basis, except for digital assets, liabilities due to customers, financial assets at fair value through profit or loss, collateral receivables, and digital assets borrowings which are measured on fair value basis.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group after the financial year ended 31 December 2024. The unaudited condensed consolidated interim financial information should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the “**2024 Annual Financial Statements**”), which have been prepared in accordance with the IFRSs. The condensed consolidated interim financial information is unaudited but has been reviewed by the Audit Committee.

The accounting policies and method of computation used in the preparation of the unaudited condensed consolidated interim financial information of the Group for the Period are consistent with those applied in the 2024 Annual Financial Statements except for the adoption of amendments to standards and accounting guideline, and additional information on regulatory risk in relevant jurisdictions as set out below.

(a) Amendments to standards and accounting guideline adopted by the Group

The Group has applied the following amendments to standards and accounting guideline for the first time for their reporting period commencing on 1 January 2025:

Amendments to IAS 21 and IFRS 1 Lack of Exchangeability

The adoption of amendments to standards and accounting guideline listed above did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New amendments to standards not yet adopted

Certain new amendments to standards have been published that are not mandatory for financial year beginning on 1 January 2025 and have not been early adopted by the Group.

		Effective for accounting periods beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS Accounting Standards — Volume 11	Annual Improvements to IFRS Accounting Standards	1 January 2026
Amendments to IFRS 9 and IFRS 7	Amendments to Contracts Referencing Nature dependent Electricity	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group's management assessed that these new standards and amendments to standards that are not yet effective and that would not be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) **Risk Disclosures**

(i) *Regulatory Risk in Relevant Jurisdictions*

In Europe, the Group operates its new digital asset on/off-ramp business through its subsidiary Saintpay S.R.L., incorporated in Italy during the Period. Saintpay S.R.L. is currently registered as a Virtual Asset Service Provider in Italy and intends to apply for authorisation to operate in Italy as a crypto-asset services provider under the Markets in Crypto-Assets Regulation (“**MiCAR**”), which will introduce a harmonised licensing framework for crypto-asset services across the European Union. Pending full MiCAR authorisation, Saintpay S.R.L. remains subject to applicable regulations for providers of services related to the use of virtual currencies and digital wallet service.

3 SEGMENT REPORTING

The chief operating decision maker (“**CODM**”) of the Group has been identified as the executive directors of the Company. The executive directors regularly review income and operating results derived from different segments. For the purpose of internal reporting and management’s operation review, the CODM considered that the Group’s businesses are operated and managed as one single segment, which is digital assets and blockchain platform business, and no separate segment information was presented for the period ended 30 June 2025 (2024: same).

Information about major clients

Income from a client from digital assets and blockchain platform business individually contributing over 10% of the Group’s income is set out below:

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$’000	HK\$’000
Customer A	<u>85,346</u>	<u>15,236</u>

The Group's income represents trading of digital assets and blockchain platform business. A geographical analysis of income contribution is set forth in the following table:

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
Asian Pacific (<i>Note</i>)	139,491	123,789
Europe	55,942	–
	195,433	123,789

The Group's non-current assets (excluding investment accounted for using equity method) are located in the following geographical location:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
Asian Pacific (<i>Note</i>)	317,160	349,398
Europe	17,336	–
	334,496	349,398

Note: Asian Pacific included Hong Kong, Singapore, Mainland China, Australia and Japan.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS UNDER IFRS 15

Disaggregation of revenue from contracts with customers

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
From continuing operations		
Recognised over time:		
Service fee income from SaaS and related income (<i>Note 5</i>)	90,885	25,312
Custodian services and related income (<i>Note 5</i>)	5,552	4,757
Others (<i>Note 5</i>)	1,421	–
Recognised at a point of time:		
Trading fee from automated trading service (<i>Note 5</i>)	3,272	4,170

5 INCOME FROM DIGITAL ASSETS AND BLOCKCHAIN PLATFORM BUSINESS

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
From continuing operations		
Trading of digital assets (<i>Note (a)</i>)	100,537	96,311
Net fair value loss on digital assets (<i>Note (a)</i>)	(6,234)	(6,761)
Service fee income from SaaS and related income	90,885	25,312
Trading fee from automated trading service	3,272	4,170
Custodian services and related income	5,552	4,757
Others	1,421	—
	<u>195,433</u>	<u>123,789</u>

Note:

- (a) The Group's digital assets and blockchain platform business primarily includes an over-the-counter ("OTC") trading business to trade digital assets with corporate and individual customers, and the provision of automated digital assets trading services through its proprietary platforms. Income from the digital assets trading business represents trading margin arising from trading various digital assets and net gains or losses from remeasurement of digital assets to the extent it is not offset by remeasurement of digital asset liabilities due to customers arising from the relevant service agreements. The Group is exposed to net trading gain or loss from holding digital assets for trading up to the point when a trade (to buy or sell digital assets) with a customer is concluded with fixed terms of trade with respect to the type, unit and price of digital assets.

6 OPERATING EXPENSES

(a) Other operating expenses

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
From continuing operations		
Auditor's remuneration — audit services	4,850	5,999
Consultancy fee (including share-based payments)	7,845	4,896
Expense relating to short-term leases	6,116	4,101
Insurance	6,735	7,042
Legal and professional fees (including non-audit services)	11,668	6,689
Operating outsource expenses	8,776	3,760
Marketing expenses	7,150	2,407
Travelling expenses	4,493	1,134
General office supplies	2,217	832
Others	5,140	3,208
	<u>64,990</u>	<u>40,068</u>

- (b) Staff costs included defined contribution pension plans of approximately HK\$5,083,000 during the Period (30 June 2024: HK\$2,067,000). As at 30 June 2025, there were no forfeited contributions available to offset future retirement benefit obligations to the Group (31 December 2024: same).

7 INCOME TAX EXPENSE

Taxation has been provided at the appropriate rates prevailing in the jurisdictions in which the Group operates. The corporate income tax in the United Kingdom has been provided at the rate of 25% on the estimated assessable profits for the six months ended 30 June 2024.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profit arising in Hong Kong during the period ended 30 June 2025 (30 June 2024: same). Tax outside Hong Kong has been provided for at the applicable rate on the estimated assessable profits less estimated available tax losses.

The amount of income tax expense charged to the unaudited condensed consolidated statement of profit or loss represents:

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
From continuing operations		
Current income tax:		
Overseas corporate income tax expense	—	47
Total income tax expense from continuing operations	—	47

8 DIVIDEND

The Board did not recommend the payment of any dividend for the six months ended 30 June 2025 (30 June 2024: same).

9 LOSS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Unaudited For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Loss for the period attributable to the owners of the Company	(40,200)	(17,974)
Add: Loss for the period from discontinued operations	19,991	8,254
	<u> </u>	<u> </u>
Loss for the period from continuing operations attributable to the owners of the Company for the purpose of basic and diluted loss per share	<u>(20,209)</u>	<u>(9,720)</u>
	Unaudited For the six months ended 30 June	
	2025	2024
	2025	2024
	HK\$	HK\$
Number of shares:		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	616,800,245	610,614,184
	<u> </u>	<u> </u>
	2025	2024
	2025	2024
	HK\$	HK\$
Loss per share for loss from continuing operations attributable to the owners of the Company		
Basic (<i>per share</i>)	(0.03)	(0.02)
Diluted (<i>per share</i>)	<u>(0.03)</u>	<u>(0.02)</u>
Loss per share for loss from continuing and discontinued operations attributable to the owners of the Company		
Basic (<i>per share</i>)	(0.07)	(0.03)
Diluted (<i>per share</i>)	<u>(0.07)</u>	<u>(0.03)</u>

Basic and diluted loss per share is calculated by dividing the loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the Period (30 June 2024: same).

For the period ended 30 June 2025, the Company had two categories of potentially dilutive ordinary shares: share options and share awards (30 June 2024: same). Diluted loss per share presented is the basic loss per share as the inclusion of the potential ordinary shares in the calculation of dilutive loss per share would be anti-dilutive (30 June 2024: same).

10 DIGITAL ASSETS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Digital assets:		
— Held in own wallets of the Group	686,694	839,115
— Digital assets held on exchange institutions (<i>Note</i>)	185,398	654
	<u>872,092</u>	<u>839,769</u>
Represented by:		
Current portion — for trading purpose	728,447	655,678
Non-current portion — not for trading purpose (<i>classified as intangible assets</i>)	143,645	184,091
	<u>872,092</u>	<u>839,769</u>

Among the digital asset balances, it included digital assets held by the Group in designated customer accounts under various contractual arrangements totaling approximately HK\$138,899,000 (31 December 2024: HK\$249,057,000) (Note 14), of which approximately HK\$24,028,000 (31 December 2024: HK\$27,476,000) represents digital assets received from and held on behalf of clients by OSL Japan Limited (“**OSL Japan**”), a partially owned subsidiary, which were safekept in wallets of OSL Japan and OSL Japan is not entitled to any benefit of income from such holding on behalf of its clients and OSL Japan is legally refrained from transferring or transacting with the client’s digital assets other than as instructed by the clients. The digital asset balance also included the Group’s proprietary digital assets of approximately HK\$733,193,000 (31 December 2024: HK\$590,712,000), of which approximately HK\$143,645,000 (31 December 2024: HK\$184,091,000) were held for long-term capital appreciation.

Net fair value loss of approximately HK\$6,234,000 (30 June 2024: HK\$6,761,000) from remeasurement of digital assets held on trading purpose at 30 June 2025, to the extent it is not offset by remeasurement of digital asset liabilities due to customers at the same date, is presented as part of the “income from digital assets and blockchain platform business” in the unaudited condensed consolidated statement of profit and loss and other comprehensive income.

Revaluation loss of approximately HK\$98,898,000 (30 June 2024: Nil) from revaluation of digital assets held for long-term capital appreciation at 30 June 2025 is presented as part of the “revaluation loss on intangible assets” in other comprehensive income. Digital assets classified as intangible assets represent digital assets held by the Group for the purpose of long-term capital appreciation.

As at 30 June 2025, there were certain digital assets with fair value of approximately HK\$5,554,825,000 (31 December 2024: HK\$5,004,094,000) received from and held on behalf of clients by OSL Digital Securities Limited (“**OSL DS**”), a wholly owned subsidiary of the Company and a Hong Kong Securities and Futures Commission (“**SFC**”) licensed corporation. Those digital assets were safekept in segregated client wallets through a trust arrangement with OSL Custody Services Limited which is a wholly owned subsidiary of the Company and the associated entity of OSL DS under the Securities and Futures Ordinance. Based on the relevant service agreements, these digital assets held in segregated wallets are not recognised as the Group’s digital assets and hence there are no corresponding digital asset liabilities under these arrangements. OSL DS also holds certain digital assets in its own wallets for facilitating the trading flow with its customers.

Note: The digital assets held on third party exchange institutions are measured at fair value. They represent balance of digital assets attributable to the Group held in shared wallets of the third party exchanges.

11 TRADE RECEIVABLES

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$’000	HK\$’000
Trade receivables from digital assets and blockchain platform business	52,781	6,678
Less: loss allowance	(1,406)	(1,406)
	<u>51,375</u>	<u>5,272</u>
Trade receivables	<u>51,375</u>	<u>5,272</u>

Customers of the digital assets and blockchain platform business are generally required to prefund their accounts prior to trades. Trades with liquidity providers and certain counterparties that are considered creditworthy can be on credit with a credit period of 1–3 days after trade date. For SaaS customers, credit term of 15-30 days after invoice date is granted in general.

The Group has policies in place to ensure that they transact with reputable and creditworthy customers with an appropriate financial strength and credit history. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

At 30 June 2025 and 31 December 2024, the ageing analysis of the Group's trade receivables, based on trade date and invoice date, were as follows:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
0–30 days	47,540	4,686
31–90 days	2,085	586
91–180 days	1,750	–
	<u>51,375</u>	<u>5,272</u>

12 CASH HELD ON BEHALF OF LICENSED ENTITIES' CUSTOMERS

OSL DS, through its associated entity under a trust arrangement, maintains segregated bank accounts to hold cash on behalf of its customers arising from its normal course of business. Based on the relevant service agreements, it is agreed that OSL DS will not pay interest to the clients for the fiat currency that it receives from or holds for the clients. OSL DS has the contractual right to retain any bank interest income arising from holding the client's fiat currency. Accordingly, the client fiat currency received and held at the segregated bank accounts is presented on the Group's unaudited condensed consolidated statement of financial position under current assets, with a corresponding fiat liability due to customers under current liabilities (except for the cash held on behalf of its fellow subsidiaries in the segregated bank accounts which are eliminated on group level). The use of cash held on behalf of clients is restricted and governed by the relevant service agreements and the laws and regulations relevant to OSL DS as a licensed corporation and its associated entity in Hong Kong.

OSL Japan also maintains segregated bank accounts to hold cash on behalf of its customers arising from its normal course of business. OSL Japan does not pay interest to the clients for the fiat currency that it receives from or holds for the clients. Accordingly, the client fiat currency received and held at the segregated bank accounts is presented on the Group's unaudited condensed consolidated statement of financial position under current assets, with a corresponding fiat liability due to customers under current liabilities. The use of cash held on behalf of clients is restricted and governed by the relevant service agreements as a licensed corporation in Japan.

Saintpay S.R.L. maintains segregated accounts in financial institutions to hold cash on behalf of its customers arising from its normal course of business. Saintpay S.R.L. does not pay interest to the clients for the fiat currency that it receives from or holds for the clients. Accordingly, the client fiat currency received and held at the segregated accounts is presented on the Group's unaudited condensed consolidated statement of financial position under current assets, with a corresponding fiat liability due to customers under current liabilities. The use of cash held on behalf of clients is restricted and governed by the relevant service agreements as a licensed corporation in Italy.

13 TRADE PAYABLES

Trades with liquidity providers and certain counterparties can be on a credit period of 1–3 days (31 December 2024: 1–30 days) after trade date. Trade payables are unsecured.

An ageing analysis of the Group's trade payables as at the end of the reporting periods, based on trade date and invoice date, is as follows:

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
0–30 days	<u>116,333</u>	<u>273</u>

14 LIABILITIES DUE TO CUSTOMERS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Liabilities due to customers		
— Fiat currency liabilities		
— Customers under licensed entities	469,901	176,997
— Others	12,301	13,875
— Digital asset liabilities	<u>138,899</u>	<u>249,057</u>
	<u>621,101</u>	<u>439,929</u>

Liabilities due to customers arise in the ordinary course of the Group's digital assets and blockchain platform business, where the Group's contractual relationship with its customers is primarily governed by the relevant service agreements and other relevant agreements.

Based on the respective rights and obligations of the Group and its customers under various arrangements, fiat currency and digital assets held by the Group in the customers' accounts are recognised as the Group's assets with a corresponding liability due to the customers, except for the digital assets held on behalf of OSL DS's clients as disclosed in Note 10.

The liabilities are measured at fair value through profit or loss with changes in fair values recognised in the unaudited condensed consolidated statement of profit or loss in the period of the changes as part of the "income from digital assets and blockchain platform business".

15 BORROWINGS

	Unaudited As at 30 June 2025 HK\$'000	Audited As at 31 December 2024 HK\$'000
Current		
Secured digital assets borrowings (<i>Note (a)</i>)	6,607	–
Unsecured digital assets borrowings (<i>Note (b)</i>)	93,698	–
Digital assets borrowed from the non-controlling interest (<i>Note (c)</i>)	42,506	40,326
Total borrowings	<u>142,811</u>	<u>40,326</u>

Notes:

- (a) The balance of secured digital assets borrowings included:

As at 30 June 2025, certain digital assets amounted to approximately HK\$6,607,000 (31 December 2024: Nil) were provided by a non-financial institution. These borrowings were interest bearing at floating rate with effective interest rates of 1.0%–9.1% per annum, repayable on demand and secured by 16.46 Bitcoin as collateral (equivalent to approximately HK\$13,900,000) (31 December 2024: Nil).

- (b) The balance of unsecured digital assets borrowings included:

As at 30 June 2025, digital assets borrowed from the counterparty were provided by a non-financial institution, with asset-backed stablecoins being the loan principal, amounted to USD12,000,000 (equivalent to approximately HK\$93,698,000) (31 December 2024: Nil). The borrowings were denominated in USDT, unsecured, interest bearing at a fixed rate of 3% per annum, and repayable within one year.

- (c) Digital assets borrowed from the non-controlling interest included:

As at 30 June 2025, certain digital assets amounted to approximately HK\$42,506,000 (31 December 2024: approximately HK\$40,326,000) were provided by the non-controlling interest of the Group to OSL Japan to support its operation. The borrowings were unsecured, interest-free and repayable on demand.

The following table is prepared based on the scheduled repayment date set out in the relevant agreement:

	Unaudited	Audited
	As at	As at
	30 June	31 December
	2025	2024
	HK\$'000	HK\$'000
On demand	49,113	40,326
Within 1 year	93,698	–
	142,811	40,326

The carrying value of borrowings approximates their fair values.

As at 30 June 2025 and 31 December 2024, the Group has complied with the financial covenants of its facilities.

16 SHARE CAPITAL

	Unaudited		Audited
	As at 30 June		As at 31 December
	2025		2024
	Number of		Number of
	shares	HK\$'000	shares
			HK\$'000
Authorised:			
Ordinary shares of HK\$0.01 each at 1 January 2024, 31 December 2024 and 30 June 2025	2,000,000,000	20,000	2,000,000,000 20,000
Issued and fully paid:			
At the beginning of the Period/year	626,353,184	6,264	438,453,184 4,385
Issuance of new shares (<i>Note (a)</i>)	–	–	187,600,000 1,876
Exercise of shares option (<i>Note (b)</i>)	–	–	300,000 3
At the end of the Period/year	626,353,184	6,264	626,353,184 6,264

Notes:

- a. On 12 January 2024, the Company issued 187,600,000 new shares to a Subscriber, BGX Group Holding Limited (now known as Crown Research Investments Limited). Total net proceeds of HK\$711,762,000 were raised.
- b. During the year ended 31 December 2024, 300,000 share options were exercised by the employee providing services to the Group. HK\$3,000 was credited to share capital and HK\$3,301,000 was credited to share premium.

17 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 25 July 2025, the Company has entered into the Placing and Subscription Agreement, the General Mandate Subscription Agreements and the Specific Mandate Subscription Agreement with aggregate gross proceeds from the transactions contemplated under these agreements expected to be approximately HK\$2,355,000,000.

On 29 July 2025, the Placing was completed with 101,194,000 Placing Shares successfully placed to not less than six placees, at the Placing Price of HK\$14.9 for each Placing Share. On 7 August 2025, the Company allotted and issued 101,194,000 Top-up Subscription Shares to Crown Research Investments Limited as the Seller at HK\$14.9 per Top-up Subscription Share.

The General Mandate Subscriptions was also completed on 7 August 2025 with 2,633,500 new Shares and 6,710,500 new Shares subscribed by WK Triangulum Investment Limited as Subscriber I and Brand Wisdom Limited as Subscriber II, respectively, at the General Mandate Subscription Price of HK\$14.9 per General Mandate Subscription Share.

Following the aforementioned Placing and Subscription and the General Mandate Subscription, the net proceeds of approximately HK\$1,628,000,000 were received by the Group in August 2025.

The completion of the issue of the Specific Mandate Subscription Shares is still subject to fulfillment of certain conditions, including the approval of Independent Shareholders at the extraordinary general meeting.

Unless defined otherwise, capitalized terms used herein shall have the same meanings as those defined in the announcement of the Company dated 25 July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

OSL embarked on a new chapter in 2025, characterised by sustained high revenue growth, continued upgrading and diversification of product offerings, newly launched OSL's licensed and compliant on/off-ramp solutions ("**OSL Pay**") as key growth driver, advancing global operation and license footprint, and accelerating global expansion through Banxa Holdings Inc. ("**Banxa**") acquisition. All these measures have paved the way for sustainable growth in the future.

Sustained High Revenue Growth

In the first half of 2025, the Group maintained a rapid revenue growth, increasing 57.9% YoY to HK\$195.4 million. This was fueled by organic expansion and strategic acquisitions. Notably, the transaction volume surged by 200.4% YoY to HK\$68.2 billion, primarily driven by the Group's OTC business. Moreover, an important revenue driver was the newly launched OSL Pay which generated approximately HK\$55.9 million in revenue in 1H2025, accounting for 28.6% of total revenue. Excluding the net gain of digital assets and net fair value loss on digital assets, the adjusted non-IFRS income increased by 187.3% YoY to HK\$188.6 million, underscoring the strength and sustainability of the Group's business model. To support the strong growth momentum, the Group was active in recruiting global talent, growing its team from 258 as of 31 December 2024 to 568 as of 30 June 2025, with a key focus on expanding its research and development capabilities.

Continued Upgrading and Diversification of Products Offerings

Hong Kong is rapidly emerging as a global digital asset hub, with over 40 financial institutions upgrading their SFC licenses to expand into the digital asset sector. Capitalizing on this trend, the Group's omnibus service continues to expand its customer base through the launch of a one-stop, fully integrated platform ("**Omnibus Pro**") designed to meet the evolving needs of institutional clients. OSL also provided staking services for the Ether assets of an exchange traded fund pioneering staking-as-a-service in a highly regulated environment. Recently, the Group was also the first exchange in Hong Kong to support Solana ("**SOL**") trading for retail clients.

Following Hong Kong's passage of the Stablecoins Bill, OSL developed three flagship products: (i) StableX for stablecoin issuance and management, which was launched; (ii) Tokenworks for real-world asset ("**RWA**") tokenization, which was also launched; and (iii) OSL BizPay for offering stablecoin payment services for institutions and corporates, which was prepared to be launched. The Group aims to provide one-stop compliant solutions for global institutional clients.

Newly Launched OSL Pay as Key Growth Driver

The Group officially launched OSL Pay in April 2025. OSL Pay accounted for approximately 28.6% of total revenue in 1H2025, primarily generated from Europe. This remarkable outcome underscores the rapid adoption and success of OSL Pay. As the Group's dedicated payment infrastructure arm, OSL Pay is building licensed and compliant solutions for seamless on-ramps and off-ramps for a global clientele.

The Group's long-term vision is to enhance OSL Pay to offer a comprehensive suite of financial services including digital asset credit card issuance.

Advancing Global Operation And License Footprint

OSL champions compliance as the foundation for scalable and trusted digital asset services and is obtaining local licenses which are a prerequisite to conduct a global business. With regulatory clarity around digital assets continuing to improve, the Group has made substantial progress on expanding its global compliance footprint by securing new licenses through applications and strategic acquisitions to drive its seamless expansion across Asia-Pacific region and beyond.

In March 2025, the Group obtained an Italy virtual asset service provider registration through the acquisition of Saintpay S.R.L.. In August 2025, the Group obtained the highest level of digital asset service license in Bermuda, allowing it to conduct a full suite of digital asset activities, including trading, payments, custody, lending, derivatives, and exchange operations. Moreover, the recently announced acquisitions of EvergreenCrest Holdings Ltd. in Indonesia and Banxa, will further expand the Group's global operation and license footprint and pave the way for new opportunities.

Accelerating Global Expansion through Banxa Acquisition

In June 2025, the Group announced the acquisition of Banxa, a Canadian TSX Venture Exchange listed company. Banxa's focus on facilitating buying and selling of digital assets would complement the Group's digital assets trading business and facilitate the Group's horizontal integration and geographical expansion. In particular, Banxa holds more than 40 licenses and registrations in various key markets. The Group believes that this acquisition will directly contribute to revenue growth and create synergies that will lay a solid foundation for its future global expansion.

REVIEW OF RESULTS

Overall Performance

The Group's IFRS income was HK\$195.4 million during the Period, representing an increase of HK\$71.6 million from HK\$123.8 million in 1H2024. The significant surge in the Group's adjusted non-IFRS income by 187.3% to HK\$188.6 million during the Period from HK\$65.6 million in 1H2024 was primarily attributable to increase in income from OTC business and service fee from SaaS and related income. During the Period, service fee from SaaS and related income significantly bolstered our financial performance, contributing HK\$90.9 million to the Group (1H2024: HK\$25.3 million). During the Period, change in fair value of warrant amounting to HK\$52.0 million was recognized as other income when disposal (1H2024: Nil). The Group's IFRS loss from continuing operations for the Period was HK\$20.3 million, representing an increase of HK\$10.7 million from HK\$9.6 million in 1H2024. Basic loss per share of the Group from continuing operations for the Period was HK\$0.03 (1H2024: HK\$0.02).

Non-IFRS Measures

To supplement the Group's unaudited condensed consolidated interim financial information which is presented in accordance with IFRS Accounting Standards, the Group has provided adjusted non-IFRS income as additional financial measures, which are not required by, or presented in accordance with IFRS Accounting Standards.

Income from digital assets and blockchain platform business principally represents (i) margin from trading digital assets; (ii) net gain/loss of digital assets used in facilitation of digital asset trading business; (iii) net fair value gain/loss on digital assets; (iv) service fee from SaaS and related income; (v) custodian services and related income; (vi) trading fee from automated trading service; and (vii) others.

The volatility and uncertainty generally characterizes the digital assets market, the Group recognised net gain of digital assets used in facilitation of digital asset trading business of HK\$13.1 million for the Period (1H2024: net gain of HK\$64.9 million) and net fair value loss on digital assets of HK\$6.2 million for the Period (1H2024: net fair value loss of HK\$6.8 million). As the price volatility of digital assets may cause significant impact to the Group's operating performance, the Group considers it appropriate to supplement the unaudited condensed consolidated interim financial information by presenting income from digital assets and blockchain platform business into (i) margin from trading digital assets and others; (ii) net gain/loss of digital assets used in facilitation of digital asset trading business; and (iii) net fair value gain/loss on digital assets. The Group considers that margin from trading digital assets and other, i.e., adjusted non-IFRS income, can better reflect operating performance and volumes of the Group's digital assets trading business.

The Group defines margin from trading digital assets and others, i.e. adjusted non-IFRS income from digital assets and blockchain platform business (unaudited), as the realised net gain/loss with reference to the transaction price of the daily trade transactions executed to facilitate the digital asset trading business before considering the fair value movements of the digital assets held. Net gain/loss of digital assets used in facilitation of digital asset trading business is a realized gain/loss from the fair value movement of the digital assets held. Net fair value gain/loss on digital assets is an unrealized gain/loss in nature and it is determined as the fair value movement of the Group's proprietary digital assets on hand which was remeasured at period-end market price as at 30 June 2025.

The Group believes that the addition of the non-IFRS measures facilitates comparisons of operating performance from period to period by providing more relevant financial information that management considers to be more illustrative of the Group's operating performance to the public, and that the non-IFRS measures provides useful information to its shareholders, investors and others in understanding and evaluating the consolidated results of operations in the same manner as it helps management. However, presentation of the non-IFRS measures may not be comparable to similarly titled measures presented by other companies. The use of the non-IFRS measures has limitations as analytical tools, and shareholders, investors and others should not consider it in isolation from, or as a substitute for analysis of, results of operations or financial condition as reported under IFRS Accounting Standards.

The table below sets forth a reconciliation of the Group's IFRS income to the Group's adjusted non-IFRS income for the Period and 1H2024:

	Unaudited For the six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Group's IFRS income from digital assets and blockchain platform business	195,433	123,789

	Unaudited	
	For the six months ended	
	30 June	
	2025	2024
	HK\$'000	HK\$'000
Income from digital assets and blockchain platform business in accordance with IFRS (per above)	195,433	123,789
Add back:		
Net fair value loss on digital assets	6,234	6,761
Net gain of digital assets used in facilitation of digital asset trading business (unaudited)	(13,090)	(64,902)
Group's adjusted non-IFRS income from digital assets and blockchain platform business (unaudited)	188,577	65,648

Income From Digital Assets and Blockchain Platform Business

The Group's income from digital assets and blockchain platform business included (i) income from digital assets markets business and (ii) income from digital assets technology infrastructure business. The Group generates income through trade commissions, fees or trading spreads from customers who trade digital assets through the platform, account management fees, implementation fees, recurring service fees, and professional services fees. Current clients include retail clients, professional investors, corporates, and financial institutions.

IFRS income from digital assets and blockchain platform business was HK\$195.4 million for the Period, representing an increase of HK\$71.6 million from HK\$123.8 million in 1H2024.

The digital assets markets business encompasses income mainly derived from OTC trading, intelligent Request for Quote trading, exchange business and custody services. The Group's IFRS income from digital assets markets business rose to HK\$104.5 million during the Period, showing an increase of HK\$6.0 million YoY. This remarkable growth was primarily driven by an increase in institutional investor participation and demand for digital asset trading and institutional services. The expansion of our global business in Europe is also contributed to this growth.

The digital assets technology infrastructure business mainly provides SaaS and related services to financial institutions that enable them to provide digital asset trading services to their clients. The business income increased to HK\$90.9 million during the Period, representing an increase by HK\$65.6 million YoY. This growth is attributed to the expansion of the customer base.

Fee and Commission Expenses

The Group's fee and commission expenses was HK\$26.7 million for the Period, representing a significant increase by HK\$23.0 million from HK\$3.7 million in 1H2024. The increment was mainly due to the channel fees paid to payment gateway providers arising from the newly launched OSL Pay business and uptick in referral expenses during the Period. The intention of fee and commission expenses is to introduce clients to the Group's trading platforms to create quantitative benefits to the Group in the form of trading commissions or revenues resulting from client transaction volumes.

IT Costs and Other Operating Expenses

IT costs was HK\$24.5 million, showing an increase by HK\$10.9 million YoY. IT costs related to establishing the corporate and technical infrastructure for the regulated institutional digital asset business, as the Group's expansion of its digital asset business globally, gradually increased the technology related spendings and upgrades during the Period.

Other operating expenses (mainly comprising consultancy, insurance, legal and professional fees, marketing expenditures, short-term leases and outsourcing fees) was HK\$65.0 million, representing an increase by HK\$24.9 million YoY. This escalation was primarily attributed to (i) rise in legal and professional fees by HK\$5.0 million related to due diligence and legal advice for business expansion and acquisitions; (ii) increment in marketing expenditures by HK\$4.7 million as a result of launching more campaigns and participation in sponsorships and events; (iii) increase in consultancy fees by HK\$2.9 million; (iv) increase in rental expenses by HK\$2.0 million due to setting up offices for overseas operations; and (v) rise in outsourcing fees by HK\$5.0 million to support the newly launched business initiatives.

Net Loss

The Group reported a net loss from continuing operations of HK\$20.3 million for the Period, representing an increase of HK\$10.7 million as compared to HK\$9.6 million in 1H2024. This rise in net loss was primarily attributed to the increase in the number of employees and higher operating expenses to accelerate the Group's global expansion plans.

Human Resources Cost

As at 30 June 2025, the Group had a total of 568 employees across Asia-Pacific region and Europe (30 June 2024: 167 employees). The total staff cost during the Period amounted to HK\$146.9 million (30 June 2024: HK\$82.1 million). The significant increase in staff cost was attributable to accelerated hiring in various markets to support and drive the global business expansion.

The Group is dedicated to the training and development of its employees. The Group leverages its research, development and technical capabilities and other resources to ensure that each employee maintains a current skill-set through continuous training. The Group provides introductory training and orientation for all new employees, as well as on-the job training to continually improve its employees' technical, professional and management skills.

The emoluments of the Directors and senior management are decided by the remuneration committee and the Board, as authorised by the shareholders at the annual general meeting, having regarded the Group's operating results, individual performance and comparable market statistics. The emolument policy of the Group is on the basis of the qualifications and contributions of individuals to the Group.

The Company operates a share option scheme for the purpose of providing incentives to, retaining, recognising and motivating eligible Directors, employees and other eligible participants who make contributions to the Group. The Company adopted the share option scheme ("**2012 Share Option Scheme**") on 10 April 2012. On 28 May 2021, the Company terminated the 2012 Share Option Scheme and adopted the new share option scheme ("**2021 Share Option Scheme**"). Upon termination of the 2012 Share Option Scheme, no further share options may be granted thereunder. In respect of all share options which remained exercisable on such date, the provisions of the 2012 Share Option Scheme remained in full force and effect.

In regards to the 2012 Share Option Scheme, no share options were granted and no share options were lapsed during the Period (30 June 2024: no share options were granted, while 945,000 share options had lapsed) and no share options had been exercised (30 June 2024: 300,000 share options), hence 3,580,000 share options remained outstanding (30 June 2024: 17,640,500 share options).

The 2021 Share Option Scheme was terminated at the Extraordinary General Meeting of the Company on 8 May 2025 with (i) no further share option may be granted under 2021 Share Option Scheme but in all other respects the terms of the 2021 Share Option Scheme shall remain in full force and effect; and (ii) share options granted prior to the termination of the 2021 Share Option Scheme shall continue to be valid and vest in accordance with the provisions of the 2021 Share Option Scheme, save and except for the accelerated vesting of share options on any selected participant which the Board may in its sole and absolute discretion decide.

In regards to the 2021 Share Option Scheme, no share options were granted during the Period (30 June 2024: same), while 1,150,000 share options had lapsed (30 June 2024: 4,555,000 share options) and no share options had been exercised (30 June 2024: same), hence 780,000 share options remained outstanding (30 June 2024: 2,330,000 share options).

The Company also adopted the share award plan on 21 August 2018 to recognise and reward the contributions of certain employees and persons to the growth and development of the Group and to provide them with incentives in order to retain them for the continual operation of the Group and to attract suitable personnel for further development of the Group. The 2018 Share Award Plan was terminated at the Extraordinary General Meeting of the Company on 8 May 2025 with (i) no further share award may be granted under the 2018 Share Award Plan but in all other respects the terms of the 2018 Share Award Plan shall remain in full force and effect; and (ii) share awards granted prior to the termination of the 2018 Share Award Plan shall continue to be valid and vest in accordance with the provisions of the 2018 Share Award Plan, save and except for the accelerated vesting of share awards on any selected participant which the Board may in its sole and absolute discretion decide.

No new shares were granted and no shares were regranted during the Period (30 June 2024: same), and 251,250 awarded shares had lapsed (30 June 2024: 1,634,000 awarded shares), and no awarded shares were vested (30 June 2024: 880,000 awarded shares), hence 325,329 awarded shares remained unvested as at 30 June 2025 (30 June 2024: 1,221,996 awarded shares).

The Company adopted new share award scheme at its Extraordinary General Meeting on 8 May 2025 (“**2025 Share Award Scheme**”). The purposes of the 2025 Share Award Scheme are to (i) recognise the contribution by certain grantees and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

3,406,250 awarded shares under the 2025 Share Award Scheme were granted on 13 May 2025 during the Period. No awarded share had lapsed or vested under the 2025 Share Award Scheme as at 30 June 2025. Hence, 3,406,250 awarded shares remained unvested as at 30 June 2025.

PROSPECTS

With the rising importance of digital assets as a strategic asset class for institutions, the enactment of Hong Kong's Stablecoins Bill and similar frameworks in various jurisdictions, and the growing acceptance of digital assets as viable payment instruments, the trend of traditional investors participating in digital asset trading is expected to persist and further escalate. OSL is strategically positioned to capture these developments to foster widespread adoption of digital assets. OSL's strategic blueprint for 2025 revolves around five strategic pillars: Strengthen Market Leadership in Hong Kong, Accelerate Globalization Strategy: from Hong Kong to Global, Expand Product Offerings: from Trading to Payment, Pursue Accretive Global M&A Opportunities, and Drive Operational Efficiency Enhancements.

Strengthen Market Leadership in Hong Kong

OSL aims to solidify its market leadership in OTC services while continuing to capture market share by acquiring new clients and re-engaging existing clients. Additionally, OSL aims to broaden its client base for the institutional business, specifically targeting financial institutions that recently upgraded their existing licenses to offer digital asset trading services. The introduction of Omnibus Pro, StableX, and Tokenworks has attracted significant interest among traditional financial institutions and has also empowered them to venture into the digital asset sector. Moreover, OSL plans to enhance the retail experience with more product offerings such as the introduction of SOL trading.

Accelerate Globalization Strategy: from Hong Kong to Global

OSL is committed to investing resources to scale overseas operations after laying the solid foundation through both organic and inorganic growth in 2024, particularly in Japan and Australia. For the second half of 2025, OSL will expedite its global expansion with the launch of OSL global exchange service, a comprehensive trading platform for global clients, and the introduction of retail trading services in Indonesia.

As part of this expansion, OSL plans to accelerate hiring in overseas markets to support and drive these growth initiatives.

Expand Product Offerings: from Trading to Payment

OSL aims to build the infrastructure for the digital asset economy, starting from trading and expanding into payment infrastructure, leveraging the global license network the Group is building. Going forward, OSL aims to further develop stablecoin related and payment related product offerings. For example, the Group launched OSL Pay which offers on/off-ramp solutions and is preparing to launch OSL BizPay which offers stablecoin payment services for institutions and corporates.

Pursue Accretive Global M&A Opportunities

OSL is actively pursuing accretive global M&A opportunities to accelerate its global expansion plan. OSL's focus is on acquiring fully compliant and high-quality assets, particularly in emerging markets. The Group adopts a disciplined approach in managing strategic M&A, including rigorous due diligence and post-merger integration management processes. The announced acquisition of Banxa in the first half of 2025, among others, represents the consistency of the Group's M&A strategy.

Drive Operational Efficiency Enhancements

OSL is determined to enhance its financial margins by improving operational efficiency. This includes initiatives such as streamlining and standardizing workflows, encouraging cross-functional collaboration, automating back-office operations, implementing a centralized procurement process, and accessing deeper liquidity as we scale our operations.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 June 2025, the Group recorded total assets of HK\$2,118.8 million (31 December 2024: HK\$1,863.7 million), total liabilities of HK\$977.6 million (31 December 2024: HK\$579.4 million) and total shareholders' equity of HK\$1,141.1 million (31 December 2024: HK\$1,284.4 million). As at 30 June 2025, the gross gearing ratio (defined as total liabilities over total assets) was approximately 46.1% (31 December 2024: 31.1%).

The Group's cash and cash equivalents as at 30 June 2025 was HK\$459.2 million (31 December 2024: HK\$635.3 million). Balance of the Group's proprietary digital assets held for trading purpose increased to HK\$589.5 million as of 30 June 2025 from HK\$406.6 million as of 31 December 2024 given an increase in the holding of digital assets used in facilitating of digital asset trading business in 1H2025.

The Group mainly used internal cash flows from operating activities and proceeds from shares subscription to satisfy its working capital requirements.

As at 30 June 2025, total digital assets borrowings amounted to HK\$142.8 million (31 December 2024: total digital assets borrowing of HK\$40.3 million). The Group's borrowings denominated in digital assets and was interest bearing with interest rate ranging from 1.0% to 9.1% per annum (31 December 2024: denominated in digital assets with interest-free). Among the borrowings balance, HK\$6.6 million borrowings were secured by digital assets amounting to HK\$13.9 million (31 December 2024: Nil). As at 30 June 2025, the Group was in a net current assets position (31 December 2024: net current assets position).

Treasury Policy

The Group's treasury management policy strictly prohibits engaging in high-risk speculative instruments. During the Period, the Group maintained a prudent approach to financial risk management. No significant financial instruments have been employed for hedging purposes. The majority of the Group's assets, receipts, and payments are denominated in Renminbi ("RMB"), HKD, United States dollars ("USD"), Japanese yen ("JPY") and Euro ("EUR").

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group operates mainly in Hong Kong, Singapore, Mainland China, Japan and Europe during the Period. For operations in Hong Kong, most of the transactions are denominated in HKD and USD. The exchange rate of USD against HKD is relatively stable, and the related currency exchange risk is minimal. For operations in Mainland China, Japan and Europe, most of the transactions are settled in RMB, JPY and EUR respectively, with only some local operating expenses being settled in the currencies with respective countries, and the impact of foreign exchange exposure to the Group is negligible.

No financial instrument was used for hedging purposes for the Period. However, the Group is closely monitoring its currency exchange risks.

Material Acquisitions and Disposals of Subsidiaries

On 17 January 2025, Tranche 2 acquisition of OSL Japan has been completed and the Group had acquired further 30.38% equity interests in OSL Japan, obtaining 81.38% equity interests in OSL Japan in total upon the completion of Tranche 2 acquisition. Tranche 2 was completed at a consideration of US\$4.0 million (equivalent to approximately HK\$31.4 million), of which US\$3.8 million (equivalent to approximately HK\$29.9 million) was settled by digital assets and the remaining US\$0.2 million (equivalent to approximately HK\$1.5 million) was settled by cash.

Details of which were set out in the Company's announcements dated 4 November 2024 and 20 January 2025.

On 26 January 2025 and 13 March 2025, two wholly foreign-owned enterprise subsidiaries of the Group were completed the deregistration in Mainland China. The results of the deregistration have been presented as "loss from discontinued operations" in the condensed consolidated statement of profit and loss and other comprehensive income during the Period.

On 30 May 2025, the Company and Ms. Lau Shu Ming entered into the acquisition of the sale shares pursuant to the terms and conditions of the SPA to acquire 90% of the total issued shares of the EvergreenCrest Holdings Ltd. at the consideration of US\$15.0 million in total (equivalent to approximately HK\$117.5 million), which shall be satisfied by the way of allotment and issue of consideration shares.

Details of which were set out in the Company's announcements dated 2 June 2025 and 20 June 2025.

On 27 June 2025, the Company, OSL BNXA Acquisition Inc., and Banxa entered into the arrangement agreement for the proposed acquisition of Banxa, which included all of the Banxa Shares (including Banxa Shares to be issued on conversion of Banxa Convertible Notes), Banxa Options and Banxa Warrants through a plan of arrangement under the Business Corporations Act (British Columbia). The maximum consideration for the proposed acquisition is approximately Canadian dollar 85.2 million (equivalent to approximately HK\$486.7 million).

Details of which were set out in the Company's announcement dated 27 June 2025.

Charge on the Group's Assets

As at 30 June 2025, the Group pledged digital assets of HK\$13.9 million (31 December 2024: the Group did not have any significant pledge).

Future Plans for Material Investments or Capital Assets and Capital Expenditure Commitments

The Group is actively pursuing accretive global M&A opportunities to accelerate its overseas expansion plan. Except for the acquisitions as mentioned above, as at 30 June 2025, the Group did not have any significant contracted commitment (31 December 2024: Nil).

Contingent Liabilities

As at 30 June 2025 and 31 December 2024, the Group did not have any significant contingent liabilities.

EVENTS AFTER THE REPORTING PERIOD

1. Change of Independent non-executive Director and Change of Composition of Board Committees

As disclosed in the announcement of the Company dated 31 July 2025, Mr. Xu Biao resigned as the independent non-executive Director and a member of Audit Committee, Nomination Committee, Risk Management Committee and Remuneration Committee. Mr. Jia Hang was appointed as the independent non-executive Director and a member of Audit Committee, Nomination Committee, Risk Management Committee and Remuneration Committee with effect from 1 August 2025.

2. (i) Placing of Existing Shares and Top-up Subscription of New Shares Under General Mandate and (ii) Subscription of New Shares Under General Mandate; and (iii) Connected Transaction Involving Subscription of New Shares Under Specific Mandate

As disclosed in the announcement of the Company dated 25 July 2025, the Company has entered into the Placing and Subscription Agreement, the General Mandate Subscription Agreements and the Specific Mandate Subscription Agreement with aggregate gross proceeds from the transactions contemplated under these agreements expected to be approximately HK\$2,355.0 million, while the net proceeds from the transactions contemplated under these agreements, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to these agreements, are estimated to be approximately HK\$2,336.1 million.

On 29 July 2025, the Placing was completed with 101,194,000 Placing Shares successfully placed to not less than six placees, at the Placing Price of HK\$14.9 for each Placing Share. On 7 August 2025, the Company allotted and issued 101,194,000 Top-up Subscription Shares to Crown Research Investments Limited as the Seller at HK\$14.9 per Top-up Subscription Share. The aggregate net proceeds from the Top-up Subscription, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the Placing and the Top-up Subscription, amounted to approximately HK\$1,488.9 million.

The General Mandate Subscriptions was also completed on 7 August 2025 with 2,633,500 new Shares and 6,710,500 new Shares subscribed by WK Triangulum Investment Limited as Subscriber I and Brand Wisdom Limited as Subscriber II, respectively, at the General Mandate Subscription Price of HK\$14.9 per General Mandate Subscription Share. The aggregate net proceeds from the General Mandate Subscriptions, after deducting all relevant fees, costs and expenses (including but not limited to legal expenses and disbursements) incidental to the General Mandate Subscriptions, amounted to approximately HK\$139.2 million.

The completion of the issue of the Specific Mandate Subscription Shares with an estimated net proceed of HK\$707.9 million is still subject to fulfillment of certain conditions, including the approval of Independent Shareholders at the extraordinary general meeting.

Details of which were set out in the Company's announcements dated 25 July 2025 and 7 August 2025.

INTERIM DIVIDEND

The Board resolved not to recommend an interim dividend in respect of the Period to the holders of ordinary shares of the Company (30 June 2024: Nil).

OTHER INFORMATION

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE CODE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Part 2 of Appendix C1 to the Listing Rules. During the Period, the Company has complied with the code provisions set out in the CG Code.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in compliance with Rule 3.21 of the Listing Rules. The Audit Committee has adopted the terms of reference which are in line with the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group.

Currently, the Audit Committee comprises three independent non-executive Directors of the Company namely Mr. Chau Shing Yim, David (Chairman), Mr. Yang Huan and Mr. Jia Hang.

The Audit Committee together with the management has reviewed the accounting principles and practices adopted by the Group and discussed the financial reporting matters including the review of the Group's unaudited condensed consolidated interim financial information for the six months ended 30 June 2025.

By order of the Board
OSL Group Limited
Cui Song

Executive Director and Chief Executive Officer

Hong Kong, 28 August 2025

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