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Crypto Flow Technology Limited
加幂科技有限公司

(formerly known as Loto Interactive Limited 樂透互娛有限公司)
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

INTERIM RESULTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Crypto Flow Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the unaudited condensed consolidated interim results of the Group for the six-month period ended 30 June 2023.

This announcement, containing the full text of the 2023 interim report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the interim results.

By order of the Board
Crypto Flow Technology Limited
Huang Yibin
Chief Executive Officer and Executive Director

Hong Kong, 11 August 2023

As at the date of this announcement, the executive Directors are Mr. Li Hongbin (Chairman), Mr. Huang Yibin (Chief Executive Officer) and Ms. Xiong Jiayan; and the independent non-executive Directors are Mr. Sun Yuqiang, Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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



Crypto Flow

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www.cryptoflowhk.com



2023

INTERIM REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

*This report, for which the directors (the “**Directors**”) of Crypto Flow Technology Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Crypto Flow Technology Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six-month period ended 30 June 2023 (the “**Reporting Period**”) as follows:

Business Review

The Group is principally engaged in (i) the provision of data analysis and storage services (the “**Big Data Centre Services**”); and (ii) money lending business in Hong Kong (the “**Money Lending Business**”).

Big Data Centre Services

The Group operates big data centre to provide comprehensive services including premises, hardware support, power supply, ancillary supervision and management services to our clients.

The big data centre in Hong Kong, with a maximum processing capacity of approximately 1,400 kWh, commenced business in November 2021 and generated a revenue of approximately HK\$10.8 million in the Reporting Period.

As disclosed in the announcement of the Company dated 3 January 2023, 11 January 2023 and 7 February 2023, and in the circular dated 28 February 2023 (the “**Disposal**”), the Group completed the Disposal of Brighten Express Limited, the then wholly-owned subsidiary of the Company, and its subsidiaries with the three big data centres in Sichuan Province, the People’s Republic of China (the “**PRC**”). In order to comply with the relevant PRC laws and regulations, all the big data centres in Sichuan Province ceased operation before 2022 and generated no revenue in the Reporting Period.

During the Reporting Period, the Big Data Centre Services generated a revenue of approximately HK\$10.8 million, representing a decrease of approximately HK\$3 million as compared to the corresponding period in 2022, which was primarily due to lower rental fee on each data processor being hosted in 2023 due to the decreasing price of cryptocurrency in the Reporting Period.

Money Lending Business

In order to leverage our corporate expertise and resources to broaden income source, an indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) in January 2020. On 3 April 2020, a loan in the principal amount of HK\$30 million for a term of 24 months at an interest rate of 10% per annum (the "Loan"), was granted to an independent third party. On 1 April 2022, the Group entered into a supplemental loan agreement with the borrower and the guarantor to extend the repayment date of the Loan by 24 months to 2 April 2024 at an interest rate of 10% per annum.

During the Reporting Period, the Money Lending Business generated a revenue of approximately HK\$1.5 million.

Internal control procedures

The Group has implemented and adhered to a set of internal control measures governing its money lending activities, so as to ensure a holistic approach to risk management and safeguard the interests of the Company and the shareholders of the Company. In relation to credit risk assessment, credit approval, and continuous monitoring of loan recoverability and collection, the Group has established key internal control procedures.

1. Credit risk assessment

Upon receipt of a prospective client's application, the money lending control team (the "TMLCT"), comprising the chief executive officer of the Company and personnel from the accounting and company secretary departments, will conduct a credit risk assessment in accordance with relevant laws and regulations in Hong Kong. This assessment will evaluate and analyze the prospective client's credit rating, repayment capacity, financial status, and overall credit risk.

The credit risk assessment includes an evaluation of various aspects of the prospective client or guarantor (as applicable) and review of corresponding documents, including but not limited to, the following:

- a. Know-your-client process documents received during the processes listed in items (b) to (h) below.

- b. Identity verification and authentication such as identity ID card and/or passport; for corporate entities: business registration certificate, certificate of incorporation, and constitutional documents, among others.
- c. Historical credit records and rating such as credit and/or litigation search (if any).
- d. Purpose of loan, repayment plan, and source of funds for repayment such as loan application form, bank statement, and asset/worth proof (if any).
- e. Cash flows, assets, and liabilities (whether actual or contingent). For individuals: bank statement, income proof such as salary slip or tax return/demand note, and/or asset/worth proof; for corporate entities: audited financial statements, management accounts, and sales contract(s) (where applicable).
- f. Interview in person or, on-site visit in the case of corporate clients.
- g. The overall risk level of provision of the loan risk assessment conducted by the TMLCT.
- h. Other matters as may be considered necessary by the TMLCT case by case.

Meanwhile, the company secretary department will carry out a name screening to verify any connected person relationship under the GEM Listing Rules and the management will engage independent valuer(s) to appraise the value of assets/collaterals proposed by the prospective clients or guarantor (if applicable).

2. *Credit approval*

The TMLCT will prepare a preliminary proposal, based on the outcomes of the aforementioned credit risk assessment, to establish the principal amount, interest rate, and tenure of the loan, on a case-by-case basis. The proposal will then be forwarded to the accounting team for additional review. The interest rate decided upon should align with the risk level associated with the transaction, subject to relevant legal restrictions and guidelines.

Upon receipt of all documents pertaining to the loan application by the TMLCT, the accounting team, which plays a pivotal role in supervising the Group's internal control procedures, will conduct an independent assessment of the complete application. Additionally, the accounting team will undertake size tests for each transaction contemplated and consider compliance requirements under the GEM Listing Rules, including but not limited to announcements, notification and approval requirements from shareholders. When necessary, the accounting team may consult with the Company's legal or financial adviser. Loan applications that have successfully undergone the above procedures will be forwarded to the Board, or the Company's shareholders (as appropriate) for approval, in compliance with the transaction size specified by the relevant percentage ratios under the GEM Listing Rules.

3. Ongoing monitoring of loan recoverability and loan collection

- a. Regarding the clients who have borrowed money, the financial department establishes a separate sub-account for each client in its loan register, which includes updated information such as the principal loan amount, repayment schedule for principal and interest, and repayment records. These records undergo review and approval by the financial controller and the chief executive officer.
- b. Upon receipt of clients' repayments, the financial department is responsible for verifying the repayment amount against the repayment schedule. If any discrepancy is identified, the TMLCT will be notified to follow up with the relevant client.
- c. To mitigate the Group's credit risk exposure, the management and the TMLCT perform quarterly reviews to monitor loan collection and recoverability, identify potential risks and issues, and develop mitigating measures.
- d. In the event of a default by a client, the financial department will issue an overdue notice to the defaulting client and report the case to the management and the TMLCT. The TMLCT will closely monitor the situation by reviewing the reasons for the default, assessing the loan's recoverability, and directing appropriate action on a case-by-case basis. If the overdue persists after the issuance of the overdue notice, the TMLCT may instruct its legal representative to issue demand letters to the defaulting clients, including a final warning. If warranted, the TMLCT may consider initiating legal action against the defaulting client after seeking legal advice.

Financial Review

The Group is engaged in two operating segments which are (1) Big Data Centre Services, and (2) Money Lending Business. The Group recorded a total revenue of approximately HK\$12.3 million during the Reporting Period (six-month period ended 30 June 2022: HK\$15.3 million), representing a decrease of HK\$3 million, which comprised the following:

(1) Big Data Centre Services

Revenue contributed by the Big Data Centre Services amounted to approximately HK\$10.8 million for the Reporting Period, representing a decrease of HK\$3 million as compared to the corresponding period in 2022 (six-month period ended 30 June 2022: HK\$13.8 million).

(2) Money Lending Business

Revenue generated from Money Lending Business amounted to approximately HK\$1.5 million for the Reporting Period, the same as the amount of the corresponding period in 2022 (six-month period ended 30 June 2022: HK\$1.5 million).

Operating Results

The Group recorded a loss of approximately HK\$8.9 million for the Reporting Period, representing a decrease of HK\$16.5 million or 65% as compared to a loss of HK\$25.4 million for the corresponding period in 2022, which was mainly attributable to the combined effect of:

- (i) increase in gross profit of approximately HK\$4 million of the Big Data Centre Services owing to the decrease in the consumption of electricity by customers due to the relatively lower market price of cryptocurrency affecting customers' margin;
- (ii) decrease in the provision of impairment of fixed assets of approximately HK\$5.3 million which was due to the provision made for the idle data processors in Kazakhstan in 2022;
- (iii) decrease in staff cost of approximately HK\$2.6 million attributable to the decreased number of employees due to the Disposal and cessation of operation of the big data centres in the Sichuan Province of the PRC;

- (iv) decrease in the disposal loss of approximately HK\$9.1 million from the Disposal;
- (v) offset by the increase in provision for impairment loss of approximately HK\$1.2 million under expected credit loss model on trade receivable;
- (vi) offset by the increase in loss on the consultant fee of approximately HK\$1.3 million which was due to the construction of big data centre by Your Choice Investment Inc. (“YCI”), a wholly-owned subsidiary of the Company; and
- (vii) offset by the increase in the professional fee of approximately HK\$0.9 million which was mainly due to the Disposal.

Outlook

In response to the “Policy Statement on the Development of Virtual Assets in Hong Kong” released by The Hong Kong Finance and Treasury Bureau, the Company has been performing research on the technology of blockchain, the technological application of Web3.0 and the business models of support platforms. The Company has also been recruiting certain talents in blockchain related technology. Going forward, the Company would devote resources into the research and development of blockchain technology and the technological application of Web3.0, with an aim to provide blockchain related application services.

The Company will continuously review on the operations and financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Company may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

The Company continuously commits to the development of big data centres which is in line with the Group’s overall development strategy, in order to seize opportunities to meet market demand and expand our big data centre business. The Company will expand the existing businesses of the Group through, among others, the development of big data centre(s) in the overseas markets including, but not limited to, the North America and Southeast Asia regions.

Following the completion of the Disposal on 11 January 2023, the Company has been focusing on business development and expansion of two major development projects as follows:

1. As disclosed in the announcement of the Company dated 16 March 2023 (the "**Acquisition**"), the Company has entered into a sales and purchase agreement with independent third parties to purchase 55% equity interest in Your Choice Ever Best, Inc. ("**Your Choice**"), a company incorporated in the state of Delaware of the United States of America (the "**USA**"). Your Choice is principally engaged in the operation of big data centre in the USA. As at the date of this report, the Acquisition has not yet been completed.
2. With reference to the announcement of the Company dated 6 April 2023, YCI, a wholly-owned subsidiary of the Company, and Green Land Energy Inc. ("**GLE**") entered into the agreement in relation to the provision of consultancy services by GLE to YCI for the construction of the big data centre. GLE will provide the consultancy services to YCI in relation to the construction of the new big data centre to be developed and operated by YCI in the USA.

The Company plans to complete the construction of the new big data centre in the USA in the fourth quarter of 2023.

Other than the consultancy fee to GLE, as at 30 June 2023, YCI has entered into different contracts with several equipment suppliers in relation to the construction of the new big data centre.

Loan Receivable

An indirect wholly-owned subsidiary of the Company, Might Winner Limited, obtained a money lender's license in Hong Kong in January 2020.

On 3 April 2020, the Group entered into a loan agreement (the "**Loan Agreement**") with an independent third party, Bright Topper Limited (the "**Borrower**"), in the principal amount of HK\$30 million at an interest rate of 10% per annum for a term of 24 months (the "**Loan**"). The repayment of the Loan was guaranteed by a director and the sole beneficial owner (the "**Guarantor**") of the Borrower. Interests for the first 12 months shall be repaid in the first year and the principal amount and interests for the remaining period (the "**Second Tranche Interest**") shall have been repaid on or before 2 April 2022. The Borrower has paid the interests for the Loan for the first 12 months in the amount of HK\$3 million in accordance with the Loan Agreement and the Second Tranche Interest was due by 2 April 2022 according to the Loan Agreement. On 1 April 2022, the Group entered into a supplemental loan agreement with the Borrower and the Guarantor to extend the repayment date of the Loan by 24 months to 2 April 2024 at an interest rate of 10% per annum (the "**Extended Loan Agreement**") and to extend the payment date of the Second Tranche Interest to 4 April 2022. The Second Tranche Interest was paid by the Borrower on 4 April 2022. The interest of the Extended Loan Agreement for the first 12 months in the amount of HK\$3 million was also received by the Company.

On 6 July 2023, the Group entered into another loan agreement (the "**2nd Loan Agreement**") with an independent third party, Victoria Yachting Management Co., Limited (the "**2nd Borrower**"), in the principal amount of HK\$3 million at an interest rate of 10% per annum for a term of 24 months (the "**2nd Loan**"). The repayment of the 2nd Loan was guaranteed by a director and the sole beneficial owner of the 2nd Borrower. Interests for the first 12 months shall be repaid in the first year and the principal amount and interests for remaining period shall be repaid on or before 5 July 2025.

Significant Investments, Material Acquisitions and Disposals

The Company entered into a sales and purchase agreement with an independent third party to dispose of Brighten Express Limited and its subsidiaries at a consideration of HK\$37,000,000 on 3 January 2023. All conditions precedent under the sales and purchase agreement had been fulfilled and the Disposal took place on 11 January 2023 accordingly. Details about the Disposal have been disclosed in the Company's announcements dated 3 January 2023, 11 January 2023, 27 January 2023 and 7 February 2023, and in the Company's circular dated 28 February 2023.

On 16 March 2023, the Company has entered into a sales and purchase agreement with independent third parties to purchase 55% equity interest in Your Choice, a company incorporated in the state of Delaware of the USA with limited liability and the loans borrowed by Your Choice due to the sellers at a consideration of US\$4,311,913 (equivalent to approximately HK\$33,848,515). The consideration shall be settled by the Company issuing and allotting 80,591,701 of the Company's shares at the issue price of HK\$0.42 to the sellers upon completion. Your Choice is principally engaged in the operation of the big data centre in the USA. Details about the Acquisition and the conditions precedent under the Acquisition have been disclosed in the Company's announcement dated 16 March 2023. As at the date of this report, the Acquisition has not yet been completed.

On 3 March 2023, the Company invested US\$150,000 (approximately HK\$1,177,500) in Cyberflow Digital Inc. ("**Cyberflow**"), a company incorporated in the state of Delaware of the USA. The Company has 30% equity interest in Cyberflow, which is principally engaged in developing and operating mobile applications and communication platforms in Web3.0.

Save for the above-mentioned transactions, there were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Reporting Period. There was no plan authorised by the Board for other material investments or additions of capital assets as at the date of this report.

Dividend

The Directors do not recommend the payment of an interim dividend for the Reporting Period (six-month period ended 30 June 2022: Nil).

Addition to property, plant and equipment

During the Reporting Period, the Group incurred HK\$1,254,000 for the construction of the new big data center which is being developed and will be operated by the Group in the USA, and recognised approximately HK\$2,932,000 of additions to right-of-use asset for the land use right in the USA for this big data centre.

Liquidity and Financial Resources

The Group continues to manage its balance sheet carefully and maintains conservative policies in cash and financial management. As at 30 June 2023, the Group's bank balances and cash (including bank deposits with original maturity over three months) amounted to HK\$28.5 million (30 June 2022: HK\$9.5 million). Of the cash and cash equivalents as at 30 June 2023, 44.6% (31 December 2022: 0%) of this amount was denominated in United States dollars ("**USD**" or "**US\$**"), with the remaining balance in Renminbi and Hong Kong dollars. The increase in bank balance and cash was mainly due to the receipt of the Disposal's consideration and the cash balance in 2022 included in Assets classified as held for sale.

Gearing Ratio and Capital Structure

As at 30 June 2023, net current assets of the Group were HK\$62.7 million (31 December 2022: net current assets of HK\$41.1 million).

The Group did not have any bank borrowings for the six-month period ended 30 June 2023 (31 December 2022: Nil) and generally financed its operations with internal resources.

The gearing ratio of the Group (total bank borrowings divided by shareholders' funds) was nil as at 30 June 2023 (31 December 2022: Nil).

Capital Commitments and Contingent Liabilities

As at 30 June 2023, the Group has entered into contracts to acquire and construct certain property, plant and equipment for the new big data centre in the USA of HK\$2,933,000 and HK\$1,254,000, respectively (as at 30 June 2022: nil), which has not been provided in the condensed consolidated financial statements.

As at 30 June 2023 and 31 December 2022, the Group did not have any significant contingent liabilities.

Charges on Group Assets

None of the Group's assets were pledged as at 30 June 2023 and 31 December 2022.

Exposure of Fluctuations in Exchange Rates

As at 30 June 2023, all assets and liabilities of the Group were denominated in HK\$, USD and RMB. During the Reporting Period, the business activities of the Group were mainly denominated in HK\$ and USD. Since the impact of foreign exchange exposure has been insignificant, no hedging or other alternatives have been implemented.

Staff and Remuneration Policy

As at 30 June 2023, the Group had a total of 15 employees (as at 30 June 2022: 26). For the Reporting Period, the employee benefits costs amounted to HK\$3.6 million (six-month period ended 30 June 2022: HK\$7.3 million including both continuing and discontinued operations). The Group continues to provide remuneration packages to employees that are in line with market practices and past performance. The Group also provides employees with other benefits such as a mandatory provident fund, medical insurance scheme, share option schemes and staff training program.

Events After the Reporting Period

There have been no important events significantly affecting the finances and future prospects of the Group that have occurred since the end of the Reporting Period.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



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To the Board of Directors of Crypto Flow Technology Limited
(incorporated in the Cayman Islands with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 14 to 34, which comprises the condensed consolidated statement of financial position of Crypto Flow Technology Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) as at 30 June 2023 and the related condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

Other Matter

The comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 June 2023 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Moore Stephens CPA Limited

Certified Public Accountants

Registered Public Interest Entity Auditors

Hong Kong, 11 August 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six-month period ended 30 June 2023

	Notes	Three-month period ended 30 June		Six-month period ended 30 June	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
CONTINUING OPERATIONS					
REVENUE	3	6,150	7,635	12,300	15,270
Cost of sales and service rendered		(1,535)	(5,096)	(3,116)	(10,096)
Gross profit		4,615	2,539	9,184	5,174
Other income and gains	5	-	404	-	404
Administrative expenses		(6,351)	(13,137)	(13,123)	(18,306)
Provision for impairment loss under expected credit loss model on trade receivables	13	(1,154)	-	(1,154)	-
Finance costs		(169)	(78)	(292)	(180)
Share of loss of an associate		(86)	-	(86)	-
LOSS BEFORE TAX		(3,145)	(10,272)	(5,471)	(12,908)
Income tax expense	6	-	-	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	8	(3,145)	(10,272)	(5,471)	(12,908)
DISCONTINUED OPERATIONS	9				
Loss for the period from discontinued operations		-	(8,680)	(3,398)	(12,504)
LOSS FOR THE PERIOD		(3,145)	(18,952)	(8,869)	(25,412)

Notes	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
OTHER COMPREHENSIVE INCOME				
Other comprehensive (expense)/ income for the period, net of tax:				
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign operations	(89)	(3,515)	(85)	(3,144)
Release of exchange reserve upon disposal of a foreign operation	-	-	3,398	-
OTHER COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD, NET OF TAX	(89)	(3,515)	3,313	(3,144)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(3,234)	(22,467)	(5,556)	(28,556)

Notes	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
LOSS FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY:				
– from continuing operations	(3,145)	(10,272)	(5,471)	(12,908)
– from discontinued operations	-	(8,680)	(3,398)	(12,504)
	(3,145)	(18,952)	(8,869)	(25,412)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO:				
Owners of the Company	(3,234)	(22,232)	(5,556)	(28,102)
Non-controlling interests	-	(235)	-	(454)
	(3,234)	(22,467)	(5,556)	(28,556)

Notes	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000 (Re-presented)
TOTAL COMPREHENSIVE EXPENSE ATTRIBUTABLE TO OWNERS OF THE COMPANY:				
– from continuing operations	(3,234)	(10,272)	(5,556)	(12,908)
– from discontinued operations	–	(12,195)	–	(15,648)
	(3,234)	(22,467)	(5,556)	(28,556)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (HK cents) 10				
– Basic and diluted (from continuing and discontinued operations)	(0.57)	(3.46)	(1.62)	(4.63)
– Basic and diluted (from continuing operations)	(0.57)	(1.87)	(1.00)	(2.35)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Non-current Assets			
Property, plant and equipment	11	2,965	3,487
Right-of-use assets	11	3,983	2,724
Investment in an associate	12	1,092	–
Deposits paid for acquisition of property, plant and equipment		3,676	–
Loan receivables		–	30,000
Total Non-current Assets		11,716	36,211
Current Assets			
Trade receivables	13	8,499	5,753
Loan receivables		30,000	–
Prepayments, deposits and other receivables		6,151	3,649
Cash and cash equivalents		28,533	9,522
		73,183	18,924
Assets classified as held for sale	9	–	54,581
Total Current Assets		73,183	73,505

	<i>Notes</i>	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Current Liabilities			
Trade payables	14	1	476
Accruals and other payables		6,075	8,027
Lease liabilities		1,124	3,091
Tax payable		3,278	3,278
		10,478	14,872
Liabilities associated with assets classified as held for sale	9	–	17,581
Total Current Liabilities		10,478	32,453
Net Current Assets		62,705	41,052
Total Assets less Current Liabilities		74,421	77,263

	<i>Notes</i>	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Non-current Liabilities			
Lease liabilities		3,016	302
Total Non-current Liabilities		3,016	302
Net Assets		71,405	76,961
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	54,841	54,841
Reserves		16,564	22,353
		71,405	77,194
Non-controlling interests		–	(233)
TOTAL EQUITY		71,405	76,961

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2023

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Sub-Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2023 (audited)	54,841	422,533	11,044	(24,221)	23,532	(410,535)	77,194	(233)	76,961
Loss for the period	-	-	-	-	-	(8,869)	(8,869)	-	(8,869)
Other comprehensive income for the period	-	-	-	-	3,313	-	3,313	-	3,313
Total comprehensive expense for the period	-	-	-	-	3,313	(8,869)	(5,556)	-	(5,556)
Transfer on disposal of subsidiaries (note)	-	-	-	-	(24,589)	24,356	(233)	233	-
At 30 June 2023 (unaudited)	54,841	422,533	11,044	(24,221)	2,256	(395,048)	71,405	-	71,405

Note: The accumulated exchange differences of HK\$24,589,000 under the Exchange reserve, which was arising from translation to presentation currency by the disposed subsidiaries, has been reclassified to Accumulated losses and Non-controlling interests following the disposal during the period ended 30 June 2023.

	Attributable to owners of the Company								Total equity HK\$'000
	Issued capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Other reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Sub-Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2022 (audited)	54,838	422,524	10,989	(5,255)	26,930	(372,793)	137,233	(232)	137,001
Loss for the period	-	-	-	-	-	(25,410)	(25,410)	-	(25,410)
Other comprehensive loss for the period	-	-	-	-	(2,038)	-	(2,038)	(453)	(2,491)
Total comprehensive loss for the period	-	-	-	-	(2,038)	(25,410)	(27,448)	(453)	(27,901)
Equity-settled share-based payment expense	-	-	353	-	-	-	353	-	353
At 30 June 2022 (unaudited)	54,838	422,524	11,342	(5,255)	24,892	(398,203)	110,138	(685)	109,453

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2023

	Six-month period ended June 30	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net cash flows used in operating activities	(7,586)	(1,945)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital contribution to an associate	(1,178)	–
Proceeds from disposal of subsidiaries	10,369	–
Additions of property, plant and equipment	(1,254)	–
Prepayment paid on acquisition of non-current asset	(3,676)	–
Interest received	–	75
Net cash flows generated from investing activities	4,261	75
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(2,185)	(3,053)
Interest paid	(292)	(175)
Cash flows used in financing activities	(2,477)	(3,228)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,802)	(5,098)
Cash and cash equivalents at beginning of year		
Cash and bank balances	9,522	35,843
Cash and bank balances included in assets classified as held for sale	24,813	–
	34,335	35,843
Effect of foreign exchange rate changes, net	–	(821)
CASH AND CASH EQUIVALENTS AT END OF YEAR	28,533	29,924
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	28,533	29,924

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than additional/change in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2023, for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. REVENUE

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Continuing operations:				
Provision of big data centre services	5,400	6,885	10,800	13,770
Revenue from contracts with customers	5,400	6,885	10,800	13,770
Interest income	750	750	1,500	1,500
	6,150	7,635	12,300	15,270

4. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the Chief Operating Decision Maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group’s reportable segments under HKFRS 8 Operating Segments in the continuing operations of the Group are as follows:

- Provision of Big Data Centre services (“**Big Data Centre Services**”)
- Money lending business (“**Money Lending Business**”)

No operating segments have been aggregated in arriving at the reportable segments of the Group from its continuing operations.

An operating segment of the Group regarding the provision of Big Data Centre Services in PRC was discontinued in the financial year ended 31 December 2022. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 9.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments:

For the Three-month period ended 30 June 2023 (Unaudited)

Continuing operations

	Big Data Centre Services HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Revenue from external customers	5,400	750	6,150
Segment (loss) profit	(2,055)	505	(1,550)
Unallocated corporate and other expenses			(1,595)
Group's loss before tax from continuing operations			(3,145)

For the Three-month period ended 30 June 2022 (Unaudited and re-presented)

Continuing operations

	Big Data Centre Services HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Revenue from external customers	6,885	750	7,635
Segment (loss) profit	(9,267)	708	(8,559)
Unallocated other income			300
Unallocated corporate and other expenses			(2,013)
Group's loss before tax from continuing operations			(10,272)

For the Six-month period ended 30 June 2023 (Unaudited)*Continuing operations*

	Big Data Centre Services HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Revenue from external customers	10,800	1,500	12,300
Segment (loss) profit	(4,705)	1,017	(3,688)
Unallocated corporate and other expenses			(1,783)
Group's loss before tax from continuing operations			(5,471)

For the Six-month period ended 30 June 2022 (Unaudited and re-presented)*Continuing operations*

	Big Data Centre Services HK\$'000	Money Lending Business HK\$'000	Total HK\$'000
Revenue from external customers	13,770	1,500	15,270
Segment (loss) profit	(11,072)	1,413	(9,659)
Unallocated other income			300
Unallocated corporate and other expenses			(3,549)
Group's loss before tax from continuing operations			(12,908)

5. OTHER INCOME AND GAINS

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited and re-presented) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited and re-presented) HK\$'000
Continuing operations				
Rent concession	-	300	-	300
Wage subsidies from employment support scheme	-	104	-	104
	-	404	-	404

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the Hong Kong subsidiaries did not generate any assessable profits arising in Hong Kong during the period (2022: Nil).

7. DIVIDEND

No interim dividends had been paid or declared by the Company during the six-month period ended 30 June 2023 (2022: Nil).

8. LOSS FOR THE PERIOD – CONTINUING OPERATIONS

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Loss for the period from continuing operations has been arrived at after charging:				
Depreciation of property, plant and equipment	889	1,989	1,777	3,979
Depreciation charge of right-of-use assets	788	523	1,673	1,046
Staff costs	1,851	2,885	3,499	6,088

9. DISCONTINUED OPERATIONS/DISPOSAL GROUP HELD FOR SALE

Since the incoming directors of the Company have been appointed in 2022, the directors of the Company have been looking for disposal of the Group's Big Data Centre Services in the PRC (the "Discontinued Operations"). Negotiations with several interested parties have subsequently taken place. On 3 January 2023, as disclosed in the Company's announcement dated 3 January 2023, the Company has entered into a sale and purchase agreement with the purchaser to sell the assets and liabilities attributable to the business at a consideration of HK\$37,000,000 (the "Disposal"). As disclosed in the Company's announcement dated 11 January 2023, this Disposal has been completed on 11 January 2023.

As the directors of the Company were committed to the disposal plan to sell the Discontinued Operations, accordingly, the Discontinued Operations have been classified as a disposal group held for sale as at 31 December 2022, and the assets and liabilities of the Discontinued Operations were presented separately in the consolidated statement of financial position as at 31 December 2022 as assets and liabilities classified as held for sale in current assets and current liabilities respectively.

Further, as the Discontinued Operations represent a separate major line of business or geographical area of operations of the Group and was a reportable segment of the Group, the financial results of the Discontinued Operations have been presented as discontinued operations in the consolidated statement of profit or loss and other comprehensive income of the Group.

The loss for the period from the discontinued Big Data Centre Services in the PRC operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present this business as a discontinued operation.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited and re-presented) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited and re-presented) HK\$'000
Loss of Big Data Centre Services in the PRC for the period	-	(8,680)	(3,398)	(12,504)

The net assets of Big Data Centre Services in PRC operation at the date of disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	10,859
Investment in associates	3,500
Trade receivables	239
Prepayments, deposits and other receivables	15,170
Cash and cash equivalents	24,813
Assets disposed of	54,581
Trade payables	876
Accruals and other payables	16,705
Liabilities disposed of	17,581
Net assets disposed of	37,000
Reclassification of cumulative translation reserve upon disposal of Big Data Centre Services in PRC operation to profit or loss	3,398
	40,398
Loss on disposal	(3,398)
Total consideration	37,000
Net cash inflow arising on disposal:	
Total cash consideration received during the period ended 30 June 2023	35,182
Cash and cash equivalents disposed of	(24,813)
	10,369

Cash flows from Big Data Centre Services in PRC operation

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net cash flows used in operating activities	–	(2,711)	–	(2,800)
Net cash flows generated from investing activities	–	–	10,369	–
Net cash flows used in financing activities	–	–	–	(259)
Net (decrease)/increase in cash and cash equivalents	–	(2,711)	10,369	(3,059)

10. LOSS PER SHARE

From continuing operations

The calculation of the basic and diluted earnings per share is based on the following:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
<i>Loss</i>				
Loss for the period attributable to owners of the Company	(3,145)	(18,952)	(8,869)	(25,412)
Less: loss for the period from discontinued operations attributable to owners of the Company	–	(8,680)	(3,398)	(12,504)
Loss for the purpose of calculating basic and diluted loss per share from continuing operations	(3,145)	(10,272)	(5,471)	(12,908)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) '000	2022 (Unaudited) '000	2023 (Unaudited) '000	2022 (Unaudited) '000
<i>Number of shares</i>				
Weighted average number of ordinary shares in issue during the period for the purposes of the basic and diluted loss per share	548,409	548,379	548,409	548,379

No adjustment has been made to the basic loss per share amounts presented for the periods ended 30 June 2023 and 2022 in respect of the impact of the share options outstanding as these options had an anti-dilutive effect on the basic loss per share amounts presented.

From continuing and discontinued operations

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

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	(3,145)	(18,952)	(8,869)	(25,412)

The denominators used are the same as those detailed above for basic and diluted loss per share from continuing operations.

From discontinued operations

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

	Three-month period ended 30 June		Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	-	(8,680)	(3,398)	(12,504)

The denominators used are the same as those detailed above for basic and diluted loss per share from continuing operations.

For the three-month and six-month period ended 30 June 2023, basic and diluted loss per share for the discontinued operation is nil (2022: HK\$(1.58)) and HK\$(0.62) (2022: HK\$(2.28)) cents per share, respectively.

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

During the current interim period, the Group incurred HK\$1,254,000 for the construction of a big data centre which is being developed and will be operated by the Group in the USA, and recognised approximately HK\$2,932,000 of additions to right-of-use asset for the land use right in the USA for this big data centre.

12. INVESTMENT IN ASSOCIATE

During the current interim period, the Group has acquired 30% equity interest in Cyberflow Digital Inc, a company engaging in the development of a Web3.0 mobile application, by subscribing for shares at a cash consideration of US\$150,000.

13. TRADE RECEIVABLES

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date at the end of the Reporting Period:

	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Within 30 days	3,850	5,753
31 to 90 days	3,100	–
91 to 180 days	1,549	–
	8,499	5,753

As at 30 June 2023, the Group provided impairment allowance of HK\$1,251,000 (2022: HK\$97,000) and nil (2022: nil) on two debts with gross carrying amounts of HK\$9,000,000 (2022: HK\$3,600,000) and HK\$750,000 (2022: HK\$2,250,000) assessed under individual assessment. Provision for impairment loss on trade receivables of HK\$1,154,000 (2022: nil) was recognised in profit or loss during the period ended 30 June 2023. These receivables are assessed for impairment allowance based on the historical credit losses experience, forward looking factors and adjusted for factors that are specific to the debtors, including settlement pattern, recent transactions with the Group and length of business relationship.

14. TRADE PAYABLES

The following is an aged analysis of trade payables based on the invoice date issued by the electricity supply company at the end of the Reporting Period:

	As at 30 June 2023 (Unaudited) HK\$'000	As at 31 December 2022 (Audited) HK\$'000
Trade payables: Within 30 days	1	476

15. SHARE CAPITAL

	Number of ordinary shares	Share Capital HK\$'000
Authorised: Ordinary shares of HK\$0.1 each at 31 December 2022 and 30 June 2023	2,000,000,000	200,000
Issued and fully paid: Ordinary shares of HK\$0.1 each at 1 January 2023 and 30 June 2023	548,408,822	54,841

16. RELATED PARTY TRANSACTIONS

- a. During the Reporting Period, the Group had the following transactions with related parties:

	Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Big data centre services income from fellow subsidiaries	–	13,770
Expenses recharged to fellow subsidiaries	–	849

The fellow subsidiaries represent wholly-owned subsidiaries of BIT Mining Limited. The transaction amount above represents the transactions with BIT Mining Limited's subsidiaries until 24 July 2022. BIT Mining Limited was no longer the immediate holding company of the Company since 24 July 2022.

b. Compensation of key management personnel

The remuneration of Directors and other members of key management during the Reporting Period is as follows:

	Six-month period ended 30 June	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Short-term benefits	815	3,144
Share-based payments	–	352
	815	3,496

17. CAPITAL COMMITMENTS

As at the end of the current interim period, the Group has entered into contracts to acquire and construct certain property, plant and equipment for the new big data centre in the USA (as disclosed in Note 11) of HK\$2,933,000 and HK\$1,254,000, respectively, which has not provided in the condensed consolidated financial statements.

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

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 June 2023, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the shares, underlying shares and debentures of associated corporations of the Company

Name of Director	Name of associated corporation of the Company	Nature of interest	Number of ordinary shares held	Percentage of shareholding in the associated corporation of the Company
			<i>(Note 1)</i>	<i>(Note 2)</i>
Mr. Li Hongbin	Manful Kingdom Limited <i>(Note 3)</i>	Beneficiary of a trust (other than a discretionary interest)	150 (L)	25%

Notes:

1. The letter "L" denotes the entity/person's long position in the shares.
2. The percentage of shareholding in the associated corporation of the Company was calculated based on the total number of issued shares of Manful Kingdom Limited as at 30 June 2023, being 600 ordinary shares.
3. As at 30 June 2023, Manful Kingdom Limited held 51.02% direct shareholding interest in the Company and was an associated corporation of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SHARE OPTION SCHEME

The share option scheme adopted at the annual general meeting of the Company on 18 May 2012 (the "**2012 Share Option Scheme**") has expired on 18 May 2022. The share options granted thereunder prior to the expiry date will continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme.

At the extraordinary general meeting of the Company held on 28 December 2022, the shareholders of the Company approved the adoption of a new share option scheme (the "**2022 Share Option Scheme**") under which the Directors may grant share options to eligible persons to subscribe for the shares of the Company (the "**Shares**"), subject to the terms and conditions as stipulated therein. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain valid for a period of 10 years from the date of its adoption. No share options had been granted under the 2022 Share Option Scheme.

Movements of share options granted under the 2012 Share Option Scheme during the Reporting Period are set out below:

Type of participants	Number of share options						As at 30 June 2023	Date of grant	Exercise price	Exercise period
	As at 1 January 2023	Granted during the period	Reclassified during the period	Exercised during the period	Lapsed during the period	Cancelled during the period				
		(Note 6)	(Note 4)	(Note 6)	(Note 6)	(Note 6)		(HK\$)	(Notes 1 to 2)	
Former Director										
Ms. Zhang Jing	466,800	-	(466,800)	-	-	-	01.04.2019	1.10	Note 1	
(Note 3)	3,100,000	-	(3,100,000)	-	-	-	10.08.2020	0.26	Note 2	
Sub-total:	3,566,800	-	(3,566,800)	-	-	-				
Employees										
	50,000	-	-	-	-	50,000	01.04.2019	1.10	Note 1	
	50,000	-	-	-	-	50,000	10.08.2020	0.26	Note 2	
Sub-total:	100,000	-	-	-	-	100,000				
Others										
	12,766,800	-	466,800	-	-	13,233,600	01.04.2019	1.10	Note 1	
(Note 5)	13,800,000	-	3,100,000	-	-	16,900,000	10.08.2020	0.26	Note 2	
Sub-total:	26,566,800	-	3,566,800	-	-	30,133,600				
Total:	30,233,600	-	-	-	-	30,233,600				

Notes:

- The share options granted on 1 April 2019 are divided into 3 tranches exercisable from 1 April 2019, 1 April 2020 and 1 April 2021 respectively to 31 March 2029.
- The share options granted on 10 August 2020 are divided into 3 tranches exercisable from 10 August 2020, 10 August 2021 and 10 August 2022 respectively to 9 August 2030.
- Ms. Zhang Jing resigned as a non-executive Director with effect from 9 September 2022.
- To better reflect certain grantee's position in relation to the Group, their respective types of participant have been reclassified from "Director" to "Others" as appropriate.
- The category "Others" represents the consultants of the Group. Consultants are individuals who rendered consultancy services in respect of the business development to the Group without receiving any compensation. The Group granted share options to them for recognising their services similar to those rendered by employees of the Group.
- During the Reporting Period, no share options were granted, exercised, lapsed or cancelled under the 2012 Share Option Scheme.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2023, the interests or short positions of every persons (other than the Directors and chief executive of the Company) in the shares (the "Shares") and underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO and the amount of such interests and short positions were as follows:

Name	Capacity/ Nature of interest	Number of Shares held/ interested in <i>(Note 1)</i>	Approximate percentage of total issued Shares <i>(Note 2)</i>
Manful Kingdom Limited	Beneficial owner	279,815,740 (L)	51.02%
Mr. Fu Jiepin <i>(Note 3)</i>	Interest in controlled corporation	279,815,740 (L)	51.02%
Ms. Xia Bing <i>(Note 4)</i>	Interest of spouse	279,815,740 (L)	51.02%
Ever Marvel Group Limited <i>(Note 5)</i>	Beneficial owner	67,548,564 (L)	12.32%
Sichuan Hengjia Energy Development Group Co., Limited* (四川恒嘉能源開發集團有限公司) (" Sichuan Hengjia ") <i>(Note 6)</i>	Interest in controlled corporation	67,548,564 (L)	12.32%
Mr. Wang Heng <i>(Note 6)</i>	Interest in controlled corporations	67,548,564 (L)	12.32%
Beyond Power Global Limited	Beneficial owner	48,195,605 (L)	8.79%
Mr. Yeung Hin Ming, Bosco <i>(Note 7)</i>	Interest in controlled corporation	48,195,605 (L)	8.79%

Notes:

1. The letter "L" denotes the entity/person's long position in the Shares.
2. The approximate percentage of total issued Shares was calculated based on the total number of issued Shares as at 30 June 2023, being 548,408,822 Shares.
3. As at 30 June 2023, Manful Kingdom Limited held 279,815,740 Shares as beneficial owner. Mr. Fu Jiepin held 35% direct interest in Manful Kingdom Limited. Therefore, Mr. Fu Jiepin was deemed to be interested in 279,815,740 Shares through his controlled corporation, Manful Kingdom Limited, under the SFO.
4. Ms. Xia Bing is the spouse of Mr. Fu Jiepin. Accordingly, as at 30 June 2023, Ms. Xia Bing was deemed to be interested in the Shares in which Mr. Fu Jiepin was interested under the SFO.
5. On 16 March 2023, Ever Marvel Group Limited and Lewin Technology HK Limited as sellers and Interactive Lab Limited, a wholly-owned subsidiary of the Company, as the purchaser entered into a stock sale and purchase agreement for the sale and purchase of 510 shares and 100 shares respectively owned by the sellers in, and the respective loans advanced by the sellers to, Your Choice Ever Best, Inc. The consideration of US\$4,311,913 under the stock sale and purchase agreement will be satisfied by the allotment and issue of 80,591,701 new Shares by the Company to the sellers in which 67,548,564 Shares will be issued to Ever Marvel Group Limited. Completion of the stock sale and purchase agreement is subject to fulfillment of certain conditions as stated therein.
6. As at 30 June 2023, Sichuan Hengjia held 100% direct interests in Ever Marvel Group Limited and Mr. Wang Heng in turn held 50% direct interests in Sichuan Hengjia. Therefore, both Sichuan Hengjia and Mr. Wang Heng were deemed to be interested in 67,548,564 Shares through the controlled corporation, Ever Marvel Group Limited, under the SFO.
7. As at 30 June 2023, Beyond Power Global Limited held 48,195,605 Shares as beneficial owner. Mr. Yeung Hin Ming, Bosco held 100% direct interests in Beyond Power Global Limited. Therefore, Mr. Yeung Hin Ming, Bosco was deemed to be interested in 48,195,605 Shares through his controlled corporation, Beyond Power Global Limited, under the SFO.

Save as disclosed above, as at 30 June 2023, no other interests or short positions in the Shares or underlying Shares of the Company had been recorded in the register required to be kept under section 336 of the SFO.

INTERESTS IN COMPETING BUSINESS

During the Reporting Period, none of the Directors, the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had interest in any business which competes or may compete with the business of the Group and any other conflicts of interest with the Group.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transaction, arrangement or contract of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the Reporting Period, nor were there any other contracts of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to safeguard the interest of the Company's shareholders (the "**Shareholders**") and achieved these by an effective board, segregation of duties with clear accountability, sound internal controls, appropriate risk assessment procedures and transparency to all the Shareholders. So far as known to the Directors, the Company has complied with and there has been no material deviation from the Code Provisions of the Corporate Governance Code (the "**CG Code**") set out in Appendix 15 to the GEM Listing Rules during the Reporting Period, save for the code provision D.1.2 of the CG Code as noted hereunder.

The code provision D.1.2 of the CG Code requires that management should provide all members of the board of directors of the Company with monthly updates to enable the board of directors of the Company as a whole and each director to discharge their duties. Although the management of the Company has not provided the Board with monthly updates during the Reporting Period, the Company has based on business situation, provided the Board, from time to time, with updated business information to enable the Board to form a balanced and understandable assessment of the Company's performance and to discharge their duties.

The Board will continue to review and monitor the corporate governance practices of the Company to ensure its compliance with the CG Code and maintain high standard of corporate governance practices.

The Company has established an audit committee, a remuneration committee and a nomination committee to ensure maintenance of a high corporate governance standard. Terms of reference of the aforesaid committees have been posted on the Company's website at www.cryptoflowhk.com under the "Corporate Governance" section.

SECURITIES DEALINGS BY DIRECTORS

The Company has adopted its own code for dealing in the Company's securities by Directors who are likely to be in possession of inside information in relation to the securities of the Company ("**Code of Securities Dealings**") on terms no less exacting than the required standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has received confirmation from all Directors that they have complied with the required standards set out in the Code of Securities Dealings throughout the Reporting Period.

AUDIT COMMITTEE

The Company has an audit committee, which was established for the purposes of reviewing and providing supervision over the Company's financial reporting process and overseeing the Group's risk management and internal controls. It also reviews the effectiveness of the audit process and risk evaluation. The audit committee of the Company (the "**Audit Committee**") comprises three independent non-executive Directors, namely Mr. Sun Yuqiang (chairman of the Audit Committee), Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony.

The condensed consolidated financial statements for the six-month period ended 30 June 2023 are unaudited but have been reviewed by the Company's auditor, Moore Stephens CPA Limited, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The condensed consolidated financial statements for the six-month period ended 30 June 2023 have also been reviewed by the Company's Audit Committee.

CHANGES IN DIRECTORS' INFORMATION

In accordance with Rule 17.50A(1) of the GEM Listing Rules, the changes in information of Directors which are required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules since the publication of the Company's 2022 Annual Report (or, where applicable, subsequent announcement relating to appointment of Directors) are set out below:

With effect from 1 July 2023, (i) Mr. Li Hongbin is entitled to an additional remuneration of HK\$576,000 per year for his position as the Chairman of the Board; and (ii) Ms. Xiong Jiayan is entitled to an additional remuneration of HK\$540,000 per year for her position as the newly appointed vice president of business development of the Company. The said remunerations were determined by the Board upon recommendation of the remuneration committee of the Board with reference to their respective qualifications and experience, duties and responsibilities with the Company and prevailing market conditions.

By order of the Board
Crypto Flow Technology Limited
Huang Yibin
Chief Executive Officer and Executive Director

Hong Kong, 11 August 2023

As at the date of this report, the executive Directors are Mr. Li Hongbin (Chairman), Mr. Huang Yibin (Chief Executive Officer) and Ms. Xiong Jiayan; and the independent non-executive Directors are Mr. Sun Yuqiang, Mr. Chu, Howard Ho Hwa and Mr. Tong, I Tony.

* *For identification purpose only*