Crypto Flow

Crypto Flow Technology Limited
加幂科技有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8198)

SUPPLEMENTAL ANNOUNCEMENT
PLACING OF NEW SHARES UNDER GENERAL MANDATE

References are made to the announcements of Crypto Flow Technology Limited (the "**Company**") dated 28 July 2025, 15 August 2025 and 4 September 2025 (the "**Announcements**") in relation to, among others, the placing of new shares under general mandate. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the Announcements.

The Company would like to provide the Shareholders and potential investors with supplemental information regarding the proposed use of proceeds from the Placing.

As disclosed in the Announcements, upon the Placing Completion, the maximum net proceeds will be approximately HK$98.8 million, which will be allocated as to (i) approximately 50% for the technical development and platform expansion of ChainStream; (ii) approximately 25% for the post-Acquisition integration support; (iii) approximately 4% for the continuous enhancement of research and development capabilities; and (iv) approximately 21% for the general working capital of the Group.

1. THE GROUP'S DATA ANALYSIS SERVICES BUSINESS

To facilitate the technical development and platform expansion of ChainStream, the Company intends to allocate approximately 50% of the net proceeds from the Placing for (i) server advancement that provides quicker response times and higher bandwidth with core hub in Singapore and sub-core hubs in Thailand and Malaysia; (ii) system upgrade that offers quicker data analysis capability using real-time blockchain information; (iii) hardware upgrade that supports high-performance storage for data processing; (iv) extension to multi-chain support that integrates with various blockchains assets like Ethereum, Solana and Polygon, among others; and (v) compliance, marketing expenses, audit services and staffing purposes.

The Board wishes to provide more background information on the Group's data analysis business and the development of Chainstream. The Group has been principally engaged in the provision of data analysis and storage services since 2019, among other businesses. The provision of data analysis services through ChainStream which is enhanced to a Web3.0 scale belongs to the Group's principal business activities and represents an extension of service offering to the Company's existing customers, as well as other potential customers from the Group's networks and facilities within the Web3.0 ecosystem.

Development history

Since the commencement of business of the provision of data analysis and storage services engaged by the Group in March 2019, the services offering covered a full range from monitoring the average utilisation rate and working status of data processors to supervising the overall safety and security of both physical environment and internet connection within the big data centres. In addition, given the demand from the customers on the data processing and analysis service, the Group has implemented a comprehensive management software (the "**Software**"), being a data analysis system, specifically for supporting its big data centres, which provides integrated solutions for operation and maintenance management, financial management and resources allocation in cloud computing in the big data centres, enabling the clients to remotely monitor their data processors and obtain real-time information on the average computing capacity, CPU load and utilisation and operating time and to receive notification of unusual condition of their data processors. The Software effectively solves the common problems encountered in the operation and maintenance management of big data centres such as delayed information access, inefficient operation and maintenance, inability to quantify on-site work and inability to get access to on-site information anytime and anywhere. As at 31 December 2021, the fair value of the Software, being the Group's data analysis system for supporting the big data service business, amounted to approximately HK$2.9 million. Accordingly, the aforesaid data analysis services through the Software, which falls under the provision of data analysis and storage services of the Group, has been one of its principal businesses since 2019, and forms part of the supply chain services.

However, in order to comply with the relevant PRC laws and regulations, all big data centres of the Group in the PRC were closed before 2022. Subsequent to the cessation of the operation of the big data centres in the PRC, the Company has in a timely manner formulated domestic and overseas development strategies, focused on revitalising the assets through, including but not limited to, constructing new big data centres in other regions such as Hong Kong and North America, and leasing the previously purchased data processors in order to stabilise the Company's revenue, maintain customer relationships and gain valuable experience, instead of expanding its data analysis services as it requires larger number of customers for achieving scale advantage. During the transition period, while continuously improving the existing business layout, the Company invested resources, recruited talents and paid close attention to the ever-changing technology and the application development of the data-driven blockchain industry, and strived to offer a full range of upstream and downstream services in addition to the big data centre services so as to build the Company into a large-scale blockchain infrastructure technology service enterprise.

Given that the Group has been operating in the data-driven blockchain industry for years, it would be advantageous to build and expand its principal business scale by exploring within the same sector. The Company has recruited a number of professionals who have served in large-scale digital industry platforms with extensive experience in blockchain technology product development to enrich the Group's business by developing blockchain-based technologies, which has evolved into the Web3.0 era. Based on various public market sources, the blockchain market involving on-chain data services is expected to experience exponential growth over the next 5 to 10 years. Considering the exponential growth in the amount of data generated annually, effective data analysis becomes vital for deriving insights and making informed decisions, making it an indispensable tool in the Web3.0 industry.

In view of the successful reconstruction of the big data centre and upon identifying the increasing demand for the data analysis services being a core component in the blockchain service market, the Company decided to resume offering of the data analysis service as one of the prioritised business initiatives, with enhancement to a Web3.0 scale in terms of extending its service coverage and pursuing advancements in the area of data analysis services so as to promptly adapt to the evolving landscape and meet the changing users preferences within the rapidly-growing and ever-changing blockchain ecosystem.

Extension of service through the launch of ChainStream

The Group has commenced the development of ChainStream, being its self-owned data analysis platform enhanced to a Web3.0 scale since March 2025. The provision of data analysis service through ChainStream represents the next phase in the ongoing enhancement of its service offerings within the blockchain ecosystem. Leveraging on the experience in operating big data centres, the Group has provided customers with data storage, computing, data analysis, and one-stop delivery services and has accumulated capabilities in high-concurrency processing, data security and operations management, which are crucial in developing the data analysis business. As an on-chain data analysis system, ChainStream aims to offer a complete solution from data collection to insights, with target customers being data-driven traders and blockchain developers such as data centre customers, cryptocurrency exchanges and data analysis companies, which is expected to create synergy with the Group's various existing networks and facilities within the Web3.0 ecosystem including the big data centre business and the digital currency trading business.

2. POST-ACQUISITION INTEGRATION SUPPORT

The Company intends to allocate approximately 25% of the net proceeds from the Placing for (i) reserve funds for Rhino's OTC business to enhance liquidity on its exchange, as OTC trading often involves bulk transactions, maintaining a sufficient level of fund would ensure that trades and/or conversion between cryptocurrencies and fiat currencies can be settled smoothly during any sudden market fluctuations which is crucial for the stable operation of OTC services; (ii) marketing for Rhino's exchange, license and technology integration and operation expansion which includes recruitment of professionals and technical specialists; and (iii) investment in or reserve of cryptocurrencies for maintaining liquidity as well as to enhance the Group's investment portfolio and potentially generate investment returns.

Development of digital currency and OTC business through acquisition of Rhino

The Company has entered into respective sale and purchase agreements for the acquisition of equity interests in Rhino. For details, please refer to the announcements of the Company dated 25 July 2025 and 22 August 2025, respectively. As at the date of this announcement, the acquisition of the entire equity interests of Rhino had been completed. Accordingly, Rhino became a wholly-owned subsidiary of the Company and its financial results have been consolidated into the consolidated financial statements of the Group. Considering the existing license registrations, established infrastructure, operational experience and network of Rhino, it is expected that the Group would be able to secure a foothold in the digital currency exchange and OTC business smoothly and thereby diversify its service offering within the Web3.0 service supply chain.

Business development plan for Rhino

The Group is in the course of setting up a management team of skilled professionals to be led by a seasoned institutional sales professional with experience across the crypto and traditional finance field. Further, to effectively enlarge the client base of Rhino, by utilising the net proceeds from the Placing, the Group intends to promote Rhino's exchange by a combination of online and offline marketing channels including marketing events and digital advertising on social media platforms. Such marketing initiatives mix are expected to increase user adoption to Rhino's exchange and accelerate the scaling up of its user base, therefore potentially grow its revenue.

By introducing new management team, devoting marketing effort and leveraging on the numerous user base of the Group's 30%-interested Web3.0 social media platform and its accessibility to the vast network of mining customers under its big data centre business, it is expected that the Group could rapidly amplify the client base of Rhino by promoting its digital currency exchange platform, and the operation and financial performance of Rhino under the Group's management is expected to potentially improve.

Save for the supplemental information in this announcement, all other information contained in the Announcements remains unchanged.

As the Placing Completion are subject to the satisfactions of the conditions precedent thereto, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By order of the Board of
Crypto Flow Technology Limited
Li Hongbin
Chairman

Hong Kong, 19 September 2025

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