

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **Crypto Flow Technology Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Crypto Flow

Crypto Flow Technology Limited

加冪科技有限公司

(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)

**(1) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

Capitalised terms used in the lower portion of the front and inside cover pages have the same respective meanings as those defined in the section headed “Definitions” of this circular.

A notice convening the EGM to be held at Unit 3506, 35th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time for holding the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

With a view to preventing and controlling the spreading of the Novel Coronavirus (COVID-19), the Company will implement certain precautionary measures at the EGM, which include but are not limited to:

- compulsory temperature checks and health declarations;
- wearing of surgical face masks at the EGM venue and throughout the EGM; and
- no distribution of corporate gifts and refreshments.

Please see page 1 of this circular for further details on the preventive measures being taken by the Company at the EGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company encourages attendees to wear face masks and reminds Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

The Company is closely monitoring the impact of COVID-19 and changes of situation in Hong Kong and will assess if any changes to the arrangement of the EGM will be required. Should there be any changes on the details of the EGM, the Company will notify the Shareholders via an announcement posted on the websites of both the Stock Exchange (at www.hkexnews.hk) and the Company (at www.cryptoflowhk.com).

This circular will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for a minimum period of 7 days from the date of its publication and on the Company’s website at www.cryptoflowhk.com.

Hong Kong, 12 December 2022

CHARACTERISTICS OF GEM

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.

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius, or any individual who has any flu-like symptoms or is otherwise unwell, may be denied entry into the meeting venue or be required to leave the meeting venue;
- (ii) Each attendee shall wear a surgical face mask throughout the EGM and inside the meeting venue at all times, and to maintain appropriate social distances between attendees;
- (iii) No corporate gift, food or beverages will be provided at the EGM; and
- (iv) Each attendee may be asked (a) whether he/she travels outside of Hong Kong within the 14-day period immediately before the EGM; (b) whether he/she is subject to any Hong Kong Government prescribed quarantine; and (c) to complete a health declaration form. Anyone who responds positively to (a) or (b) or refuse to complete the described form under (c) above may be denied entry into the meeting venue or be required to leave the meeting venue.

To the extent permitted under applicable laws, the Company reserves the right to deny entry into the meeting venue or require any person to leave the meeting venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety and consistent with recent COVID-19 guidelines for prevention and control, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM instead of attending the EGM in person.

The proxy form is attached to the EGM circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the "Investor Relations" section of the Company's website at www.cryptoflowhk.com or the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

If any Shareholder chooses not to attend the meeting in person but has any question about any resolutions or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to contact the Company by email to info@lotoie.com or by mail to the Company Secretary at Unit 3506, 35th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong.

PRECAUTIONARY MEASURES FOR THE EGM

The Company is closely monitoring the impact of COVID-19 and changes of situation in Hong Kong and will assess if any changes to the arrangement of the EGM will be required. Should there be any changes on the details of the EGM, the Company will notify the Shareholders via an announcement posted on the websites of both the Stock Exchange (at www.hkexnews.hk) and the Company (at www.cryptoflowhk.com).

If Shareholders have any questions relating to the EGM, please contact Computershare Hong Kong Investor Services Limited, the share registrar of the Company, as follows:

Computershare Hong Kong Investor Services Limited

17M Floor, Hopewell Centre

183 Queen's Road East, Wanchai, Hong Kong

Website: www.computershare.com/hk/contact

Tel: 2862 8555

Fax: 2865 0990

DEFINITIONS

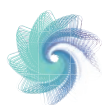
In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	the date on this New Share Option Scheme was conditionally adopted by an ordinary resolution of the Shareholders
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealing in securities
“Company”	Crypto Flow Technology Limited 加冕科技有限公司 (formerly known as Loto Interactive Limited 樂透互娛有限公司) (stock code: 8198), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the adoption of the New Share Option Scheme as well as the Increase in Authorised Share Capital (or any adjournment thereof)
“Eligible Participants”	means the following persons: Directors and employees of the Group (including persons who are granted Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries and part-time employees of the Company (“ Employee Participants ”)); directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company; and Service Providers
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Increase in Authorised Share Capital”	the proposed increase in the authorised share capital of the Company from HK\$65,000,000 (divided into 650,000,000 Shares) to HK\$200,000,000 (divided into 2,000,000,000 Shares) by the creation of an additional 1,350,000,000 Shares
“Latest Practicable Date”	6 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the EGM, a summary of the principal terms of which is set out in the appendix to this circular
“Offer”	an Offer for the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which the Board resolves to make an Offer of an Option to an Eligible Participant, which date must be a Business Day
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme
“Remuneration Committee”	the remuneration committee of the Board
“Service Providers”	means any consultant, independent contractor or advisor who provides advisory services, consultancy services and/or other professional services to the Company on areas relating to its provision of data analysis and storage services in Hong Kong (the “ Big Data Centre Services ”), for example, developing comprehensive management software and/or providing hardware support, power supply, ancillary supervision and management services in relation to its Big Data Centre Services
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



Crypto Flow

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)

Executive Directors:

Mr. Li Hongbin (*Chairman*)
Mr. Huang Yibin (*Chief Executive Officer*)
Ms. Xiong Jiayan

Independent non-executive Directors:

Mr. Chu, Howard Ho Hwa
Mr. Tong, I Tony
Mr. Sun Yuqiang

Registered office:

P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit 3506, 35th Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong

12 December 2022

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME;**
(2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give you notice of the EGM to be convened for the purpose of considering and, if thought fit, passing the resolutions to approve the adoption of the New Share Option Scheme and the Increase in Authorised Share Capital.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme

The share option scheme which was adopted by the Company pursuant to an ordinary resolution passed by the Shareholders on 18 May 2012 has expired on 18 May 2022 (the “**2012 Share Option Scheme**”). No further options have been granted under the 2012 Share Option Scheme upon its expiry. As at the Latest Practicable Date, 30,233,600 options was granted under the 2012 Share Option Scheme entitling the holders thereof to subscribe for 30,233,600 Shares are outstanding. The expiration of the 2012 Share Option Scheme will not affect the rights of the 30,233,600 outstanding options granted under the 2012 Share Option Scheme those outstanding options will continue to be valid and effective. Following the expiration of the 2012 Share Option Scheme, the Company does not have a share option scheme in place. Accordingly, the Directors proposes to adopt the New Share Option Scheme to recognise and acknowledge the contributions the Eligible Participants have had or may have made to our Group. The New Share Option Scheme will be put to the Shareholders for approval at the EGM and it will be valid for 10 years from Adoption Date.

The Directors consider that it is in the best interests of the Company to adopt the New Share Option Scheme, given that the terms of the New Share Option Scheme have been prepared in compliance with the GEM Listing Rules currently in force as at the Latest Practicable Date taking into account the proposed amendments to Chapter 23 of the GEM Listing Rules as set out in the consultation conclusions published by the Stock Exchange in July 2022. The Company will ensure that the terms and operation of the New Share Option Scheme continue to comply with the relevant GEM Listing Rules in force from time to time.

The maximum total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date. As at the Latest Practicable Date, there were an aggregate of 548,408,822 Shares in issue. Assuming there is no issue of shares or repurchased from the Latest Practicable Date to the Adoption Date, the maximum number of Shares that can be issued upon exercise of the Options is 54,840,882, representing 10% of the Shares in issue.

The Service Provider sublimit (“**Service Providers Sublimit**”) of the New Share Option Scheme will be 5,484,088, being 1% of the total number of Shares in issue as at the Adoption Date. The basis for determining the Service Provider Sublimit includes the potential dilution effect arising from grants to Service Providers, the actual or expected increase in the Group’s revenue or profits which is attributable to Service Providers and the extent of use of Service Provider in the Group’s business. Considering the fact that the individual limit under Rule 23.03D(1) of the GEM Listing Rules is also 1%, that there are no other share schemes involving grant of options over new Shares of the Company, the Group’s hiring practice and organizational structures and that Service Providers have contributed to the long-term growth of the Company’s business, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable.

The Company does not at present intend to appoint a trustee to the New Share Option Scheme. As such, none of the Directors is a trustee of the New Share Option Scheme nor has a direct or indirect interest in the trustees of the New Share Option Scheme (if any).

LETTER FROM THE BOARD

The exercise price in respect of any particular Share Option will be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and will be stated in the letter containing the Offer) but in any event the exercise price of the Option shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Offer Date and (ii) the average of the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Offer Date.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme and accordingly, no Shareholder is required to abstain from voting at the EGM on the resolution approving the adoption of the New Share Option Scheme. In addition, the Board confirms that to the best of their knowledge, belief and information having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by case basis.

The New Share Option Scheme will constitute a share option scheme under Chapter 23 of the GEM Listing Rules. The terms of the New Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules and a summary of the principal terms and conditions of the proposed New Share Option Scheme is set out in appendix I to this circular. A copy of the New Share Option Scheme is available for inspection at the EGM. It can also be downloaded from the Company's website (www.cryptoflowhk.com) or the HKExnews' website (www.hkexnews.hk) not less than 14 days before the date of the EGM.

As at the date of this circular, no Options have been granted or agreed to be granted under the New Share Option Scheme. As at the date of this circular, the Company does not have any intention or plan to grant Options to the Eligible Participants.

Values of the Options that can be granted under the New Share Option Scheme

Pursuant to the GEM Listing Rules, the Directors are encouraged to state the value of all Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date in this circular. The Directors consider that it is inappropriate to state the value of the Options that may be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date, given that a number of variables which are necessary for the calculation of the value of the Options cannot be ascertained at this stage. Such variables include the exercise price, exercise period, interest rate and other relevant variables. The Directors believe that any calculation of the value of the Options as of the Latest Practicable Date based on a number of speculative assumptions would not be meaningful to the Shareholders.

LETTER FROM THE BOARD

Benefits of the proposed adoption of the New Share Option Scheme

The Board considers that adoption of the New Share Option Scheme will serve as an alternative means to (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group and (ii) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. The Eligible Participants will share common interests and objectives of the Group upon their exercise of the Options and the New Share Option Scheme will provide the Group with a platform to reward and provide incentive to the Eligible Participants and encourage the Eligible Participants to work towards enhancing the value of the Group. As such, the Directors consider that the adoption of the New Share Option Scheme is in the interest of the Company and its Shareholders as a whole. The Board will consider, among other factors, the timing as well as performance of the Company when granting Options under the New Share Option Scheme as and when it becomes effective and will comply with the GEM Listing Rules upon such grants.

Eligibility of the Participants

Eligible Participants of the New Share Option Scheme include (i) Employee Participants, (ii) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company and (iii) Service Providers. The basis of eligibility of Service Providers to the grant of any Options may be determined by the Remuneration Committee from time to time on the basis of their contribution to the development and growth of the Group. In particular, the Remuneration Committee will assess the eligibility of Service Providers based on the following factors:

- (a) the Service Providers' potential and/or actual contribution to the business affairs of and benefits to the Group (in terms of, including without limitation, proactively promoting/ catalyzing the continuing development and growth of the Group, and bringing innovation, new talents and expertise to the Group), with regard to the quality or importance of services provided or expected to be provided by such Service Providers to the Group, and the actual or expected change in the Group's performance which is or may be attributable to the provision of such services;
- (b) the potential/actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of the projects, and the period of engagement/cooperation/ business relationship with the Group; and/or
- (c) whether the Service Provider is regarded as a valuable human resource of the Group based on his/her work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group, external business connections, strategic value, and repute and credibility).

LETTER FROM THE BOARD

In evaluating the Service Providers' potential and/or actual contribution to the business affairs of and benefits to the Group, the Remuneration Committee will consider various factors including (i) their length of providing the relevant services to the Group; (ii) the materiality and nature of their services provided to the Group (including for example whether they relate to the core business of the Group and whether such services could be readily replaced by third parties); (iii) their track record in the quality of services provided to the Group; and (iv) whether the transaction amount is significant relative to the revenue or costs of the Group.

As the Group is engaged in the provision of Big Data Centre Services, the Board acknowledges the necessity in maintaining the existing business relationships and exploring potential partnerships with the aforesaid stakeholders, being Service Providers who have provided advisory services, consultancy services and/or other professional services to the Company on areas relating to its provision of Big Data Centre Services, for example, developing comprehensive management software and/or providing hardware support, power supply, ancillary supervision and management services in relation to its Big Data Centre Services. As such, the Board and independent non-executive Directors of the Company consider that the Options will offer incentives for the Service Providers to provide continuing efforts to promote the long-term growth of its Big Data Centre Services.

The inclusion of the Service Providers as Eligible Participants under the New Share Option Scheme leaves sufficient flexibility for the Group in light of its future development and is fair and reasonable and in the interest of the Company and its Shareholders as a whole in the long run because: (a) in a view to enhancing its competitive strength and maintaining its market position, the Company may need Service Providers to provide insights to various aspects of the business and operation of the Group; (b) the Service Providers may provide recommendations and/or advice to the Group in matters including but not limited to strategic management, business research and development, technological support and consulting services, so as to contribute to assist the Group in achieving the operational competitiveness and business sustainability on mid to long term basis; and (c) in the event that the Company engages Service Providers to provide consulting services to the Group, including these Service Providers as Participants may fill the gap and to foster the relationship with them as well as allowing the Company to pay such Service Providers a consideration comprising service fee and share-based consideration, leveraging on which, the Company may be able to avoid expensive one-off short-term transaction costs, at the same time incentivize the Service Providers with the long-term value to be brought by the growth of the Company's business and market capitalization. Furthermore, it will align the interests of the Service Providers with that of the Group, which would in the long-term, and draw in key players of various industries that would help contribute to the Group's growth and development, and therefore is in the interests of the Company and the Shareholders as a whole, and in line with the purposes of the New Share Option Scheme.

LETTER FROM THE BOARD

The Group has collaborated with independent contractors, consultants and advisors who have provided advisory services, consultancy services, and/or other professional services to the Group on areas relating to the Group's provision of Big Data Centre Services, which has been desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group (but for the avoidance of doubt exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisition, professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) and they have played significant roles in the Group's business development by contributing their specialised skills and knowledge in the field of Big Data Centre Services, for example, they have developed comprehensive management software and/or provided hardware support, power supply, ancillary supervision and management services in relation to its Big Data Centre Services. Such independent contractor, consultants and advisors may not be able to serve as full-time or part-time employees, directors or officers of the Group due to a variety of reasons. For example, these Service Providers may have stepped down from employment position with the Group, or they may be seasoned people in their own fields and professionals with many business connections which the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are personnel who have worked for the Group where the continuity and frequency of their services are akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group. Hence, the Board is of the view that apart from the invaluable contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from these kind of independent contractor, consultants and advisors who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group, such that its performance efficiency may be maximised.

Performance targets and clawback mechanism

Unless otherwise imposed by the Directors and stated in the relevant Share Option Offer Letter (as defined in Appendix I of this circular), there is neither any performance targets required to be achieved by any Grantee before an Option is capable of being exercised by the Grantee nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Grantee in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

If performance targets are imposed on a Grantee, the Board may assess such performance targets against common corporate-wide or subsidiary, division, operating unit, line of business, project, geographic or individual key performance indicators, which may include cash flow; earnings; earnings per share; market value added or economic value added; profits; return on assets; return on equity; return on investment; sales; revenue; Share price; total Shareholder return; customer satisfaction metrics; and such other goals as the Board may determine from time to time.

LETTER FROM THE BOARD

If a clawback mechanism is imposed on a Grantee, the Board will take into account individual circumstances when devising such mechanism such as the role of the Grantee, the purpose of the grant (for example whether as recognition of past contribution or as incentive to motivate such Grantee to contribute to the Group in the future on an ongoing basis), whether it would be particularly burdensome and complicated to implement the clawback mechanism, whether there are any tax implications etc.

The Board believes that it is in the best interests of the Company to retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Options under the New Share Option Scheme at a subscription price which will be determined on a fair basis according to market value of the Shares and to impose such clawback mechanism and/or require the Eligible Participant to achieve such performance targets as may be stipulated in the offer letter on a case by case basis, the Company may be in a better position to retain such Eligible Participants to continue serving the Company whilst at the same time providing these Eligible Participants with further incentive in achieving the goals of the Group, and therefore aligns with the purpose of the New Share Option Scheme.

Conditions of the proposed adoption of the New Share Option Scheme

The New Share Option Scheme is conditional on (i) the passing of an ordinary resolution to approve the adoption of the New Share Option Scheme by the Shareholders at the EGM and (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any Option which may be granted under the New Share Option Scheme. Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the Latest Practicable Date, the existing authorised share capital of the Company is HK\$65,000,000 divided into 650,000,000 Shares of which 548,408,822 Shares are in issue and fully paid or credited as fully paid. In order to (i) ensure that the Company has sufficient authorised but unissued share capital for allotment and issue of 109,675,764 Shares pursuant to the general mandate granted by the Shareholders in the annual general meeting held on 11 May 2022; (ii) accommodate for future expansion and growth of the Company; and (iii) to provide the Company with greater flexibility to raise funds by allotting and issuing Shares in the future as and when necessary, the Board proposes to increase the authorised share capital of the Company from HK\$65,000,000 (divided into 650,000,000 Shares) to HK\$200,000,000 (divided into 2,000,000,000 Shares) by the creation of an additional 1,350,000,000 Shares.

Upon the Increase in Authorised Share Capital becoming effective and assuming no Shares are issued or repurchased from the Latest Practicable Date up to the date of the EGM to be convened on Wednesday, 28 December 2022, the authorised share capital of the Company will be HK\$200,000,000 divided into 2,000,000,000 Shares, with 548,408,822 Shares in issue and 1,451,591,178 Shares authorised but unissued. The new Shares authorised to be allotted and issued by the Company shall rank *pari passu* in all respects with the existing Shares in issue.

LETTER FROM THE BOARD

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM.

As at the Latest Practicable Date, the Board had no present intention to issue any part of the proposed increased authorised share capital of the Company.

The Increase in Authorised Share Capital is conditional upon the passing of an ordinary resolution by the Shareholders at the EGM. The Board is of the view that the Increase in Authorised Share Capital will provide flexibility to the Company for future investment opportunities and facilitate the Company in determining its future business plan and development, and is therefore in the interests of the Company and the Shareholders as a whole.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 23 December 2022 to Wednesday, 28 December 2022 (both days inclusive) during which period no transfer of Shares may be effected for the purpose of determining shareholders who are entitled to attend and vote at the EGM. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificate(s) should be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 22 December 2022.

EGM

The notice convening the EGM is set out on pages EGM-1 to EGM-4 of this circular. The EGM will be held at Unit 3506, 35th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, to approve the adoption of the New Share Option Scheme and the Increase in Authorised Share Capital.

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the EGM to approve the adoption of the New Share Option Scheme and the Increase in Authorised Share Capital.

LETTER FROM THE BOARD

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll and an announcement of the voting results will be made after the general meeting. Accordingly, the resolutions to be proposed at the EGM and contained in the notice of the EGM will be voted by way of a poll by the Shareholders.

RECOMMENDATIONS

Having taken into account the reasons for the proposed adoption of the New Share Option Scheme and the proposed Increase in Authorised Share Capital as set out in this letter from the Board above, the Board considers that the proposed adoption of the New Share Option Scheme and the proposed Increase in Authorised Share Capital is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions at the EGM.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

MISCELLANEOUS

The translation into Chinese language of this circular is for reference only. In case of any inconsistency, the English version shall prevail.

Yours faithfully,
For and on behalf of the Board of
Crypto Flow Technology Limited
Huang Yibin
Chief Executive Officer and Executive Director

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved and adopted at the EGM:

WARNING

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

1. DEFINITIONS

1.1 In the New Share Option Scheme, except where the context otherwise requires, the following words and expressions have the following meanings:

“**Acceptance Date**” means the date upon which an Offer must be accepted by the relevant Eligible Participant, being a date not later than 30 days after the Offer Date;

“**approved independent financial adviser**” means such independent financial adviser as approved by the Board;

“**Articles**” means the articles of association of the Company as amended from time to time;

“**associate(s)**” shall have the meaning ascribed to it in the GEM Listing Rules;

“**Auditors**” means the auditors for the time being of the Company;

“**Cancelled Shares**” means those Shares which were the subject of Options which had been granted and accepted under this Scheme or any of the other schemes but subsequently cancelled. For the avoidance of doubt, “**Cancelled Shares**” shall exclude “**Lapsed Shares**”;

“**close associate(s)**” shall have the meaning ascribed to it in the GEM Listing Rules;

“**Commencement Date**” means, in respect of an Option, the date upon which such Option is deemed to be granted and accepted in accordance with paragraph 4.4;

“**Company**” means 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) (stock code: 8198), a company incorporated in the Cayman Islands with limited liability on 26 November 1998 and the Shares of which are listed on GEM of the Stock Exchange since 17 May 2002;

“**Companies Ordinance**” means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time;

“**connected person**” has the meaning ascribed to it in the GEM Listing Rules;

“**core connected person**” has the meaning ascribed to it in the GEM Listing Rules;

“**Director**” means any director of the Company from time to time;

“**EGM**” means the extraordinary general meeting (or any adjournment thereof) of the Company to be convened to consider, and if thought fit, approving this Scheme;

“**Exercise Date**” means the date of the notice given by the Grantee in respect of the exercise of the Option in accordance with paragraph 7.1;

“**Exercise Price**” means the price per Share, determined by the Board, at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with paragraph 6;

“**Expiry Date**” means, in respect of an Option, the date of the expiry of the Option as may be determined by the Board which shall not be later than the last day of the Option Period in respect of such Option;

“**Grantee**” means any Eligible Participant who accepts an Offer in accordance with the rules of this Scheme;

“**Group**” means the Company and its Subsidiaries;

“**HK\$**” means Hong Kong dollars, the lawful currency of Hong Kong;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Lapsed Shares**” means those Shares which were the subject of options which had been granted and accepted under this Scheme or any of the other schemes but subsequently lapsed. For the avoidance of doubt, “**Lapsed Shares**” shall exclude “**Cancelled Shares**”;

“**Option Period**” means in respect of an Option, the period to be notified by the Board to each Grantee within which the Option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;

“**other schemes**” means other than this Scheme, all the schemes involving the grant by the Company of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or any arrangement involving the grant of options to participants over Shares or other securities of the Company which, in the opinion of the Stock Exchange, is analogous to a share option scheme as described in Chapter 23 of the GEM Listing Rules;

“**Personal Representative(s)**” means a person or persons who, in accordance with the laws of succession applicable in respect of the death of such Grantee is or are entitled to exercise the Option accepted by such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;

“**Scheme**” means the New Share Option Scheme;

“**Scheme Limit**” has the meaning ascribed to it in paragraph 9;

“**Scheme Period**” means a period commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date (both dates inclusive);

“**Shares**” means ordinary shares of HK\$0.1 each in the capital of the Company or, if there has been a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital in the share capital of the Company;

“**Subsidiary**” means an entity, including but not limited to such associate(s) as set forth in the accountants’ report of the Company from time to time, which is a subsidiary for the time being of the Company within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) whether incorporated in Hong Kong, the British Virgin Islands, the People’s Republic of China or elsewhere and “**Subsidiaries**” shall be construed accordingly;

“**substantial shareholder**” has the meaning ascribed to it in the GEM Listing Rules; and

“**Vesting Period**” means the vesting period of Options which shall be not less than 12 months (save where applicable under the GEM Listing Rules when the Remuneration Committee has approved the Offer to a specifically identified Participant who is an Employee Participant of the Company or any Subsidiary with a shorter vesting period, and has clearly explained the reason for so doing in the grant announcement published by the Company as required under the GEM Listing Rules).

1.2 In this Scheme, unless the context otherwise requires:

- (a) paragraph headings are inserted for convenience of reference only and shall not affect the interpretation of this Scheme;
- (b) references to paragraphs are to paragraphs of this Scheme;
- (c) the singular includes the plural and vice versa;
- (d) references to one gender shall include both genders and the neuter;
- (e) any reference to any statute or statutory provision shall include any statute or statutory provision which amends or replaces, or has amended or replaced it, and shall include any subordinate legislation made under the relevant statute; and

- (f) a reference to a “**person**” shall be construed so as to include any individual, firm, business, company, body corporate or unincorporated or other juridical person, government, federation, state or agency thereof or any joint venture, association, partnership or trust (whether or not having separate legal personality).

2. CONDITIONS

2.1 This Scheme shall take effect subject to and is conditional upon:

- (a) the passing of an ordinary resolution to approve the adoption of this Scheme by the Shareholders at the EGM and authorising the Board to grant Options to subscribe for Shares hereunder and to allot and issue Shares pursuant to the exercise of any Options granted under this Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of any Options granted under this Scheme.

2.2 If the conditions in paragraph 2.1 are not satisfied within six calendar months from the Adoption Date:

- (a) this Scheme shall forthwith determine;
- (b) any Option granted or agreed to be granted pursuant to this Scheme and any Offer shall be of no effect; and
- (c) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of this Scheme or any Option.

3. PURPOSE, DURATION AND CONTROL OF SCHEME

3.1 This Scheme is established to recognize and acknowledge the contributions the Eligible Participants have had or may have made to our Group, and will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (a) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (b) attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

3.2 Subject to paragraph 14 and fulfilment of the conditions in paragraph 2.1, Scheme shall be valid and effective for the Scheme Period after which no further Options shall be offered but the provisions of this Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with this Scheme.

3.3 This Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to this Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

4. GRANT OF OPTIONS

4.1 Subject to paragraphs 4.2 and 5, the Board shall be entitled to but shall not be bound, at any time on any Business Day during the Scheme Period, make an Offer to any Eligible Participant whom the Board may in its absolute discretion select and subject to such conditions (including, without limitation, any Vesting Period for which an Option must be held before it can be exercised) as it may think fit by letter (the “**Share Option Offer Letter**”) in such form as the Board deemed appropriate, provided that the maximum number of Shares in respect of which Options may be granted under this Scheme to any Eligible Participant, shall not, when aggregated with:

- (a) any Shares issued upon exercise of Options or options under the other schemes which have been granted to that Eligible Participant;
- (b) any Shares which would be issued upon the exercise of outstanding Options or options under the other schemes granted to that Eligible Participant; and
- (c) any Cancelled Shares which were the subject of Options or options under the other schemes which had been granted to and accepted by that Eligible Participant,

in any 12-month period up to the Offer Date, exceed one per cent of the number of Shares in issue on the Offer Date.

4.2 If the Board determines to make an Offer to an Eligible Participant which exceed the limit set out in paragraph 4.1:

- (a) such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting; and

- (b) the Company must send a circular to the Shareholders which must disclose the identity of the Eligible Participant, the number and terms of the Options to be granted (and those previously granted to such Eligible Participant in the 12-month period), the purpose of granting Options to the Eligible Participant and an explanation as to how the terms of the Options serve such purpose.
- 4.3 If the Board determines to make an Offer to an Eligible Participant in accordance with paragraph 4.1, the Board shall forward to the relevant Eligible Participant an offer document in such form as the Board may from time to time determine which states (or, alternatively, documents accompanying the offer document which state), among others:
- (a) the Eligible Participant's name, address and occupation/position;
 - (b) the Offer Date;
 - (c) the Acceptance Date;
 - (d) the Commencement Date or, if the Option Period does not commence on the Commencement Date, the date of commencement of the Option Period;
 - (e) the number of Shares in respect of which the Option is offered;
 - (f) the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
 - (g) the Expiry Date in relation to that Option;
 - (h) the method of acceptance of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 4.4; and
 - (i) such other terms and conditions (without limitation, any Vesting Period for which an Option must be held before it can be exercised) relating to the Offer which in the opinion of the Board are fair and reasonable but not being inconsistent with this Scheme and the GEM Listing Rules.
- 4.4 An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the document constituting acceptance of the Option duly signed by the Grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company on or before the relevant Acceptance Date. Such remittance shall in no circumstances be refundable.

- 4.5 Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it must be accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the document constituting acceptance of the Option in the manner as set out in paragraph 4.4. To the extent that the Offer is not accepted by the Acceptance Date, it shall be deemed to have been irrevocably declined.
- 4.6 The Options shall not be listed or dealt in on the Stock Exchange or any other stock exchange.
- 4.7 An Option and an Offer shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option held by him or any Offer made to him or attempt to do so (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to this Scheme may be registered), except and unless a waiver has been granted by the Stock Exchange to the Grantee to transfer his Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of this Scheme and comply with other requirements under the GEM Listing Rules. Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or any part thereof granted to such Grantee.
- 4.8 An offer of the grant of an Option may not be made after inside information has come to the knowledge of the Company until the information has been announced in accordance with the GEM Listing Rules. In particular, no Options shall be granted during the period commencing one month immediately before the earlier of:
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
 - (b) the deadline for the Company to announce its results for (i) any year or half-year period under the GEM Listing Rules, and (ii) where the Company has elected to publish them, any quarterly or any other interim period,
- and ending on the actual date of publication of the results announcement for such year, half year, quarterly or interim period (as the case may be), and where the grant of Options is to a Director:
- (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
 - (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

5. OPTIONS TO CONNECTED PERSONS

- 5.1 Subject to paragraphs 4, 5.2 and 9, if the Board determines to make an Offer to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, such grant shall be subject to the approval by the independent non-executive Directors (and in the event that the Board makes an Offer to an independent non-executive Director, the vote of such independent non-executive Director shall not be counted for the purposes of approving such grant).
- 5.2 If the Board determines to make an Offer to a substantial shareholder or an independent non-executive Director (or any of their respective associates) and that grant would result in the Shares issued and to be issued in respect of all options granted (excluding any Options lapsed in accordance with the terms of this Scheme) to such person under this Scheme and the other schemes in the 12-month period up to and including the Offer Date represents in aggregate over 0.1 per cent of the relevant class of shares in issue, such grant shall be subject to, in addition to the approval of the independent non-executive Directors as referred to under paragraph 5.1, the issue of a circular by the Company to the Shareholders and the approval of the Shareholders in general meeting by way of a poll convened and held in accordance with the Articles at which such proposed Grantees, their associates and all core connected persons of the Company shall abstain from voting in favour of the resolution concerning the grant of such Options at the general meeting, and/or such other requirements prescribed under the GEM Listing Rules from time to time. Unless provided otherwise in the GEM Listing Rules, the date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- 5.3 Any change in the terms of any Option granted to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in rule 23.04(4) of the GEM Listing Rules if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of this scheme).
- 5.4 The circular to be issued by the Company to the Shareholders pursuant to paragraph 5.2 shall contain the following information:
- (a) the details of the number and terms of the Options to be granted to each Eligible Participant which must be fixed before the Shareholders' meeting. The date of the Board meeting at which the Board proposes to grant the proposed Options to that Eligible Participant shall be taken as the Offer Date for the purpose of calculating the Exercise Price;
 - (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the relevant Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
 - (c) the information required under rules 23.02(2)(c) and 2.17 of the GEM Listing Rules.

6. EXERCISE PRICE

6.1 The Exercise Price in relation to each Option offered to an Eligible Participant shall, subject to the adjustments referred to in paragraph 10, be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date; and
- (b) the average closing price of the shares as stated in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the Offer Date,

provided that for the purpose of determining the Exercise Price where the Shares have been listed on the Stock Exchange for less than five Business Days preceding the Offer Date, the issue price of the Shares in connection with such listing shall be deemed to be the closing price of the Shares for each Business Day falling within the period before the listing of the Shares on the Stock Exchange.

7. EXERCISE OF OPTIONS

7.1 Subject to paragraph 7.3 and 8.1(e), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the Grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the Auditors or the approved independent financial adviser as the case may be pursuant to paragraph 10, the Company shall allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee certificates in respect of the Shares so allotted.

7.2 The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company.

7.3 Unless otherwise imposed by the Directors and stated in the relevant Share Option Offer Letter, there is neither any performance targets required to be achieved by any Grantee of before an Option is capable of being exercised by the Grantee nor any clawback mechanism under the New Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Grantee) to any Grantee in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances.

7.4 Subject as hereinafter provided and to the extent as allowed by the relevant laws and regulations, as determinate otherwise by the Board, an Option may be exercised by a Grantee at any time or times during the Option Period provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant (including the termination of his employment) for any reason other than on his death, ill-health, injury, disability or the grounds specified in paragraph 8.1(d), the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent he or she is entitled to exercise at the date of cessation but not already exercised) within the period of three months following the date of such cessation, (if applicable) which date shall be the last actual working day with the relevant member(s) of the Group whether salary is paid in lieu of notice or not or the last date of office or appointment as adviser or business consultant to the relevant member(s) of the Group, as the case may be, or such longer period as the Board may determine, failing which the option will lapse;
- (b) in the case of the Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with the Group under paragraph 8.1(d) has occurred, the Grantee or the Personal Representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Option in full (to the extent not already exercised);
- (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the options granted to them, Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his option in full (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional;

- (d) if a compromise or arrangement between the Company and its members and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to members and/or creditors of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his Options in whole or in part at any time prior to 12:00 noon (Hong Kong time) on the Business Day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine. The Board shall endeavour to procure that the Shares issued as a result of the exercise of Options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of the Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court) the rights of the Grantees to exercise their respective Options shall with effect from the date of the making of the order by the relevant court be restored in full (but only upon the extent not already exercised) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and
- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his Personal Representative(s)) shall be entitled to exercise all or any of his Options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid and procure that such Grantee be registered as a member of the Company with respect to the relevant Shares in time for him to be able to attend and vote at such general meeting.

7.5 No dividends shall be payable in relation to Shares that are the subject of Options that have not been exercised. The Shares to be allotted upon the exercise of an Option shall not carry voting rights until completion of the registration of the Grantee (or such other person nominated by the Grantee) as the holder thereof. Subject to the aforesaid, the Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Articles and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of the Company as attached to the fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue. Shares issued on the exercise of an Option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

8. LAPSE OF OPTION

8.1 An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the Expiry Date relevant to that Option;
- (b) the expiry of any of the periods referred to in paragraph 7.3(a), (b), (c), (d) or (e);
- (c) the date on which the scheme of arrangement of the Company referred to in paragraph 7.3(d) becomes effective;
- (d) subject to paragraph 7.3(e), the date of commencement of the winding-up of the Company (as determined in accordance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong));
- (e) the date on which the Grantee ceases to be an Eligible Participant by reason of the termination of his relationship with the Group on any one or more of the following grounds:
 - (i) that he has been guilty of serious misconduct;
 - (ii) that he has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Group; or
 - (iii) that he has become insolvent, bankrupt or has made arrangements or compromises with his creditors generally;

and a resolution of the Board or the board of directors of the relevant Subsidiary to the effect that the relationship of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; and

- (f) the date on which the Board shall exercise the Company's right to cancel the Option at any time after the Grantee commits a breach of paragraph 4.7 or the Options are cancelled in accordance with paragraph 15.

- 8.2 The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 8.
- 8.3 For the avoidance of doubt, the Company's change of control shall not result in a lapse of an Option.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1 Unless further approval has been obtained pursuant to paragraphs 9.2 and/or 9.3 and subject to paragraphs 9.4 and 9.5, the maximum number of Shares in respect of which Options or options under the other schemes may be granted and yet to be exercised is ten per cent ("**Scheme Limit**") of the Shares in issue on the Adoption Date, excluding for this purpose Shares which would have been issuable pursuant to Options which have lapsed in accordance with the terms of this Scheme or any other schemes. As at the Offer Date of any proposed grant of Options, the maximum number of Shares in respect of which Options may be granted is such number of Shares less the aggregate of the following Shares as at that Offer Date:
- (a) the number of Shares which would be issued on the exercise in full of the Options or options under the other schemes but not cancelled, lapsed or exercised;
 - (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Options or options under the other schemes; and
 - (c) the number of Cancelled Shares.
- 9.2 Subject to above paragraph 9.1, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Service Providers shall not exceed 5% of the total number of Shares in issue on the Adoption Date (the "**Service Provider Sublimit**").
- 9.3 The issue of a circular by the Company which complies with rules 23.03(3) and 23.06 of the GEM Listing Rules and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Scheme Limit may be increased from time to time to ten per cent of the Shares in issue ("**New Scheme Limit**") as at the date of such Shareholders' approval ("**New Approval Date**"). Thereafter, as at the Offer Date of any proposed grant of Options, the maximum number of Shares in respect of which Options may be granted is the New Scheme Limit less the aggregate of the following Shares as at that Offer Date:
- (a) the number of Shares which would be issued on the exercise in full of the Options and options under the other schemes granted on or after the New Approval Date but not cancelled, lapsed or exercised;
 - (b) the number of Shares which have been issued and allotted pursuant to the exercise of any Options or options under the other schemes granted on or after the New Approval Date; and

- (c) the number of Cancelled Shares, the subject of Options or options under the other schemes granted on or after the New Approval Date.
- 9.4 The issue of a circular by the Company to the Shareholders and the approval of the Shareholders in general meeting in compliance with Rules 23.03(3) and 23.06 of the GEM Listing Rules and/or such other requirements prescribed under the GEM Listing Rules from time to time, the Board may grant Options exceeding the Scheme Limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain:
- (a) the provisions described under Rule 23.03 of the GEM Listing Rules;
 - (b) an explanation as to how the terms of this Scheme, in particular, how the provisions described in Rules 23.03(2), (6), (7), (9) and (19), will align with the purpose of this Scheme;
 - (c) information relating to any directors of the listed issuer who are trustees of the scheme or have a direct or indirect interest in the trustees;
 - (d) a statement in the form set out in paragraph 2 of Appendix 1, Part B of the GEM Listing Rules; and
 - (e) any additional information requested by the Stock Exchange.
- 9.5 The Scheme Limit referred to in paragraph 9 (or as increased in accordance with paragraph, as the case may be) shall be adjusted, in such manner as the Auditors or the approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph 10 whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital of the Company.

10. CAPITAL RESTRUCTURING

- 10.1 In the event of any capitalisation issue, rights issue, open offer (if there is a price dilutive element), sub-division, consolidation or redenomination of shares, or reduction of capital of the Company in accordance with applicable laws and regulatory requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:
- (a) the number of Shares subject to any outstanding Options;
 - (b) the Exercise Price;
 - (c) the Shares to which the Option relates;
 - (d) the method of exercise of the Option; and/or
 - (e) any combination thereof,

as the Auditors or the approved independent financial adviser shall at the request of the Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that a Grantee shall have the same proportion of the equity capital of the Company, rounded to the nearest whole share, as that to which he was entitled to subscribe had he exercised all the Options held by him immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on the Company and the Grantees. Any adjustment to be made in accordance with this paragraph shall comply with the GEM Listing Rules and any future guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time. The costs of the Auditors or the approved independent financial adviser to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

10.2 In respect of any adjustments required by paragraph 10.1, other than any made on a capitalisation issue, the Auditors or the approved independent financial adviser, as the case may be, shall confirm to the Board in writing that the adjustments satisfy the requirements set out in Rule 23.03(13) of the GEM Listing Rules and the note thereto and/or such other requirement prescribed under the GEM Listing Rules from time to time.

10.3 Subject to other provisions in this paragraph 10, if there is any conversion of capital reserve into new shares, issue of bonus shares, share subdivision, share consolidation or rights issue prior to the exercise of the Options, an adjustment to the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates shall be made accordingly. The methods of adjustment are set out as below:

(a) Conversion of capital reserve into new shares, issue of bonus shares or share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: “Q₀” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates before the adjustment; “n” represents the ratio per Share of the conversion of capital reserve into new shares, issue of bonus shares or share subdivision; “Q” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates after the adjustment.

(b) Share consolidation

$$Q = Q_0 \times n$$

Where: “Q₀” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates before the adjustment; “n” represents the ratio of consolidation; “Q” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates after the adjustment.

(c) **Rights issue**

$$Q = Q_0 \times P_1 \times (1 + n) \div (P_1 + P_2 \times n)$$

Where: “Q₀” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates before the adjustment; “P₁” represent the closing price as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Shares subject to any outstanding Options and/or the Shares to which the Option relates after the adjustment.

Subject to other provisions in this paragraph 10, if there is any conversion of capital reserve into new shares, issue of bonus shares, share subdivision, share consolidation or rights issue prior to the exercise of the Options, an adjustment to the Exercise Price shall be made accordingly. The method of adjustment is set out as below:

(a) **Conversion of capital reserve into new shares, issue of bonus shares or share subdivision**

$$P = P_0 \div (1 + n)$$

Where: “P₀” represents the Exercise Price before the adjustment; “n” represents the ratio per Share of the conversion of capital reserve into new shares, issue of bonus shares or share subdivision; “P” represents the Exercise Price after the adjustment.

(b) **Share consolidation**

$$P = P_0 \div n$$

Where: “P₀” represents the Exercise Price before the adjustment; “n” represents the ratio of consolidation; “P” represents the Exercise Price after the adjustment.

(c) **Rights issue**

$$P = P_0 \times (P_1 + P_2 \times n) \div (P_1 \times (1 + n))$$

Where: “P₀” represents the Exercise Price before the adjustment; “P₁” represents the closing price as at the record date; “P₂” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment.

11. SUFFICIENT SHARE CAPITAL

11.1 Subject to paragraph 7.2, the Board shall at all times set aside for the purposes of this Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of outstanding Options.

12. DISPUTES

- 12.1 Any dispute arising in connection with this Scheme (whether as to the number of Shares subject to an Option, the amount of the Exercise Price or otherwise) shall be referred to the Auditors or the approved independent financial advisor to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby. The costs of the Auditors or the approved independent financial advisor to the Company shall be borne equally by the Company and the relevant Grantee.

13. ALTERATION OF THIS SCHEME

- 13.1 The terms and conditions of this Scheme and the regulations for the administration and operation of this Scheme (provided that the same are not inconsistent with this Scheme and the GEM Listing Rules) may be altered in any respect by resolution of the Board except that:
- (a) any alterations to the terms and conditions of this scheme which are of a material nature or any alterations to the provisions relating to the matters set out in rule 23.03 of the GEM Listing Rules to the advantage of participants must be approved by shareholders of the listed issuer in general meeting;
 - (b) any change to the terms of Options granted to a participant must be approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer (as the case may be) if the initial grant of the options or awards was approved by the board, the remuneration committee, the independent non-executive directors and/or the shareholders of the listed issuer, (as the case may be), unless such alterations take effect automatically under the existing terms of this Scheme; and
 - (c) any change to the authority of the directors or scheme administrators to alter the terms of this Scheme must be approved by shareholders of the listed issuer in general meeting.
- 13.2 In respect of any meeting of Grantees referred to in paragraph 13.1, all the provisions of the Articles as to general meetings of the Company shall mutatis mutandis apply as though the Options were a class of shares forming part of the capital of the Company except that:
- (a) not less than seven days' notice of such meeting shall be given;
 - (b) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding Options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Options then outstanding unless there is only one Grantee holding all Options then outstanding, in which case the quorum shall be one Grantee;

- (c) every Grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he would be entitled upon exercise in full of his Options then outstanding;
 - (d) any Grantee present in person or by proxy may demand a poll; and
 - (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven or more than fourteen days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least seven days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.
- 13.3 Any change to the authority of the Board in relation to any alterations to the terms of this Scheme must be approved by the Shareholders in general meeting.

14. TERMINATION

- 14.1 The Company by resolution in general meeting or the Board may at any time resolve to terminate the operation of this Scheme and in such event no further Offers shall be made but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.
- 14.2 Details of the Options granted, including Options exercised or outstanding, under this Scheme shall be disclosed in the circular to Shareholders seeking approval of the new scheme established after the termination of this Scheme.

15. CANCELLATION OF OPTIONS

- 15.1 Any cancellation of Options granted but not exercised can be cancelled by the Board but must be approved by the Grantees of the relevant Options in writing. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph 4.7. Where the Company cancels Options, the grant of new options to the same Grantee may only be made under this Scheme within the limits set out in paragraphs 4.1, 9.1 and 9.2.

16. DISCLOSURE IN ANNUAL, INTERIM AND QUARTERLY REPORTS

- 16.1 The Board shall procure that details of this Scheme and other schemes of the Group including such details as required under the GEM Listing Rules are disclosed in the annual reports, interim reports and quarterly of the Company in compliance with the GEM Listing Rules in force from time to time.

17. GENERAL

- 17.1 The Company shall bear the costs of establishing and administering this Scheme (including the costs of the Auditors or the approved independent financial advisor, as the case may be, in relation to the preparation of any certificate or the provision of any other services in relation to this Scheme).
- 17.2 A Grantee shall be entitled to inspect copies of all notices and other documents sent by the Company to Shareholders at the same time or within a reasonable time of any such notices or documents being sent, which shall be made available to him, during normal office hours at the Company's principal place of business in Hong Kong.
- 17.3 Any notices, documents or other communication between the Company and a Grantee shall be in writing and may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time.
- 17.4 Any notice or other communication served:
- (a) by the Company shall be deemed to have been served 48 hours after the same was put in the post or if delivered by hand, when delivered; and
 - (b) by the Grantee shall not be deemed to have been received until the same shall have been received by the Company.
- 17.5 All allotments and issues of Shares pursuant to this Scheme shall be subject to any necessary consents under the relevant laws, enactments or regulations for the time being to which the Company is subject. A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction for, or in connection with the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme.
- 17.6 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 17.7 This Scheme shall not form part of any contract of employment between the Group and any Eligible Participant who is an employee of the Group and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in it and this Scheme shall afford such an Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 17.8 The Company shall maintain all necessary books of account and records relating to this Scheme.

17.9 This Scheme shall in all respects be administered by the Board which (a) shall administer this Scheme in accordance with the provisions hereof and all applicable requirements of the GEM Listing Rules and (b) may make such rules not being inconsistent with the terms and conditions hereof and the GEM Listing Rules for the conduct of this Scheme and the determination and terms of each entitlement under an Option as the Board thinks fit.

17.10 A Grantee who is a member of the Board may, subject to and in accordance with the Articles, notwithstanding his interest, vote on any Board resolution concerning this Scheme (other than in respect of his own participation therein) and may retain any benefit under this Scheme.

18. GOVERNING LAW

18.1 This Scheme and all Options granted hereunder are governed by and shall be construed in accordance with the laws of Hong Kong.

NOTICE OF THE EGM



Crypto Flow

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Crypto Flow Technology Limited (the “Company”) will be held at Unit 3506, 35th Floor, Tower One, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 28 December 2022 at 11:00 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

Adoption of new share option scheme

1. **“THAT:**

Subject to and conditional upon the Listing Committee (the “**Listing Committee**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the shares of the Company which may fall to be issued upon the exercise of the options to be granted under the new share option scheme of the Company (the “**New Share Option Scheme**”), the principal terms of which are set out in the document marked “A” which has been produced to the meeting and signed by the chairman of the EGM for the purpose of identification, the New Share Option Scheme be and is hereby approved and adopted and the directors of the Company (the “**Directors**”) be and are hereby authorised to grant options and to allot, issue and deal with the shares of the Company as may be required to be allotted and issued upon the exercise of any option granted thereunder and to take all such steps as they may consider necessary or expedient to implement and give full effect to the New Share Option Scheme, including, but not limited to:

1. administering the New Share Option Scheme and granting options under the New Share Option Scheme;
2. modifying and/or amending the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 23 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”); and
3. making application(s) at the appropriate time or times to the Listing Committee for the listing of, and permission to deal in, any shares of the Company or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the New Share Option Scheme.”

NOTICE OF THE EGM

As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

2. “**THAT:**

the Service Provider Sublimit (as defined in the New Share Option Scheme) on the total number of Shares that may be issued in respect of all options to be granted to Service Providers under the New Share Option Scheme be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit.”

Increase in authorised share capital

3. “**THAT:**

the authorised share capital of the Company be increased from HK\$65,000,000 divided into 650,000,000 shares of the Company of HK\$0.1 each (the “**Shares**”) to HK\$200,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,350,000,000 Shares (the “**Proposed Increase in Authorised Share Capital**”), which will, upon issue and being fully paid, rank pari passu in all respects with the existing Shares in issue; and any one Director be and is hereby authorised to do all such acts and things, to sign and execute all such further documents and to take such steps as the Director in his/her discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Proposed Increase in Authorised Share Capital.”

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

Hong Kong, 12 December 2022

Registered office:

P.O. Box 31119
Grand Pavilion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Head office and principal place of

business in Hong Kong:
Unit 3506, 35th Floor, Tower One
Lippo Centre, 89 Queensway
Hong Kong

NOTICE OF THE EGM

Notes:

1. A shareholder of the Company (the “**Shareholder**”) entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him/her/it. A proxy need not be a Shareholder of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
2. Where there are joint holders of any Share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such Share as if he/she/it was solely entitled thereto, but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
3. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy thereof must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or at any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof if you so wish. In such event, the form of proxy shall be deemed to be revoked.
4. For determining the entitlement as members of the Company to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 23 December 2022 to Wednesday, 28 December 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 22 December 2022.
5. Article 66 of the Company’s articles of association sets out the procedure by which shareholders of the Company may demand a poll at general meetings.
6. According to Rule 17.47(4) of the GEM Listing Rules, any voting of the shareholders of the Company at a general meeting will be taken by way of a poll and an announcement of the voting results will be made after the general meeting. Accordingly, the resolutions will be taken by way of a poll at the EGM.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
8. If typhoon signal no. 8 or above or a “black” rainstorm warning is in effect any time after 7:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the website of the Company at www.cryptoflowhk.com and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify members of the Company of the date, time and place of the re-scheduled EGM.

NOTICE OF THE EGM

PRECAUTIONARY MEASURES FOR THE EGM

With a view to preventing and controlling the spreading of the Novel Coronavirus (COVID-19), the Company will implement certain precautionary measures at the EGM, which include but are not limited to:

- compulsory temperature checks and health declarations
- wearing of surgical face masks at the EGM venue and throughout the EGM
- no distribution of corporate gifts and refreshments

Please see page 1 of this circular for further details on the preventive measures being taken by the Company at the EGM.

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. The Company encourages attendees to wear face masks and reminds Shareholders that they may appoint the chairman of the EGM as their proxy to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM in person.

The Company is closely monitoring the impact of COVID-19 and changes of situation in Hong Kong and will assess if any changes to the arrangement of the EGM will be required. Should there be any changes on the details of the EGM, the Company will notify the Shareholders via an announcement posted on the websites of both the Stock Exchange (at www.hkexnews.hk) and the Company (at www.cryptoflowhk.com).

As at the date of this circular, 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. Chu, Howard Ho Hwa, Mr. Tong, I Tony and Mr. Sun Yuqiang.