OSL Group Limited
OSL集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 863)

INSIDE INFORMATION
(1) RETROSPECTIVE ADJUSTMENT OF REVENUE; AND
(2) PROFIT WARNING

This announcement is made by OSL Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

RETROSPECTIVE ADJUSTMENT OF REVENUE

On 20 August 2026, the board of directors of the Company (the "**Board**") approved a change in presentation of the Company's income arising from contracts (where the entity acts as principal) for trading of digital assets that do not meet the definition of financial instruments using the gross basis under IFRS 15 *Revenue from Contracts with Customers* (the "**Retrospective Adjustment of Revenue**") with effect from the reporting period commencing on 1 January 2026, which would be applied retrospectively to comparative historical financial statements.

Prior to the Retrospective Adjustment of Revenue, the Group presented income arising from contracts (where the entity acts as principal) for trading of digital assets that do not meet the definition of financial instruments on a net basis, consistent with the net presentation that would apply to trading of financial instruments under IFRS 9 *Financial Instruments*. Such presentation of the income arising from contracts (where the entity acts as principal) for trading of digital assets on a net basis had been consistently applied since the Group commenced its digital asset trading activities in 2018.

Following the Retrospective Adjustment of Revenue, the Group will present the income arising from contracts (where the entity acts as principal) for trading of digital assets that do not meet the definition of financial instruments using the gross basis under IFRS 15 *Revenue from Contracts with Customers*. Revenue relating to such transactions is presented on a gross basis, with a corresponding recognition of the cost of digital assets sold in the consolidated statements of profit or loss and other comprehensive income for the years presented.

Reasons for the Retrospective Adjustment of Revenue

The Retrospective Adjustment of Revenue is being implemented for the following reasons:

1. *Consistency with Local and International Peers*

   The Company was among the first group of digital asset companies to be publicly listed. When the Group commenced its digital asset trading activities in 2018, there was no specific guidance under IFRS Accounting Standards addressing the accounting for digital assets. Accordingly, the Group applied judgement in determining that income from the trading of digital assets should be presented on a net basis.

   Since 2024, the number of digital asset companies listed globally has increased. A number of these companies operating similar businesses present the income arising from contracts (where the entity acts as principal) for trading of digital assets that do not meet the definition of financial instruments using the gross basis.

   Having regard to these market developments, the Board is of the view that the Retrospective Adjustment of Revenue enhances the consistency and comparability of the Group's presentation of revenue with those of its industry peers.

2. *Provision of Reliable and Relevant Information for Shareholders and Potential Investors*

   The Board considers that the gross basis provides shareholders (the "**Shareholders**") and potential investors with more comprehensive information regarding the Group's business, and enables them to compare and evaluate the Group's revenue against that reported by its industry peers, as they present the income arising from contracts (where the entity acts as principal) for trading of digital assets that do not meet the definition of financial instruments using the gross basis. Such gross presentation is also the predominant approach among digital asset companies listed in the United States. As the Company is considering a dual listing of its shares in the United States, the adoption of the gross basis further enhances the comparability of the Group's financial statements with the international peers.

   Under the gross basis, revenue reflects the total consideration to which the Group is entitled in exchange for the digital assets transferred to customers, with the corresponding cost of the digital assets sold presented separately. The net spread earned by the Group on those transactions accordingly remains determinable from the face of the consolidated statement of profit or loss and other comprehensive income, and no information previously available to Shareholders under the net basis has been lost. In addition, the Retrospective Adjustment of Revenue has no effect on the Group's net profit, assets, liabilities, equity, earnings per share or cash flows for any of the years presented.

Impact of the Retrospective Adjustment of Revenue

The Retrospective Adjustment of Revenue affects only the presentation of revenue within the consolidated statement of profit or loss and other comprehensive income. It has **no effect** on the Group's net profit, assets, liabilities, equity, earnings per share, or cash flows for historical periods.

The Retrospective Adjustment of Revenue requires retrospective restatement of the Group's historical consolidated financial statements. The presentation shifts trading of digital assets income into gross revenue and cost of digital assets sold, resulting in a significant expansion of the top-line metrics.

Following the Retrospective Adjustment of Revenue, the effects on major items in the Group's consolidated financial statements for each of the three years in the period ended 31 December 2025 are as follows:

	As previously reported *HK$ million*	**Adjustment** *HK$ million*	**As adjusted** *HK$ million*
For the year ended 31 December 2025			
Income from digital assets and blockchain platform business	489	(489)	—
Revenue	—	100,522	100,522
Cost of digital assets sold	—	(100,033)	(100,033)
For the year ended 31 December 2024			
Income from digital assets and blockchain platform business	375	(375)	—
Revenue	—	32,808	32,808
Cost of digital assets sold	—	(32,433)	(32,433)
For the year ended 31 December 2023			
Income from digital assets and blockchain platform business	210	(210)	—
Revenue	—	41,306	41,306
Cost of digital assets sold	—	(41,096)	(41,096)

Opinion of the Audit Committee

The Audit Committee of the Company has reviewed the Retrospective Adjustment of Revenue and is of the view that:

(i) the Retrospective Adjustment of Revenue is appropriate having regard to the existing accounting framework, the circumstances of the Group's digital asset business and the practices adopted by industry peers;

(ii) the Retrospective Adjustment of Revenue results in the Group's financial statements providing more and not less information regarding the scale and nature of the Group's business activities, and the retrospective adjustment of revenue provides Shareholders and potential investors with a consistent basis on which to evaluate the Group's revenue against that reported by its industry peers; and

(iii) the Retrospective Adjustment of Revenue has no effect on the Group's net profit, assets, liabilities, equity, earnings per share or cash flows for any of the years presented.

Accordingly, the Audit Committee has agreed to the Retrospective Adjustment of Revenue.

The financial information contained in this announcement is based on the Group's preliminary assessment using information currently available to it, has not been audited or reviewed by the Company's auditor, and may be subject to adjustment.

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors of the Company that, based on the information currently available to the Board and a preliminary review of the Group's unaudited consolidated management accounts for the six months ended 30 June 2026 ("**1H2026**"), the Group expects to record a net loss for 1H2026 ranging from HK$800 million to HK$900 million, as compared to a net loss of approximately HK$20.3 million for the six months ended 30 June 2025 ("**1H2025**"). The expected results for 1H2026 principally reflect the Group's continued investment to scale its global platform, together with a non-cash net fair value loss on digital assets arising from the broad decline in digital asset prices during 1H2026.

The Group's underlying business continued to demonstrate strong momentum during 1H2026:

(i) Total Transaction Volume[1] of the Group increased by 241% to approximately HK$172.0 billion for 1H2026, as compared to approximately HK$50.4 billion for 1H2025, driven by broad-based growth across the Group's payment and trading businesses;

(ii) Following the Retrospective Adjustment of Revenue, the Group's revenue is expected to range from HK$50 billion to HK$60 billion for 1H2026, representing an increase of approximately 48% to 78% as compared to approximately HK$33.7 billion (restated) for 1H2025; and

(iii) The Group's adjusted income[2] ("**adjusted non-IFRS income**") is expected to range from HK$310 million to HK$350 million for 1H2026, representing an increase of approximately 64% to 86% as compared to adjusted non-IFRS income of approximately HK$188.6 million for 1H2025, reflecting sustained growth in the Group's core business activities.

1 The notional value of transactions executed for the Group's payment and trading business, calculated as the quantity of fiat currencies or digital assets transacted multiplied by the transaction price at the time of execution

2 Revenue less cost of digital assets sold, by excluding the impact of (i) net fair value loss/gain on digital assets; and (ii) net loss/gain of digital assets used in facilitation of digital asset payment and trading businesses

The Board considers that the Group's financial performance for 1H2026 was primarily impacted by the following factors:

(i) Non-cash net fair value loss on digital assets. Driven by the prevailing downward trend in digital asset prices, the Group expects to record a net fair value loss from digital assets of approximately HK$180 million to HK$210 million for 1H2026, as compared to a net fair value gain of approximately HK$6.9 million for 1H2025. In addition, a net fair value loss from the revaluation of digital assets not held for trading purposes of approximately HK$100 million is also expected for 1H2026. These fair value movements are non-cash in nature and do not affect the Group's underlying operating cash flows;

(ii) Non-cash net fair value loss from the financial assets at fair value through profit or loss of approximately HK$25 million is also expected for 1H2026;

(iii) Continued investment in strategic global expansion. The Group continued to invest in staff, technology and compliance infrastructure, and in the integration of newly acquired businesses, to establish and scale its global operational capabilities. The incremental operating costs from these investments are expected to be higher than in 1H2025 and have supported the Group's expanded global footprint, broader product offering and the year-on-year growth in transaction volumes and adjusted non-IFRS income described above; and

(iv) One-off costs relating to strategic initiatives. The Group incurred one-off professional fees and related expenses in connection with the acquisition of Banxa Holdings Inc. ("**Banxa**"), completed in January 2026, global license applications and other strategic initiatives during 1H2026.

The Group also achieved a number of significant strategic milestones during 1H2026 that the Board believes strengthen the Group's long-term growth prospects:

- **Completion of the Banxa acquisition**. In January 2026, the Group completed the acquisition of Banxa, materially expanding its global regulatory footprint by adding more than 40 licenses globally and enhancing the Group's on/off-ramp and payment capabilities across global markets.

- **Growth of USDGO**. In February 2026, USDGO, an enterprise-grade U.S. dollar stablecoin, was launched by Anchorage Digital Bank, N.A. and distributed by the Group. It strengthens the Group's payment and settlement ecosystem. As at 20 August 2026, the circulating supply of USDGO had surpassed US$1.1 billion, ranking among the top 15 stablecoins globally by circulating supply, according to DeFiLlama.

- **Growth of payment business**. The Group's payment business, including on/off-ramp solutions achieved significant growth during 1H2026, further establishing the payment business as a core income driver of the Group.

The Board believes that the above strategic investments and milestones, position the Group to capture the structural growth opportunities and to deliver long-term sustainable value for Shareholders. Also, the Group continues to leverage artificial intelligence across its operations, which expects to enhance operating efficiency and curb the rise in operating costs as the business scales up.

The information contained in this announcement is only based on the Board's preliminary assessment of the Group's unaudited consolidated management accounts and other information currently available to the Board, which are subject to potential adjustment and have not been reviewed or audited by the Company's auditors or the audit committee of the Company. The actual results of the Group for 1H2026 may differ from the information disclosed in this announcement. Shareholders and potential investors of the Company are advised to read the interim results announcement of the Group, which is expected to be published by the end of August 2026.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 August 2026

As at the date of this announcement, the executive Directors are Mr. Cui Song, Mr. Tiu Ka Chun, Gary, Mr. Wong Kwun Man, 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, Ms. Ko Kit Man Liza and Mr. Zhao Yichen William.