UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

(Mark One)
☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended March 31, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report _____

Commission file number: **001-41776**

SOLOWIN HOLDINGS
(Exact Name of Registrant as Specified in Its Charter)

Not Applicable
(Translation of Registrant's Name into English)

Cayman Islands
(Jurisdiction of Incorporation or Organization)

Room 1910-1912A, Tower 3, China Hong Kong City
33 Canton Road, Tsim Sha Tsui, Kowloon
Hong Kong
(Address of Principal Executive Offices)

Mr. Ling Ngai Lok, Chairman and Chief Executive Officer
Room 1910-1912A, Tower 3, China Hong Kong City
33 Canton Road, Tsim Sha Tsui, Kowloon
Hong Kong
(852)3428-3893
(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Class A Ordinary Shares, $0.0001 par value	AXG	The NASDAQ Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report (March 31, 2026): 157,582,228 Class A Ordinary Shares, $0.0001 par value, and 31,371,599 Class B Ordinary Shares, $0.0001 par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer, "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☒	International Financial Reporting Standards as issued by the International Accounting Standards Board ☐	Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. ☐ Item 17 ☐ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Annual Report on Form 20-F
Year Ended March 31, 2026

TABLE OF CONTENTS

PART I	1
ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS	1
A. Directors and Senior Management	1
B. Advisers	1
C. Auditors	1
ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE	1
A. Offer Statistics	1
B. Method and Expected Timetable	1
ITEM 3. KEY INFORMATION	1
A. [Reserved]	10
B. Capitalization and Indebtedness	10
C. Reasons for the Offer and Use of Proceeds	10
D. Risk Factors	10
ITEM 4. INFORMATION ON THE COMPANY	48
A. History and Development of the Company	48
B. Business Overview	51
C. Organizational Structure	88
D. Property, Plant and Equipment	88
ITEM 4A. UNRESOLVED STAFF COMMENTS	89
ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS	89
A. Operating Results	89
B. Liquidity and Capital Resources	101
C. Research and Development	103
D. Trend Information	104
E. Critical Accounting Estimates.	104
ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES	109
A. Directors and Senior Management	109
B. Compensation	111
C. Board Practices	112
D. Employees	115
E. Share Ownership	116
F. Disclosure of a registrant's action to recover erroneously awarded compensation	118
ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS	118
A. Major Shareholders	118
B. Related Party Transactions	118
C. Interests of Experts and Counsel	118
ITEM 8. FINANCIAL INFORMATION	118
A. Consolidated Statements and Other Financial Information	118
B. Significant Changes	119
ITEM 9. THE OFFER AND LISTING	119
A. Offer and Listing Details	119
B. Plan of Distribution	119
C. Markets	119
D. Selling Shareholders	119
E. Dilution	119
F. Expenses of the Issue	119

ITEM 10. ADDITIONAL INFORMATION 120
A. Share Capital 120
B. Memorandum and Articles of Association 120
C. Material Contracts 127
D. Exchange Controls 127
E. Taxation 128
F. Dividends and Paying Agents 132
G. Statement by Experts 132
H. Documents on Display 132
I. Subsidiary Information 133
J. Annual Report to Security Holders 133

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK 133

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES 133
A. Debt Securities 133
B. Warrants and Rights 133
C. Other Securities 133
D. American Depositary Shares 133

PART II 134

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES 134

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITIES HOLDERS AND USE OF PROCEEDS 134

ITEM 15. CONTROLS AND PROCEDURES 135

ITEM 16. [RESERVED] 137

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT 137

ITEM 16B. CODE OF ETHICS 137

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES 137

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES 137

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS 137

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT 137

ITEM 16G. CORPORATE GOVERNANCE 138

ITEM 16H. MINE SAFETY DISCLOSURE 138

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS 139

ITEM 16J. INSIDER TRADING POLICIES 139

ITEM 16K. CYBERSECURITY 139

PART III 140

ITEM 17. FINANCIAL STATEMENTS 140

ITEM 18. FINANCIAL STATEMENTS 140

ITEM 19. EXHIBITS 140

INTRODUCTORY NOTES

Use of Certain Defined Terms

Except as otherwise indicated by the context and for the purposes of this report only, references in this report to:

- "AlloyX" are to AlloyX Limited, a wholly owned subsidiary of Solowin and an exempted company incorporated in the Cayman Islands;
- "AlloyX Group" are to AlloyX and its subsidiaries, including Master Venus Limited, AlloyX (Hong Kong) Limited, AlloyX Group Pte. Limited, and Bravo Valor Partners Limited;
- "AlloyX HK" are AlloyX (Hong Kong) Limited;
- "AUM" are to Asset Under Management;
- "AX Coin" are to AX Coin Limited, a 64% owned subsidiary of Solowin and an exempted company incorporated in the Cayman Islands;
- "AX Coin HK" are to AX Coin HK Limited, a wholly owned subsidiary of AX Coin;
- "AX Coin Bahrain" are to AX Coin Bahrain B.S.C. (c), a 95% owned subsidiary of AX Coin HK;
- "CAC" are to Cyberspace Administration of China;
- "Charter Documents" are to Solowin's Second Amended and Restated Memorandum and Articles of Association, currently in effect;
- "Class A Ordinary Shares" are to class A ordinary shares of Solowin, par value $0.0001 per share. Each Class A Ordinary Share is entitled to one (1) vote on all matters requiring shareholder approval;
- "Class B Ordinary Shares" are to class B ordinary shares of Solowin, par value $0.0001 per share. Each Class B Ordinary Share is entitled to ten (10) votes on all matters requiring shareholder approval;
- "HK$" or "Hong Kong dollar(s)" are to the legal currency of Hong Kong;
- "Hong Kong" and "Hong Kong SAR" are to the Hong Kong Special Administrative Region of the People's Republic of China;
- "HK Subsidiaries" are to Solomon JFZ (Asia) Holdings Limited, Solomon Private Wealth Limited, AlloyX (Hong Kong) Limited, AX Coin HK Limited, and AlloyX Ventures Limited, each a Hong Kong corporation; each, a HK Subsidiary;
- "HKEX" are to Hong Kong Exchanges and Clearing Limited;
- "HKSFC" are to Hong Kong Securities and Futures Commission;
- "IPO" are to initial public offering;
- "Mainland China" are to the People's Republic of China, excluding Taiwan, the special administrative regions of Hong Kong and Macau;

- "Nasdaq" are to Nasdaq Stock Market LLC;
- "Ordinary Shares" are to Class A Ordinary Shares and Class B Ordinary Shares;
- "PRC" and "China" are to the People's Republic of China, including Hong Kong SAR and the Macau Special Administrative Region except when we reference specific laws and regulations adopted by the PRC, but excluding, for the purposes of this report only, Taiwan. For purpose of this report, the legal and operational risks associated with operations in China also apply to operations in Hong Kong;
- "RMB" or "Renminbi" are to the legal currency of China;
- "SGD" are to the legal currency of Singapore;
- "SEC" are to U.S. Securities and Exchange Commission;
- "SFO" are to Hong Kong Securities and Futures Ordinance;
- "SGAM" are to Solomon Global Asset Management Limited, a wholly owned subsidiary of Solowin and a company incorporated in the British Virgin Islands;
- "Solowin" are to SOLOWIN HOLDINGS, a holding company incorporated in the Cayman Islands as an exempted company;
- "Solomon JFZ" are to Solowin's 100% owned subsidiary Solomon JFZ (Asia) Holdings Limited, a Hong Kong corporation;
- "Solomon VA+" refer to Solomon JFZ's institutional-grade all-in-one smart trading platform, which innovatively upgraded with virtual assets trading and wealth management functions. Solomon VA+ is an app accessible via any mobile device and is designed to be secure and simple to use, with a bilingual user interface and fast and efficient order execution to provide a great user experience;
- "Solomon Wealth" are to Solowin's 100% owned subsidiary Solomon Private Wealth Limited, a Hong Kong corporation;
- "U.S. dollars," "dollars," "USD," "US$" or "$" are to the legal currency of the United States; and
- "Web3" refers to a decentralized internet ecosystem built on blockchain technology, enabling user ownership, smart contracts, and trustless interactions without intermediaries.

Solowin is a holding company with no operations of its own. Currently our operations are primarily conducted in Hong Kong through Solowin's HK Subsidiaries, including Solomon JFZ, Solomon Wealth, AlloyX HK, and AX Coin HK. Throughout this report, unless the context indicates otherwise, the terms "Solowin" and "the Company" refer to SOLOWIN HOLDINGS, the Cayman Islands holding company and references to "we," "us," "our," "our company," and "our group" are to Solowin and its subsidiaries, as a whole. Unless otherwise specified, in the context of describing business and operations, we are referring to the business and operations conducted by Solowin's subsidiaries. Our subsidiaries' functional currency is Hong Kong dollars. This report contains translations of Hong Kong dollars into U.S. dollars solely for the convenience of the reader.

These translations from Hong Kong dollars into U.S. dollars are determined as of a specific date or for a specific period. Changes in the exchange rate will affect the amount of our obligations and the value of our assets in terms of U.S. dollars which may result in an increase or decrease in the amount of our obligations (expressed in dollars) and the value of our assets, including accounts receivable (expressed in dollars). No representation is made that HK$ or US$ amount represents or could have been, or could be converted, realized or settled into US$ or HK$, as the case may be, at any particular rate, or at all.

Numerical figures included in this report have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

Our fiscal year end is March 31. References to a particular "fiscal year" are to our fiscal year ended March 31 of that calendar year. Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

For the sake of clarity, this report follows the English naming convention of given name followed by family name, regardless of whether an individual's name is Chinese or English. For example, the name of Solowin's Chief Executive Officer is presented here as "Ling Ngai Lok," even though Mr. Lok's name in Chinese is presented as "Lok Ling Ngai."

We have proprietary rights to trademarks used in this report that are important to our business. Solely for convenience, the trademarks, service marks and trade names referred to in this report are without the ®, ™ and other similar symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, service marks and trade names.

This report may contain additional trademarks, service marks and trade names of others. All trademarks, service marks and trade names appearing in this report are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other person.

Forward-Looking Information

In addition to historical information, this annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," or "will" or the negative of these terms or other comparable terminology. Such statements include, among others, those concerning market and industry segment growth and demand and acceptance of new and existing products; any projections of sales, earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; and any statements regarding future economic conditions or performance, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. You are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, as well as assumptions, which, if they were to ever materialize or prove incorrect, could cause the results of the Company to differ materially from those expressed or implied by such forward-looking statements. Potential risks and uncertainties include, among other things, changes in domestic and foreign laws, regulations and taxes, uncertainties related to PRC legal and regulatory system, the political risks associated with conducting business in Hong Kong, the volatility of the securities markets; and other risks including, but not limited to, those that we discussed or referred to in Item 3 "Key information—D. Risk Factors" and elsewhere in this annual report.

Readers are urged to carefully review and consider the various disclosures made by us in this report and our other filings with the SEC. These reports attempt to advise interested parties of the risks and factors that may affect our business, financial condition and results of operations and prospects. The forward-looking statements made in this report speak only as of the date hereof and we disclaim any obligation, except as required by law, to provide updates, revisions or amendments to any forward-looking statements to reflect changes in our expectations or future events.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

A. Directors and Senior Management

Not applicable.

B. Advisers

Not applicable.

C. Auditors

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

A. Offer Statistics

Not applicable.

B. Method and Expected Timetable

Not applicable.

ITEM 3. KEY INFORMATION

Disclosures Related to Our Hong Kong-Based Operations

Solowin is an exempted limited liability company incorporated under the laws of the Cayman Islands on July 23, 2021. Our Class A Ordinary Shares, par value $0.0001 per share, are listed on Nasdaq, under the symbol "AXG." As a holding company with no material operations of its own, Solowin currently conducts its operations primarily through its wholly owned HK Subsidiaries, such as Solomon JFZ, Solomon Wealth, AlloyX HK, and AX Coin HK, each a limited liability corporation incorporated in Hong Kong. This holding company structure involves unique risks to investors, and you may never directly hold equity interests in our operating subsidiaries.

We face various legal and operational risks and uncertainties associated with being based in or having operations in Hong Kong, having clients who are PRC individuals or companies that have shareholders or directors that are PRC individuals, and the complex and evolving PRC laws and regulations. The legal and operational risks associated with operations in China could extend to our HK Subsidiaries, if regulatory actions by the Chinese government apply to us in the future. In that scenario, we would face risks related to obtaining regulatory approvals for foreign investment in Hong Kong-based issuers, potential anti-monopoly actions, and increased oversight on cybersecurity, data privacy and personal information. The PRC government may also intervene or impose restrictions on HK Subsidiaries' ability to move cash out of Hong Kong to distribute earnings and pay dividends to Solowin or U.S. investors. Furthermore, PRC regulatory authorities may in the future promulgate laws, regulations or implement rules that require us to obtain regulatory approval from PRC authorities for any future securities offering. These risks could result in a material adverse change in HK Subsidiaries' business operations and the value of the Class A Ordinary Shares, restrict HK Subsidiaries' ability to accept foreign investments, significantly limit or completely hinder Solowin's ability to continue to offer securities to investors or continued listing of the Class A Ordinary Shares on a U.S. or other foreign exchange, or cause the value of such securities to significantly decline or become worthless. For a detailed description of these legal and operational risks, see Item 3 "*Key Information—D. Risk Factors—Risks Related to Doing Business in Jurisdictions We Operate*."

Specifically, on February 17, 2023, the China Securities Regulatory Commission (the "CSRC") issued the Notice on Filing Arrangements for Overseas Securities Offering and Listing by Domestic Companies, stating that the CSRC has published the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (collectively the "New Overseas Listing Rules"). Among others, the New Overseas Listing Rules provide that PRC domestic companies seeking to offer and list securities (which, for the purposes of the New Overseas Listing Rules, are defined thereunder as equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities that are offered and listed overseas, either directly or indirectly, by PRC domestic companies) in overseas markets, either via direct or indirect means, must file with the CSRC within three working days after their application for an overseas listing is submitted. The New Overseas Listing Rules came into effect on March 31, 2023.

As of the date of this report, we are not subject to the New Overseas Listing Rules, because we do not own any PRC entity, and we are not deemed a "domestic company" as defined under the New Overseas Listing Rules. However, given that the New Overseas Listing Rules were introduced recently, and that there remain substantial uncertainties surrounding the enforcement thereof, we cannot assure you that, if required, we would be able to complete the filings and/or fully comply with the relevant new rules on a timely basis for future offerings, if at all.

Implications of the Holding Foreign Companies Accountable Act

As more stringent standards have been imposed by the SEC and the Public Company Accounting Oversight Board (the "PCAOB") recently, Solowin's securities may be prohibited from trading if our auditor cannot be fully inspected by the PCAOB. Pursuant to the Holding Foreign Companies Accountable Act (the "HFCA Act") enacted in 2020, if the auditor of a U.S. listed company's financial statements is not subject to the PCAOB inspections for three consecutive "non-inspection" years, the SEC is required to prohibit the securities of such issuer from being traded on a U.S. national securities exchange, such as NYSE and Nasdaq, or in U.S. over-the-counter markets. On December 29, 2022, the Consolidated Appropriations Act, 2023 was enacted, which contained an identical provision to the Accelerating Holding Foreign Companies Accountable Act, and amended the HFCA Act by requiring the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three, thus reducing the time period for triggering the prohibition on trading.

Pursuant to the HFCA Act, on December 16, 2021, the PCAOB issued its determination that the PCAOB was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in Mainland China or in Hong Kong, because of positions taken by authorities in the jurisdictions, and the PCAOB included in the report of its determination a list of the accounting firms that were headquartered in Mainland China or Hong Kong. This list did not include our former auditor, WWC, P.C., which served as the Company's auditor from 2022 until November 2025, as WWC, P.C. has been based in the U.S. and registered with the PCAOB and subject to the PCAOB inspection. On August 26, 2022, the CSRC, the Ministry of Finance of the PRC, or the MOF, and the PCAOB signed a Statement of Protocol, or the Protocol, governing inspections and investigations of accounting firms based in Mainland China and Hong Kong, taking the first step toward opening access for the PCAOB to inspect and investigate registered public accounting firms headquartered in Mainland China and Hong Kong. On December 15, 2022, the PCAOB made a statement announcing that it was able, in 2022, to inspect and investigate completely issuer audit engagements of PCAOB-registered public accounting firms headquartered in Mainland China and Hong Kong and as a result, PCAOB vacated its previous 2021 determination. Our current auditor, AOGB CPA Limited ("AOGB"), an independent public accounting firm registered with the PCAOB and appointed by the Company on November 11, 2025, is headquartered in Hong Kong. Uncertainties still exist as to whether the PCAOB will have continued access for complete inspections and investigations in the future. The PCAOB has indicated that it will act immediately to consider the need to issue new determinations if needed. While our current auditor is subject to the PCAOB inspection, in the event the PCAOB later determines that it is unable to inspect or investigate it completely, then such lack of inspection could cause Solowin's securities to be delisted from the U.S. stock exchange.

See also Item 3 "*Key Information—D. Risk Factors—Risks Related to Doing Business in Jurisdictions We Operate—Our Class A Ordinary Shares may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely our auditors. The delisting of the Class A Ordinary Shares, or the threat of their being delisted, may materially and adversely affect the value of your investment*."

Transfer of Cash Through Our Organization

As of the date of this report, neither Solowin nor any of its subsidiaries has paid any dividends or made any distributions to their respective shareholder(s), including any U.S. investors.

During the years ended March 31, 2024, 2025 and 2026, and the subsequent period up to the date of this report, the transfer of cash between Solowin and HK Subsidiaries totaled approximately $7,722,000. This amount mainly represented the repayment of $774,000 by Solowin to Solomon JFZ for certain IPO related expenses advanced by Solomon JFZ, as well as advances made by Solowin to Solomon JFZ, Solomon Wealth, and AlloyX HK to support their operations. There has been no transfer of other types of assets between Solowin and HK Subsidiaries. HK Subsidiaries, which conduct our substantive operations, maintain the cash. Currently, other than complying with the applicable Hong Kong laws and regulations, we do not have our own cash management policy or procedures that dictate how funds are transferred.

Neither Solowin nor any of its subsidiaries currently has plans to distribute earnings or declare cash dividends in the foreseeable future. We intend to keep any future earnings to finance the expansion of our business, and we do not anticipate that any cash dividends will be paid in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, contractual requirements, business prospects and other factors the board of directors deems relevant, and subject to the restrictions contained in any future financing instruments. If we determine to pay dividends on any of the Class A Ordinary Shares in the future, as a holding company, Solowin will be dependent on receipt of funds from our subsidiaries by way of dividend payments.

The Companies Act (As Revised) of the Cayman Islands permits, subject to a solvency test and the provisions, if any, of Solowin's Charter Documents, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits. In addition, Solowin is permitted under the laws of Cayman Islands to provide funding to our subsidiaries through loans or capital contributions without restrictions on the amount of the funds.

Each of our HK Subsidiaries is permitted under the laws of Hong Kong to provide funding to Solowin through dividend distribution. Under Hong Kong law, dividends could only be paid out of distributable profits (that is, accumulated realized profits less accumulated realized losses) or other distributable reserves. Dividends cannot be paid out of share capital. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us. In addition, there are no restrictions on foreign exchange and there are no limitations on the abilities of Solowin to transfer cash to or from our HK Subsidiaries or to investors under Hong Kong law. There are no restrictions or limitation under the laws of Hong Kong imposed on the conversion of HK dollar into foreign currencies and the remittance of currencies out of Hong Kong, nor is there any restriction on foreign exchange to transfer cash between Solowin and our HK Subsidiaries, across borders and to U.S. investors. Nor are there any restrictions and limitations on distributing earnings from HK Subsidiaries to Solowin or U.S. investors, or paying amounts owed.

See also Item 3 "*Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Solowin relies on dividends and other distributions on equity paid by its subsidiaries to fund any cash and financing requirements Solowin may have, and any limitation on the ability of its subsidiaries to make payments to Solowin could have a material adverse effect on our ability to conduct our business*" for more information.

The table below presents the cash flows from Solowin to its subsidiaries for the fiscal years ended March 31, 2026, 2025 and 2024, and the subsequent period up to the date of hereof.

	Years Ended March 31			Period from April 1, 2026
Cash Flows Between Solowin and Subsidiaries	**2026**	**2025**	**2024**	**Present**
Solomon JFZ (Asia) Holdings Limited	$ 430,000	7,000	774,000	$ -
Solomon Private Wealth Limited	1,307,000	544,000	-	$ -
AlloyX HK	4,660,000	-	-	$ -

Restrictions on Cash Transfers

There are currently no such restrictions on foreign exchange or our ability to transfer cash or assets between Solowin and HK Subsidiaries. However, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to HK Subsidiaries, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available to fund operations or for other use outside of Hong Kong due to interventions in or the imposition of restrictions and limitations on HK Subsidiaries' ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on Solowin or HK Subsidiaries in their transferring or distributing cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of Hong Kong. Any limitation on the ability of HK Subsidiaries to pay dividends or make other distributions to Solowin could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to U.S. investors, or otherwise fund and conduct our business. In addition, if any HK Subsidiary incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends.

See also Item 3 "*Key Information—D. Risk Factors—Risks Related to Our Business and Industry—Solowin relies on dividends and other distributions on equity paid by its subsidiaries to fund any cash and financing requirements Solowin may have, and any limitation on the ability of its subsidiaries to make payments to Solowin could have a material adverse effect on our ability to conduct our business.*"

Regulatory Permissions for Our Business Operations and Securities Offerings

For detailed information on the licenses, registrations and regulatory obligations of our subsidiaries, please see Item 4 "*Information on the Company—B. Business Overview—Regulation*."

As of the date of this report, Solomon JFZ, our wholly owned Hong Kong subsidiary, holds a full stack of HKSFC licenses: Type 1 license (dealing in securities), Type 4 license (Advising on securities), Type 6 license (advising on corporate finance) and Type 9 license (Asset management).

Following the acquisition of AlloyX Group in September 2025, the Company has expanded its global regulatory footprint beyond Hong Kong, obtaining a suite of valid payment, money services and stablecoin-related registrations and licenses across Singapore, the United States, Canada and Bahrain through its overseas subsidiaries. These overseas qualifications cover core businesses including currency exchange, cross-border remittance and fund transmission, virtual asset services and regulated stablecoin issuance, fully supporting the Company's global stablecoin payment, cross-border settlement and digital asset infrastructure operations. All overseas subsidiaries hold effective and in-force regulatory qualifications with no denial or revocation records, and strictly comply with local regulatory ongoing supervision, compliance reporting and risk control requirements.

We do not believe our operations in Hong Kong and future offerings in the United States are subject to the review or prior approval of the CAC or the CSRC. Specially, we do not currently expect the revised Cybersecurity Review Measures (the "revised CRM"), published by CAC on December 28, 2021, to have an impact on our business, operations or future offerings as we do not believe that any of our HK Subsidiaries is deemed to be an "operator of critical information infrastructure" or a "data processor" controlling personal information of no less than one million users, that are required to file for cybersecurity review, because: (i) each of our HK Subsidiaries is incorporated and operating in Hong Kong and the revised CRM remains unclear whether it shall be applied to a Hong Kong company; (ii) each of our HK Subsidiaries operates without any subsidiary or VIE structure in mainland China; (iii) as of date of this report, our HK Subsidiaries collected and stored personal information of approximately 15,000 PRC individual clients, far less than one million users; and (vi) as of the date of this report, none of our HK Subsidiaries has been informed by any PRC governmental authority that it is required to file for a cybersecurity review.

However, there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations. If any of our HK Subsidiaries is deemed to be an "operator of critical information infrastructure" or a "data processor" controlling personal information of no less than one million users, our HK Subsidiaries' operation could be subject to CAC's cybersecurity review in the future. If any of our HK Subsidiaries (i) does not receive or maintain such permissions or approvals, should the approval is required in the future by the PRC government, (ii) inadvertently concluded that such permissions or approvals are not required, or (iii) applicable laws, regulations, or interpretations change and any of our HK Subsidiaries is required to obtain such permissions or approvals in the future, our operations and financial conditions could be materially adversely affected, and our ability to offer securities to investors could be significantly limited or completely hindered and the securities currently being offered may substantially decline in value and be worthless. In addition, if we do not receive or maintain our existing licenses, or we inadvertently conclude that governmental approvals are not required, or applicable laws, regulations, or interpretations change such that we are required to obtain approval in the future and we fail to obtain such approval on a timely basis, we may be subject to governmental investigations, fines, penalties, orders to suspend operations and rectify any non-compliance, or prohibitions from conducting certain business or any financing, which could result in a material adverse change in our operations, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, or cause our securities to significantly decline in value or become worthless.

See Item 3 "*Key Information—D. Risk Factors—Risks Relating to Doing Business in Jurisdictions We Operate—We may become subject to a variety of PRC laws and other obligations regarding cyber security, data protection, overseas offerings and/or foreign investment in China-based issuers, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our business, financial condition, and results of operations and may hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless.*"

Enforceability of Civil Liabilities

Cayman Islands

Solowin is incorporated under the laws of the Cayman Islands as an exempted company with limited liability. It is incorporated in the Cayman Islands because of certain benefits associated with being a Cayman Islands company, such as political and economic stability, an effective judicial system, a favorable tax system, the absence of foreign exchange control or currency restrictions and the availability of professional and support services. However, the Cayman Islands has a less developed body of securities laws as compared to the United States and provides less protection for investors. In addition, Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Solowin's constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between the company, its officers, directors and shareholders, be subject to arbitration.

Substantially all of our assets are located outside the United States. In addition, a majority of our directors and executive officers are nationals or residents of jurisdictions other than the United States and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or these persons, or to enforce judgments obtained in U.S. courts against us or them, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States. It may also be difficult for you to enforce judgments obtained in U.S. courts based on the civil liability provisions of the U.S. federal securities laws against us and the officers and directors.

There is uncertainty as to whether the courts of the Cayman Islands would (i) recognize or enforce judgments of U.S. courts obtained against us or the directors or officers that are predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (ii) entertain original actions brought in the Cayman Islands against us or the directors or officers that are predicated upon the securities laws of the United States or any state in the United States.

Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), the courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment *in personam* obtained in the federal or state courts of the United States against the Company under which a sum of money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an *in personam* judgment for non-monetary relief, and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment; (b) such courts did not contravene the rules of natural justice of the Cayman Islands; (c) such judgment was not obtained by fraud; (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands; (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands; and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands. However, the Cayman Islands courts are unlikely to enforce a judgment obtained from United States courts under civil liability provisions of the U.S. federal securities law if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. Because such a determination has not yet been made by a court of the Cayman Islands, it is uncertain whether such civil liability judgments from U.S. courts would be enforceable in the Cayman Islands. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Hong Kong

A majority of our directors and officers are nationals or residents of Hong Kong and all or a substantial portion of their assets are located outside the U.S. As a result, it may be difficult for investors to effect service of process within the U.S. upon us or these persons, or to enforce against us or them judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or securities laws of any U.S. state.

There is uncertainty as to whether the courts of Hong Kong would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, but Hong Kong courts do not entertain original actions brought in Hong Kong against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

A judgment of a court in the United States predicated upon U.S. federal or state securities laws may be enforced in Hong Kong at common law by bringing an action in a Hong Kong court on that judgment for the amount due thereunder and then seeking summary judgment on the strength of the foreign judgment, provided that the foreign judgment, among other things, is (1) for a monetary sum (not being taxes or similar charges to a foreign government taxing authority or a fine or other penalty), and (2) final and conclusive on the merits of the claim, but not otherwise. Such a judgment may not, in any event, be so enforced in Hong Kong if (a) it was obtained by fraud, (b) the proceedings in which the judgment was obtained were opposed to natural justice, (c) its enforcement or recognition would be contrary to the public policy of Hong Kong, (d) the court of the United States was not jurisdictionally competent, or (e) the judgment was in conflict with a prior Hong Kong judgment.

Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, there is uncertainty as to the enforceability in Hong Kong in actions for enforcement of judgments of U.S. courts of civil liabilities predicated solely upon the federal securities laws of the United States or the securities laws of any state or territory within the United States, whereas original actions predicated solely upon the federal securities laws of the United States or the securities laws of any state or territory within the United States would not be entertained by Hong Kong courts.

Dual Class Structure

On December 17, 2024, we held an extraordinary general meeting of shareholders, during which our shareholders approved the re-classification and re-designation of the Company's ordinary shares. As a result of such re-classification and re-designation, the Company's authorized share capital was re-classified and re-designated into 950,000,000 Class A Ordinary Shares and 50,000,000 Class B Ordinary Shares and then issued and outstanding 16,172,300 ordinary shares of par value of $0.0001 each in the Company were re-classified and re-designated into 8,132,300 Class A Ordinary Shares of par value US$0.0001 each with one (1) vote per share and 8,040,000 Class B Ordinary Shares of par value $0.0001 each with ten (10) votes per share. On December 23, 2024, we filed an amendment to our Form 8-A to reflect that the class of security registered under Section 12(b) of the Exchange Act had changed from ordinary shares to Class A Ordinary Shares, and that the class of our security traded on Nasdaq had accordingly changed from ordinary shares to Class A Ordinary Shares.

Under our Charter Documents, we are authorized to issue two classes of ordinary shares, Class A Ordinary Shares and Class B Ordinary Shares. We are authorized to issue (i) 950,000,000 Class A Ordinary Shares, par value $0.0001 per share and (ii) 50,000,000 Class B Ordinary Shares, par value $0.0001 per share. Class A Ordinary Shares are entitled to one (1) vote per share on proposals requiring or requesting shareholder approval, unless prohibited by law. Class B Ordinary Shares are entitled to ten (10) votes per Class B Ordinary Share on any such matter.

Class B Ordinary Shares are convertible into Class A Ordinary Shares on a 1:1 basis as follows: (i) at the option of the holder of Class B Ordinary Shares without the payment of additional consideration, and (ii) automatically upon any sale, transfer, assignment or disposition of Class B Ordinary Shares to a person or entity which is not an affiliate of such holder. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. Other than voting and conversion rights, Class A Ordinary Shares and Class B Ordinary Shares have the same rights and preferences and rank equally.

Holders of Class B Ordinary Shares collectively hold approximately 66.0% of the voting power of our outstanding share capital as of the date of this report. Their interests may not be the same as or even conflict with the interests of holders of our Class A Ordinary Shares.

Summary of Risk Factors

There are a number of risks that you should consider and understand before making an investment decision regarding our securities. You should carefully consider all of the information set forth in this report and, in particular, the specific factors set forth in Item 3.D. "*Risk Factors*" below. These risks include, but are not limited to:

Risks Related to Our Business and Industry

- Increase in expenses in recent financial periods have significantly reduced our profitability.
- We operate in a heavily regulated industry, and are subject to extensive and evolving regulatory requirements in the jurisdictions in which we operate.
- We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our business activities across multiple jurisdictions, especially in the PRC or in relation to PRC residents.
- Our strategic transformation into a digital asset and AI infrastructure business is recent, complex and subject to significant execution risk.
- Our stablecoin issuance, treasury and payment businesses are subject to rapidly evolving and fragmented regulation in multiple jurisdictions, and any failure to obtain or maintain required licenses or approvals could require us to curtail or cease material portions of our business.
- AXCOIN and any other stablecoins we issue may fail to maintain their intended value or redemption functionality, which could result in customer losses, accelerated redemptions, regulatory scrutiny and reputational harm.
- Tokenized real-world assets issued, distributed or serviced through our platforms may be treated as securities, security-based swaps, collective investment products or other regulated instruments, which could subject us to significant regulatory, liability and operational risks.
- The market for tokenized real-world assets remains nascent, and limited adoption, liquidity, interoperability or legal enforceability could materially limit the growth of our FERION platform.
- Our AI infrastructure, AI model aggregation and AI agent governance businesses are subject to emerging regulation and significant technology, operational and reputational risks.
- We may be unable to retain existing clients or attract new clients, or we may fail to offer services to address the needs of our clients as they evolve.
- Our USDT holdings and staking activities on third-party custody providers and cryptocurrency trading platforms subject us to asset loss, liquidity and regulatory risks.

- We derived a substantial portion of revenue from a small number of key clients.

- Our business depends on third-party AI models, cloud infrastructure, specialized computing resources and technical personnel, and disruptions or cost increases could impair our ability to operate and scale our AI Tokens pillar.

- Our platforms rely on smart contracts, public blockchains, cross-chain infrastructure, digital wallets and private-key management, which may be vulnerable to exploits, failures or disruptions beyond our control.

- The integration of AlloyX and other acquired or newly formed businesses may be more difficult, costly or time-consuming than expected, and we may fail to realize the anticipated benefits of these transactions.

- Our strategy depends in part on partnerships, pilots, memoranda of understanding and third-party distribution arrangements that may not result in binding agreements, commercial adoption or material revenue.

- We face significant competition from established financial institutions, payment networks, stablecoin issuers, digital asset platforms, AI infrastructure providers and other technology companies, many of which have greater resources than we do.

- Our increased focus on cross-border stablecoin payments and digital asset services heightens our exposure to anti-money laundering, sanctions, fraud, terrorist financing and capital flow compliance risks.

- We rely on a number of external service providers for technology, processing and supporting functions, and if they fail to provide these services, it could adversely affect our business and harm our reputation.

- Failure of third-party systems upon which we rely could adversely affect our business operations.

- We may be subject to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions affecting us or our external service providers.

- Our business depends on the continued efforts of our senior managements, Mr. Ling Ngai Lok, Mr. Haokang Zhu, Ms. Xue Yao, and Ms. Lili Liu. If one or more of our key executives were unable or unwilling to continue in their present positions, our business may be severely disrupted.

- If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

For more detailed information, see Item 3.D. "*Risk Factors—Risks Related to Our Business and Industry*" beginning on page 10.

Risks Related to Doing Business in Jurisdictions We Operate

- A substantial portion of our operations are in Hong Kong, and a majority of our clients are PRC residents. As such, the legal and operational risks associated with operations in China may also apply to our operations in Hong Kong. The Chinese government may exercise significant oversight and control over the conduct of our business and may intervene in or influence our operations at any time, which could result in a material change in our operations and may significantly limit or completely hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless. Changes in the policies, regulations, rules, and the enforcement of laws of the Chinese government may also be quick with little advance notice and our assertions and beliefs of the risk imposed by the PRC legal and regulatory system cannot be certain.

- PRC governmental control of currency conversion, cross-border remittance and offshore investment could have a direct impact on the trading volume on our platform, and the PRC government could further tighten restrictions on converting Renminbi to foreign currencies and/or deems our practices to be in violation of PRC laws and regulations. A majority of our clients are PRC residents subject to China's strict foreign exchange regulations, which limit annual Renminbi-to-foreign-currency conversions to $50,000 for personal use and prohibit direct investment into certain financial products. Clients seeking to exceed this quota must undergo additional procedures. We do not accept Renminbi deposits or handle cross-border conversions, instead directing clients to third-party providers. However, this may still be viewed by regulators as assisting with currency conversion. If deemed non-compliant, we could face regulatory penalties, operational restrictions, or even suspension, particularly given the precedent set by recent CSRC actions. Any client violations could also trigger investigations involving us. Furthermore, if the PRC further tightens foreign exchange controls, our platform's trading volume and our revenues could be significantly impacted, threatening our business operations and financial health.

- We may face regulatory risks due to differences in virtual asset regulations between Hong Kong and mainland China, particularly given our mainland Chinese client base.

- There are political risks associated with conducting business in Hong Kong.

- Our Class A Ordinary Shares may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely our auditors. The delisting of the Class A Ordinary Shares, or the threat of their being delisted, may materially and adversely affect the value of your investment.

- The Hong Kong and China legal systems are evolving and embody uncertainties which could limit the legal protections available to us. Uncertainties with respect to the PRC legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in laws and regulations in China could adversely affect us.

- We may become subject to a variety of PRC laws and other obligations regarding cyber security, data protection, overseas offerings and/or foreign investment in China-based issuers, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our business, financial condition, and results of operations and may hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless.

For more detailed information, see Item 3.D. "*Risk Factors—Risks Related to Doing Business in Jurisdictions We Operate*" beginning on page 31.

Risks Related to Ownership of Our Securities

- If we fail to maintain compliance with the continued listing requirements of Nasdaq, we would face possible delisting, which would result in a limited public market for trading our shares and make obtaining future debt or equity financing more difficult for us.

- The market price of our Class A Ordinary Shares has been volatile, and this volatility may continue, potentially leading to a depressed value at the time you wish to sell your holdings.

- Our dual class voting structure has the effect of concentrating the voting control in holders of our Class B Ordinary Shares, which will limit or preclude your ability to influence corporate matters, and your interests may conflict with the interests of these shareholders. It may also adversely affect the trading market for our Class A Ordinary Shares due to exclusion from certain stock market indices.

- We have experienced extreme stock price volatility unrelated to our actual or expected operating performance, financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of the Class A Ordinary Shares.

- We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

- As a foreign private issuer, we are permitted to rely on exemptions from certain Nasdaq corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our shares.

- You may be unable to present proposals before annual general meetings or extraordinary general meetings not called by shareholders.

- You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because Solowin is incorporated under Cayman Islands law.

For more detailed information, see Item 3.D. "*Risk Factors—Risks Related to Ownership of Our Securities*" beginning on page 41.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

An investment in the Company's securities involves a high degree of risk. ***INVESTORS PURCHASING OUR SECURITIES ARE PURCHASING SECURITIES OF SOLOWIN HOLDINGS, THE CAYMAN ISLANDS HOLDING COMPANY RATHER THAN SECURITIES OF SOLOWIN HOLDINGS' HK SUBSIDIARIES THAT HAVE SUBSTANTIVE BUSINESS OPERATIONS IN HONG KONG.*** *You should carefully consider the risks described below, together with all of the other information included in this annual report, before making an investment decision. If any of the following risks actually occurs, our business, financial condition or results of operations could suffer. In that case, the value of the Company's securities could significantly decline or be worthless and you may lose all or part of your investment.*

Risks Related to Our Business and Industry

Increase in expenses in recent financial periods has significantly reduced our profitability.

We had a net loss of $13.29 million, $8.54 million, and $4.56 million in the fiscal years ended March 31, 2026, 2025, and 2024, respectively. Our expenses from operation increased to $40.14 million for the fiscal year ended March 31, 2026, from $10.95 million for the same period of 2025. The increase was mainly due to (i) increase in AI cloud service costs arising from the provision of AI infrastructure services by AlloyX HK; (ii) increase in information technology expenses due to more research and development activities incurred during the year; (iii) increase in employee benefit expenses as a result of higher headcount after the acquisition of AlloyX Limited and its subsidiaries; and (iv) share-based compensation under which 750,000 ordinary shares were issued to an employee as share rewards during the fiscal year ended March 31, 2026.

We may continue to incur operating and net losses in the foreseeable future. Our potential profitability is dependent upon continued increase in customer needs for creative financial solutions and our success in competing against other participants in the markets in which we operate, which may not occur. Our revenues may not grow sufficiently to offset the increase in our expenses as we are pursuing creative solutions in virtual assets services and real-world assets development. Because we will incur the costs and expenses from these efforts before we receive incremental revenues with respect thereto, our losses in future periods could be significant. In addition, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in revenues, which would further increase our losses.

We operate in a heavily regulated industry, and are subject to extensive and evolving regulatory requirements in the jurisdictions in which we operate.

We operate in a highly-regulated industry and must comply with the applicable regulatory requirements in the jurisdictions we operate. Our major regulators include Securities and Futures Commission of Hong Kong, or HKSFC, and Cayman Islands Monetary Authority (CIMA). These regulators and self-regulatory organizations govern our business operations in a variety of ways and conduct regular examinations of our business to monitor our compliance with applicable regulations. Among other things, we are subject to regulations with regard to (i) our sales practices, including our interaction with and solicitation of clients and our marketing activities; (ii) the custody, control and safeguarding of our clients' assets; (iii) maintaining specified minimum amounts of capital and limiting withdrawals of funds from our regulated operating subsidiaries; (iv) submitting regular financial and other reports to regulators; (v) licensing for our operating subsidiaries and our employees; and (vi) the conduct of our directors, officers, employees and affiliates. In addition, as the online brokerage service industry in Hong Kong is at a relatively early stage of development, interpretation and enforcement of the applicable regulatory regime are subject to significant uncertainties, which may result in difficulties in determining whether our existing practices violate any applicable laws and regulations.

Compliance with these regulations is complicated, time-consuming and expensive. Our ability to comply with all applicable laws and regulations is largely dependent on our internal compliance system, as well as our ability to attract and retain qualified compliance personnel. While we maintain systems and procedures designed to ensure that we comply with applicable laws and regulations, we cannot assure you that we are able to prevent all possible violations. Non-compliance with applicable laws or regulations could result in sanctions being levied against us, including the imposition of fines or penalties, censures, restrictions on certain business activities, suspension or expulsion from a jurisdiction or market or the revocation or limitation of licenses, which could adversely affect our reputation, prospects, revenues and earnings. Furthermore, any future change in the regulatory, legal and industry environment for the securities brokerage, investment advisory, corporate finance and asset management may have a significant impact on our business.

In addition, we are subject to regular investigations, inquiries and inspections from the relevant regulatory bodies. For example, from time to time, Solomon JFZ, our HKSFC-licensed subsidiary, may be subject to or required to assist in inquiries or investigations by regulatory authorities in Hong Kong, principally the HKSFC. The HKSFC conducts on-site reviews and off-site monitoring to ascertain and supervise Solomon JFZ's business conduct and compliance with relevant regulatory requirements and to assess and monitor, among other things, its financial soundness. Similarly, Solowin may be subject to CIMA's on-site inspections and inquiries from time to time. If any misconduct is identified as a result of inquiries, reviews, investigation or inspections, the relevant regulatory authorities may take disciplinary actions against us. There also remains a risk that we may not be able to rectify our practices to be in compliance with the relevant rules and regulations following the identification of any such misconduct or material non-compliance, which may result in regulators taking additional actions against it. We have not been inspected by HKSFC or CIMA so far. We have an external audit carried out every year, and we have hired an external compliance consulting company since September 1, 2021 on compliance review and checking.

We may not be able to obtain or maintain all necessary licenses, permits and approvals and to make all necessary registrations and filings for our business activities across multiple jurisdictions, especially in the PRC or in relation to PRC residents.

We operate in a heavily regulated industry, which requires various licenses, permits and approvals in different jurisdictions to conduct our businesses. Our clients include people who live in jurisdictions where we do not have licenses issued by the local regulatory bodies. It is possible that authorities in those jurisdictions may in the future take the position that we are required to obtain licenses or otherwise comply with local laws and regulations in order to conduct our business with residents living in those jurisdictions. In any jurisdictions, if we fail to comply with the regulatory requirements, we may risk being disqualified for our existing businesses or being rejected for renewal of our qualifications and/or licenses upon expiry by the regulatory authorities as well as other penalties, fines or sanctions. In addition, in respect of any new business that we may contemplate, we may not be able to obtain the relevant approvals for developing such new business if we fail to comply with the relevant regulations and regulatory requirements. As a result, we may fail to develop new business as planned, or we may fall behind our competitors in such businesses.

Specifically, we do not hold any licenses or permits from any PRC regulatory bodies for Solomon JFZ's securities related business. Currently, a majority of our clients are PRC residents, and some independent contractors are providing supporting services remotely from the PRC. We believe that since the transactions on Solomon JFZ's trading platform are all conducted outside PRC, Solomon JFZ's current activities in China do not require a securities brokerage license, or any other license or permit under existing PRC securities laws and regulations. However, it is noted on December 30, 2022, CSRC issued a rectification request to similarly situated companies, titled "Futu Holdings and UP Fintech Holding Limited have conducted cross-border securities business for domestic investors without the approval of the CSRC, which constitutes illegal operation of securities business under the PRC Securities Law and other relevant laws and regulations, and the CSRC intends to require Futu Holdings and UP Fintech Holding Limited to rectify the aforementioned violations." Moreover, CSRC has promulgated Administrative Measures on Securities Brokerage Services effective on February 28, 2023, which clarifies that CSRC will strengthen the daily supervision of illegal cross-border brokerage business and steadily and orderly promote the rectification and standardization of such activity. Therefore, we tend to believe that CSRC is now gradually strengthening its regulation of the cross-border online brokerage market, and Solomon JFZ's business involving PRC residents may need to comply with PRC regulatory requirements in the future. As a result, there remains uncertainties as to how the current and any future PRC laws and regulations will be interpreted or implemented in the context of operating securities-related business in China. We cannot assure you that our current operating model will not be deemed as operating securities brokerage business in China, subjecting us to inquiries or rectifications. If certain of Solomon JFZ's activities in China were deemed by PRC regulators to be providing securities brokerage services, investment consulting services or stock options brokerage business in China, we would be required to obtain the required licenses or permits from the relevant PRC regulatory bodies, including CSRC. The failure to obtain such licenses or permits may subject us to regulatory actions and penalties, including fines, suspension of parts or all of Solomon JFZ's business relations with PRC individuals and entities, and temporary suspension or removal of our websites and mobile application in China. In such cases, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Our strategic transformation into a digital asset and AI infrastructure business is recent, complex and subject to significant execution risk.

During the fiscal year ended March 31, 2026, we substantially expanded and repositioned our business from a Hong Kong-focused securities brokerage, wealth management and virtual asset services platform into a global financial technology platform organized around two strategic pillars: Digital Asset Tokens and AI Tokens. This transformation includes regulated stablecoin issuance and payments, real-world asset tokenization, digital asset trading and custody-related services, AI infrastructure, AI model aggregation, AI agent governance and agentic payment orchestration. These businesses are at early stages of commercialization, involve markets that are rapidly evolving and not yet fully proven, and require substantial investments in technology, compliance, personnel, partnerships, product development and regulatory approvals. We may not be able to successfully scale these new business lines, convert pilot programs and strategic collaborations into binding commercial arrangements, achieve expected payment volumes or token issuance volumes, or generate sufficient recurring revenue to offset the significant costs associated with these businesses. If our dual-token strategy does not achieve commercial acceptance or if we fail to execute our growth plans, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our stablecoin issuance, treasury and payment businesses are subject to rapidly evolving and fragmented regulation in multiple jurisdictions, and any failure to obtain or maintain required licenses or approvals could require us to curtail or cease material portions of our business.

Our Digital Asset Tokens pillar includes stablecoin issuance, treasury management, fiat-to-stablecoin bridging, payment orchestration and card-linked payment use cases across multiple jurisdictions. These activities are subject to complex, overlapping and rapidly evolving regulatory frameworks. AX Coin Bahrain's license from the Central Bank of Bahrain subjects it to the Stablecoin Issuance and Offering (SIO) Module of the CBB Rulebook, including requirements for full one-to-one backing of AXCOIN with highly liquid, low-risk reserve assets, ongoing reporting and audit obligations, and restrictions on the composition and custody of reserves. In Hong Kong, where our operations are headquartered, the Stablecoins Ordinance, which came into effect on August 1, 2025, requires licensing by the Hong Kong Monetary Authority for the issuance of fiat-referenced stablecoins in Hong Kong or of Hong Kong dollar-referenced stablecoins anywhere in the world, imposes minimum capital, reserve segregation and par-value redemption requirements, restricts distribution to permitted offerors, and provides for criminal penalties for unlicensed activity. In the United States, the GENIUS Act of 2025 established a federal framework for payment stablecoin issuers, restricts the ability of foreign issuers to offer stablecoins to U.S. persons absent registration or a determination that their home regime is comparable, and, together with proposed implementing rules issued by FinCEN and OFAC in April 2026, subjects permitted issuers to Bank Secrecy Act anti-money laundering and sanctions compliance program requirements. In the European Union, the Markets in Crypto-Assets Regulation (MiCA) requires issuers of e-money tokens to be authorized credit institutions or electronic money institutions and imposes additional obligations on significant tokens. Because AX ONE supports Visa prepaid card programs in over 200 countries and territories and operates across multiple public blockchains, our products may be accessed by users in jurisdictions where we hold no license, and we may inadvertently become subject to licensing, registration or prohibition regimes in such jurisdictions. We have incurred, and expect to continue to incur, significant costs in monitoring and complying with these frameworks. If regulators determine that we or our partners have engaged in unlicensed activity, failed to satisfy reserve, capital, redemption, disclosure, safeguarding or reporting requirements, or otherwise failed to comply with applicable law, we could be subject to investigations, enforcement actions, fines, license suspension or revocation, restrictions on product distribution, mandatory restructuring or cessation of operations, any of which could materially harm our business, reputation, financial condition and results of operations.

AXCOIN and any other stablecoins we issue may fail to maintain their intended value or redemption functionality, which could result in customer losses, accelerated redemptions, regulatory scrutiny and reputational harm.

The commercial viability of our stablecoin business depends on user confidence that AXCOIN and any other stablecoins we issue will maintain a stable value relative to their referenced fiat currencies and will be redeemable at par in a timely manner. Events beyond our control—including market volatility, the failure of other stablecoins or digital asset market participants, operational disruptions, adverse media coverage, unsubstantiated rumors, questions regarding the adequacy, liquidity, custody or quality of reserve assets, or regulatory action—could cause AXCOIN to trade below its par value on secondary markets, commonly referred to as "de-pegging." Our reserves are held with third-party banks and custodians, exposing us to their credit, operational and concentration risks; the insolvency of, or regulatory action against, a reserve custodian could delay or prevent our access to reserve assets. A de-pegging event or perceived weakness in our reserves could trigger a large volume of redemption requests, including during periods of market stress when liquidating reserve assets may be difficult or costly, and any failure to honor redemptions in a timely manner, including within the timeframes mandated by applicable regulation, could result in regulatory sanctions, litigation and lasting reputational harm. Because we hold only 64% of AX Coin Limited, we are also exposed to risks arising from the interests of minority shareholders, which may not always be aligned with ours. Any such event could also adversely affect our other businesses, including our securities brokerage, asset management, virtual asset trading, RWA tokenization and AI-related businesses, because they are intended to operate as part of an integrated ecosystem.

Tokenized real-world assets issued, distributed or serviced through our platforms may be treated as securities, security-based swaps, collective investment products or other regulated instruments, which could subject us to significant regulatory, liability and operational risks.

Through our FERION platform and related ecosystem, we seek to facilitate the issuance, distribution, administration and lifecycle management of tokenized real-world assets, including tokenized interests referencing money market funds, securities or other financial assets. The legal and regulatory treatment of tokenized assets remains uncertain and varies across jurisdictions. A tokenized asset may be treated as a security, security-based swap, collective investment scheme, fund interest, derivative, structured product or other regulated instrument depending on its features, the nature of the underlying asset, the rights of token holders, how the product is offered and the jurisdictions in which it is distributed or accessed. Regulators may determine that we, our subsidiaries or our partners have offered or sold unregistered securities, operated an unlicensed exchange, alternative trading system, broker-dealer, investment adviser, transfer agent, custodian or other regulated intermediary, or failed to comply with investor eligibility, disclosure, suitability, custody, transfer restriction or resale requirements. Any such determination could expose us to enforcement actions, rescission claims, civil litigation, fines, penalties, injunctions, reputational harm and restrictions on our ability to continue or expand our RWA tokenization business.

The market for tokenized real-world assets remains nascent, and limited adoption, liquidity, interoperability or legal enforceability could materially limit the growth of our FERION platform.

The growth of our RWA tokenization business depends on broad institutional acceptance of tokenized assets, reliable custody and recordkeeping arrangements, enforceable legal rights in underlying assets, clear transfer and redemption mechanics, investor eligibility controls, valuation practices, secondary market liquidity and interoperability among blockchain networks, custodians, brokers, fund administrators and regulated trading venues. These conditions are still developing and may not mature as quickly as we expect, or at all. Tokenized assets may trade at discounts to the value of the underlying assets due to limited liquidity, uncertainty regarding redemption rights, lack of market makers, technology failures, regulatory restrictions or concerns regarding insolvency treatment. Issuers, asset managers and investors may determine that traditional fund, securities or payment infrastructure is more reliable, cost-effective or legally certain than tokenized alternatives. If the market for tokenized RWAs fails to develop, if our platform is unable to attract high-quality issuers and institutional investors, or if tokenized assets distributed through our ecosystem perform poorly or become subject to disputes, our revenue growth, reputation and strategic prospects could be materially and adversely affected.

Our AI infrastructure, AI model aggregation and AI agent governance businesses are subject to emerging regulation and significant technology, operational and reputational risks.

Our AI Tokens pillar includes enterprise-grade AI infrastructure, AI model aggregation, AI routing, AI agent identity, permissioning, behavior monitoring, auditability and agentic payment use cases. Laws, regulations and supervisory expectations governing AI, automated decision-making, model risk management, algorithmic transparency, explainability, data privacy, intellectual property, cybersecurity, consumer protection and use of AI in regulated financial services are evolving rapidly in the United States, Hong Kong, the European Union, mainland China and other jurisdictions. These rules may require us to modify our products, restrict the use of certain AI models or data sets, disclose or validate model functionality, implement additional governance controls, or limit the use of AI agents in payment, investment, compliance or financial decision-making contexts. AI systems may also produce inaccurate, biased, misleading, non-compliant or unpredictable outputs, and AI agents may act outside approved parameters if governance controls fail. If our AI products are perceived as unreliable, unsafe, opaque, discriminatory or non-compliant, or if they cause or contribute to customer losses, unauthorized transactions, regulatory violations or data incidents, we could face customer claims, regulatory scrutiny, reputational harm and material adverse effects on our business and results of operations.

If we were deemed to be an investment company under the Investment Company Act of 1940, we may be required to institute burdensome compliance requirements and our activities may be restricted, which could adversely affect the price of the Class A Ordinary Shares and our business.

An entity will generally be deemed an "investment company" under Section 3(a)(1) of the Investment Company Act of 1940, as amended (the "1940 Act") if: (a) it is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities, or (b) absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We believe we are not an "investment company" and do not intend to become registered as an "investment company" within the meaning of the 1940 Act, as we do not hold ourselves out as being primarily engaged in the business of investing, reinvesting, or trading in securities. As of March 31, 2026, Solowin's operations consisted of two pillars: Digital Asset Tokens and AI Tokens, offerings span regulated stablecoin issuance and payments, asset tokenization, securities trading and asset management, and AI-powered enterprise services. The Digital Asset Tokens pillar provides regulated financial infrastructure for the issuance, trading, custody, payment, and tokenization of digital assets. The AI Tokens pillar provides enterprise-grade AI infrastructure — including AI model aggregation and AI agent governance — that we believe positions the Company at the intersection of two of the most significant secular trends in financial technology: the institutional adoption of regulated stablecoins and tokenized assets, and the enterprise adoption of AI and autonomous agents. The two pillars are connected by shared treasury, custody, payment, and compliance infrastructure, enabling what we refer to as an integrated "dual-token" ecosystem in which both digital asset tokens and AI tokens (units of AI model invocation and agent activity) can be issued, invoked, governed, and settled on a continuous, 24/7 basis. . In addition, as of March 31, 2026, neither Solowin nor its subsidiaries owned "investment securities" within the definition of Section 3(a)(1)(C) of the 1940 Act. Accordingly, they have not received any dividend or interest income on securities, nor will they recognize gains or losses from sales of securities, and there is no expectation that these circumstances will change in the foreseeable future. We intend to continue to conduct our operations so that we will not be deemed an investment company.

If, at any time, we become or are determined to be primarily engaged in the business of investing, reinvesting or trading in securities, we could become subject to regulation under the 1940 Act. If we were to become subject to the 1940 Act, any violation of the 1940 Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts would be deemed unenforceable. Additionally, as a foreign private issuer, we would not be eligible to register under the 1940 Act. Accordingly, we would either have to obtain exemptive relief from the SEC, modify our contractual rights or dispose of investments in order to fall outside the definition of an investment company, each of which may have a material adverse effect on the Company. Additionally, we may have to forego potential future acquisitions of interests in companies that may be deemed to be investment securities within the meaning of the 1940 Act. Finally, failure to avoid being deemed an investment company under the 1940 Act could also make us unable to comply with our reporting obligations as a public company in the United States and lead to our being delisted from Nasdaq Stock Market LLC, which would have a material adverse effect on the liquidity and value of the Class A Ordinary Shares.

We may be unable to retain existing clients or attract new clients, or we may fail to offer services to address the needs of our clients as they evolve.

Following our strategic transformation during the fiscal year ended March 31, 2026, our revenue sources have diversified significantly. For the fiscal year ended March 31, 2026, AI infrastructure service fees contributed approximately $22.2 million, or approximately 79% of total revenue, while our Digital Asset Tokens pillar contributed approximately $5.6 million. We continue to derive a portion of our revenues from Solomon JFZ's commissions based upon trading volume or the number of relevant transaction contracts executed by our clients. In our Digital Asset Tokens pillar, AX Coin targets institutional clients including banks, fintech companies, payment service providers, corporate treasury users, digital asset exchanges, over-the-counter trading firms, market makers and liquidity providers. Our ability to grow revenue depends on our success in retaining and expanding relationships with existing institutional customers and attracting new ones across all business lines. With respect to our legacy brokerage business, the growth in our total number of revenue-generating clients has stalled or declined over the past three fiscal years. As of March 31, 2026, 2025 and 2024, we had 1,245, 1,240, and 1,240 revenue-generating clients, respectively. Revenue-generating clients are active clients who have assets in their trading accounts and engage in trading activities.

To further grow our business and expand our operations, we rely on continuous efforts in retaining existing clients and attracting new ones across our Digital Asset Tokens and AI Tokens pillars, as well as our legacy securities brokerage and wealth management businesses.

Our ability to retain existing clients and attract new ones is dependent upon multiple factors, some of which are beyond our control. In our Digital Asset Tokens pillar, our success depends on institutional adoption of regulated stablecoins, the competitive positioning of AXCOIN relative to other stablecoin issuers, the development and execution of our strategic partnerships with entities such as BENEFIT, Bank of Bahrain and Kuwait, FOMO Pay, and Singapore Gulf Bank, and the commercial viability of our cross-border payment corridors. In our AI Tokens pillar, our success depends on enterprise adoption of our KOVAR platform and the conversion of our partnerships and proofs of concept into recurring revenue. In our legacy brokerage business, our clients may not continue to place trading orders or increase the level of their trading activities on Solomon JFZ's platform if we cannot match the prices offered by other market players or if we fail to deliver satisfactory services. Failure to deliver services in a timely manner at competitive prices and provide a satisfactory experience across any of our business lines will cause our clients to lose confidence in us and reduce or terminate their use of our platforms. Even if we are able to provide high-quality and satisfactory services across our platforms in a timely manner and at favorable pricing terms, we cannot assure you that we will be able to retain existing clients or grow our client base as we expect, in part due to reasons beyond our control, such as the personal financial situation of our clients, the deterioration of capital markets generally, macroeconomic conditions affecting interest rates and stablecoin reserve income, or the pace of institutional adoption of digital assets and AI technologies. Our efforts to attract new clients and expand our brand influence may not be cost effective, which may in turn materially and adversely affect our business operations and prospects.

We cannot guarantee the profitability of our clients' investments or ensure that our clients will make rational investment judgements.

We cannot guarantee the profitability of the investments made by clients on Solomon JFZ's trading platform. The profitability of our clients' investments is directly affected by elements beyond our control, such as economic and political conditions, broad trends in business and finance, changes in volume of securities and futures transactions, changes in the markets in which such transactions occur and changes in how such transactions are processed.

Moreover, many of our clients are retail investors, who are less sophisticated compared with institutional investors. Although we include prominent risk warnings and disclaimers on our apps throughout the transaction process and, in accordance with relevant regulations, have designed an appropriateness test to assess the level of experience and risk level of the client to assess whether certain services or products are appropriate for such client, there is no guarantee that the appropriateness test for any product is adequate.

Clients who have suffered from unfavorable trading results, financial losses, or even liquidity issues in connection with the financial losses may attribute their losses to us and/or may discontinue trading with us, which may have a material and adverse effect on our business and results of operation. Some clients who have suffered substantial losses on Solomon JFZ's platform may seek to recover their damages from us or bring lawsuits against us. These allegations against us, regardless of their veracity, may negatively affect our reputation and clients' confidence with us. If we were to become the subject of any unfavorable allegations or lawsuits, whether such allegations are proven to be true or untrue and regardless of the outcome of the lawsuits, we may have to expend a significant amount of resources to investigate and/or defend itself, which could divert our management's attention from the day-to-day operations. In addition, if any litigation or other legal proceeding to which we are a party is resolved adversely, we may be ordered to pay a substantial amount of damages or compensation to the other party, which could adversely affect our business, financial condition and results of operations.

Our USDT holdings and staking activities on third-party custody providers and cryptocurrency trading platforms subject us to asset loss, liquidity and regulatory risks.

We maintain a portion of our liquid assets in the form of USDT, a stablecoin digital asset, which we custody with licensed and unlicensed third-party digital asset service providers, including cryptocurrency trading platforms and institutional digital asset custody institutions. We may from time to time deploy our USDT holdings into staking, yield generation, liquidity provision and other asset enhancement programs offered by such third-party platforms to generate incremental investment returns. Our holding and active deployment of USDT through external platforms subjects our assets to a variety of inherent, material risks arising from third-party reliance, asset custody mechanisms, staking structural restrictions, industry operational vulnerabilities, evolving regulatory requirements and financial reporting uncertainties, any of which may adversely affect our asset safety, liquidity position, operating results and financial condition.

Our USDT custody and staking arrangements rely on the operational stability, internal control systems, financial solvency and compliance capabilities of external third-party platforms. We do not independently control the underlying private keys, on-chain asset storage infrastructure or daily asset settlement procedures for our platform-held USDT, and our asset access and disposal rights are subject to the platform's prescribed business rules, custody protocols and operational arrangements. Third-party digital asset platforms may encounter a wide range of adverse events, including but not limited to insolvency, bankruptcy, liquidation, operational suspension, system failure, internal management disorder, employee misconduct, fraudulent activities, large-scale cyberattacks, hacker theft, wallet security breaches and technical infrastructure breakdowns. Any such incidents may cause our USDT assets to be temporarily frozen, restricted from withdrawal, permanently lost or irrecoverable. In the event of bankruptcy, restructuring or judicial liquidation of a third-party platform, our custodied USDT may be deemed part of the platform's general asset estate in relevant jurisdictions, and we may only rank as an ordinary unsecured creditor. Even if partial asset segregation mechanisms are adopted by the platform, such segregation may not be legally enforceable or fully effective under applicable local laws, which may result in lengthy asset recovery proceedings, substantial recovery costs and significant losses of our principal assets, and we cannot provide any assurance that we will be able to recover the full value of our USDT holdings.

Our participation in USDT staking and yield-generating activities further amplifies our asset-related risks and liquidity uncertainties. Staking programs offered by third-party platforms typically impose mandatory lock-up arrangements, fixed investment tenors and early redemption restriction mechanisms. During the lock-up period, our staked USDT will be subject to restricted transfer, withdrawal and disposal rights, and we cannot freely deploy such assets for daily operating expenditures, capital expenditures, business investment or emergency liquidity needs. Early termination or premature redemption of staking arrangements is usually subject to punitive fees, forfeiture of accrued investment yields or other economic losses, which may further erode the value of our assets. In addition, platform staking businesses may involve external deployment of underlying digital assets to third-party node operators, decentralized protocol pools and other external liquidity scenarios, exposing our USDT to additional risks including smart contract vulnerabilities, protocol operational failures, on-chain slashing penalties, third-party counterparty default and decentralized finance industry risks. All economic benefits and residual risks arising from staking activities are generally borne by us, and third-party platforms typically disclaim indemnification liabilities for asset losses caused by external deployment, technical failures and market fluctuations, which significantly increases our overall asset risk exposure.

The global regulatory landscape for digital assets, stablecoin circulation and virtual asset staking businesses remains highly uncertain and continuously evolving. Various jurisdictions may from time to time introduce new laws, administrative regulations, licensing requirements, industry rectification policies and transaction restriction rules targeting digital asset holding, custody, staking and yield generation behaviors. Future regulatory changes may prohibit or restrict our ability to hold USDT, conduct platform-based staking activities or generate digital asset investment income, force us to prematurely liquidate our USDT holdings or terminate ongoing staking arrangements at unfavorable market prices, and impose additional compliance costs, operational restrictions or legal liabilities on us. Unfavorable regulatory policies may even lead to the forced freezing, confiscation or write-down of our custodied and staked USDT assets, which will have a material adverse impact on our financial position and profitability.

Furthermore, our USDT holding and staking businesses are exposed to continuous cybersecurity and technological risks inherent in the digital asset industry. Digital asset trading and custody infrastructure faces persistent threats including network attacks, data tampering, system paralysis, private key leakage and malicious asset transfer. Any technological failure or security incident may result in unexpected asset losses. In terms of financial reporting and accounting treatment, our USDT holdings and staking assets are required to be measured at fair value in accordance with applicable accounting standards, with fair value changes and staking income or losses recognized in profit or loss on a periodic basis. Different asset states (including unrestricted custody and locked staking status) will lead to differentiated accounting classification results, and staking-related liquidity restrictions will cause qualifying staked USDT to be ineligible for classification as cash and cash equivalents. Fair value fluctuations of USDT, changes in staking income recognition and early redemption losses will continue to introduce volatility to our reported financial results, which may adversely affect market and investor perceptions of our financial stability and sustainable profitability.

Failure to comply with regulatory capital requirements set by local regulatory authorities could materially and negatively affect our business operation and overall performance.

Solomon JFZ, our major operating subsidiary in Hong Kong, is subject to various regulatory capital requirements, including minimum capital requirements, capital ratios and buffers established by competent authorities in their respective jurisdiction. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on our business and financial position.

As of the date of this report, Solomon JFZ is in compliance with its respective regulatory capital requirements. However, if Solomon JFZ fails to remain well-capitalized for regulatory purposes, CIMA and HKSFC may take actions against it and its business operation, and we may face penalties, including limitations and prohibitions on our business activities or suspension or revocation of our licenses and trading rights. This could affect client confidence, our ability to grow, our costs of funds and professional insurance costs, our ability to pay dividends on Class A Ordinary Shares, our ability to make acquisitions, and in turn, our business, results of operations and financial condition.

Our risk management policies and procedures may not be adequate and effective, which may expose us to unidentified or unexpected risks.

Our business activities expose us to various risks, including regulatory environment risk, market condition risk, credit risk, liquidity risk, capital adequacy risk and operational risk. We are dependent on our risk management policies and procedures and adherence to our Internal Control and Compliance Manual as well as the latest regulatory policies and procedures by our staff to manage the risks inherent in our business. Nonetheless, our policies and procedures to identify, monitor and manage risks may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks. Some of our methods for managing risks are discretionary by nature and are based on internally developed controls and observed historical market behavior, and also involve reliance on standard industry practices. Many of our risk management policies are based upon observed historical market behavior or statistics based on historical models. During periods of market volatility or due to unforeseen events, the historically derived correlations upon which these methods are based may not be valid. As a result, these methods may not predict future exposures accurately, which could be significantly greater than what our models indicate. This could cause us to incur losses or cause our risk management strategies to be ineffective.

In addition, we may fail to update our risk management system as needed or as fast as the industry evolves, which may weaken our ability to identify, monitor and control new risks. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that are publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated. These may adversely affect our results of operations and financial conditions.

Fluctuations in exchange rates could have a material adverse effect on our results of operations.

The functional currency for our subsidiaries is Hong Kong dollars. However, the financial statements we provided to you and filed with the SEC are presented in U.S. dollars. Our assets and liabilities denominated in foreign currencies are translated at year-end rates of exchange, whereas the income statement accounts are translated at average rates of exchange for the year. Any such translation may result in gains or losses, which are recorded under other comprehensive (loss) income in the financial statements. Changes in the exchange rates between the Hong Kong dollars or other currencies to the U.S. dollars could have a material effect on our results of operations. The value of Hong Kong dollars against U.S. dollars and other currencies is affected by a variety of factors which are beyond our control, including, among other things, changes in Hong Kong's or China's political and economic conditions.

Since 1983, Hong Kong dollars have been pegged to the U.S. dollars at the rate of approximately HK$7.80 to $1.00. We cannot assure you that this policy will not be changed in the future. If the pegging system collapses and Hong Kong dollars suffer devaluation, the Hong Kong dollar cost of our expenditures denominated in foreign currency may increase. This would in turn adversely affect the operations and profitability of our business.

Our reputation, or the reputation of our industry as a whole, may be harmed.

The reputation of our brand is critical to our business and competitiveness. If we fail, or are perceived to have failed, to deal with issues that may give rise to reputational risk, our business and prospects may be harmed. Such issues may include mishandling client complaints, potential conflicts of interest, privacy breaches, client data leak, improper sales practices, as well as failures to identify legal, credit, liquidity, and market risks inherent in our business. Failure to appropriately address these issues could reduce clients' confidence in us or increase client attrition rate, which may adversely affect our reputation and business. In addition, any malicious or negative allegation made by the media or other parties about the foregoing or other aspects of us, including our management, business, compliance with law, financial condition or prospects, whether with merit or not, could severely compromise our reputation and harm our business and operating results.

Negative publicity about the securities brokerage industry in general may also have a negative impact on our reputation, regardless of whether we have engaged in any inappropriate activities. Moreover, negative publicity about our partners, service providers or other counterparties, such as negative publicity about their client complaints and any failure by them to adequately protect the information of our investors and borrowers, to comply with applicable laws and regulations or to otherwise meet required quality and service standards could harm our reputation. If any of the foregoing takes place, our business and results of operations could be materially and adversely affected**.**

We rely on a number of external service providers for technology, processing and supporting functions, and if they fail to provide these services, it could adversely affect our business and harm our reputation.

We collaborate with a number of external service providers in providing services to our clients for technology, processing and supporting functions, including, other market makers to which we pass on certain orders, referring brokers we collaborate with for client acquisition, custody banks, securities exchanges, clearing agents and online payment service providers. Furthermore, external content providers provide us with financial information, market news, charts, option and stock quotes and other fundamental data that we offer to our clients.

These service providers face technical, operational and security risks of their own. Any significant failures by them, including improper use or disclosure of their confidential client, employee or company information, deterioration in their performance, interruption in these third-party services or software, or other improper operation could interfere with our trading activities, cause losses due to erroneous or delayed responses, harm our reputation or otherwise be disruptive to our business. For instance, when there is a sudden surge in trading volume caused by a large amount of concurrent orders, usually subsequent to a major social event, we may not be able to retrieve the real-time quote due to delays or interruptions of third party systems, which may cause a delay in the exercise of automatic settlements initiated by our risk management system. Such delays may result in negative balance in our clients' account and a potential loss to it. Also, we have contracted with external payment service providers to facilitate our clients' payment procedures for trading and transactions through our platform. Any failure by these service providers to continue with good business operations, comply with applicable laws and regulations or any negative publicity on these parties could damage our reputation, expose us to significant penalties and decrease our total revenues and profitability.

Furthermore, if our arrangements with any of these external service providers are terminated, we may not be able to find an alternative source to support us on a timely basis or on commercially reasonable terms. This could also have a material adverse effect on our business, financial condition and results of operations. For instance, Solomon JFZ's online trading business is conducted through the *Solomon VA+* platform, which is currently licensed from a third-party, Full Node Technology Limited ("Full Node"), and can be easily accessed via our app, software, and websites. The platform offers clients seamless, efficient, and secure access to comprehensive brokerage and value-added services such as trade execution, account management, and customer support. The license is renewed annually, and we may change providers based on cost, technical support, and customization needs. However, if we are unable to continue obtaining licenses from Full Node, it would take us several months to launch a new platform that meets our user experience needs. In addition, Solomon JFZ conducts securities trading management and settlement services supported by Full Node. The system has been customized for our use and provides client account management and trade settlement services. Due to the high level of customization and integration required for our operations provided by Full Node, we have limited options for changing service providers. Furthermore, our KYC procedures are performed through the E2KYC Name Screening system ("E2KY"), supported by Aereve Company Limited, a leading provider of financial market data and infrastructure. Solomon JFZ uses E2KYC for essential screening during account opening and ongoing risk monitoring, which supports its due diligence efforts against financial crime, bribery, and corruption. However, if E2KYC's service becomes unavailable, our compliance efficiency may be adversely impacted.

We derived a substantial portion of revenue from a small number of key clients.

We derived a substantial portion of our revenue from a small number of key clients. Approximately 74%, 81% and 92% of our total revenues were contributed by the top five customers for the years ended March 31, 2026, 2025 and 2024, respectively.

Our business has undergone a fundamental strategic transformation during fiscal year 2026, evolving from a Hong Kong-centric securities brokerage firm into a global, dual-pillar digital economy infrastructure platform. For the fiscal year ended March 31, 2026, we generated revenue of approximately $28.05 million, representing nearly tenfold year-over-year growth. Key operating metrics included: total trading volume of stablecoins and fiat currencies reaching approximately $1.04 billion (up approximately 395% year-over-year); assets under administration growing to approximately $848.8 million (up approximately 347% year-over-year); AX ONE payments platform processing approximately $226 million in total payment volume; and FERION platform launching 10 RWA tokenization projects with total value tokenized of approximately $52 million. With respect to our legacy brokerage business, from fiscal year 2024 to fiscal year 2026, our client base increased from approximately 15,500 to 15,600. Our revenue growth is shifting from securities brokerage to a global dual-engine digital economy infrastructure platform centered on digital asset and AI token businesses. Our future growth depends on our ability to sustain and expand the operating momentum achieved during fiscal year 2026 across our Digital Asset Tokens and AI Tokens pillars, which may not occur.

In the fiscal year ended March 31, 2026, our top five customers represented approximately 25%, 23%, 15%, 6% and 5% of the total revenue, respectively, which consisted five from AI infrastructure services. In the fiscal year ended March 31, 2025, our top five customers represented approximately 23%, 21%, 19%, 14% and 11% of the total revenue, respectively, which consisted of two from investment advisory service, two from the corporate consultancy service and one from asset management service. In the fiscal year ended March 31, 2024, our top five customers represented approximately 41%, 26%, 19%, 12% and 6% of the total revenue, respectively, which consisted of one from the securities brokerage service, three from the investment advisory service, and one from the asset management service.

There are inherent risks whenever a large percentage of revenues are concentrated in a limited number of clients or business lines. For the fiscal year ended March 31, 2026, AI infrastructure service fees contributed approximately 79% of our total revenue, and our top five customers represented approximately 25%, 23%, 15%, 6% and 5% of total revenue, respectively, all of which were from AI infrastructure services. This concentration creates significant risk if demand for AI infrastructure services declines, if key customers reduce their usage or terminate their relationships with us, or if we are unable to diversify our revenue base. It is not possible for us to predict the future level of demand for our services that will be generated by these key clients. In addition, revenues from our larger clients have historically fluctuated and may continue to fluctuate based on their usage of our AI infrastructure, trading volume on our platforms, and adoption of our stablecoin and payment services. If these key clients reduce their usage of our services or suspend or terminate their relationship with us, our business and results of operations would be materially and adversely affected.

Our business depends on third-party AI models, cloud infrastructure, specialized computing resources and technical personnel, and disruptions or cost increases could impair our ability to operate and scale our AI Tokens pillar.

Our KOVAR infrastructure and related AI offerings depend on access to third-party foundation models, model providers, cloud service providers, GPU and high-performance computing resources, software vendors, data providers and engineers with expertise in AI, blockchain, cybersecurity, quantitative finance and regulated financial technology. These resources may be expensive, capacity-constrained or subject to changing licensing terms, usage restrictions, export controls, data localization requirements, service outages or vendor discontinuation. Third-party model providers may increase prices, restrict commercial use, limit access to particular models, change model behavior, impose new data usage restrictions or terminate services with limited notice. Competition for specialized AI and blockchain technical talent is intense, and our ability to retain key personnel, including personnel obtained through acquisitions, is critical to maintaining and developing our products. If we cannot obtain computing capacity, model access or technical talent on commercially reasonable terms, or if key vendors or personnel are unavailable, our product development, service reliability, margins, customer relationships and growth prospects could be materially and adversely affected.

Our platforms rely on smart contracts, public blockchains, cross-chain infrastructure, digital wallets and private-key management, which may be vulnerable to exploits, failures or disruptions beyond our control.

Our stablecoin, payment, RWA tokenization and AI-to-value workflows rely or may rely on smart contracts, public blockchain networks, cross-chain protocols, digital wallets, custody solutions, key management systems and other digital asset infrastructure. Our AX ONE payments network, FERION issuance platform and the protocols under development by our AXION research lab (including RWA lending, index token aggregation and stablecoin FX swap protocols) rely on smart contracts deployed across multiple public blockchains, including Arbitrum, Polygon, Ethereum, Solana, Stellar and TON. Smart contracts may contain coding errors, design flaws or vulnerabilities that are difficult or impossible to correct after deployment and may be exploited to misappropriate assets or disrupt services. Public blockchain networks may experience congestion, outages, forks, governance disputes, validator failures, consensus attacks, changes in transaction fees or protocol changes that affect the security, settlement finality or functionality of our products. Cross-chain bridges and interoperability protocols have historically been frequent targets of exploits in the digital asset industry, resulting in substantial and frequently unrecoverable losses. We do not control the underlying blockchain networks, which may experience disruptions or protocol changes that alter the security assumptions on which our services rely. In addition, the private keys controlling our treasury assets, client assets and stablecoin reserve operations must be securely generated, stored and used; any compromise of private keys, wallet credentials, custody systems or administrative permissions maintained by us or by third-party service providers could result in irreversible loss or theft of customer assets, reserve assets or treasury assets, claims by clients, regulatory action and loss of confidence in our platforms. Any of these events could cause customer losses, claims against us, regulatory investigations and material harm to our business, financial condition and results of operations.

The integration of AlloyX and other acquired or newly formed businesses may be more difficult, costly or time-consuming than expected, and we may fail to realize the anticipated benefits of these transactions.

Our acquisition of AlloyX and the formation or acquisition of other subsidiaries materially expanded the scale, complexity and geographic scope of our operations. We must integrate new businesses, personnel, technology platforms, compliance systems, financial reporting processes, cybersecurity controls, vendor relationships, regulatory obligations and corporate cultures into our existing group. Integration may divert management attention from our legacy securities brokerage, wealth management and asset management businesses and may require greater expenditures than anticipated. We may discover liabilities, compliance deficiencies, cybersecurity vulnerabilities, internal control weaknesses, intellectual property issues, customer disputes or technology limitations that were not identified during due diligence. Acquired businesses may have limited operating histories and may not have been subject to the internal control, financial reporting, compliance and governance expectations applicable to a Nasdaq-listed foreign private issuer. If we are unable to integrate these businesses successfully, retain key employees and customers, maintain effective internal control over financial reporting, or realize expected synergies among our Digital Asset Tokens and AI Tokens pillars, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our strategy depends in part on partnerships, pilots, memoranda of understanding and third-party distribution arrangements that may not result in binding agreements, commercial adoption or material revenue.

Our updated business overview describes strategic collaborations, pilot participation, memoranda of understanding and other arrangements with payment providers, financial institutions, technology companies, infrastructure providers and ecosystem participants. Many of these arrangements may be exploratory, non-exclusive, non-binding or subject to further diligence, regulatory approvals, product development, technical integration, commercial negotiation and counterparty discretion. Even where agreements are binding, partners may fail to allocate sufficient resources, complete integrations, obtain necessary approvals, meet performance expectations or generate customer demand. Partners may also compete with us, terminate relationships, experience operational or compliance failures, or become subject to regulatory restrictions. Investors should not assume that announced partnerships, pilots or ecosystem relationships will result in completed product integrations, committed transaction volume, stablecoin issuance, recurring revenue or profitability. If we are unable to convert strategic relationships into scalable commercial activity, our growth prospects and market credibility could be materially harmed.

We face significant competition from established financial institutions, payment networks, stablecoin issuers, digital asset platforms, AI infrastructure providers and other technology companies, many of which have greater resources than we do.

The markets in which we operate are highly competitive and rapidly evolving. In stablecoin issuance and payments, we compete with established global stablecoin issuers, banks developing tokenized deposits, payment processors, remittance companies, card networks, foreign exchange providers, central bank digital currency initiatives and other regulated digital asset infrastructure providers. In RWA tokenization, we compete with tokenization platforms, asset managers, fund administrators, custodians, brokers, exchanges and financial institutions developing issuance, transfer, custody and lifecycle-management capabilities. In AI infrastructure and agent governance, we compete with cloud providers, enterprise AI vendors, model aggregation platforms, RegTech providers, blockchain analytics firms and large technology companies. Many competitors have greater brand recognition, liquidity, customer relationships, balance sheets, regulatory resources, engineering teams and distribution networks. Competitors may develop products that are more reliable, lower cost, more interoperable, more trusted or more widely adopted than ours, or may use existing customer relationships to capture market share. If we cannot compete effectively, our ability to attract clients, partners, transaction volume, assets under administration and recurring revenue may be materially limited.

Our increased focus on cross-border stablecoin payments and digital asset services heightens our exposure to anti-money laundering, sanctions, fraud, terrorist financing and capital flow compliance risks.

Stablecoins, virtual assets and blockchain-based transfers can enable rapid, cross-border movement of value, including through pseudonymous wallets and intermediaries in multiple jurisdictions. Our AX ONE payment infrastructure, stablecoin business, virtual asset activities, RWA tokenization services and related partner networks expose us to heightened risks of money laundering, terrorist financing, sanctions evasion, fraud, scams, market manipulation, wallet misuse, suspicious transaction activity and attempted circumvention of capital controls. These risks are particularly significant because our customer base and market strategy include institutional users, payment corridors and clients located in Asia, the GCC, Africa and other emerging markets, and because our legacy business has served a substantial number of PRC and other Asian clients. Even robust KYC, KYB, transaction monitoring, wallet screening, sanctions screening and blockchain analytics controls may fail to detect all illicit activity, particularly where counterparties provide inaccurate information, use complex ownership structures, transact through third-party wallets or exploit weaknesses in partner controls. Any actual or alleged compliance failure by us or our partners could result in regulatory investigations, fines, license restrictions, loss of banking or card network relationships, criminal liability, reputational harm and material adverse effects on our business and results of operations.

Our business may become subject to U.S. securities, commodities, banking, money transmission, sanctions and other regulatory regimes, even though we do not currently intend to serve U.S. retail customers or operate as a U.S.-licensed financial intermediary.

Although we are headquartered outside the United States and our operating subsidiaries are primarily regulated in non-U.S. jurisdictions, aspects of our business may implicate U.S. law if products are offered to, accessed by or used by U.S. persons, if tokenized assets reference U.S. securities or funds, if stablecoins are dollar-referenced or used in U.S.-linked transactions, if transactions clear through U.S. financial institutions, or if our activities otherwise have a U.S. jurisdictional nexus. U.S. regulators may characterize certain tokenized assets, digital asset products, stablecoin arrangements, custody services, payment services, investment strategies, AI-enabled advisory tools or platform activities as subject to registration, licensing, disclosure, conduct, anti-fraud, AML, sanctions, commodities or securities law requirements. We may be unable to prevent all U.S. persons from accessing our products through intermediaries, wallets, partners or secondary markets. If U.S. regulators determine that we have offered unregistered securities, acted as an unregistered broker-dealer, exchange, investment adviser, transfer agent, clearing agency, money transmitter, payment stablecoin issuer or other regulated entity, or violated U.S. sanctions or AML requirements, we could be subject to investigations, enforcement actions, penalties, injunctions, rescission claims, operational restrictions and significant reputational harm.

A failure in our information technology, or IT, systems could cause interruptions in our services, undermine the responsiveness of our services, disrupt our business, damage our reputation and cause losses.

Our IT systems support all phases of our operations. If our systems fail to perform, we could experience disruptions in operations, slower response time or decreased client satisfaction. We must process, record and monitor a large number of transactions and our operations are highly dependent on the integrity of our technology systems and our ability to make timely enhancements and additions to our systems. System interruptions, errors or downtime can result from a variety of causes, including unexpected interruptions to the internet infrastructure, technological failures, changes to our systems, changes in client usage patterns, linkages with third-party systems and power failures. Our systems are also vulnerable to disruptions from human error, execution errors, errors in models such as those used for risk management and compliance, employee misconduct, unauthorized trading, external fraud, computer viruses, distributed denial of service attacks, computer viruses or cyber-attacks, terrorist attacks, natural disaster, power outage, capacity constraints, software flaws, events impacting our key business partners and vendors, and other similar events.

It could take an extended period of time to restore full functionality to our IT systems or other operating systems in the event of an unforeseen occurrence, which could affect our ability to process and settle client transactions. Moreover, instances of fraud or other misconduct might also negatively impact our reputation and client confidence in us, in addition to any direct losses that might result from such instances. Despite our efforts to identify areas of risk, oversee operational areas involving risks, and implement policies and procedures designed to manage these risks, there can be no assurance that we will not suffer unexpected losses, reputational damage or regulatory actions due to technology or other operational failures or errors, including those of our vendors or other third parties.

While we devote substantial attention and resources to the reliability, capacity and scalability of our systems, extraordinary trading volume could cause our computer systems to operate at unacceptably slow speeds or even fail, affecting our ability to process client transactions and potentially resulting in some clients' orders being executed at prices they did not anticipate. Disruptions in service and slower system response time could result in substantial losses and decreased client satisfaction. We are also dependent on the integrity and performance of securities exchanges, clearinghouses and other intermediaries to which client orders are routed for execution and clearing. System failures and constraints and transaction errors at such intermediaries could result in delays and erroneous or unanticipated execution prices, cause substantial losses for our clients and for ourselves, and subject us to claims from our clients for damages.

We currently maintain a disaster recovery and business continuity plan, which is intended to minimize service interruptions and secure data integrity, however, our plan may not work effectively during an emergency. IT system failures may lead to interruption of our operations, which in turn will prevent our clients from trading and hence significantly reduce client satisfaction and confidence in us, cause loss or reduce potential gain for our clients, or cause regulatory authorities' investigation and penalization. Any such system failure could impair our reputation, damage our brand, subject us to claims and materially and adversely affect our business, financial condition, operating results or prospects.

Failure of third-party systems upon which we rely could adversely affect our business operations.

Due to the rapid pace of technological changes across our Digital Asset Tokens and AI Tokens businesses, significant parts of our operations rely on technologies developed or licensed by third parties. Solomon JFZ conducts securities-related and online trading business through a trading platform licensed from third parties. AX COIN's technology and compliance stack integrates institutional-grade third-party providers, including Fireblocks for mint-and-burn execution and multi-party computation wallet security, Sumsub for KYB/KYC/KYT onboarding and screening, and Elliptic for Travel Rule compliance and AML transaction monitoring. Our KOVAR platform aggregates major global large language models — including GPT, Claude, and Gemini model families — behind a unified access layer and depends on the continued availability of these third-party foundation models. Our reserves are held with third-party banks and custodians. Any interruption in the third parties' services, deterioration in their performance or quality, changes to their pricing, licensing terms or availability, or insolvency of, or regulatory action against, any such third-party provider could adversely affect our business operations across all pillars. Moreover, we may not be able to obtain or continue to obtain licenses and technologies from these third parties on reasonable terms, or at all, which could materially impact our business and results of operations.

We may be subject to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions affecting us or our external service providers.

Our platforms across both operating pillars collect, store and process significant volumes of personal and other sensitive data. Solomon JFZ's platform handles client information for securities brokerage and virtual asset trading. AX COIN's stablecoin operations require processing of institutional customer data, beneficial ownership information, and transaction records subject to AML and sanctions compliance requirements. Our KOVAR platform processes enterprise customer data, AI model invocations, and agent activity logs. The private keys controlling our treasury assets, client assets and stablecoin reserve operations must be securely generated, stored and used. The massive data that we have processed and stored, combined with the digital asset holdings we custody or administer, makes us and external service providers who host our servers a target and potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. While we have taken steps to protect the confidential information that we have access to, including integrating institutional-grade security providers such as Fireblocks for multi-party computation wallet security, our security measures could be breached. Because techniques used to sabotage or obtain unauthorized access to systems change frequently and generally are not recognized until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any accidental or willful security breaches or other unauthorized access to our platforms could cause confidential information to be stolen and used for criminal purposes, or result in the irreversible loss or theft of digital assets. As personally identifiable and other confidential information is increasingly subject to legislation and regulation in numerous jurisdictions, any inability to protect confidential information of our clients could result in additional cost and liability for us, damage our reputation, inhibit the use of our platforms and harm our business.

We also face indirect technology, cybersecurity and operational risks relating to the third parties with whom we work to facilitate or enable our business activities. Our AX ONE payments network, FERION issuance platform and the protocols under development by our AXION research lab rely on smart contracts deployed across multiple public blockchains, including Arbitrum, Polygon, Ethereum, Solana, Stellar and TON. Smart contracts may contain design flaws, coding errors or vulnerabilities that can be exploited, and once deployed are difficult or impossible to amend; exploits of smart contracts and of cross-chain bridges have historically resulted in substantial, and frequently unrecoverable, losses across the digital asset industry. We do not control the underlying blockchain networks, which may experience congestion, outages, forks, consensus attacks or protocol changes that disrupt our services or alter the security assumptions on which they rely. As a result of increasing consolidation and interdependence of technology systems, a technology failure, cyber-attack or other information or security breach that significantly compromises the systems of one entity could have a material impact on our counterparties. Any cyber-attack, computer virus, physical or electronic break-ins or similar disruptions of such third-party service providers could, among other things, adversely affect our ability to serve our users, and could result in the misappropriation of funds or digital assets of our clients. If that were to occur, both we and third-party service providers could be held liable to clients who suffer losses from the misappropriation.

Security breaches or unauthorized access to confidential information could also expose us to risk relating to misappropriation of funds or digital assets of our clients, including stablecoins, virtual assets, and tokenized securities held or administered through our platforms. Any compromise of key management systems, whether maintained by us or by third-party custodians, could result in the irreversible loss or theft of assets, claims by clients, regulatory action and loss of confidence in our platforms. Such events may subject us to liabilities, reduce the attractiveness of our platforms and cause reputational harm that could materially and adversely impact our results of operations and financial condition.

We invest significantly in research and development, and to the extent our research and development investments are not directed efficiently or do not result in material enhancements to our technology competencies, our business and results of operations would be harmed.

Following our acquisition of AlloyX Group and our strategic transformation during the fiscal year ended March 31, 2026, our research and development focus has shifted away from our legacy Solomon VA+ trading platform, which we consider fully mature and stable and for which we made no incremental research and development investment during the fiscal year ended March 31, 2026, toward the development and enhancement of our digital asset infrastructure platforms, namely FERION, our real-world-asset tokenization platform, and AX ONE, our digital currency treasury and payment orchestration platform, as well as our KOVAR AI infrastructure platform, including its Know-your-Agent governance layer and KovaRouter intelligent routing algorithms. Our research and development team currently consists of five internal R&D product officers, supplemented by outsourced technical development resources, focusing on the technical development, functional optimization and ongoing maintenance of the Company's core technology platforms.

If we do not spend our research and development budget efficiently or effectively on compelling enhancements, innovations, and technologies across FERION, AX ONE, and KOVAR, our business may be harmed, and we may not realize the expected benefits of our strategy at all or on the timeline we expect. As a result of the nature of research and development cycles, there will be delays between the time we incur expenses associated with research and development activities and the time we are able to offer compelling enhancements and generate revenue, if any, from those activities, and anticipated customer or institutional demand for a platform or application enhancement we are developing could decrease after the development cycle has commenced.

We may encounter potential conflicts of interest from time to time, and the failure to identify and address such conflicts of interest could adversely affect our business.

We face the possibility of actual, potential, or perceived conflicts of interest in the ordinary course of our business operations. Conflicts of interest may exist between (i) our different businesses; (ii) us and our clients; (iii) our clients; (iv) us and our employees; and (v) our clients and our employees. As we expand the scope of our business and client base, it is critical for us to be able to timely address potential conflicts of interest, including situations where two or more interests within our businesses naturally exist but are in competition or conflict. However, appropriately identifying and managing actual, potential, or perceived conflicts of interest is complex and difficult, and our reputation and our clients' confidence in us could be damaged if we fail, or appears to fail, to deals appropriately with one or more actual, potential, or perceived conflicts of interest. It is possible that actual, potential, or perceived conflicts of interest could also give rise to client dissatisfaction, litigation, or regulatory enforcement actions. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially and adversely affect our business in a number of ways, including a reluctance of some potential clients and counterparties to do business with us. Any of the foregoing could materially and adversely affect our reputation, business, financial condition, and results of operations.

Fraud, misconduct or errors by our directors, officers, employees, agents and other third-party service providers could harm our business and reputation.

It is not always possible to identify and deter fraud, misconduct or errors by directors, employees, agents or external service providers, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses. Fraud or misconduct by any of these persons or entities may cause us to suffer significant reputational harm and financial loss or result in regulatory disciplinary actions. The potential harm to our reputation and to our business caused by such fraud or misconduct is impossible to quantify.

We are subject to a number of obligations and standards arising from our business. The violation of these obligations and standards by any of our directors, officers, employees, agents, clients, or other third parties could materially and adversely affect us and our investors. For example, we are required to properly handle confidential information. If our directors, officers, employees, agents, clients, or other third parties were to improperly use or disclose confidential information, we could suffer serious harm to our reputation, financial position, and existing and future business relationships. Although we have not identified any material fraud or misconduct by our directors, officers, employees, agents, clients, or other third parties since Solomon JFZ commenced its current business in 2016, if any of these persons or entities were to engage in fraud or misconduct or were to be accused of such fraud or misconduct, our business and reputation could be materially and adversely affected.

A significant decrease in our liquidity could negatively affect our business and financial management as well as reduce client confidence in us.

Maintaining adequate liquidity is crucial to our business operations. We are subject to liquidity and capital adequacy requirements in Hong Kong and Cayman Islands. We meet our liquidity needs primarily through cash generated by operating activities and capital contribution, as well as cash provided by external financing. Fluctuations in client cash or deposit balances, as well as changes in regulatory treatment of client deposits or market conditions, may affect our ability to meet our liquidity needs. A reduction in our liquidity position could reduce our clients' confidence, which could result in the loss of client trading accounts or cause us to fail to satisfy liquidity requirements of regulatory authorities. In addition, failure to meet regulatory capital guidelines can result in investigations and regulatory actions, which may lead to penalties, including reprimands, fines, limitations or prohibitions on our future business activities or suspension or revocation of our licenses or trading rights.

In addition, our ability to satisfy our liquidity and capital needs may be affected by a variety of factors, some of which are beyond our control, including, macroeconomic and socio-political conditions, fluctuations in cash or deposit balances, increased capital requirements, changes in regulatory guidance or interpretations, or other regulatory changes. If cash generated by client trading activities and operating earnings is not sufficient for our liquidity needs, we may be forced to seek external financing. During periods of disruptions in the credit and capital markets, potential sources of external financing could be reduced, and borrowing costs could increase. Financing may not be available on acceptable terms, or at all, due to market conditions or disruptions in the credit markets. If we experience any significant decrease in our liquidity, our business, financial condition and results of operations could be adversely impacted.

We may not succeed in promoting and sustaining our brand.

We believe that developing and maintaining awareness of our brand effectively is critical to attracting new and retaining existing clients to our platform. This depends largely on the effectiveness of our marketing efforts and the success of the channels we use to promote our marketplace. If any of our current marketing channels become less effective, if we are unable to continue to use any of these channels, if the cost of using these channels were to significantly increase or if we are not successful in generating new channels, we may not be able to attract new investors and borrowers in a cost-effective manner or convert potential investors and borrowers into active investors and borrowers on our marketplace.

Our efforts to build our brand may not result in increased revenues in the immediate future or at all and, even if they do, any increases in revenues may not offset the expenses incurred. If we fail to successfully promote and maintain our brand while incurring substantial expenses, our results of operations and financial condition would be adversely affected, which may impair our ability to grow our business.

We face risks related to our know-your-customer, or KYC procedures when our clients provide outdated, inaccurate, false or misleading information.

We collect client information during the account opening and during registration for members and we screen accounts against public databases and collaborate with external KYC/AML vendors for the purpose of verifying client identity and detecting risks. Although we require our clients to submit documents for proof of their identity and address for completing the account registration and to update such information from time to time, we face risks as the information provided by our clients may be outdated, inaccurate, false or misleading. We cannot fully confirm the accuracy, currency and completeness of such information beyond reasonable effort. For example, to reduce the risk of being subject to complex U.S. laws and regulations, we do not allow U.S. citizens or residents to open an account with us. We require our potential clients to provide their passports or identity cards as well as self declaration about the foreign status of beneficial owner, we have licensed personnel review the applications and resolve KYC results before approving for account opening. However, if a potential client only provides his PRC identity card, which is usually valid for 10 years or more, and misinforms us that he does not also possess a U.S. passport or permanent resident card, we might not be able to detect such misinformation. In addition, as a client who is not a U.S. citizen or resident at the time of account registration may later obtain U.S. citizenship or residential status and fail to update us in a timely manner, our customer database might not be entirely accurate at all times. Despite our efforts to exclude persons who reside in jurisdictions where we have no license or permit such as the United States, our provision of products and services to such clients could be in violation of the applicable laws and regulations in those jurisdictions, of which we may have no awareness until we are warned by the relevant supervising authorities. Despite our safeguards, we could still be subject to certain legal or regulatory sanctions, fines or penalties, financial loss, or damage to reputation resulting from such violations. In particular, following the consummation of the Business Combination, as we become increasingly renowned in the United States and worldwide, there is no assurance that we will be able to successfully identify and exclude all persons who resides in jurisdictions where we have no license or permit to operate, including the United States. If U.S. citizens and residents were to register on and begin using our platform, we may be subject to the scrutiny of U.S. regulatory agencies and required to comply with applicable laws and regulations in the United States, including the requirements to obtain relevant licenses and permits for providing our products to U.S. citizens and residents. We currently do not intend to apply for such licenses and permits in the United States, and if we determine to do so, there is no guarantee that we will successfully obtain such licenses in a timely fashion, or at all. We could be subject to disciplinary or other actions by the U.S. regulatory agencies due to claimed noncompliance which could have a material adverse effect on our business, financial condition and results of operations.

Our clients may engage in fraudulent or illegal activities on our platform.

We have implemented stringent internal control policies, insider trading, anti-money laundering and other anti-fraud rules and mechanisms on our platform, for example, we cooperated with third party search system service provider to check if our clients are politically exposed persons or on certain sanction lists (including but not limited to the lists of money laundering, terrorist financing or other crimes). Nevertheless, we remain subject to the risk of fraudulent or illegal activities both on our platform and associated with our clients, funding and other business partners, and third parties handling client information. Our resources, technologies and fraud detection tools may be insufficient to accurately detect and prevent fraudulent or illegal activities.

Any misbehavior of or violation by our clients of applicable laws and regulations could lead to regulatory inquiries and investigations that involve it, which may affect our business operation and prospects. We might also incur higher costs than expected in order to take additional steps to reduce risks related to fraudulent and illegal activities. High-profile fraudulent or illegal activities, for example, money laundering, insider trading and securities fraud, could also lead to regulatory intervention, and may divert our management's attention and cause us to incur additional regulatory and litigation expenses and costs. Although our client agreements require clients to acknowledge that they will observe all insider trading, money laundering and securities fraud laws and regulations in applicable jurisdictions and to assume liabilities for all restrictions, penalties and other responsibilities arising from conducts suspected to constitute insider trading, money laundering and/or, securities fraud, we cannot verify whether every transaction conducted by our clients is in compliance with such laws and regulations because our clients may circumvent our due diligence measures to commit insider trading and/or money laundering. Significant increases in fraudulent or illegal activities could negatively impact our brand and reputation, reduce the trading volume on our platform and therefore harm our operating and financial results.

In addition, we could also suffer serious harm to our reputation, financial condition, client relationships and even be subject to regulatory sanctions and significant legal liability, if any of our employees engage in illegal or suspicious activities or other misconduct. See "*—Fraud, misconduct or errors by our directors, officers, employees, agents and other third-party service providers could harm our business and reputation*" above. Although we have not experienced any material business or reputational harm as a result of fraudulent or illegal activities in the past, we cannot rule out the possibility that any of the foregoing may occur, causing harm to our business or reputation in the future. If any of the foregoing were to occur, our results of operations and financial conditions could be materially and adversely affected.

Legislative and regulatory changes may adversely affect the use, transfer, exchange and value of virtual assets.

Residents, tax residents or persons having a relevant connection with certain jurisdictions are excluded from carrying out virtual asset transactions in Hong Kong. Changes in the investor's place of domicile or the applicable laws may result in the investor violating any legal or regulatory requirements of the applicable jurisdiction with respect to virtual assets. The investor is responsible for ensuring that any virtual assets transaction is, and remains lawful despite changes to applicable laws, the investor's place of domicile and circumstances.

Securities related to virtual assets such as virtual asset ETFs may be overseen by the legal and regulatory authorities of a number of jurisdictions globally. We may receive notices, queries, warnings, requests or rulings from one or more authorities upon short notice, or may even be ordered to suspend or terminate any action in connection with any virtual asset related securities as a whole without prior notice. Furthermore, many aspects of virtual asset related securities involve untested areas of law and regulation and could be subject to new laws or regulations. Therefore, their legal and regulatory outcome in all relevant jurisdictions is not possible to predict. The planning, development, marketing, promotion, execution or otherwise of the virtual assets may be seriously affected, hindered, postponed or terminated as a result of such new laws and/or regulations. Since regulatory policies can change with or without prior notice, any existing regulatory permissions for or tolerance of virtual assets in any jurisdiction may be withdrawn without warning. Cryptographic-tokens and cryptocurrencies could be deemed from time to time as a commodity or virtual commodity, a digital asset or even as money, securities or currency in various jurisdictions and therefore virtual asset related securities could be prohibited from being purchased, traded or held in certain jurisdictions pursuant to local regulations. In turn, the virtual assets could be deemed to be a regulated or restricted product. There is no guarantee that virtual assets can maintain any particular legal or regulatory status in any particular jurisdiction at any time. Changes in regulatory circumstances may impact our ability to provide virtual assets trading or advisory services.

We may not have adequate sources of recovery if the virtual assets held by us are lost, stolen or destroyed due to third-party virtual assets custodial services or if we cannot redeem or withdraw our virtual assets invested in crypto lending or investing activities. Such incidents could have a material adverse effect on our business, financial condition and results of operations.

Solomon JFZ provides trading of various virtual assets trading in the regulated digital assets trading exchanges, including Bitcoin, Ethereum, Bitcoin spot ETF and Ethereum spot ETF, supporting in kind subscription of virtual assets spot ETF. Substantially all of our virtual assets were held in custody on Solomon VA+, licensed from third-party Full Node. We believe that the security procedures that Full Node utilizes, such as issuing username, password and hardware tokens, are reasonably designed to safeguard Bitcoin, Ethereum, Bitcoin spot ETF and Ethereum spot ETF and other virtual assets from theft, loss, destruction or other issues relating to hackers and technological attack. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach, software defect or act of God that may be borne by us. If such virtual assets are lost, stolen or destroyed under circumstances rendering a third party liable to us, it is possible that Full Node may not have the financial resources or insurance sufficient to satisfy any or all of our claims against the third party, or have the ability to retrieve, restore or replace the lost, stolen or destroyed cryptocurrencies due to governing network protocols and the strength of the cryptographic systems associated with such virtual assets. To the extent that we are unable to recover on any of our claims against any such third party, such loss could have a material adverse effect on our business, financial condition and results of operations.

If such services are commercially available, we will consider adding regulated banks, rather than solely relying on crypto custodian, as the custodian for a material amount of our cryptocurrencies. Obtaining cryptocurrency custody services from a regulated bank may confer benefits such as improved security and reduced fraud. Nevertheless, until now, banks have generally declined to provide custody services for cryptocurrencies and other virtual assets, due to the absence of clarity on permissibility and on regulators' views of these activities generally in Hong Kong.

Our business depends on the continued efforts of our senior managements, Mr. Ling Ngai Lok, Mr. Haokang Zhu, Ms. Xue Yao, and Ms. Lili Liu. If one or more of our key executives were unable or unwilling to continue in their present positions, our business may be severely disrupted.

Our business operations depend on the continued services of our senior management. While we provide a variety of attractive incentives to our management, we cannot assure you that we can continue to retain their services. We cannot assure you that our existing senior management members will not terminate their employment with us in the future. In addition, we do not have any key man insurance for our executive officers or key employees. If one or more of our key executives were unable or unwilling to continue in their present positions, we may not be able to replace them easily or at all, our future growth may be constrained, our business may be severely disrupted and our financial condition and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain qualified personnel. In addition, there is no assurance that any member of our management team will not join one of our competitors or form a competing business. If any dispute arises between us and our current or former officers, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

User growth and activity on mobile devices depend upon effective use of mobile operating system, networks and standards, over which we do not have control.

As of the date hereof, a majority of our clients access our services through PC, however, we expect to see a growing number of our clients access our services through our mobile apps in the future. As new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in developing applications for these new devices and platforms, and we may need to devote significant resources to the development, support and maintenance of such applications. In April 2021, Solomon JFZ launched its all-in-one Solomon app, which has since been upgraded to Solomon VA+. Our ability to attract, retain, and engage users for our mobile app depends on our ability to deliver a high-quality experience across diverse mobile devices and operating systems, such as iOS and Android, as well as across various mobile networks. We rely on third parties to provide and support these operating systems, app stores, networks, and hardware, and have no control over the technical standards, policies, or business decisions of these third parties.

Our future growth and our results of operations could suffer if we experience difficulties in the future in integrating our services into mobile devices or if problems arise with our relationships with providers of mobile operating systems or mobile app stores, or if we face increased costs to distribute or have users utilize our services on mobile devices. We are further dependent on the interoperability of providing our services on popular mobile operating systems that we do not control, such as iOS, Android and PC platform, and any changes in such systems that degrade the accessibility of our services or give preferential treatment to competing products could adversely affect the usability of our services on mobile devices. In the event that it is more difficult for our users to access and utilize our services on their mobile devices, or if our users choose not to access or utilize our services on their mobile devices or to use mobile operating systems that do not offer access to our services, our user growth could be harmed and our business, financial condition and operating results may be adversely affected.

A substantial portion of the revenue of our stablecoin business is derived from interest income on reserve assets, which is highly sensitive to changes in interest rates, and declines in prevailing interest rates have had, and may in the future have, a material adverse effect on our results of operations.

Following our acquisition of AlloyX Group in September 2025 and the receipt by AX Coin, our 64%-owned subsidiary, of a stablecoin issuance license from the Central Bank of Bahrain in June 2026, we derive, and expect to continue to derive, a significant portion of the revenue of our Digital Asset Tokens pillar from interest earned on the low-risk reserve assets backing AXCOIN and on treasury balances managed through our AX ONE payments network. This reserve income is highly sensitive to macroeconomic conditions and the monetary policies of central banks, none of which are within our control. A decline in prevailing interest rates would reduce the yield generated on our reserve assets without a corresponding reduction in our operating costs, and comparable stablecoin issuers have disclosed that a decrease of as little as one percentage point in interest rates could reduce reserve income by amounts that are material to their total revenue. Conversely, rising interest rates may reduce the market value of fixed-income instruments held in our reserves, and if we were required to liquidate such instruments before maturity to satisfy redemption requests, we could realize losses that impair the one-to-one backing of AXCOIN. During the fiscal year ended March 31, 2026, our stablecoin and payments businesses were in an early stage of development, and our historical results may not be indicative of the sensitivity of our future results to interest rate movements as AXCOIN circulation grows. There can be no assurance that we will be able to diversify our revenue away from reserve interest income, and any sustained low-interest-rate environment could materially and adversely affect our business, financial condition and results of operations.

Tokenized real-world assets issued through our FERION platform may be characterized as securities or other regulated instruments in relevant jurisdictions, and evolving securities law treatment of tokenized assets, as well as limited secondary market liquidity, could adversely affect this business.

Through FERION, we issued approximately US$52 million of tokenized real-world assets, including interests referencing money market funds and securities, during the fiscal year ended March 31, 2026. The application of securities laws to tokenized assets remains unsettled and varies by jurisdiction. The staff of the U.S. Securities and Exchange Commission stated in January 2026 that tokenization does not alter the application of the U.S. federal securities laws to an instrument that is a security, and that tokenized security entitlements and synthetic tokenized instruments may themselves constitute securities or security-based swaps subject to registration, disclosure and intermediation requirements. Similarly, tokenized products offered through our platforms may constitute regulated investment products under the Hong Kong Securities and Futures Ordinance, in which case they may be offered only through appropriately licensed intermediaries, such as Solomon JFZ under its SFC Type 1, 4, 6 and 9 licenses, and subject to applicable offering restrictions. If regulators determine that we have offered or distributed unregistered securities, operated an unlicensed trading venue, or provided unlicensed custody or advisory services in connection with tokenized RWAs, we could be subject to enforcement proceedings, rescission liability, fines or restrictions on our activities. In addition, secondary markets for tokenized RWAs remain nascent and illiquid, and the value of a token may deviate from the value of the underlying asset due to technical, legal or market factors, including uncertainty as to the enforceability of token holders' claims to the underlying assets in insolvency. There can be no assurance that institutional or investor adoption of tokenized RWAs will develop as we anticipate, and weak adoption would limit the growth of our FERION platform and of the RWA-linked products managed by AgentX.

Our AgentX asset management business depends on the performance of proprietary AI and quantitative models and on volatile performance-based fees, and our models may underperform, fail or behave unpredictably.

AgentX's revenue consists principally of licensing fees, management fees and performance fees generated by AI-driven strategies, including a high-frequency quantitative fund, a market-neutral quantitative fund, a discretionary crypto fund, RWA-linked products and a tokenized money market fund. Performance fees are inherently volatile and are earned only when the relevant products exceed applicable benchmarks or high-water marks; periods of underperformance may result in significantly reduced revenue while our cost base remains largely fixed. Our AI and quantitative models are subject to model risk, including errors in design or implementation, overfitting to historical data, reliance on incomplete, inaccurate or biased training data, and degradation of predictive power when market conditions diverge from historical patterns — a particular concern in digital asset markets, which have limited history, episodic liquidity and are susceptible to extreme volatility and market manipulation. High-frequency and automated execution strategies are also exposed to technology failures, latency issues and erroneous orders that could generate substantial losses in short periods. Any material underperformance, model failure or trading error could result in client redemptions, reputational harm, regulatory scrutiny and claims against us, and could materially and adversely affect our results of operations.

Our AI-related businesses are subject to emerging and uncertain regulation of artificial intelligence in financial services, and depend on access to specialized computing resources, third-party AI models and scarce technical talent.

Regulators and legislators in the United States, the European Union, Hong Kong, mainland China and elsewhere are actively developing regulatory frameworks governing the use of artificial intelligence, including in relation to algorithmic transparency and explainability, automated decision-making, data privacy and cross-border data transfer, consumer protection and the use of AI models in regulated financial activities. Such frameworks, including the EU Artificial Intelligence Act and evolving supervisory expectations of securities and banking regulators, may require us to modify, disclose, independently validate or restrict the use of the AI systems embedded in AgentX, FERION's AI-powered compliance and lifecycle management functions, and our KOVAR infrastructure (including Kovar Cloud, Kovar Agent and KovaRouter), which could increase our compliance costs and delay or limit product deployment. Our KOVAR business also depends on the continued availability, at commercially reasonable prices, of high-performance GPUs and other computing hardware, which have experienced global supply constraints and export control restrictions, and on third-party foundation models aggregated and routed through KovaRouter, whose providers may change pricing, licensing terms or availability without notice. In addition, competition for engineers and researchers with combined expertise in AI, blockchain and quantitative finance is intense, and the loss of key technical personnel, including personnel who joined us through the AlloyX acquisition, could impair our ability to maintain and develop these businesses.

The combination of our global stablecoin payments infrastructure with our predominantly PRC and Asian high-net-worth client base heightens our exposure to anti-money laundering, counter-terrorist financing, sanctions and cross-border capital flow compliance risks.

Our AX ONE network enables rapid, cross-border transfers of value through fiat-to-stablecoin bridges, multi-chain settlement and Visa prepaid cards usable in over 200 countries and territories, while our Solomon JFZ and Solomon Wealth businesses serve clients located primarily in the PRC and other parts of Asia. The pseudonymous and borderless characteristics of blockchain-based transfers make them attractive to illicit actors, and we are subject to overlapping AML, counter-terrorist financing and sanctions regimes administered by, among others, the Hong Kong regulators, the Central Bank of Bahrain, FinCEN and OFAC in the United States (including under the GENIUS Act framework), and card network rules. Compliance failures by us, by our banking and card program partners, or by permitted offerors and distributors of our products could result in substantial fines, loss of correspondent banking or card network relationships, license revocations or criminal liability. In addition, the use of our products by PRC-based clients may implicate PRC laws and regulations relating to virtual assets and cross-border capital flows, which remain restrictive, and any determination that our products facilitate circumvention of such rules could adversely affect our relationships with clients, counterparties and regulators.

If we fail to implement and maintain an effective system of internal controls to remediate our material weakness over financial reporting, we may be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud.

In connection with the audit of our consolidated financial statements for the year ended March 31, 2026, our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

Specifically, management, in consultation with our auditors, identified the following material weakness: we lack sufficient accounting and financial reporting personnel with requisite knowledge and comprehensive accounting and reporting policies and procedures relating to the application and compliance with SEC rules and regulations. This material weakness increases the risk of material misstatement in our consolidated financial statements and may result in non-compliance with SEC reporting requirements. Furthermore, absent remediation, we may face ongoing challenges in preparing accurate, complete, and reliable consolidated financial statements.

We are committed to remediating this material weakness and have begun implementing measures designed to improve our internal control over financial reporting. These measures include:

- (i) hiring additional accounting and financial reporting personnel with SEC reporting experience;
- (ii) expanding the capabilities of existing accounting and financial reporting personnel through continuous training and education in the accounting and reporting requirements under SEC rules and regulations; and
- (iii) establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our company's consolidated financial statements and related disclosures.

We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") as well as rules and regulations of Nasdaq. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls over financial reporting. We are required by Section 404 of the Sarbanes-Oxley Act to perform system and process evaluation and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting in our Form 20-F.

If we are not able to comply with the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner, or if we are unable to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to produce timely and accurate financial statements. If that were to happen, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which could lead to a decline in the market price of our Class A Ordinary Shares and we could be subject to sanctions or investigations by SEC or other regulatory authorities. We may also be required to restate our financial statements for prior periods.

We may fail to realize the anticipated benefits of our acquisition of AlloyX Group, and the integration of AlloyX has placed, and will continue to place, significant demands on our management, systems and compliance infrastructure.

Our acquisition of AlloyX Group in September 2025 substantially expanded the scope and complexity of our operations, adding stablecoin issuance, global payments, RWA tokenization, AI-driven asset management and Web3 infrastructure businesses to a group historically focused on Hong Kong securities brokerage and wealth management. The integration of AlloyX requires the harmonization of governance, risk management, financial reporting and compliance systems across new business lines and jurisdictions, the retention of key technical and management personnel, and significant management attention that may be diverted from our existing businesses. We may discover liabilities, compliance deficiencies or technology weaknesses of the acquired businesses that were not identified in due diligence. Because our acquisition of AlloyX Group was accounted for as a transaction between entities under common control, the assets and liabilities of AlloyX Group were recorded in our consolidated financial statements at their historical carrying values rather than at fair value, and no goodwill or other fair-value-based intangible assets were recognized in connection with the acquisition. As a result, our consolidated financial statements do not reflect any step-up in the value of AlloyX Group's assets, and any future underperformance of the acquired businesses could instead result in impairment of the historical-cost carrying values of long-lived and intangible assets we assumed, write-offs of assets that prove unrecoverable, or a determination that we overpaid for AlloyX Group in economic terms even though no purchase-accounting goodwill exists to be impaired. Investors should not assume that the absence of acquisition goodwill on our balance sheet indicates that the AlloyX Group acquisition was made at a discount to fair value or that our historical financial statements are indicative of the fair value of AlloyX Group's business.

The acquired businesses have limited operating histories and were not previously subject to the internal control over financial reporting requirements applicable to us as a Nasdaq-listed foreign private issuer, and extending our Sarbanes-Oxley compliance framework to them may reveal material weaknesses. If we are unable to integrate AlloyX successfully or to realize the anticipated synergies between our Digital Asset Tokens and AI Tokens pillars and our existing licensed businesses, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our acquisition of AlloyX Group was a related-party transaction accounted for as a combination under common control, and we may have paid more consideration than we would have paid in an arm's-length transaction.

Our acquisition of AlloyX Limited and its subsidiaries in September 2025 was structured as a share-for-share transaction in which we issued 106,779,926 Class A Ordinary Shares and 23,331,599 Class B Ordinary Shares to the sellers, which included entities controlled by Mr. Ling Ngai Lok, our Chairman and Chief Executive Officer, as well as certain independent third parties. Because the transaction involved entities under common control, it has been accounted for under U.S. GAAP at the historical cost of AlloyX Group's assets and liabilities rather than at fair value, and our consolidated financial statements for prior periods have been retroactively recast as if the current group structure had existed throughout the periods presented.

This common-control structure means that, notwithstanding the safeguards described below, the transaction was between parties with pre-existing common ownership or control relationships rather than unrelated third parties negotiating at arm's length. Mr. Lok, by virtue of his roles as our Chairman/Chief Executive Officer, had interests in the transaction that differed from, or conflicted with, the interests of our other shareholders, including with respect to the number of shares issued as consideration and the resulting dilution to existing shareholders. To address these conflicts, the transaction and the number of shares issued as consideration were approved by our Audit Committee, and we obtained an independent third-party valuation report in connection with the acquisition. However, we cannot assure you that the procedures we followed, or the valuation methodologies and assumptions used in that report, fully eliminated the risks inherent in a related-party transaction, and you may disagree with the valuation conclusions reached.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, domain names, know-how, proprietary technologies and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality, invention assignment and non-compete agreements with our employees and others to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages.

It is often difficult to maintain and enforce intellectual property rights. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. Preventing any unauthorized use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. To the extent that our employees or consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related know-how and inventions. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our products, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in Hong Kong, PRC, the Cayman Islands, the United States or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert management’s time and other resources from our business and operations to defend against these claims, regardless of their merits. If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business and results of operations may be materially and adversely affected.

We have no business liability or disruption insurance, which could expose us to significant costs and business disruption.

The insurance industry in Hong Kong is still at an early stage of development, and insurance companies in China currently offer limited business-related insurance products. We do not have any business liability or disruption insurance to cover our HK Subsidiaries’ business operations. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured risks may result in substantial costs and the diversion of resources, which could adversely affect our results of operations and financial condition.

We incur substantially increased costs as a result of being a public company.

We incur significant legal, accounting, and other expenses as a public company that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and Nasdaq, impose various requirements on the corporate governance practices of public companies.

Compliance with these rules and regulations increases our legal and financial compliance costs and makes some corporate activities more time-consuming and costlier. In addition, we incur compliance costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers.

We are an "emerging growth company," as defined in the JOBS Act and will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least $1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of the Class A Ordinary Shares that is held by non-affiliates exceeds $700 million as of the prior September 30, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

After we are no longer an "emerging growth company," or until five years following the completion of our initial public offering, whichever is earlier, we expect to incur significant additional expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC.

Risks Related to Doing Business in Jurisdictions We Operate

A substantial portion of our operations are in Hong Kong, and a majority of our clients are PRC residents. As such, the legal and operational risks associated with operations in China may also apply to our operations in Hong Kong. The Chinese government may exercise significant oversight and control over the conduct of our business and may intervene in or influence our operations at any time, which could result in a material change in our operations and may significantly limit or completely hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless. Changes in the policies, regulations, rules, and the enforcement of laws of the Chinese government may also be quick with little advance notice and our assertions and beliefs of the risk imposed by the PRC legal and regulatory system cannot be certain.

Solowin is a holding company and we conduct our operation primarily through our operating subsidiaries in Hong Kong. Solomon JFZ's operations are primarily located in Hong Kong and most of our clients are residing in PRC, New Zealand, and Australia. Hong Kong is a Special Administrative Region of the PRC. The laws previously enacted in Hong Kong, that is, the common law, rules of equity, ordinances, subordinate legislation and customary law are maintained. As at the date of hereof, we are not materially affected by recent statements by the Chinese Government indicating an extent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. However, the legal and operational risks associated with operations in China may also apply to our operations in Hong Kong, should recent statements and regulatory actions by China's government apply to us in the future. Due to long arm provisions under the current PRC laws and regulations, there remains regulatory uncertainty with respect to the implementation and interpretation of laws in China. The PRC government may choose to exercise significant oversight and discretion, and the policies, regulations, rules, and the enforcement of laws of the Chinese government to which we are subject may change rapidly and with little advance notice to us or our shareholders. As a result, the application, interpretation, and enforcement of new and existing laws and regulations in the PRC and our assertions and beliefs of the risk imposed by the PRC legal and regulatory system are often uncertain. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our current policies and practices. New laws, regulations, and other government directives in the PRC may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may:

- delay or impede our development;
- result in negative publicity or increase our operating costs;

- require significant management time and attention; and

- subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for our current or historical operations, or demands or orders that we modify or even cease our business practices.

We are aware that recently, the PRC government initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Since these statements and regulatory actions are new, it is highly uncertain how soon legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on our daily business operation, the ability to accept foreign investments and list on an U.S. or other foreign exchange. Specifically the revised CRM provides that operators of critical information infrastructure purchasing network products and services, and online platform operators (together with the operators of critical information infrastructure, the "operators") carrying out data processing activities that affect or may affect national security, shall conduct a cybersecurity review, and any online platform operator who controls more than one million users' personal information must go through a cybersecurity review by the cybersecurity review office if it seeks to be listed in a foreign country.

We believe that we are not subject to PRC cybersecurity review for the following reasons: (i) we do not hold critical information infrastructure; (ii) we believe our operations will not affect national security; (iii) we do not hold personal information of more than one million users. In addition, as of the date hereof, our securities offerings in the United States have not been subject to the review or prior approval of the CAC nor the CSRC. We have not received any notice of and are not currently subject to any proceedings initiated by the CAC or any other PRC regulatory authority.

However, since Solomon JFZ's *Solomon VA+* is available to download in the app stores of China and most of our users are PRC citizens, which may subject us to certain laws and regulations in China. According to PRC regulations, the content provider engaged in disseminating analysis, forecasting, and advisory of other information related to security needs to obtain the PRC Securities Investment Consultancy Qualifications. Currently, we do not apply for any PRC license regarding the *Solomon VA+*. We believe that the *Solomon VA+* does not need any PRC license for the following reasons: (i) we do not have any entity or subsidiary in the PRC; (ii) we conduct our business and operations primarily through our operating subsidiaries in Hong Kong. However, the PRC government has the ultimate authority to decide whether we must get the licenses and we cannot assure that without any PRC license, we will not be subject to regulatory measures including warnings, public condemnation, suspension of *Solomon VA+* in the PRC and other measures. We can assure you that we will follow any PRC government's rules, regulation or instruction regarding *Solomon VA+* as soon as we were informed of the requirements. As such, we collect certain personal data from our customers in connection with our business and operations and we are subject to various regulatory requirements relating to the security and privacy of data in various jurisdictions. In addition, we may be subject to heightened regulatory scrutiny from PRC governmental authorities in the future. As there remains significant uncertainty in the interpretation and enforcement of the DSL and the PRC PIPL, we cannot assure you that we will comply with such regulations in all respects. In the event that (i) the PRC government expands the categories of industries and companies whose foreign securities offerings are subject to review by the CSRC or the CAC such that we are required to obtain such permissions or approvals; or (ii) we inadvertently concluded that relevant permissions or approvals were not required or that we did not receive or maintain relevant permissions or approvals required, any action taken by the PRC government could significantly limit or completely hinder our operations, significantly limit or completely hinder our ability to offer the Class A Ordinary Shares to investors, and cause the value of such shares to significantly decline or become worthless. Any non-compliance with these laws and regulations may subject us to fines, orders to rectify or terminate any actions that are deemed illegal by regulatory authorities, other penalties, including but not limited to removal of our apps in China market, as well as reputational damage or legal proceedings against us, which may affect our business, financial condition or results of operations.

The enactment of Law of the PRC on Safeguarding the Hong Kong National Security Law could impact our Hong Kong operating subsidiaries.

On June 30, 2020, the SCNPC adopted the Hong Kong National Security Law (the "Hong Kong National Security Law"). This law defines the duties and government bodies of the Hong Kong National Security Law for safeguarding national security and four categories of offenses — secession, subversion, terrorist activities, and collusion with a foreign country or external elements to endanger national security — and their corresponding penalties. On July 14, 2020, former U.S. President Donald Trump signed the Hong Kong Autonomy Act ("HKAA") into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. On August 7, 2020, the U.S. government imposed HKAA-authorized sanctions on 11 individuals, including then-HKSAR chief executive Carrie Lam and John Lee, who later replaced Carrie Lam as chief executive on July 1, 2022.

In July 2021, President Biden warned investors about the risks of doing business in Hong Kong, issuing an advisory saying China's push to exert more control over Hong Kong threatens the rule of law and endangers employees and data. The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. The imposition of sanctions may directly affect the foreign financial institutions as well as any third parties or customers dealing with any foreign financial institution that are targeted. It is difficult to predict the full impact of the Hong Kong National Security Law and HKAA on Hong Kong and companies located in Hong Kong. If we and our subsidiaries are determined to be in violation of the Hong Kong National Security Law or the HKAA by competent authorities, our business operations could be materially and adversely affected.

PRC governmental control of currency conversion, cross-border remittance and offshore investment could have a direct impact on the trading volume on our platform, and the PRC government could further tighten restrictions on converting Renminbi to foreign currencies and/or deems our practices to be in violation of PRC laws and regulations.

A majority of our clients are PRC residents and are therefore subject to the restrictions under the rules and regulations promulgated by the State Administration of Foreign Exchange (the "SAFE"), regarding the conversion of Renminbi into foreign currencies and the remittance and the use of such funds outside China.

Under current PRC foreign exchange regulations, which are Administrative Measures on Individual Foreign Exchange issued in December 2006 and Implementation Regulations for the Administrative Measures on Individual Foreign Exchange issued in January 2007, each PRC citizen is permitted to convert up to an aggregate of $50,000 equivalent Renminbi each year for appropriate personal use. Such appropriate use does not include direct investment into secondary stock markets, futures, insurances, asset management products or other trading. PRC residents who intend to convert Renminbi into U.S. dollars exceeding such quota are required to go through additional application and review procedures with commercial banks designated by the SAFE. In fact, according to the Notice of the State Administration of Foreign Exchange on Issues Relating to Foreign Exchange Control for Overseas Investment and Financing and Round-tripping by Chinese Residents through Special Purpose Vehicles (Hui Fa [2014] No.37), except where individuals in China set up SPVs abroad and return to invest (which is recognized by SAFE), PRC residents can only invest in overseas markets indirectly through channels such as Shanghai-Shenzhen-Hong Kong Stock Exchange, mutual recognition of funds between the Mainland and Hong Kong or purchase of QDII/RQDII products. Although we require our clients to comply with the relevant rules and regulations pursuant to the agreements we enter into with them, we cannot assure you that our clients will follow the rules and regulations or the provisions in the agreements at all times. We have not accepted any direct Renminbi deposit from mainland China since inception and do not handle the Renminbi cross-border currency conversion for our Chinese clients through any of our accounts or entities, and we do not require our clients to submit evidence of approval or registration with respect to the foreign currency used for offshore investments. We cannot assure you that our current operating model, which includes redirecting our clients to open accounts with third party service providers, will not be deemed as assisting with the currency conversion by SAFE. In such cases, we may face regulatory warnings, correction orders, condemnation and fines, and may not be able to conduct our current business in the future. In addition, any misbehavior or violation by our clients of applicable laws and regulations could lead to regulatory inquiries, investigations or penalties that involve us. On December 30, 2022, the CSRC posted an announcement stating that Futu Holdings Limited (NASDAQ: FUTU) ("Futu") and UP Fintech Holding Limited had conducted certain cross-border securities business for domestic investors without obtaining the requisite approval from the CSRC. The CSRC determined that Futu's conduct constituted the illegal operation of a securities business and required Futu to cease accepting incremental funds from PRC domestic investor accounts that would violate China's foreign exchange management regulations. In light of the CSRC's decision regarding Futu Holdings and UP Fintech Holding Limited, there is a risk that we could be subject to similar scrutiny or penalties by relevant PRC authorities in connection with foreign exchange control issues related to our PRC clients. Solomon JFZ may also be prohibited from accepting incremental fund transfers to such clients' accounts, which could adversely affect our ability to serve existing PRC clients and hinder our efforts to acquire new ones.

Since the PRC authorities and the commercial banks designated by the SAFE to conduct foreign exchange services have significant discretion in interpreting, implementing and enforcing the foreign exchange rules and regulations, and due to many other factors that are beyond our control and ability to anticipate, we may face more severe consequences, including being asked to take additional and burdensome measures to monitor the source and use of the foreign currency funds in the accounts of our clients, remove our account opening functions, or suspend our operations pending an investigation or indefinitely. In such cases, we may face regulatory warnings, correction orders, condemnation, fines and confiscation of income, and may not be able to conduct our current business in the future. We may also be subject to regular inspections from relevant authorities from time to time. If such situations occur, our business, financial condition, results of operations and prospects would be materially and adversely affected.

In addition, if the PRC government further tightens the amount of currency exchange allowed for PRC residents, increases control over the remittance of currency out of the PRC, restricts the assistance or participation of any non-resident entities in the currency conversion, or specifically prohibits any exchanges for securities-related investment purposes, the trading activities of Chinese residents on our platform could be restricted, which would significantly reduce the trading volume on our platform. As our revenues from brokerage commission and market making income depends heavily on the total trading volume facilitated on our platform, the occurrence of any of the above regulatory changes would have a material and adverse impact on our business, operating and financial results.

We may face regulatory risks due to differences in virtual asset regulations between Hong Kong and Mainland China, particularly given our Mainland Chinese client base.

There are significant differences between the regulatory frameworks governing virtual assets in Hong Kong and Mainland China. Mainland China has explicitly prohibited business activities involving virtual assets, including trading and related services. In contrast, Hong Kong has adopted a more permissive approach by establishing a regulatory framework that allows retail investors to trade virtual assets through licensed platforms under specified conditions.

As a Hong Kong-based company with a substantial number of clients who are residents of Mainland China, we may be exposed to increased regulatory risks when engaging in virtual asset-related business. Although we comply with the relevant laws and regulations of Hong Kong, our activities may still attract scrutiny from Mainland Chinese authorities if they are deemed to involve PRC residents or otherwise violate Mainland policies. This regulatory divergence creates uncertainty and complexity in ensuring full compliance across jurisdictions.

If we are found to be in violation of Mainland China's laws or policies, we could be subject to regulatory inquiries, investigations, penalties, or other enforcement actions. Such developments could materially and adversely affect our reputation, business operations, and financial condition, and may hinder our ability to serve clients residing in Mainland China or expand our client base in that market.

However, in the future, funds may not be available to fund operations or for other use outside of Hong Kong, due to interventions in, or the imposition of restrictions and limitations on, our ability or on our subsidiaries' ability by the PRC government to transfer cash. Any limitation on the ability of our HK Subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. In addition, if any of our HK subsidiaries incurs debt on its own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends.

A downturn in the Hong Kong, China or the global economy, and changes in economic and political policies of China, could materially and adversely affect our business and financial condition.

Our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in Hong Kong and China generally and by continued economic growth in Hong Kong and China as a whole. The Chinese economy differs from the economies of most developed countries in many respects, including the fact that it:

- has a high level of government involvement;
- is in the early stages of development of a market-oriented economy;
- has experienced rapid growth; and
- has a tightly controlled foreign exchange policy

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us.

Economic conditions in Hong Kong and China are sensitive to global economic conditions. Any prolonged slowdown in the global or Chinese economy may affect potential clients' confidence in financial market as a whole and have a negative impact on our business, results of operations and financial condition. Additionally, continued turbulence in the international markets may adversely affect our ability to access the capital markets to meet liquidity needs.

There are political risks associated with conducting business in Hong Kong.

Any adverse economic, social, and/or political conditions, material social unrest, strike, riot, civil disturbance, or disobedience, as well as significant natural disasters, may affect the market may adversely affect the business operations of our HK Subsidiaries. Hong Kong is a special administrative region of the PRC and the basic policies of the PRC regarding Hong Kong are reflected in the Basic Law, namely, Hong Kong's constitutional document, which provides Hong Kong with a high degree of autonomy and executive, legislative, and independent judicial powers, including that of final adjudication under the principle of "one country, two systems." However, there is no assurance that there will not be any changes in the economic, political, and legal environment in Hong Kong in the future. Since our operation is based in Hong Kong, any change of such political arrangements may pose immediate threat to the stability of the economy in Hong Kong, thereby directly and adversely affecting our results of operations and financial positions. Under the Basic Law, Hong Kong is exclusively in charge of its internal affairs and external relations, while the government of the PRC is responsible for its foreign affairs and defense. As a separate customs territory, Hong Kong maintains and develops relations with foreign states and regions. Based on certain recent development, including the Hong Kong National Security Law enacted by the SCNPC in June 2020, the U.S. State Department has indicated that the United States no longer considers Hong Kong to have significant autonomy from China and, at the time, President Donald Trump signed an executive order and HKAA to remove Hong Kong's preferential trade status and to authorize the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. The United States may impose the same tariffs and other trade restrictions on exports from Hong Kong that it places on goods from mainland China.

These and other recent actions may represent an escalation in political and trade tensions involving the United States, China, and Hong Kong, which could potentially harm our business. Given the relatively small geographical size of Hong Kong, any of such incidents may have a widespread effect on our business operations, which could in turn adversely and materially affect our business, results of operations, and financial condition. It is difficult to predict the full impact of the HKAA on Hong Kong and companies with operations in Hong Kong like us. Furthermore, legislative or administrative actions in respect to China-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of the Class A Ordinary Shares could be adversely affected.

Our Class A Ordinary Shares may be prohibited from trading in the United States under the HFCA Act in the future if the PCAOB is unable to inspect or investigate completely our auditors. The delisting of the Class A Ordinary Shares, or the threat of their being delisted, may materially and adversely affect the value of your investment.

U.S. public companies that have a substantial portion of their operations in China and Hong Kong have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the SEC. Much of the scrutiny, criticism and negative publicity has centered on financial and accounting irregularities and mistakes, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud.

In December 2021, the SEC adopted rules (the "Final Rules") to implement the Holding Foreign Companies Accountable Act, or the HFCA Act. The HFCA Act includes requirements for the SEC to identify issuers (the "Commission-Identified Issuers") who file annual reports with audit reports issued by independent registered public accounting firms located in foreign jurisdictions that the Public Company Accounting Oversight Board, or PCAOB, is unable to inspect or investigate completely because of a position taken by a non-U.S. authority in the accounting firm's jurisdiction. The HFCA Act also requires that, to the extent that the PCAOB has been unable to inspect an issuer's independent registered public accounting firm for three consecutive years since 2021, the SEC shall prohibit the issuer's securities registered in the United States from being traded on any national securities exchange or over-the-counter markets in the United States. On June 22, 2021, the U.S. Senate passed the Accelerating Holding Foreign Companies Accountable Act, and on December 29, 2022, legislation entitled "Consolidated Appropriations Act, 2023" (the "Consolidated Appropriations Act") was signed into law, which contained, among other things, an identical provision to the Accelerating Holding Foreign Companies Accountable Act and amended the HFCA Act by requiring the SEC to prohibit an issuer's securities from trading on any U.S. stock exchanges if its auditor is not subject to PCAOB inspections for two consecutive years instead of three.

On December 16, 2021, pursuant to the HFCA Act, the PCAOB issued a Determination Report which found that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in the PRC and Hong Kong, because of a position taken by one or more authorities in such jurisdictions. In addition, the PCAOB's report identified specific registered public accounting firms which were subject to these determinations. On August 26, 2022, CSRC, the MOF, and the PCAOB signed the Protocol, governing inspections and investigations of audit firms based in China and Hong Kong. The Protocol remains unpublished and is subject to further explanation and implementation. Pursuant to the fact sheet with respect to the Protocol disclosed by the SEC, the PCAOB shall have independent discretion to select any issuer audits for inspection or investigation and has the unfettered ability to transfer information to the SEC. On December 15, 2022, the PCAOB vacated its December 16, 2021 determination.

Our current registered public accounting firm, AOGB CPA Limited is a Hong Kong-based accounting firm that is registered with the PCAOB and can be inspected by the PCAOB. We have no current intention of engaging any auditor not subject to regular inspection by the PCAOB. Furthermore, the PCAOB is able to inspect the audit workpapers of our HK Subsidiaries, as such workpapers are electronic files possessed by our auditor.

However, uncertainties still exist as to whether the PCAOB will have continued access for complete inspections and investigations in the future. When the PCAOB reassesses its determinations in the future, it could still determine that it is unable to inspect and investigate completely accounting firms based in mainland China and Hong Kong. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCA Act if needed. There can be no assurance that we will continue to be able to comply with requirements imposed by U.S. regulators if there is significant change to current political arrangements between mainland China and Hong Kong or if the PCAOB is not able to fully inspect any component of our auditor's work papers in the future. Delisting of the Class A Ordinary Shares would force holders of our Class A Ordinary Shares to sell their Class A Ordinary Shares. The market price of the Class A Ordinary Shares could be adversely affected as a result of anticipated negative impacts of these executive or legislative actions, regardless of whether these executive or legislative actions are implemented and regardless of our actual operating performance.

PRC regulations relating to offshore investment activities by PRC residents may subject us or our PRC resident beneficial owners to liability or penalties, limit our ability to conduct business in the PRC or may otherwise adversely affect us.

On July 4, 2014, SAFE issued the Circular on Issues Concerning Foreign Exchange Control over the Overseas Investment and Financing and Round-trip Investment by Domestic Residents via Special Purpose Vehicles, or "SAFE Circular 37." According to SAFE Circular 37, prior registration with the local SAFE branch is required for PRC residents, (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose), in connection with their direct or indirect contribution of domestic assets or interests to offshore special purpose vehicles, or "SPVs." SAFE Circular 37 further requires amendments to the SAFE registrations in the event of any changes with respect to the basic information of the offshore SPV, such as change of a PRC individual shareholder, name, and operation term, or any significant changes with respect to the offshore SPV, such as an increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to beneficial owners of the Ordinary Shares who are PRC residents. In February 2015, SAFE promulgated a Circular on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or "SAFE Circular 13," effective in June 2015. Under SAFE Circular 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

We cannot provide any assurance that our current or future PRC resident beneficial owners will always comply with our request to make or obtain any applicable registrations or continuously comply with all registration procedures set forth in these SAFE regulations. Such failure or inability of our PRC resident beneficial owners to comply with these SAFE regulations may subject us or our PRC resident beneficial owners to fines and legal sanctions, or restrict our cross-border business activities, as a result of which our business operations and our ability to distribute profits to you could be materially and adversely affected.

The Hong Kong and China legal systems are evolving and embody uncertainties which could limit the legal protections available to us. Uncertainties with respect to the PRC legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in laws and regulations in China could adversely affect us.

Hong Kong is a Special Administrative Region of the PRC. Following British colonial rule from 1842 to 1997, China assumed sovereignty under the "one country, two systems" principle. The Hong Kong Special Administrative Region's constitutional document, the Basic Law, ensures that the current political situation will remain in effect for 50 years. Hong Kong has enjoyed the freedom to function in a high degree of autonomy for its affairs, including currencies, immigration and custom, independent judiciary system and parliamentary system. On July 14, 2020, the United States signed an executive order to end the special status enjoyed by Hong Kong post-1997. As the autonomy currently enjoyed were compromised, it could potentially impact Hong Kong's common law legal system and may in turn bring about uncertainty in, for example, the enforcement of our contractual rights. This could, in turn, materially and adversely affect our business and operation. Additionally, intellectual property rights and confidentiality protections in Hong Kong may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the Hong Kong legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the pre-emption of local regulations by national laws. These uncertainties could limit the legal protections available to us, including our ability to enforce our agreements with our clients.

By contrast, China's legal system is a civil law system based on written statutes. Unlike common law systems, it is a system in which prior court decisions have limited value as precedents. Since 1979, the PRC government has promulgated laws and regulations governing economic matters in general, such as foreign investment, corporate organization and governance, commerce, taxation and trade. However, China has not developed a fully integrated legal system. As a result, recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, because these laws and regulations are relatively new and the limited volume of published cases and their non-binding nature, interpretation and enforcement of these newer laws and regulations involve greater uncertainties than those in jurisdictions available to you. In addition, China's legal system is based in part on government policies and administrative rules, and many have retroactive effects. Since the PRC legal system continues to evolve rapidly, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involves uncertainties, which may limit legal protections available to us. As a result, we cannot predict the effect of future developments in China's legal system, including the promulgation of new laws, changes to existing laws, or the interpretation or enforcement thereof, or the pre-emption of local regulations by national laws. We may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties could adversely affect our business that relates to China or PRC citizens.

Hong Kong regulatory requirement of prior approval for transfer of shares in excess of certain threshold may restrict future takeovers and other transactions.

Section 132 of Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), or the SFO, requires a person (including a corporation) to apply for prior approval from the HKSFC to become a substantial or continue to be shareholder of a HKSFC-licensed company in Hong Kong. Under the SFO, a person is regarded as a "substantial shareholder" of a licensed company if he, either alone or with associates, has an interest in share in the licensed company the aggregate number of which shares is equal to more than 10% of the total number of issued shares of the licensed company, or is entitled to, either directly or indirectly, exercise or control the exercise of the voting power of more than 10% of the voting power at general meetings of the licensed company, or hold shares in any other corporation which entitles the person, either alone or with any of his associates and either directly or indirectly, exercises or control the exercise of 35% or more of the voting power at the general meetings of the other corporation, of or a further corporation, that controls either alone or with any of its associates and either directly or indirectly, more than 10% of the voting power at general meetings of the licensed company. Further, all potential parties who will be new substantial shareholder(s) of Solomon JFZ, our HKSFC-licensed subsidiary, is required to seek prior approval from the HKSFC. This regulatory requirement may discourage, delay or prevent a change in control of Solomon JFZ, which could deprive our shareholders the opportunity to receive a premium for their shares as part of a future sale and may reduce the price of the Class A Ordinary Shares upon the consummation of a future proposed business combination.

We may become subject to a variety of PRC laws and other obligations regarding cyber security, data protection, overseas offerings and/or foreign investment in China-based issuers, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our business, financial condition, and results of operations and may hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless.

We may become subject to a variety of laws and regulations in the PRC regarding privacy, data security, cybersecurity, data protection and overseas offering. These laws and regulations are continuously evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly with respect to foreign laws. In particular, there are numerous laws and regulations regarding privacy and the collection, sharing, use, processing, disclosure, and protection of personal information and other user data. Such laws and regulations often vary in scope, may be subject to differing interpretations, and may be inconsistent among different jurisdictions.

On June 10, 2021, the SCNPC enacted the PDSL, which took effect on September 1, 2021. The law requires data collection to be conducted in a legitimate and proper manner, and stipulates that, for the purpose of data protection, data processing activities must be conducted based on data classification and hierarchical protection system for data security and no organization or individual within the territory of the PRC may provide foreign judicial or law enforcement authorities with the data stored within the territory of the PRC without the approval of the competent authorities of the PRC.

On July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a document to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws. These opinions proposed to take effective measures, such as promoting the construction of relevant regulatory systems, to deal with the risks and incidents facing China-based overseas-listed companies and the demand for cybersecurity and data privacy protection. On February 17, 2023, with the approval of the State Council, the CSRC issued the New Overseas Listing Rules, which became effective on March 31, 2023. According to the New Overseas Listing Rules, domestic enterprises are required to file with CSRC by submitting filing reports, legal opinions and other relevant materials in the following two situations: (i) a domestic company that seeks to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedures with the CSRC; (2) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC. In addition, if the issuer meets both of the following conditions, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company: (i) any of the revenues, profits, total assets or net assets of the domestic operating entity in the most recent fiscal year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; (ii) its major operational activities are carried out in mainland China or its main places of business are located in mainland China, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or mainland China residents. The determination will be based on the "substance over form" principle, requiring securities companies and law firms to conduct comprehensive verification and identification to determine whether the filing documents fail to prove whether the enterprise falls into the above situations that require the filing. When an issuer makes an application for an initial public offering in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted overseas.

Although (a) a majority of our clients are PRC residents, (b) Solomon JFZ, one of our HK Subsidiaries, is a Chinese investor-focused securities brokerage company, and (c) approximately 29% of our employees who work for our HK Subsidiaries are PRC citizens, we shall not be deemed as a PRC domestic company, and we do not need to make any filing with CSRC under the New Overseas Listing Rules. This is because according to the New Overseas Listing Rules, (i) the direct overseas offering and listing by a domestic company refers to the overseas offering and listing by a joint stock limited company registered and established within the PRC; and (ii) the indirect overseas offering and listing by a domestic company refers to the overseas offering and listing by a domestic company whose major business activities are conducted within the PRC, carried out in the name of a company registered outside the PRC, based on the equity, assets, earnings, or other similar interests of the domestic company. Specifically, the overseas offering and listing shall be determined as an indirect overseas offering and listing by a domestic company, only if (i) any of the revenues, profits, total assets or net assets of the domestic operating entity in the most recent fiscal year accounts for more than 50% of the corresponding figure in the issuer's audited consolidated financial statements for the same period; and (ii) its major operational activities are carried out in the PRC or its main places of business are located in the PRC, or the senior managers in charge of operation and management of the issuer are mostly Chinese citizens or PRC residents.

On July 10, 2021, the CAC issued the Revised Draft, which required that, among others, in addition to "operator of critical information infrastructure" any "data processor" controlling personal information of no less than one million users which seeks to list in a foreign stock exchange should also be subject to cybersecurity review. Pursuant to Article 6 of the Revised Draft, companies holding data or more than one million users must apply for cybersecurity approval when seeking overseas listings because of the risk that such data and personal information could be "affected, controlled, and maliciously exploited by foreign governments." On December 28, 2021, the CAC published the revised CRM, which further restates and expands the applicable scope of the cybersecurity review. The revised CRM took effect on February 15, 2022, and replaced the Revised Draft issued on July 10, 2021. The revised CRM provides that operators of critical information infrastructure purchasing network products and services, and online platform operators (together with the operators of critical information infrastructure, the "operators") carrying out data processing activities that affect or may affect national security, shall conduct a cybersecurity review, and any online platform operator who controls more than one million users' personal information must go through a cybersecurity review by the cybersecurity review office if it seeks to be listed in a foreign country.

Given that (1) our HK Subsidiaries are incorporated and located in Hong Kong and none of them controls more than one million users' personal information; (2) we have no subsidiary, VIE structure, nor any direct operations in mainland China; (3) the primary focus of our business operations is located outside mainland China and the majority of our senior management personnel, who are responsible for the daily operation and management, are not PRC citizens and do not reside in mainland China; (4) we possess minimum amount of personal information to achieve the purpose of processing in our business operations with minimal impact on the rights and interests of individuals; (5) all of the data and personal information of our clients are securely stored on equipment owned by an HKEX certified server provider located in Hong Kong; (6) data processed in our business does not have a bearing on national security and thus may not be classified as core or important data by the authorities ; and (7) pursuant to the Basic Law, which is a national law of the PRC and the constitutional document for Hong Kong, national laws of the PRC shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law (which is confined to laws relating to defense and foreign affairs, as well as other matters outside the autonomy of Hong Kong), we do not currently expect the revised CRM, the DSL, or the PRC PIPL to have an impact on our business, operations, or our securities offerings.

Nevertheless, the legal and operational risks associated with operations in China may apply to our operations in Hong Kong, should recent statements and regulatory actions by China's government apply to us in the future. Since these statements and regulatory actions are relatively new, it is highly uncertain how soon the legislative or administrative regulation-making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any. It is also highly uncertain what the potential impact such modified or new laws and regulations will have on the daily business operations of our operating subsidiaries, their abilities to accept foreign investments and the continued listing of the Class A Ordinary Shares on a U.S. or other foreign exchanges. There remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations. If the New Overseas Listing Rules further expand their scope of application, we may be required to make a filing with the CSRC. If the revised CRM or the PRC PIPL or any other PRC regulations like the Draft Assessment Measures for the Security of Personal Information Leaving the Country are required to be applicable to our operating HK Subsidiaries by PRC authorities, our business operation could be subject to the CAC's cybersecurity review or a CSRC review in the future. If any of our operating subsidiaries becomes subject to the CAC or CSRC review, we cannot assure you that our operating subsidiaries will be able to comply with the regulatory requirements in all respects, and the current practice of collecting and processing personal information may be ordered to be rectified or terminated by regulatory authorities. In the event of a failure to comply, our operating subsidiaries may become subject to fines and other penalties that may have a material adverse effect on our business, operations, and financial condition and may hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of the Class A Ordinary Shares to significantly decline or be worthless.

We may be treated as a non-resident enterprise for PRC tax purposes under the PRC Enterprise Income Tax Law, and we may therefore be subject to income tax on our income from PRC residents.

Under the PRC Enterprise Income Tax Law and its implementation rules, a foreign enterprise which has no establishment or place in the PRC but derives profit from sources in the PRC will be subject to the enterprise income tax on its PRC income. We believe that our income from PRC residents may not be the profit from sources in the PRC and hence, we are not a non-resident enterprise subject to PRC income tax for the following reasons: (i) we conduct our operations through our operating subsidiaries in Hong Kong; (ii) we have no subsidiary, VIE structure, nor any direct operations in the PRC; (iii) we do not have income directly from PRC accounts. However, whether we have income from sources in the PRC is subject to determination by the PRC tax authorities. There is uncertainty that with the development of our business, part of our profit might be deemed as profit from sources in the PRC and we might be subject to PRC income tax.

In addition to the uncertainty as to the application of the "non-resident enterprise" classification, we cannot assure you that the PRC government will not amend or revise the taxation laws, rules and regulations to impose stricter tax requirements, such as the potential imposition of transaction taxes, or higher tax rates. Any of such changes could materially and adversely affect our financial condition and results of operations.

Solowin relies on dividends and other distributions on equity paid by its subsidiaries to fund any cash and financing requirements Solowin may have, and any limitation on the ability of its subsidiaries to make payments to Solowin could have a material adverse effect on our ability to conduct our business.

Solowin is a holding company, and it relies on dividends and other distributions on equity paid by its subsidiaries for Solowin's cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to its shareholders and service any debt it may incur. While Solowin does not expect to pay cash dividends in the foreseeable future, if any of its subsidiaries incurs debt on their own behalf in the future, the instruments governing the debt may restrict such subsidiary's ability to pay dividends or make other distributions to Solowin.

The Companies Act (As Revised) of the Cayman Islands permits, subject to a solvency test and the provisions, if any, of the Company's memorandum and articles of association, as amended, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

Under Hong Kong law, dividends could only be paid out of distributable profits (that is, accumulated realized profits less accumulated realized losses) or other distributable reserves. Dividends cannot be paid out of share capital. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Risks Related to Ownership of Our Securities

If we fail to maintain compliance with the continued listing requirements of Nasdaq, we would face possible delisting, which would result in a limited public market for trading our shares and make obtaining future debt or equity financing more difficult for us.

Our Class A Ordinary Shares are traded and listed on the Nasdaq Capital Market under the symbol of "AXG." Our shares may be delisted, if we fail to maintain compliance with certain continued listing requirements of Nasdaq.

If we fail to maintain compliance with the Nasdaq continued listing requirements, our Class A Ordinary Shares may lose their status on Nasdaq Capital Market and they would likely be traded on the over-the-counter market. As a result, selling our Class A Ordinary Shares could be more difficult because smaller quantities of shares would likely be bought and sold, transactions could be delayed, and security analysts' coverage of us may be reduced. In addition, in the event our Class A Ordinary Shares are delisted, broker dealers would have to bear certain regulatory burdens which may discourage broker dealers from effecting transactions in our Class A Ordinary Shares and further limiting the liquidity of our shares. These factors could result in lower prices and larger spreads in the bid and ask prices for our Class A Ordinary Shares. Such delisting from Nasdaq and continued or further declines in our share price could also greatly impair our ability to raise additional necessary capital through equity or debt financing, and could significantly increase the ownership dilution to shareholders caused by our issuing equity in financing or other transactions.

If our Class A Ordinary Shares were delisted from Nasdaq, we may become subject to the trading complications experienced by "Penny Stocks" in the over-the-counter market.

Delisting from Nasdaq may cause our Class A Ordinary Shares to become subject to the SEC's "penny stock" rules. The SEC generally defines a penny stock as an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to specific exemptions. One such exemption is to be listed on Nasdaq. The market price of our Class A Ordinary Shares is currently below $5.00 per share. Therefore, were we to be delisted from Nasdaq, our Class A Ordinary Shares will become subject to the SEC's "penny stock" rules. These rules require, among other things, that any broker engaging in a purchase or sale of our securities provide its customers with: (i) a risk disclosure document, (ii) disclosure of market quotations, if any, (iii) disclosure of the compensation of the broker and its salespersons in the transaction, and (iv) monthly account statements showing the market values of our securities held in the customer's accounts. A broker would be required to provide the bid and offer quotations and compensation information before effecting the transaction. This information must be contained on the customer's confirmation. Generally, brokers are less willing to effect transactions in penny stocks due to these additional delivery requirements. These requirements may make it more difficult for shareholders to purchase or sell our Ordinary Shares. Because the broker, not us, prepares this information, we would not be able to assure that such information is accurate, complete or current.

The market price of our Class A Ordinary Shares has been volatile, and this volatility may continue, potentially leading to a depressed value at the time you wish to sell your holdings.

The US stock market has experienced instances of extreme price increases followed by rapid declines, especially among small-cap stocks, with share price fluctuations that appeared unrelated to the issuers' performance after their initial public offerings. This trend has been particularly noticeable among companies with relatively smaller public floats. We have had a small public float due to the limited size of our initial public offering in September 2023 and the concentration of ownership in our principal shareholders. As a small-cap company with a limited public float, the market price of our Class A Ordinary Shares has been volatile, and such volatility may persist.

From September 7, 2023, through July 15, 2026, the closing price of our Class A Ordinary Shares on the Nasdaq Capital Market has ranged from a high of $47.00 to a low of $1.16. While the specific causes of this volatility remain unclear, our small public float could magnify the impact of actions by a few shareholders, causing the share price to deviate—potentially significantly—from a price that better reflects the underlying performance of our business. This extreme volatility may confuse public investors about the true value of our shares, distort market perceptions of our financial performance and public image, and negatively affect the long-term liquidity of our Class A Ordinary Shares, regardless of our actual or expected operating results. If the Class A Ordinary Shares experience price fluctuations that seem unrelated to our business performance, investors may find it difficult to assess the true value of our shares, and our ability to access capital markets could be materially adversely affected. Furthermore, if trading volumes of our Class A Ordinary Shares are low, holders may find it difficult to liquidate their investment or may be forced to sell at depressed prices due to low trading volume. As a result, investors may experience losses on their investment in the Class A Ordinary Shares.

Historically, companies that have experienced periods of price volatility in their shares have sometimes faced securities class action litigation. If we become involved in similar litigation in the future, it could result in significant costs, divert management's attention and resources, and harm our share price, business prospects, financial condition, and results of operations.

Our dual class voting structure has the effect of concentrating the voting control in holders of our Class B Ordinary Shares, which will limit or preclude your ability to influence corporate matters, and your interests may conflict with the interests of these shareholders. It may also adversely affect the trading market for our Class A Ordinary Shares due to exclusion from certain stock market indices.

We have adopted a dual class voting structure such that our Ordinary Shares consist of Class A Ordinary Shares and Class B Ordinary Shares. Class B Ordinary Shares are entitled to ten (10) votes per share on proposals requiring or requesting shareholder approval and Class A Ordinary Shares are entitled to one (1) vote per share on any such matters. As of the date hereof, there are 31,371,599 Class B Ordinary Shares outstanding which are entitled to ten (10) votes per share and 161,732,228 Class A Ordinary Shares outstanding which are entitled to one (1) vote per share.

As a result, holders of Class B Ordinary Shares collectively control approximately 66.0% of the voting power of the outstanding Ordinary Shares of the Company.

This voting control and influence may discourage transactions involving a change of control of the Company, including transactions in which you, as a holder of our Class A Ordinary Shares, might otherwise receive a premium for your shares.

S&P Dow Jones and FTSE Russell have implemented changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, namely, to exclude companies with multiple classes of shares of common stock from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our Ordinary Shares may prevent the inclusion of our Class A Ordinary Shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for our Class A Ordinary Shares. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of the Class A Ordinary Shares.

We have not historically declared or paid dividends on the Class A Ordinary Shares and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Class A Ordinary Shares.

We have not historically declared or paid dividends on the Class A Ordinary Shares. We currently intend to invest our future earnings, if any, to fund our growth, to develop business, for working capital needs, to reduce debt and for general corporate purposes. We do not expect to declare or pay any dividends in the foreseeable future. Therefore, the success of an investment in the Class A Ordinary Shares will depend upon any future appreciation in their value. There is no guarantee that the Class A Ordinary Shares will appreciate in value or even maintain their current value.

Any decision to pay dividends in the future will be at the full discretion of our board of directors and will depend upon various factors then existing, including earnings, financial condition, results of operations, capital requirements, level of indebtedness, restrictions imposed by applicable law, general business conditions and other factors that our board of directors may deem relevant.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- Section 14 of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- Section 16 of the Exchange Act requiring 10% shareholders to file public reports of their stock ownership and trading activities and liability for insiders (officers, directors and 10% shareholders) who profit from trades made in a short period of time; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we may publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Market. Press releases relating to financial results and material events will also be furnished to the SEC in reports on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a foreign private issuer, we are permitted to rely on exemptions from certain Nasdaq corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our shares.

We are exempted from certain corporate governance requirements of Nasdaq by virtue of being a foreign private issuer. As a foreign private issuer, we are permitted to follow the governance practices of our home country, the Cayman Islands, in lieu of certain corporate governance requirements of Nasdaq. As result, the standards applicable to us are considerably different than the standards applied to domestic U.S. issuers.

Following our home country governance practices may afford less protection to investors than the Nasdaq listing rules applicable to U.S. issuers. Specifically, the Company has followed or intends to follow the provisions of the laws of the Cayman Islands and its memorandum and articles of association in lieu of certain corporate governance requirements under the Nasdaq listing rules with respect to the following matters:

- Rule 5635(a), pursuant to which shareholder approval is required in certain circumstances prior to an issuance of securities in connection with the acquisition of the stock or assets of another company.
- Rule 5635(b), pursuant to which shareholder approval is required prior to the issuance of securities when the issuance or potential issuance will result in a change of control of the company.
- Rule 5635(c), pursuant to which shareholder approval is required for the establishment of or any material amendments to our equity compensation arrangements for officers, directors, employees or consultants.
- Rule 5635(d), pursuant to which shareholder approval is required prior to the issuance of securities in connection with a transaction other than a public offering where such transaction involves the issuance of securities representing 20% or more of our shares or voting power outstanding before the issuance at a price lower than the "Minimum Price."
- Rule 5620(a), pursuant to which holding annual shareholders' meetings is required.

Although we may rely on certain home country corporate governance practices, we must comply with Nasdaq's notification of non-compliance requirement (Nasdaq Rule 5625). Further, we must have a written charter for our audit committee specifying the authority and responsibilities required by Exchange Act Rule 10A-3 and requiring that the audit committee consist of members who meet the independence requirements of Nasdaq Rule 5605(c)(2)(A)(ii). If we rely on home country practice exemptions, our shareholders may not be provided with the benefits of certain corporate governance requirements of Nasdaq.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We would lose our foreign private issuer status if, for example, more than 50% of our voting securities are directly or indirectly held by residents of the United States and we fail to meet additional requirements necessary to maintain our foreign private issuer status. If we lose our foreign private issuer status on this date, we will be required to file with the SEC periodic reports and registration statements on U.S. domestic issuer forms, which are more detailed and extensive than the forms available to a foreign private issuer. We will also have to mandatorily comply with U.S. federal proxy requirements, and our officers, directors, and principal shareholders will become subject to the short-swing profit recovery provisions of Section 16 of the Exchange Act. In addition, we will lose our ability to rely upon exemptions from certain corporate governance requirements under the Nasdaq rules. As a U.S.-listed public company that is not a foreign private issuer, we will incur significant additional legal, accounting, and other expenses that we will not incur as a foreign private issuer in order to maintain a listing on a U.S. securities exchange.

You may be unable to present proposals before annual general meetings or extraordinary general meetings not called by shareholders.

Cayman Islands law provides shareholders with only limited rights to convene a general meeting and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association.

Solowin's Charter Documents do not provide its shareholders with any right to requisition a general meeting or to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Certain judgments obtained against us by Solowin's shareholders may not be enforceable.

Solowin is a Cayman Islands company and substantially all of our assets are located outside of the United States. A substantial portion of our current operations are conducted in Hong Kong by Solomon JFZ, Solomon Wealth, AlloyX HK, and AX Coin HK.

In addition, a majority of our directors and officers are nationals or residents of Hong Kong and all or a substantial portion of their assets are located outside the U.S. As a result, it may be difficult for investors to effect service of process within the U.S. upon us or these persons, or to enforce against us or them judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or securities laws of any U.S. state. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of Hong Kong may render you unable to enforce a judgment against our assets or the assets of our directors and officers.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because Solowin is incorporated under Cayman Islands law.

Solowin is an exempted company incorporated under the laws of the Cayman Islands. Its corporate affairs are governed by its Charter Documents, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of the shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of the shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the Cayman Islands have a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like Solowin have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Solowin's Charter Documents have provisions that provide our shareholders with the right to inspect the register of members without charge, and to receive the annual audited financial statements of the Company. Subject to the foregoing, our directors have discretion under the Charter Documents, as amended, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Act (As Revised) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders.

Solowin's Charter Documents contain anti-takeover provisions that could discourage a third party from acquiring us, which could limit Solowin's shareholders' opportunity to sell their shares at a premium.

Solowin's Charter Documents contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving Solowin's shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, Solowin's board of directors has the authority, without further action by its shareholders, to issue one or more classes or series of preferred shares and to fix the designations, powers, preferences and relative, participating, optional and other rights, if any, and the qualifications, limitations and restrictions thereof, if any, including, without limitation, the number of shares constituting each such class or series, dividend rights, conversion rights, redemption privileges, voting powers, full or limited or no voting powers, and liquidation preferences, and to increase or decrease the size of any such class or series (but not below the number of shares of any class or series of preferred shares then outstanding) to the extent permitted by the Companies Act (As Revised) of the Cayman Islands. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If Solowin's board of directors decides to issue preferred shares, the price of the Class A Ordinary Shares may fall and the voting and other rights of the holders of the Class A Ordinary Shares may be materially and adversely affected. In addition, Solowin's Charter Documents contain other provisions that could limit the ability of third parties to acquire control of our company or cause us to engage in a transaction resulting in a change of control.

There is a risk that we will be a passive foreign investment company for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. investors in the Class A Ordinary Shares.

In general, a non-U.S. corporation is a passive foreign investment company, or PFIC, for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-U.S. corporation that owns at least 25% by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and certain gains. Cash is a passive asset for these purposes.

Based on the expected composition of our income and assets and the value of our assets, including goodwill, we do not expect to be a PFIC for our current taxable year. However, the proper application of the PFIC rules to a company with a business such as ours is not entirely clear. Because the proper characterization of certain components of our income and assets is less than certain, and because our PFIC status for any taxable year will depend on the composition of our income and assets and the value of our assets from time to time (which may be determined, in part, by reference to the market price of the Class A Ordinary Shares, which could be volatile), there can be no assurance that we will not be a PFIC for our current taxable year or any future taxable year.

If we were a PFIC for any taxable year during which a U.S. investor holds the Class A Ordinary Shares, certain adverse U.S. federal income tax consequences could apply to such U.S. investor.

Cayman Islands economic substance requirements may have an effect on our business and operations.

Pursuant to the International Tax Cooperation (Economic Substance) Act of the Cayman Islands (as revised) ("ES Act") that came into force on January 1, 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Act. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is Solowin; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

General Risk Factors

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

We are vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures, technology platform failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide products and services on our marketplace. Moreover, apart from COVID-19, our business could also be adversely affected by Ebola virus disease, Zika virus disease, H1N1 flu, H7N9 flu, avian flu, SARS or other epidemics.

Our headquarters are located in Hong Kong, where a majority of our directors and management and a majority of our employees currently reside. In addition, some of our system hardware and back-up systems are hosted in leased facilities located in Hong Kong. Consequently, we are highly susceptible to factors adversely affecting Hong Kong. If any of the abovementioned natural disasters, health epidemics or other outbreaks were to occur in Hong Kong, our operation may experience material disruptions, such as temporary closure of our offices and suspension of services, which may materially and adversely affect our business, financial condition and results of operations.

Adverse market, economic and political conditions, including the ongoing conflict between Ukraine and Russia, recent events in the Middle East, recent trade disputes and other events or circumstances beyond our control could have a material adverse effect on us.

Another economic or financial crisis or rapid decline of the consumer economy, significant concerns over energy costs, geopolitical issues, including the ongoing conflict between Ukraine and Russia, recent events in the Middle East, recent trade disputes between the U.S. and other countries resulting in the imposition of increased tariffs on products imported into the U.S., and the availability and cost of credit can contribute to increased volatility, diminished expectations for the global economy and the markets. Market, political and economic challenges, including dislocations and volatility in the credit markets, general global economic uncertainty, uncertainty or volatility from matters such as the implementation of the governing agenda of President Donald J. Trump, and changes in governmental policy on a variety of matters such as trade, tariffs and manufacturing policies in the United States may adversely affect the global economy and financial markets, our financial condition, results of operations, and the trading price of our Class A Ordinary Shares. Any such disruptions may also magnify the impact of other risks described in this report.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

General Information

The current legal and commercial name of the Company is SOLOWIN HOLDINGS. SOLOWIN HOLDINGS is an exempted limited liability company incorporated under the laws of the Cayman Islands on July 23, 2021. The registered office of the Company is at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands, which may be changed from time to time at the discretion of directors.

The address of our principal place of business is Room 1910-1912A, Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. Our telephone number is (852)3428-3893.

Our Corporate History and Structure

Solowin is a holding company incorporated in the Cayman Islands without material operations of its own. Our subsidiary Solomon JFZ was established under the Hong Kong laws on July 25, 2016.

Pre-IPO Reorganization

From July 2021 to October 2022, we carried out a series of transactions to reorganize our corporate structure. As part of the reorganization, Solowin was incorporated as an exempted company under the laws of Cayman Islands on July 23, 2021.

Upon incorporation on July 23, 2021, one ordinary share, par value $1 per share, of Solowin was allotted and issued to Ogier Global Subscriber (Cayman) Limited, who transferred the share to Ling Ngai Lok on July 27, 2021. On the same day, Solowin issued an additional 49,999 ordinary shares, par value $1 per share, to Ling Ngai Lok. On June 9, 2022, in anticipation of a share exchange transaction among Solowin, Solomon JFZ and Master Venus Limited, the then sole shareholder of Solomon JFZ, Ling Ngai Lok transferred (i) 17,000 ordinary shares to Gemini Asia Holdings Limited; (ii) 16,500 ordinary shares to FORTUNE DYNASTY GLOBAL LIMITED and (iii) 16,500 ordinary shares to Vulcan Worldwide Holdings Limited. On October 17, 2022, Solowin, Solomon JFZ and Master Venus Limited completed the share exchange transaction, in which Master Venus Limited transferred 100% ownership of Solomon JFZ to Solowin. Master Venus Limited was then owned by three shareholders, Gemini Asia Holdings Limited, FORTUNE DYNASTY GLOBAL LIMITED and Vulcan Worldwide Holdings Limited. As a result of the above series of reorganization transactions, Solomon JFZ became the wholly-owned subsidiary of Solowin and the shareholders of Master Venus Limited became the owners of 100% of the then outstanding ordinary shares of Solowin.

On December 7, 2022, (i) each of the existing issued and unissued shares of par value of $1.00 each of Solowin was subdivided into 10,000 shares of par value of $0.0001 each of Solowin; and (ii) the authorized share capital of Solowin was increased to $100,000 divided into 1,000,000,000 shares of $0.0001 each. On the same day, each of Gemini Asia Holdings Limited, FORTUNE DYNASTY GLOBAL LIMITED and Vulcan Worldwide Holdings Limited surrendered 165,920,000 ordinary shares, 161,040,000 ordinary shares and 161,040,000 ordinary shares, respectively, each of a par value of $0.0001 per share, to Solowin. As a result of the above surrenders, each of Gemini Asia Holdings Limited, FORTUNE DYNASTY GLOBAL LIMITED and Vulcan Worldwide Holdings Limited held 4,080,000 ordinary shares, 3,960,000 ordinary shares and 3,960,000 ordinary shares, respectively, each of a par value of $0.0001 per share.

IPO

On September 8, 2023, we completed our initial public offering and issued and sold 2,000,000 ordinary shares, par value $0.0001 per share.

Reclassification and Dual Class Structure

On December 17, 2024, we held an extraordinary general meeting of shareholders, during which our shareholders approved the re-classification and re-designation of the Company's ordinary shares. As a result of such re-classification and re-designation, the Company's authorized share capital was re-classified and re-designated into 950,000,000 Class A Ordinary Shares and 50,000,000 Class B Ordinary Shares and then issued and outstanding 16,172,300 ordinary shares of par value of $0.0001 each in the Company were re-classified and re-designated into 8,132,300 Class A Ordinary Shares of par value US$0.0001 each with one (1) vote per share and 8,040,000 Class B Ordinary Shares of par value $0.0001 each with ten (10) votes per share.

On December 23, 2024, we filed an amendment to our Form 8-A to reflect that the class of security registered under Section 12(b) of the Exchange Act had changed from ordinary shares to Class A Ordinary Shares, and that the class of our security traded on Nasdaq had accordingly changed from ordinary shares to Class A Ordinary Shares.

Group Structure and Acquisitions

On December 4, 2023, as a part of our strategic expansion into the private wealth management business, Solowin formed a new wholly owned subsidiary, Solomon Wealth, under the laws of Hong Kong.

On March 5, 2024, Solowin entered into a membership interest purchase agreement with Cambria Capital and Cambria Asset Management, Inc. (the "Purchase Agreement"), pursuant to which Solowin agreed to purchase 100% of the membership interests in Cambria Capital for a total purchase price of $700,000 by December 31, 2024. In January 2025, following the non-completion of the second closing to acquire the remaining 75.1% by December 31, 2024, Solowin notified Cambria Capital of the termination in accordance with the terms of the Purchase Agreement. On April 4, 2025, the Company entered into an interests buyback and release agreement with Cambria Asset Management, Inc. and Cambria Capital, pursuant to which the Company agreed to sell the 24.9% equity in Cambria Capital back to Cambria Asset Management, Inc. for $100,000, which amount had been fully received by the Company. Solowin ceased to have significant influence over Cambria Capital in February 2025, and had derecognized the investment as of March 31, 2025.

On March 12, 2025, Solomon Wealth acquired Solomon Global Asset Management Limited, or Solomon Global, which was duly incorporated in British Virgin Islands (BVI) under the BVI Business Companies Act on August 4, 2023, for a total purchase price of $1.00. Solomon Global is regulated by the BVI Financial Services Commission (FSC) which approved it to be an investment manager on September 11, 2023 with certificate number IBR/AIM/23/0979. The certificate is in force unless suspended. On May 7, 2025, Solomon Wealth transferred 100% ownership of Solomon Global to Solowin. As a result, Solomon Global became a wholly-owned subsidiary of Solowin.

On June 16, 2025, Solowin entered into a sale and purchase agreement with two individuals, pursuant to which Solowin purchased from them, a 48% stake in Tiger Coin (Hong Kong) Limited, a private company limited by shares incorporated in Hong Kong ("Tiger Coin"), for a total purchase price of $7,500,000. Such purchase price was satisfied by the issuance of an aggregate of 7,500,000 Class A Ordinary Shares of Solowin to them, with each person receiving 3,750,000 Class A Ordinary Shares. The transaction was completed in June 2025.

On August 11, 2025, the Company entered into a sale and purchase agreement to acquire 100% of AlloyX Limited, a Cayman Islands company developing next-generation stablecoin infrastructure centered on tokenized money-market funds and cross-border payments. Consideration to the sellers comprised 106,779,926 Class A Ordinary Shares and 23,331,599 Class B Ordinary Shares. Upon the closing of the Acquisition on September 3, 2025, AlloyX became a wholly owned subsidiary of the Company. AlloyX has four subsidiaries, including (i) Master Venus Limited, a company incorporated under the laws of Samoa, (ii) AlloyX HK, a company incorporated under the laws of Hong Kong, (iii) AlloyX Group Pte Limited, a company incorporated under the laws of Singapore, and (iv) Bravo Valor Partners Limited, a company incorporated under the laws of the State of Washington, the United States of America.

On August 15, 2025, the Company entered into a sale and purchase agreement, with one individual, pursuant to which the Company purchased from the shareholder 190,000 ordinary shares, representing 19% of the issued and paid-up share capital, in GPL Remittance Pte. Ltd., an exempt private company limited by shares incorporated in Singapore ("GPL"), for consideration of SGD161,500 in cash. This acquisition was closed in 2025.

On April 25, 2025, the Company formed a new wholly-owned subsidiary, AX Coin Limited, under the laws of Hong Kong, and subsequently renamed it as AX Coin HK Limited on September 12, 2025. On August 25, 2025, the Company, together with the Company's Chairman and Chief Executive Officer, Mr. Ling Ngai Lok, and the Company's director, Mr. Haokang Zhu, formed a new subsidiary, AX Coin Limited under laws of the Cayman Islands, in which the Company holds 32,000 shares out of 50,000 outstanding shares, accounting for 64% of the entity.

On October 23, 2025, the Company transferred AX Coin HK Limited to AX Coin Limited, and as a result, AX Coin HK Limited became a wholly owned subsidiary of AX Coin Limited. AX Coin Limited's major business is enterprise-grade stablecoin issuance and provision of an infrastructure platform tailored for B2B scenarios including payments, treasury management and tokenized asset settlement.

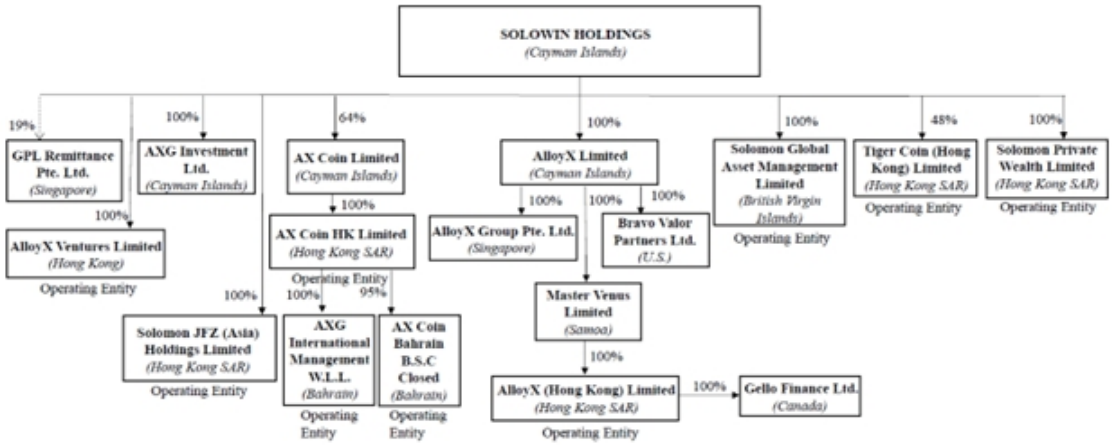
On November 18, 2025, the Company formed a new wholly-owned subsidiary AXG International Management W.L.L. under AX Coin HK Limited.

On December 30, 2025, AlloyX HK entered into a sale and purchase agreement, with one company, pursuant to which AlloyX HK purchased from the shareholder 10,000 ordinary shares, representing 100% of the issued and paid-up share capital, in Gello Finance Limited., an exempt private company limited by shares incorporated in Canada, for consideration of HKD366,000 in cash. This acquisition was closed in the first half of 2026.

On January 2, 2026, as part of our strategic development of Web3 investment business, Solowin formed a new wholly-owned subsidiary, AXG Investment Ltd., under the laws of the Cayman Islands. As of the date of this report, AXG Investment Ltd. has not commenced operations.

On February 8, 2026, AX Coin HK Limited together with Firewood Group Limited, further set up AX Coin Bahrain B.S.C. (c), in which AX Coin HK and Firewood hold 95% and 5% of the entity, respectively. AX Coin's principal business is the issuance of enterprise-grade stablecoins and the operation of a B2B infrastructure platform for payments, treasury management and tokenized asset settlement, marketed under the AX COIN brand. AX Coin Bahrain has been approved and licensed by the Central Bank of Bahrain to carry out stablecoin issuer activities. AX COIN currently focuses on obtaining licenses and establishing networks across the globe for its stablecoin business.

The following diagram illustrates our corporate structure as of the date of this report:



The SEC maintains an Internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

Our web site address is https://solowin.io. Information contained on, or that can be accessed through, our website does not constitute a part of this annual report.

B. Business Overview

General

The Company is a leading global regulated financial technology company that bridges traditional finance with the digital asset and artificial intelligence ("AI") economies. Tracing its operating history to 2016 through its Hong Kong subsidiary Solomon JFZ, the Company combines blockchain and artificial intelligence technologies to operate a fully compliant, dual-token digital economy platform. Guided by our mission, "Mobilizing Tokens 24/7," we focus on tokenization and operate two core business pillars: Digital Asset Tokens and AI Tokens**.** Our offerings, delivered principally through our subsidiaries — including Solomon JFZ, Solomon Wealth, AlloyX Group, and AX Coin Bahrain — span regulated stablecoin issuance and payments, asset tokenization, securities trading and asset management, and AI-powered enterprise services.

The fiscal year ended March 31, 2026 represented a period of fundamental strategic transformation for the Company. following the combination with AlloyX Group and the change of our Nasdaq ticker symbol to "AXG," we executed a deliberate strategic shift to prioritize digital asset and AI infrastructure businesses, while continuing to operate and grow our regulated Hong Kong securities and virtual asset franchise. This evolution transformed the Company from a Hong Kong–centric securities and virtual asset services firm into a global, dual-pillar digital economy infrastructure platform encompassing regulated stablecoin issuance, digital currency treasury and payment infrastructure, real-world asset ("RWA") tokenization, full-licensed brokerage and asset management, and enterprise-grade AI services. The transformation was validated by significant operating momentum: for the fiscal year ended March 31, 2026, we generated audited revenue of $28.05 million, representing nearly tenfold year-over-year growth from $2.82 million in the prior year, and, in June 2026, our subsidiary AX Coin Bahrain became the first stablecoin issuer to be granted a full license under the Central Bank of Bahrain's (the "CBB") stablecoin regulatory framework.

Industry and Our Market Opportunities — Convergence of Traditional Finance and Digital Assets

The description under this heading includes statistical and other industry and market data that we obtained from government, regulatory bodies, stock exchange's data, industry publications, and public data source from internet and estimates by our management based on such data. Our management has no reason to believe that such information presented in this section is false or misleading or that any fact has been omitted that would render such information and/or statistics false or misleading in any material respect.

The global financial landscape is undergoing a profound and structural transformation, driven by the accelerating convergence of traditional finance (TradFi), decentralized finance (DeFi), and artificial intelligence (AI). Since 2025, the digital asset market has decisively moved into a more institutional phase. The principal change is not merely that blockchain-based products have matured, but that regulators, financial institutions, and market participants are now focused directly on how digital asset activity can be conducted within regulated financial infrastructure.

This shift is visible in the enactment of the GENIUS Act in the U.S., the President's Working Group report on digital asset markets, the SEC's Project Crypto initiative, and proactive frameworks in jurisdictions like Hong Kong and Bahrain. These policies encourage responsible growth in digital assets, lawful dollar-backed stablecoins, tokenization, custody, and payments. The opportunity is increasingly centered on regulated infrastructure rather than speculative token issuance alone: encompassing fiat access, compliance screening, qualified custody, transfer restrictions, settlement, asset servicing, and operational resilience.

We believe that our principal markets sit at the convergence of digital assets and AI.

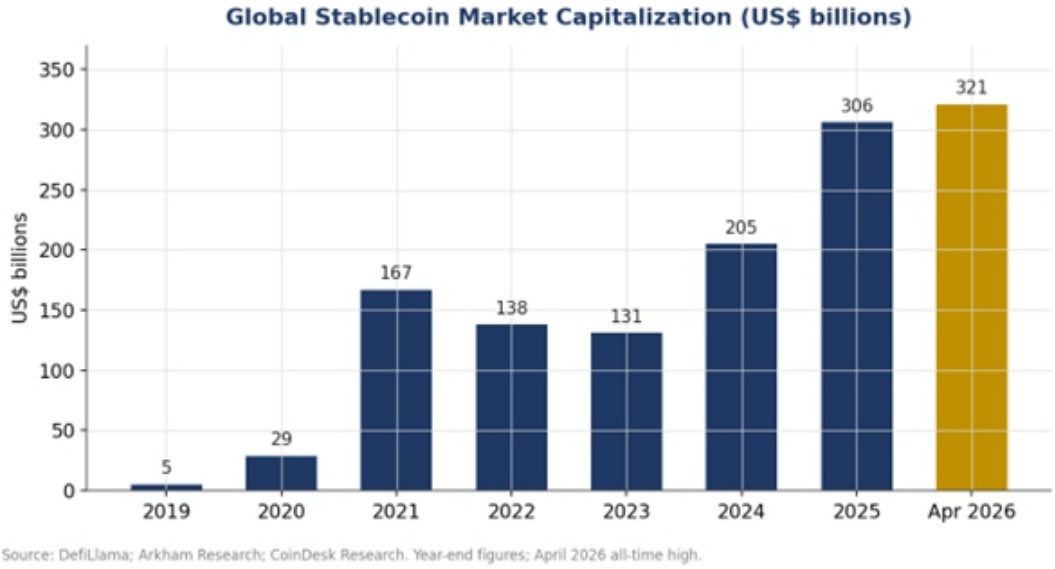
In the Digital Asset Tokens pillar, we address the global cross-border payments market — projected by third-party sources to exceed $250 trillion in annual volume by 2027 — as well as global stablecoin settlement volume forecast at over $33 trillion for 2026, and the more than $5 trillion Islamic finance market, in which stablecoin penetration remains effectively nascent. Our stablecoin adoption strategy focuses on institutional corridors linking the GCC with Asia and Africa (GCC↔GCC and GCC↔Asia target corridors), supported by our regulated foundation in Bahrain and our licensed distribution and on/off-ramp capabilities in Hong Kong, Singapore, Canada, and other jurisdictions, with additional licenses applications in process in Europe and other strategic markets. In RWA tokenization, third-party research projects that tokenized assets could represent up to 10% of global GDP, or approximately $16 trillion, by 2030.

In the AI Tokens pillar, we address enterprise AI adoption — with generative AI projected to add $2.6 trillion to $4.4 trillion annually to the global economy — and the emerging blockchain-AI convergence market, with particular focus on financial institutions, digital asset businesses, and Web3 participants requiring governed, compliant AI infrastructure.

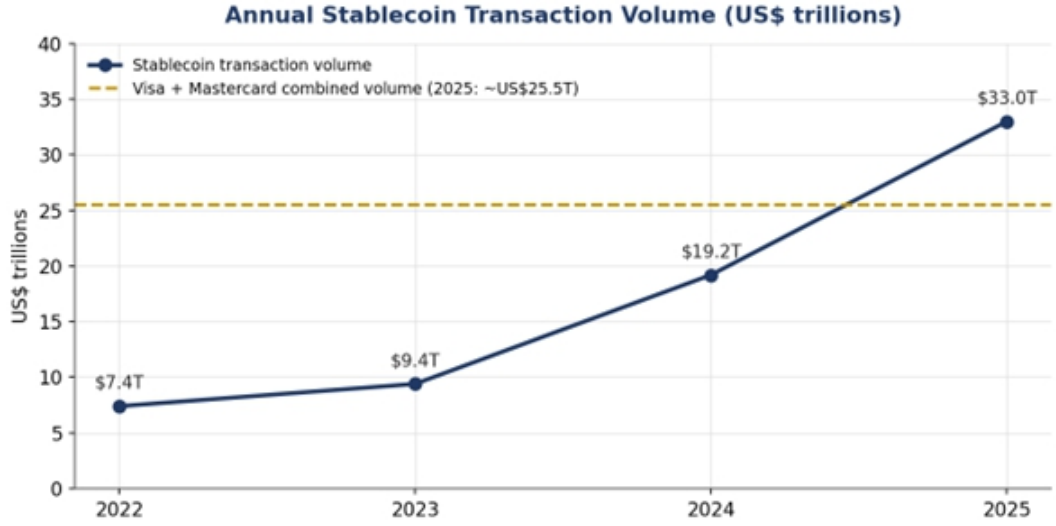
The Company's dual-pillar strategy, focusing on Digital Asset Tokens and AI Tokens, positions us at the forefront of this convergence. Through our AlloyX Group and its vertically integrated platforms—AX ONE, FERION, AgentX, KOVAR, and AXION—alongside our licensed subsidiaries Solomon JFZ, Solomon Wealth, and AX Coin Bahrain, we are building a fully compliant dual-token digital economy super platform bridging traditional and decentralized finance.

Evolution of Stablecoin Payment Solutions

Stablecoins have emerged as a foundational layer for the digital economy. Public policy materials and issuer filings indicate that stablecoins are no longer viewed only as tools for digital asset trading. They are increasingly discussed as payment and settlement instruments that support cross-border payments, merchant settlement, marketplace payouts, business-to-business payments, payroll, treasury operations, and capital markets settlement. The global stablecoin market capitalization surpassed $321 billion in April 2026, marking a new all-time high.



The commercial opportunity has shifted from simple token issuance toward payments infrastructure and enterprise distribution. In 2025, total stablecoin transaction volumes soared by 72% to a record $33.0 trillion. This milestone is particularly significant as it surpasses the combined payment volumes handled by traditional payment networks such as Visa and Mastercard, underscoring the structural shift towards blockchain-based settlement networks.

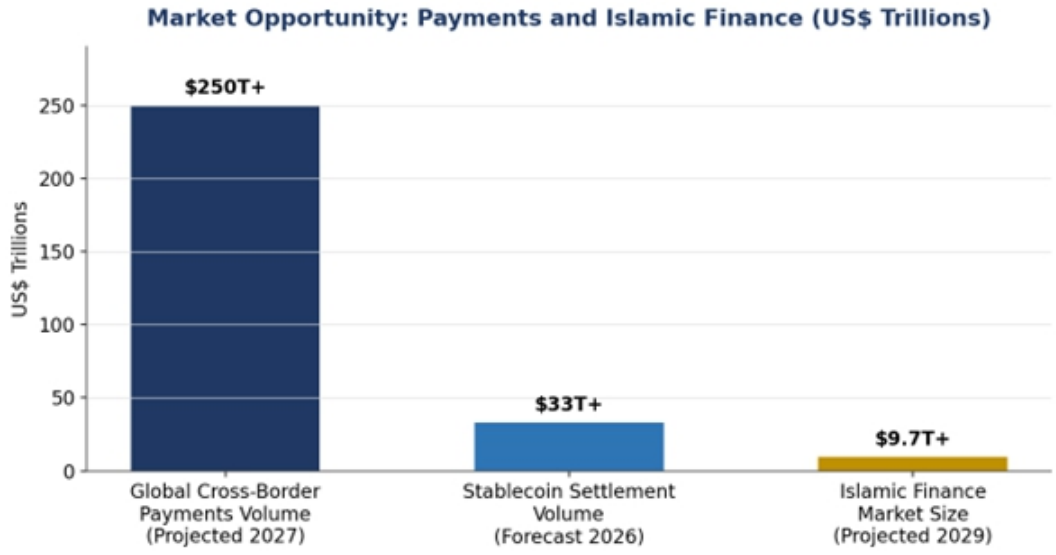


Source: Artemis Analytics (via Bloomberg, January 2026); Forbes (April 2026).

The regulatory environment for stablecoins has advanced concurrently. In the United States, the enactment of the GENIUS Act in July 2025 established a comprehensive federal framework for payment stablecoins, generally prohibiting permitted issuers from paying yield, thereby reinforcing payment stablecoins as settlement instruments. The Hong Kong Monetary Authority (HKMA) enacted its Stablecoins Ordinance, which became effective in August 2025, mandating high-quality reserves and stringent licensing requirements. Similarly, the Central Bank of Bahrain (CBB) proactively issued the Stablecoin Issuance and Offering (SIO) Module.

Stablecoin Issuance Market and Cross-Border Opportunities

The total addressable market for stablecoin issuance and cross-border settlement is massive and remains largely untapped by regulated digital assets. According to industry research published by Finastra in 2025, global cross-border payments volume is projected to exceed $250 trillion annually by 2027. Within this ecosystem, stablecoin settlement volume is forecast to reach $33 trillion in 2026. Furthermore, the global Islamic finance market represents a significant blue-ocean opportunity. According to the ICD-LSEG Islamic Finance Development Report 2025, global Islamic finance assets are projected to reach $9.7 trillion by 2029. However, stablecoin adoption within Islamic finance remains at a nascent stage, with no widely adopted Shariah-compliant stablecoin to date.



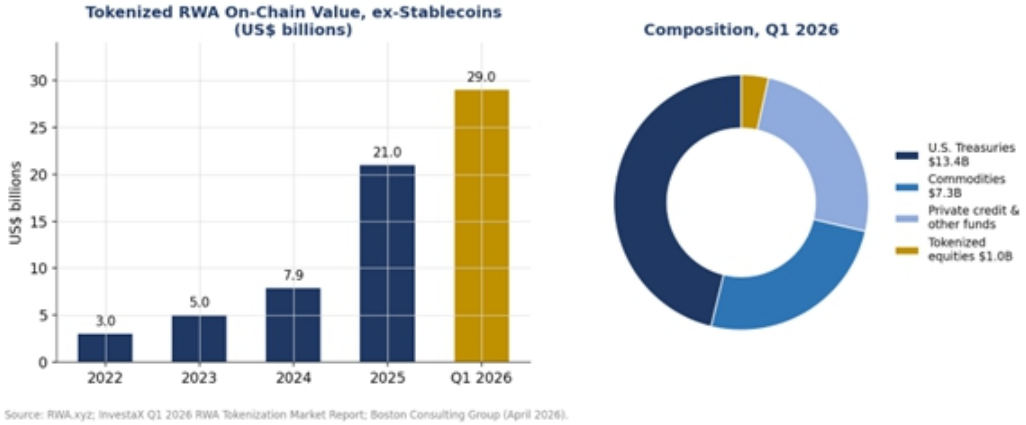
Source: Finastra industry research (2025); Forbes (2026); ICD-LSEG Islamic Finance Development Report (2025).

This expanding market presents substantial opportunities for our enterprise-grade stablecoin issuance platform, AX Coin Bahrain. Licensed by the Central Bank of Bahrain (CBB) under the SIO Module, AX Coin Bahrain operates a unique dual-currency model: AXUSD, a revenue-sharing regulated USD stablecoin, and AXBHD, the world's first Shariah-compliant regulated stablecoin. By leveraging Bahrain's national payment network, BENEFIT—which recorded 494 million transactions valued at approximately $100 billion in 2025 (according to The BENEFIT Company's official press release, February 2026)—and establishing partnerships across the GCC, Africa, and Asia (such as FOMO Pay), AX Coin Bahrain is strategically positioned to capture high-growth remittance and B2B settlement corridors. Furthermore, our AX ONE platform capitalizes on this trend by serving as a global payments network and treasury management center, generating value through fiat on-ramps and off-ramps, transaction routing, and enterprise integrations.

Tokenization of Real-World Assets (RWA)

The RWA tokenization market has also become more institutional since 2025. Activity has increasingly focused on tokenized U.S. Treasury and money market products, tokenized private funds, private credit, and equities where blockchain-based records improve transferability, auditability, and settlement. The total value of tokenized real-world assets on-chain (excluding stablecoins) grew by approximately 30% quarter-over-quarter to reach nearly $29.0 billion by the end of the first quarter of 2026, up from just $3.0 billion in 2022.

Tokenized U.S. Treasuries alone accounted for over $13.4 billion of this total, providing on-chain collateral and liquidity management. Long-term industry projections by Boston Consulting Group estimate that the global tokenized assets market could reach up to $16 trillion by 2030 and $88 trillion by 2035.



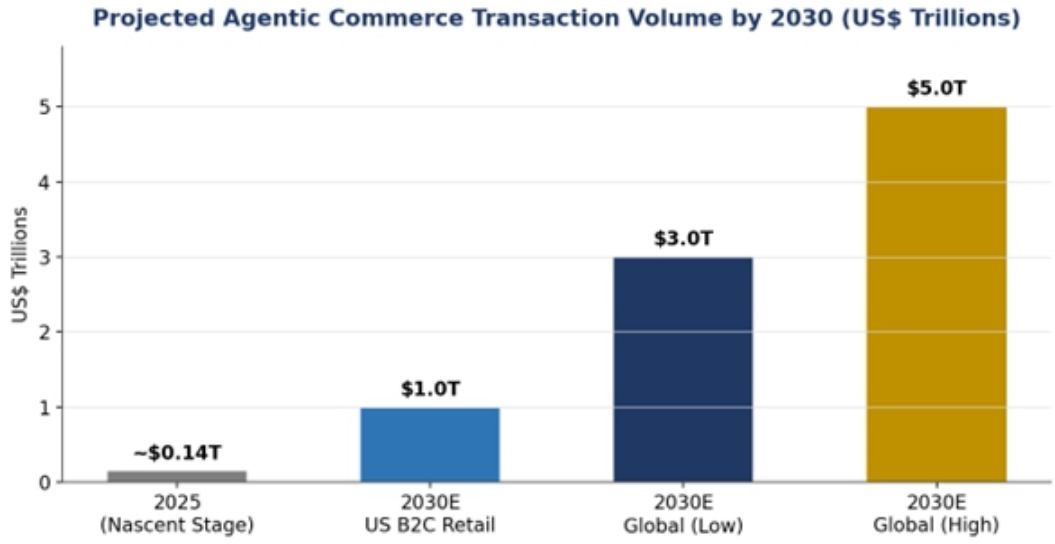
The RWA opportunity differs from the stablecoin opportunity as tokenized assets generally require an enforceable legal interest, reliable ownership records, investor eligibility controls, custody arrangements, valuation, and administration. The most attractive RWA platforms are those that combine technology with regulated financial functions. Hong Kong is actively positioning itself as a leading hub in this regard, with SFC-authorised tokenised funds seeing their assets under management (AUM) grow to HK$8.66 billion as of December 2025.

We believe the Company is well-equipped to capture a significant share of this infrastructure opportunity through FERION, our comprehensive, one-stop RWA issuance platform. Powered by AI for monitoring and compliance, FERION manages the regulated lifecycle of a tokenized asset from issuance through servicing and distribution. For the fiscal year ended March 31, 2026, the total value of RWA issuance through our platforms reached $52.0 million. Additionally, our blockchain finance laboratory, AXION, is developing compliant protocols such as Billon and Infinix to further activate liquidity and integrate with stablecoin settlement.

AI in Digital Assets and Agentic Commerce

Artificial intelligence is fundamentally reshaping digital asset management, trading execution, and enterprise infrastructure. AI algorithms now drive a vast majority of global trading volume, leveraging machine learning and neural networks to automate pattern recognition, predictive analytics, and dynamic portfolio rebalancing. According to Grand View Research, the global AI trading platform market is projected to reach $33.45 billion by 2030, growing at a compound annual growth rate (CAGR) of 20.0% from 2025.

A critical emerging sub-sector is "Agentic Commerce"—where AI agents autonomously execute transactions, orchestrate travel or ticket payments, and automate cross-border B2B settlements on behalf of human users. According to an October 2025 report by McKinsey & Company ("The agentic commerce opportunity"), agentic commerce could orchestrate between $3 trillion and $5 trillion in global transaction volume by 2030, including up to $1 trillion in the U.S. B2C retail market alone. Enterprises are increasingly adopting these AI-native payment layers, driven by a strong emphasis on AI risk management and "Know-Your-Agent" compliance.

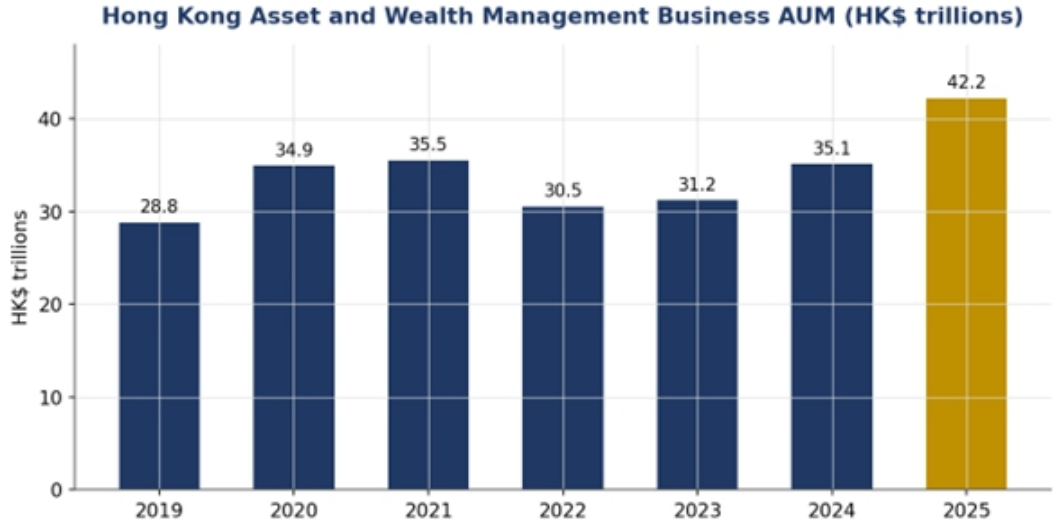


Source: McKinsey & Company, "The agentic commerce opportunity: How AI agents are ushering in a new era for consumers and merchants" (October 2025). 2025 figure reflects McKinsey's estimate of current agentic commerce activity.

To address these demands, our proprietary AI-powered digital asset management platform, AgentX, integrates leading global exchanges through a unified API, offering bespoke investment strategies. Furthermore, the rise of Web 4.0 infrastructure demands robust, enterprise-grade AI solutions that integrate secure cloud computing with intelligent agent governance. Our KOVAR platform delivers identifiable, controllable, and auditable enterprise-grade AI solutions through its Kovar Cloud, Kovar Agent, and KovaRouter product lines, serving as the robust infrastructure foundation for our dual-token ecosystem.

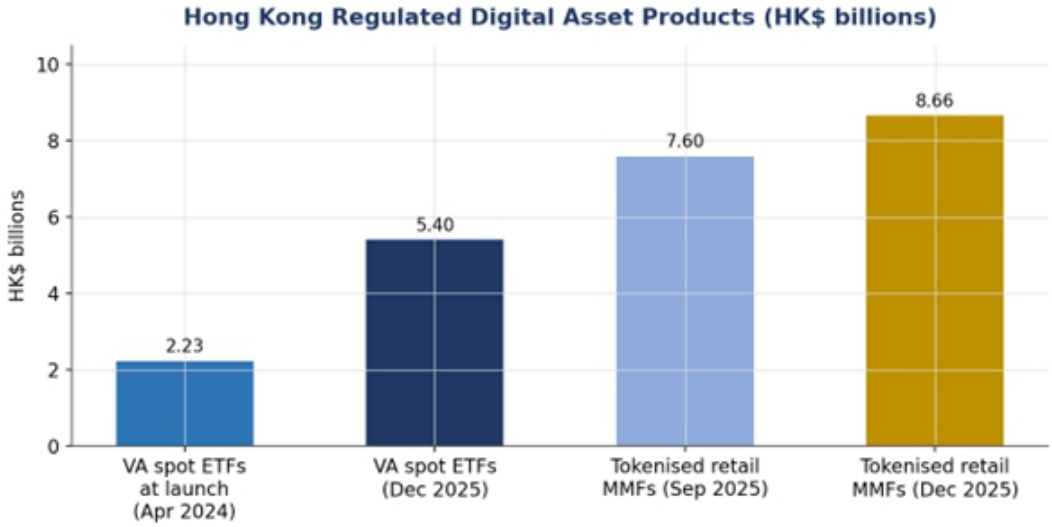
Virtual Assets and Wealth Management in Hong Kong

Hong Kong remains a premier global financial center and is rapidly emerging as a leading Web3 and virtual asset hub. According to the SFC's Asset and Wealth Management Activities Survey published in July 2026, the AUM of Hong Kong's asset and wealth management business grew by 20% year-on-year to a record HK$42.2 trillion (US$5.4 trillion) as of December 31, 2025, surpassing the previous peak in 2021. This growth was driven by a 193% year-on-year surge in net fund inflows, which reached HK$2.1 trillion (US$265 billion).



Source: SFC Asset and Wealth Management Activities Surveys 2019–2025 (2025 survey published July 2026).

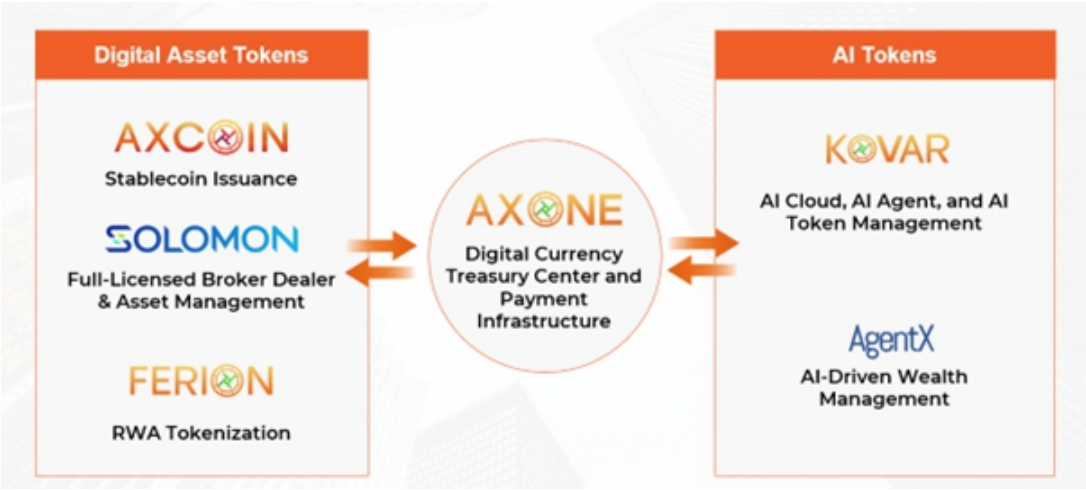
Hong Kong's capital markets also demonstrated strong momentum. In 2025, Hong Kong regained its position as the world's top IPO venue, raising over HK$280 billion. On the digital asset front, the market saw the successful launch of Asia's first spot virtual asset ETFs in 2024. By the end of 2025, a total of 11 virtual asset spot ETFs were listed in Hong Kong, with their total market capitalization surging 142% since launch to over HK$5.4 billion.



Source: SFC Quarterly Report (March 2026). VA spot ETF market capitalisation up 142% since launch to over HK$5.4 billion.

Our subsidiaries, Solomon JFZ and Solomon Wealth, are strategically positioned within this regulated and growing environment. Licensed by the SFC for Types 1, 4, 6, and 9 regulated activities, Solomon JFZ has been approved to offer virtual asset dealing and advisory services and is among the first participating dealers for in-kind subscription and redemption of spot virtual asset ETFs in Hong Kong. The launch of the Solomon VA+ institutional-grade trading app further integrates traditional and virtual asset trading. Complementing this, Solomon Wealth, a licensed Trust or Company Service Provider (TCSP), offers comprehensive private wealth management and trust services to high-net-worth clients, ensuring holistic asset protection and growth across both traditional and digital asset classes.

Our Products and Services



Our operations are organized around two complementary and mutually reinforcing strategic pillars. The Digital Asset Tokens pillar provides regulated financial infrastructure for the issuance, trading, custody, payment, and tokenization of digital assets. The AI Tokens pillar provides enterprise-grade AI infrastructure — including AI model aggregation and AI agent governance — that we believe positions the Company at the intersection of two of the most significant secular trends in financial technology: the institutional adoption of regulated stablecoins and tokenized assets, and the enterprise adoption of AI and autonomous agents. The two pillars are connected by shared treasury, custody, payment, and compliance infrastructure, enabling what we refer to as an integrated "dual-token" ecosystem in which both digital asset tokens and AI tokens (units of AI model invocation and agent activity) can be issued, invoked, governed, and settled on a continuous, 24/7 basis.

I. Digital Asset Tokens Pillar

a. **AX COIN — Regulated Stablecoin Issuance**

AX COIN is our enterprise- grade stablecoin issuance brand, providing regulated stablecoin issuance and B2B infrastructure for payments, treasury management, and tokenized assets settlement. AX Coin Bahrain, our stablecoin issuance subsidiary, is regulated by the CBB under its Stablecoin Issuance and Offering (SIO) framework. In January 2026, AX COIN became the first stablecoin issuer to receive in-principle license approval from the CBB, and in June 2026 — following the completion of the CBB's onsite inspection in May 2026 — AX Coin Bahrain was officially granted its full stablecoin issuer license, becoming the first issuer licensed under the CBB's stablecoin regulatory framework. AX Coin Bahrain is directly regulated by the CBB and must comply with requirements relating to capital, governance, reserve assets, customer protection, anti-money laundering, sanctions compliance, cybersecurity, risk management and regulatory reporting. The license applies only to AX Coin Bahrain and the activities authorized by the CBB; licenses held by other Group entities do not automatically authorize AX COIN to conduct regulated activities elsewhere. The license framework permits AX Coin Bahrain to issue fiat-backed stablecoins, including AXUSD (a U.S. dollar–pegged stablecoin) and AXBHD (a Bahraini dinar–pegged stablecoin), and includes the ability to offer a Shariah-compliant stablecoin option, which we believe positions AX Coin Bahrain to address the substantial and largely unpenetrated Islamic finance market. The CBB framework also provides for explicit revenue-sharing stablecoin permissions and contemplates multi-currency expansion subject to regulatory approvals.

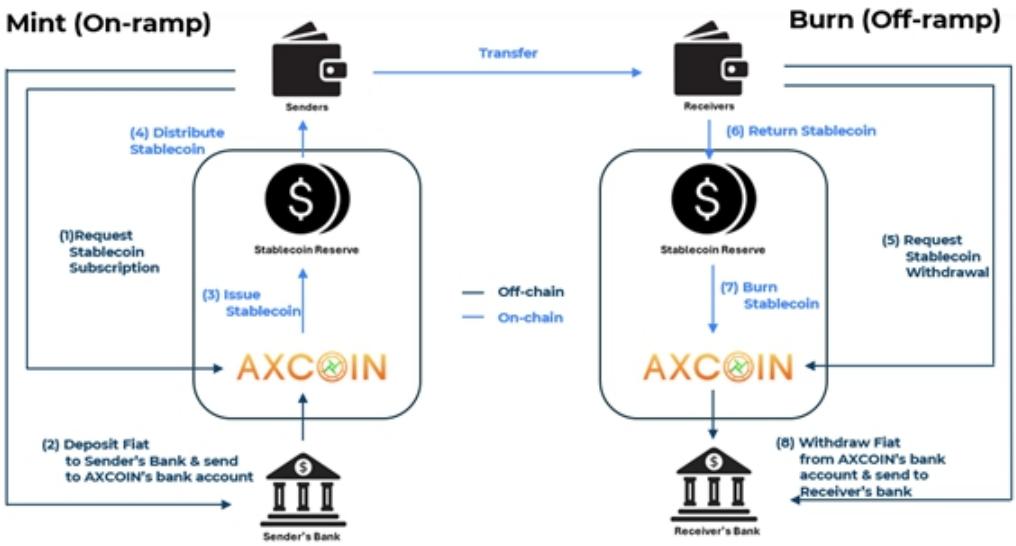
AX COIN operates a permissioned institutional issuance and redemption model. Approved institutional customers are expected to be able to mint and redeem stablecoins through designated banking and payment channels after completing applicable due diligence, beneficial ownership, anti-money laundering, sanctions and wallet screening procedures.

AXUSD is intended for institutional settlement, cross-border payments, treasury management and liquidity management and is expected to be supported by eligible reserve assets in accordance with CBB requirements. AX COIN also intends to incorporate an economic participation or revenue-sharing mechanism into AXUSD; its structure, eligibility criteria, allocation methodology and associated rights will be governed by the applicable CBB-approved stablecoin whitepaper, product terms, customer agreements and applicable laws. Any such arrangement will not constitute a fixed-return commitment or guarantee a specified return.

AXBHD is intended for institutional payments, regional settlement, treasury management and cross-border transactions in Bahrain and the Gulf Cooperation Council (GCC) region. It is intended to be structured in accordance with CBB requirements and relevant Shariah principles. AXBHD's launch will remain subject to product approvals, reserve and banking arrangements, technology and cybersecurity testing, governance procedures and Shariah review.

AX COIN 's stablecoins operate under a regulated mint-and-burn model designed to maintain full fiat backing at all times. In the minting (on-ramp) process, an approved client requests a stablecoin subscription and deposits fiat currency into AX COIN 's designated bank account; upon confirmation of receipt of funds, AX COIN issues the corresponding stablecoins on-chain and distributes them to the client's whitelisted wallet. In the redemption (off-ramp) process, the client requests a withdrawal and returns the stablecoins, which are burned on-chain, and AX Coin remits the corresponding fiat from its reserve accounts to the client's bank account. Reserves are held in high-quality liquid assets and managed under CBB oversight, with reserve management led by treasury professionals with international banking experience. The AX COIN technology and compliance stack integrates institutional-grade third-party providers, including Fireblocks for mint-and-burn execution and multi-party computation ("MPC") wallet security, Sumsub for KYB/KYC/KYT onboarding and screening, and Elliptic for Travel Rule compliance and AML transaction monitoring, across multiple supported blockchain networks.

i. AX COIN Mint (On-Ramp) and Burn (Off-Ramp) Mechanics



AX COIN plans to connect with banks, payment networks, digital asset exchanges, custodians, liquidity providers, blockchain networks and compliance technology providers. It also plans to support programmable payments, including transactions initiated through predefined rules, smart contracts, machines or artificial intelligence agents, subject to authorization, transaction limits and compliance controls. AX COIN's principal use cases are cross-border payments and business-to-business settlement, with a focus on payment corridors linking the GCC region with Asia and Africa. AX COIN is focused on banks, fintech companies, payment service providers, corporate treasury users, digital asset exchanges, over-the-counter trading firms, market makers and liquidity providers. Its intended use cases include institutional remittances, merchant settlement, business-to-business payments, cross-border trade settlement, treasury management and liquidity management, with an initial focus on payment corridors connecting the GCC with Asia, Africa and other emerging markets.

To establish distribution channels and real-world utility, AX COIN has entered into strategic partnerships and memoranda of understanding with the following parties, among others: (i) BENEFIT, Bahrain's national electronic payments network, which operates payment infrastructure serving over 1.3 million users and more than 30 financial institutions and processes hundreds of millions of transactions annually, to explore how Bahrain's national payment rails may evolve alongside regulated digital asset infrastructure; (ii) Bank of Bahrain and Kuwait (BBK), to explore how regulated stablecoins may support institutional banking models by improving transaction speed, liquidity efficiency, and cross-border financial operations; (iii) FOMO Pay, a leading Asian payment gateway headquartered in Singapore, to bring AXUSD and AXBHD to cross-border digital payment scenarios, including B2B2C merchant settlement bridging the GCC and Southeast Asia; and (iv) Singapore Gulf Bank, pursuant to a memorandum of understanding entered into in May 2026, to advance stablecoin and digital asset cooperation. AX COIN is also engaged in exploratory, non-binding discussions with major card networks regarding potential collaboration opportunities, including integration across regulated stablecoin settlement, tokenized commercial payments, and stablecoin-as-a-service distribution; no binding arrangements have been entered into as of the date of this report. In addition, through a partnership with a leading stablecoin payment infrastructure provider in Africa, AX COIN has established access to stablecoin payment infrastructure across more than 20 African countries, supporting instant mobile payment use cases in emerging markets.

ii. AX COIN Business Model and Fees

AX COIN expects to generate revenue from income on eligible reserve assets, issuance and redemption fees, transaction and settlement fees, payment and infrastructure service fees, foreign exchange and liquidity services where permitted, technology integration fees and commercial arrangements with ecosystem partners. Actual revenue will depend on stablecoin circulation, transaction volume, interest rates, reserve composition, customer pricing, redemption demand, regulatory requirements and market acceptance.

The CBB's grant of a Stablecoin Issuer license does not guarantee the value, liquidity, profitability, redeemability or commercial success of any stablecoin. Stablecoins issued by AX COIN will not constitute bank deposits and may not be protected by any deposit insurance scheme.

Types	Fees	Charged By
Reserve Interest Income	Yield generated on fiat reserve investments	AX COIN
Stablecoin Minting / Redemption Fee	0.02% of transaction amount	AX COIN
Transaction and Distribution-Related Fees	0.1% of volume	AX COIN

iii. AX COIN Ecosystem and Global Partnership Network

AX COIN ’s global alliance ecosystem built to power institutional adoption of AXUSD and Shariah-compliant AXBHD stablecoins, underpinned by a fully integrated stack of top-tier institutional infrastructure partners and multi-chain blockchain support as illustrated in the framework. It unites curated institutional distributors including tier-1 banks, payment service providers, OTC desks, exchanges, fintech platforms and regional treasury partners across GCC, Asia and Africa.

To deliver secure, compliant stablecoin operations, AX COIN integrates purpose-built industry leaders across core functional pillars. Fireblocks handles regulated token minting and burn workflows, while MPC technology safeguards digital wallet custody security. Sumsub provides end-to-end KYC, KYB and KYT identity verification, paired with Elliptic’s Travel Rule enforcement and real-time AML transaction monitoring to satisfy global regulatory obligations. All infrastructure interoperates seamlessly on Ethereum and Solana public blockchain networks, forming the foundational technical backbone for every AX COIN partner’s stablecoin activity.

The network operates on aligned economic incentives: reserve yield generated by AX COIN’s stablecoin reserves is shared proportionally with alliance partners that drive minting, custody, cross-border circulation and institutional settlement flows. Founding partners co-shape ecosystem development, prioritizing high-quality regulated collaborators over volume, with full access to AX COIN’s unified security, compliance and on-chain settlement toolkit.

b. **Solomon JFZ & Solomon Wealth — Full-Licensed Securities Brokerage, Asset Management, and Institutional Services**

Solomon JFZ, our wholly owned Hong Kong subsidiary and one of the few Chinese investor-focused, versatile securities brokerage companies in Hong Kong, holds a full stack of HKSFC licenses — Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance), and Type 9 (Asset Management) — which have been uplifted to permit virtual asset dealing, distribution, and advisory services, crypto on/off-ramp services, virtual asset and structured product advisory, and portfolio management for portfolios comprising up to 100% virtual assets. Through the Solomon VA+ platform, clients can trade more than 10,000 listed securities and derivative products across the Hong Kong Stock Exchange, the New York Stock Exchange, Nasdaq, and the Shanghai and Shenzhen stock exchanges, alongside virtual assets, within a single integrated account.

Solomon JFZ has achieved multiple market firsts in Hong Kong’s virtual asset ecosystem. It was among Hong Kong’s first participating dealers for spot Bitcoin and Ether ETFs, ranks first in Hong Kong for client Bitcoin holdings via the ChinaAMC Bitcoin ETF, pioneered the in-kind subscription and redemption mechanism for virtual asset ETFs, has been approved for private tokenized fund distribution, and launched Asia’s first real-yield digital asset money market fund (RYT). Solomon JFZ has also partnered with Standard Chartered Bank to build a compliant RWA issuance and distribution network. During the fiscal year ended March 31, 2026, total trading volume of stablecoins and fiat currencies across our platforms reached approximately $1.04 billion, an increase of approximately 395% year-over-year, and assets under administration grew to approximately $848.8 million as of March 31, 2026, an increase of approximately 347% year-over-year. With its SFC-licensed institutional custody and dealing capabilities and more than $1 billion in recent trading volume, Solomon JFZ serves as a critical institutional gateway and fiat on/off-ramp for the broader AXG ecosystem, including AX COIN.

Solomon Private Wealth Limited ("Solomon Wealth"), our wholly owned Hong Kong subsidiary, holds a Trust or Company Service Provider Licence (License No. TC009316) issued by the Companies Registry of Hong Kong. This licence authorizes Solomon Wealth to provide trust services, company secretarial services, and related corporate administration solutions. Solomon Wealth focuses on serving high-net-worth individuals, family offices, and institutional clients with comprehensive private wealth management and trust structuring services that span both traditional and virtual asset classes. Together with Solomon JFZ's full-stack securities brokerage, asset management, and virtual asset capabilities, Solomon Wealth enables our group to offer clients an integrated, fully regulated one-stop platform covering investment, wealth preservation, succession planning, and corporate secretarial needs.

i. Solomon JFZ & Solomon Wealth Business Model and Fees

Solomon JFZ generates revenue primarily from trading transaction commissions, margin financing interest, underwriting and placement fees, asset management fees, performance fees, and traditional/virtual asset advisory fees. Solomon Wealth generates revenue from wealth management service fees and trust and company secretarial fees. Please note that the fees are subject to adjustment from time to time; please refer to our website or contact our customer service for the most updated information.

Types	Fees	Charged By
Securities and Virtual Asset Trading Commission	0.05% to 0.2% of trading value	Solomon JFZ
Margin Financing Interest	3.5% per annum on borrowed amounts	Solomon JFZ
Underwriting and Placement Fees	3.5% to 7% of gross proceeds raised	Solomon JFZ
Asset Management Fee	2% of AUM annually	Solomon JFZ
Performance Fee	20% of investment returns above hurdle rate	Solomon JFZ
Traditional / Virtual Asset Advisory Fee	Fixed amount between $100,000 and $300,000	Solomon JFZ
Wealth Management Service Fee	0.5% of AUM	Solomon Wealth
Trust and Company Secretarial Fee	Fixed amount per engagement	Solomon Wealth

c. **FERION — RWA Tokenization**

FERION is our one-stop, end-to-end RWA tokenization platform operated by AlloyX HK, combining AI and big data capabilities with standardized issuance processes and multi-asset compatibility. FERION enables financial institutions, asset managers, and corporations to tokenize traditional financial and real-world assets, enhancing liquidity, transparency, and accessibility. During the fiscal year ended March 31, 2026, we launched 10 RWA projects through the FERION platform, with total value tokenized of approximately $52 million, including AUROX, our gold token product backed by allocated physical bullion. Our tokenization activities benefit from Solomon's regulated distribution capabilities and our participation in Hong Kong's tokenization initiatives, including the distribution of Hong Kong's first retail tokenized money market fund.

i. FERION Business Model and Fees

FERION generates revenue through service fees charged for tokenization structuring and issuance and ongoing platform and operational management fees based on tokenized asset net asset value.

Types	Fees	Charged By
Tokenization Structuring and Issuance Fee	Fixed amount between $200,000 and $500,000 per project	FERION
Platform and Operational Management Fee	0.1% of trading volume	FERION

d. **AX ONE — Digital Currency Treasury, Custody, and Payment Orchestration**

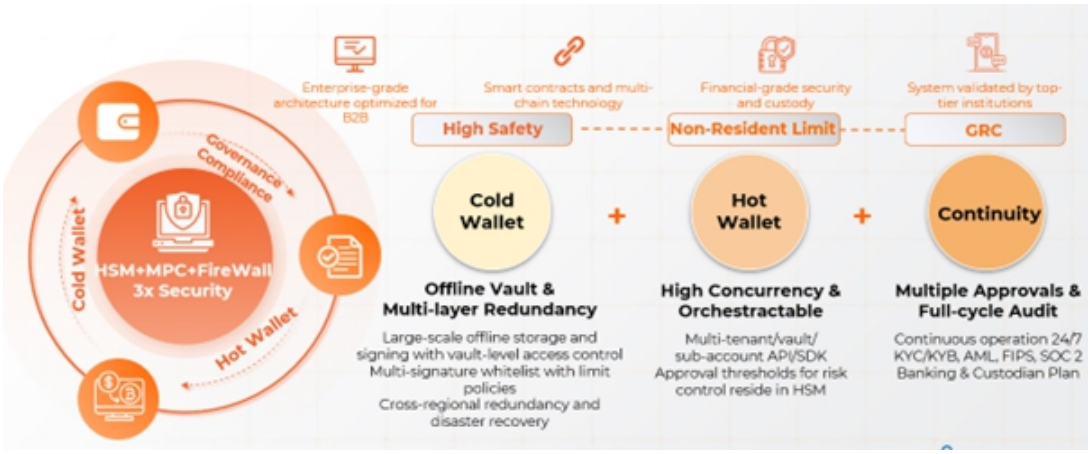
Supporting the Digital Asset Tokens pillar is AX ONE, our institutional-grade digital currency treasury center and payment infrastructure operated by AlloyX HK. AX ONE provides an integrated suite spanning the full treasury lifecycle: receive (pay-in), convert (smart routing for stablecoin/fiat exchange), store (multi-stablecoin support, cross-chain management, tokenized deposits, and API connection services), send (pay-out), earn (yield), and spend (virtual and physical cards).

The spend functionality is delivered through the AX ONE self-custodial digital wallet and the associated Treasure Card program. AX ONE integrates secure custody, aggregated payments, and multi-chain processing to bridge Web2 and Web3 experiences. Treasure Card is available in both physical and virtual form factors and is accepted on the Visa network across more than 200 countries and approximately 150 million online and offline merchants. Cardholders may bind cards to mainstream mobile wallets (including Google Pay) for contactless payments and, in selected jurisdictions, withdraw cash at ATMs.

Key capabilities include flexible multi-currency fiat and multi-chain/stablecoin on- and off-ramps, T+0 conversion and settlement during trading hours with near-instant credit, enterprise issuance of cards to employees or upstream/downstream partners, hierarchical transaction controls and spending limits, and comprehensive expense reporting with foreign-exchange records to support corporate treasury and financial management. The underlying wallet architecture employs multi-party computation (MPC) key-sharding technology in cooperation with licensed financial institutions and compliant custodians to reduce single points of failure.

AX ONE's full custody solution employs an enterprise-grade architecture optimized for B2B use, combining cold wallet infrastructure (HSM, MPC, and firewall-based "3x" security, offline vaults, multi-layer redundancy, and multi-signature whitelists with limit policies) with high-concurrency hot wallet orchestration (multi-tenant vault and sub-account APIs/SDKs with HSM-resident approval thresholds), governed by multiple-approval workflows, full-cycle audit, 24/7 continuous operation, and KYC/KYB, AML, FIPS, and SOC 2 compliance standards. During the fiscal year ended March 31, 2026, the AX ONE payments platform processed approximately $226 million in total payment volume.

i. AX ONE Treasury Management and Full Custody Architecture



ii. AX ONE Business Model and Fees

AX ONE's business model generates revenue through payment processing and conversion fees, custody and platform subscription fees, API connectivity fees, and card program fees.

Types	Fees	Charged By
Payment Processing and Conversion Fee	0.1% to 0.65% of transaction volume	AX ONE
Custody and Platform Fee	0.1%–0.18% per annum	AX ONE
API / Connectivity Service Fee	Fixed amount between $20,000 and $50,000 per integration	AX ONE
Card Program Fee	0.65% to 1% of spending volume	AX ONE

II. AI Tokens Pillar

a. **KOVAR — Enterprise-Grade AI and Web4.0 Infrastructure Platform**

KOVAR is the Company's enterprise-grade AI and Web4.0 (AI + Web3.0) infrastructure platform operated by AlloyX HK, developed within the AXG ecosystem and strategically incubated through AXG Intelligence ("AXGI"). KOVAR is dedicated to providing verifiable, operable, and commercially deployable AI infrastructure for institutions and the emerging "agent economy," with core application scenarios spanning financial technology, digital assets, enterprise services, and global expansion use cases. KOVAR's platform and delivery model draws on our group's deep engineering talent base and cost-efficient, high-cadence research, development, and delivery capabilities supporting global operations, with Hong Kong serving as our group's key international business and capital markets window connecting KOVAR to global institutions and partners. We believe KOVAR benefits significantly from the Company's Nasdaq-listed governance standards, brand trust, and institutional client network, which enhance procurement confidence among large enterprise and financial institution customers.

KOVAR operates two core product lines:

- **Know-your-Agent ("KYA").** KYA is an identity, permission, behavior, and risk governance layer for AI agents operating in Web3 and enterprise environments. KYA enables organizations to identify and verify AI agents, control their permissions, audit their operations, and trace accountability for their actions, and connects to KYC/KYB/KYT, AML, and policy engines to form a closed-loop, enterprise-grade governance and compliance framework. KYA is applicable to on-chain automation, agent execution, and risk and compliance workflows, providing what we believe is a trusted foundation for the Web4.0 era in which autonomous agents transact and operate at scale — including in agentic payment scenarios in combination with AX COIN and AgenPay, as described below.

- **KovaRouter.** KovaRouter is an enterprise AI model aggregation and intelligent routing platform. KovaRouter aggregates major global large language models — including GPT, Claude, and Gemini model families, and other major large language model families — behind a unified access, billing, and permission-management layer, and applies policy-based routing that dynamically optimizes across cost, speed, quality, and availability. The platform supports customizable front-ends, administrative consoles, API gateways, and enterprise-grade operational capabilities, enabling enterprises to deploy multi-model AI capabilities at lower cost and with faster time-to-production. KovaRouter was commercially launched during the fiscal year ended March 31, 2026.

The two product lines are designed to be synergistic: KovaRouter provides the model supply and application entry point ("AI invocation"), while Know-your-Agent provides agent governance and risk control, together forming an integrated "AI invocation + agent governance" platform. This architecture is complemented by KOVAR Cloud, the infrastructure layer providing enterprise-grade AI governance and the agent runtime foundation.

i. KOVAR Business Model and Fees

KOVAR's business model relies on usage-based fees for AI model invocations, platform subscription fees for governance and console access, and solution and integration fees for enterprise deployments.

Types	Fees	Charged By
AI Model Invocation (Usage-Based) Fee	$0.8 per million input tokens processed/$3.2 per million output tokens processed	KOVAR
Platform Subscription Fee (Governance & Consoles)	$1,200 per month	KOVAR
Solution and Integration Fee	Fixed amount between $35,000 and $110,000 per deployment	KOVAR

b. **AgenPay — AI-Native Payment Layer**

Bridging our two pillars, AgenPay is our AI-native payment layer operated by AlloyX HK, providing agentic payment infrastructure that combines AX COIN stablecoin adoption with Know-your-Agent compliance. AgenPay enables scenarios in which humans use AX COIN to place orders that AI agents then execute, as well as scenarios in which AI agents transact automatically using AX COIN — including AI-driven cross-border B2B payment automation and AI-powered travel and ticketing payment orchestration. We believe this positions the Company to address the emerging agentic payments market, which third-party research estimates could exceed $50 billion by 2030.

i. AgenPay Business Model and Fees

Types	Fees	Charged By
Agentic Transaction Fee	0.1% of transaction volume	AgenPay
Platform Integration Fee	Fixed amount between $20,000 and $50,000 per integration	AgenPay

c. **AI-Driven Wealth Management (AgentX)**

Within the AI Tokens pillar, we are also developing AgentX, an AI-powered digital asset management platform operated by AlloyX HK serving family offices, ultra-high-net-worth individuals, funds, and financial institutions. AgentX provides personalized market intelligence, portfolio analysis and investment strategy tools, and a product listing marketplace, with a phased roadmap extending from a technology platform to broker-dealer connectivity and, ultimately, asset management workflow automation and white-label solutions for institutions.

i. AgentX Business Model and Fees

Types	Fees	Charged By
Platform Access / Subscription Fee	$6,000 to $45,000 per annum, provide custom pricing	AgentX
White-Label Licensing Fee	$12,000 to $80,000 per annum, provide custom pricing	AgentX
Transaction-Based / Advisory Fee	0.5% of managed assets / transaction value	AgentX

Summary of Our Products and Services and Revenue Models

The following table summarizes our principal products and services across the two pillars and their associated revenue models:

Pillar	Business Platform	Principal Products and Services	Primary Revenue Sources
Digital Asset Tokens	AX COIN	Regulated stablecoin issuance (AXUSD, AXBHD; Shariah-compliant option); cross-border payment and settlement	Reserve income earned on fiat reserves backing stablecoins in circulation; mint and redemption fees; transaction and distribution-related fees
Digital Asset Tokens	Solomon JFZ	Securities and virtual asset brokerage; wealth management; corporate finance; asset management; custody and on/off-ramp services	Brokerage commissions and handling fees; margin financing interest; underwriting and placement fees; management and performance fees
Digital Asset Tokens	Solomon Wealth	Private wealth management and trust structuring services; company secretarial and corporate administration services for high-net-worth individuals, family offices, and institutional clients.	Wealth management service fees; trust and company secretarial fees.
Digital Asset Tokens	FERION	End-to-end RWA tokenization (structuring, issuance, distribution)	Tokenization structuring, issuance, and platform fees
Digital Asset Tokens	AX ONE	Treasury, custody, and payment orchestration; conversion and smart routing; card programs	Payment processing and conversion fees; custody and platform fees; API/connectivity service fees
AI Tokens	KOVAR — KovaRouter	Enterprise AI model aggregation, unified access/billing, policy-based intelligent routing	Usage-based fees on model invocation volume and routing packages; platform subscription fees (enterprise, custom, administrative consoles)
AI Tokens	KOVAR — Know-your-Agent	AI agent identity verification, permission control, behavior audit, risk governance, and compliance	Solution and integration fees; subscription fees for governance capabilities; compliance and training services
AI Tokens	AgenPay/AgentX	Agentic payment orchestration; AI-driven wealth management tools	Transaction-based fees; platform and white-label fees (as these offerings continue to scale)

Across both pillars, our revenue model combines recurring, volume-linked income streams (stablecoin reserve income, AI usage fees, payment processing fees, and asset management fees) with transaction-driven income (brokerage commissions, tokenization fees, and underwriting fees) and subscription-based platform fees, which we believe provides diversification and scalability as adoption grows. Channel and distribution revenue — including agency distribution and co-selling arrangements with enterprise partners — supplements these core streams within the AI Tokens pillar.

Seasonality

Our business is generally not subject to significant seasonal fluctuations. Revenue and operating results are primarily influenced by broader macroeconomic conditions, the performance and volatility of global securities and digital asset markets, interest rate environments, and the pace of institutional adoption of AI and blockchain technologies. Transaction volumes across our brokerage, stablecoin, and treasury businesses tend to fluctuate with market sentiment and client activity rather than predictable seasonal patterns. Similarly, enterprise adoption of our AI infrastructure is driven mainly by corporate IT budgets and strategic initiatives.

Customers

Our customer base has evolved significantly following the strategic transformation in fiscal 2026, shifting from a predominantly retail and high-net-worth investor focus to a more diversified, institutionally oriented profile.

In the Digital Asset Tokens pillar, AX COIN and AX ONE primarily serve banks, fintech companies, payment service providers, corporate treasury users, digital asset exchanges, over-the-counter trading firms, market makers and liquidity providers. Intended use cases include institutional remittances, merchant settlement, business-to-business payments, cross-border trade settlement, treasury management and liquidity management, with an initial focus on payment corridors connecting the GCC with Asia, Africa and other emerging markets. FERION serves financial institutions, asset managers, and corporations seeking to tokenize traditional financial and real-world assets. Solomon continues to serve retail investors, high-net-worth individuals, family offices, and trusts, while increasingly functioning as an institutional gateway for virtual asset trading and RWA distribution.

In the AI Tokens pillar, KOVAR and AgenPay primarily target large enterprises, digital asset and fintech institutions, and application developers requiring governed, multi-model AI access and compliant agent infrastructure. We also work with channel partners and independent software vendors who integrate our solutions into their own offerings.

We actively monitor customer concentration to manage reliance on key institutional and enterprise relationships.

Marketing and Sales

Our go-to-market approach is tailored to the distinct characteristics of each pillar, with an emphasis on institutional engagement and strategic partnerships.

For the Digital Asset Tokens pillar, we focus on direct enterprise sales and business development. We actively engage with central banks, commercial banks, and national payment networks to integrate our stablecoin and treasury infrastructure. We leverage key milestones, such as the CBB full license and RWA tokenization projects, as proof points in our marketing materials. Solomon continues to utilize targeted digital marketing and investor education initiatives in Asia to serve high-net-worth and retail clients.

For the AI Tokens pillar, our marketing efforts center on demonstrating the compliance, cost-efficiency, and technical capabilities of the KOVAR platform. We utilize technical whitepapers, enterprise case studies, developer outreach, and channel partnerships to drive adoption. Across both pillars, our status as a Nasdaq-listed company serves as an important signal of stability, governance, and regulatory compliance to institutional prospects.

Research and Development

Please see "*Item 5.C. Research and Development*" below for a description of our research and development activities.

Competition

We operate in highly competitive and rapidly evolving markets across our two operating pillars: Digital Asset Tokens and AI Tokens. These markets are characterized by rapid technological change, evolving regulatory frameworks, significant capital requirements, pricing pressure, the entry of large financial and technology companies, and continuing consolidation. We compete on regulatory authorization, institutional trust, liquidity and distribution, security and reliability, breadth of product functionality, interoperability, execution quality, customer acquisition and the ability to convert partnerships into scalable commercial activity. While our regulatory approvals and integrated product architecture provide meaningful differentiation, they do not, by themselves, prevent competitors from developing comparable capabilities.

Digital Asset Tokens

- **Stablecoin Issuance, Treasury and Payments**

Through AX COIN and AX ONE, we compete with established global stablecoin issuers, bank-issued tokenized deposits, central bank digital-currency initiatives, payment processors, foreign-exchange and remittance providers, card networks, and banks developing tokenized settlement infrastructure. The principal global stablecoin issuers currently have substantially greater circulation, liquidity, brand recognition and financial resources than we do. Banks and payment networks may also benefit from existing customer relationships, balance sheets and direct access to payment rails.

According to Citi's September 2025 *Stablecoins 2030* report, stablecoin issuance increased from approximately US$200 billion at the beginning of 2025 to approximately US$280 billion by September 2025. Citi projected a 2030 base case of US$1.9 trillion and a bull case of US$4.0 trillion, while noting that stablecoins, tokenized deposits and central bank digital currencies are likely to coexist rather than one form of digital money displacing all others.

Our competitive position is based principally on regulated issuance capability and a focused institutional use-case strategy. In June 2026, after receiving in-principle approval in January 2026, AX Coin Bahrain B.S.C. (c) was licensed by the Central Bank of Bahrain ("CBB") to conduct stablecoin issuer activities under the CBB's stablecoin regulatory framework. According to our June 3, 2026 announcement, this was the first license granted under that framework. The license does not, by itself, establish commercial issuance, circulation, customer adoption or transaction volume. The CBB framework requires, among other matters, that approved stablecoins be backed at least 100% by eligible reserve assets, with legal and operational segregation of reserves, daily reconciliation, monthly independent external-audit reporting on reserve backing, and a direct right of redemption at par, generally within one business day. We believe these requirements support institutional confidence. AXUSD and AXBHD remained in development as of the dates of the relevant public announcements. Our June 2026 strategic agreement with FOMO Pay and our non-binding memoranda of understanding with Bank of Bahrain and Kuwait ("BBK"), The BENEFIT Company, INFINIOS and Singapore Gulf Bank are intended to evaluate or advance cross-border settlement, treasury, wallet and payment use cases. These arrangements were exploratory or developmental when announced and should not be understood as evidence of completed integrations, commercial issuance or committed transaction volume.

- **Institutional Brokerage, Virtual-Asset Intermediation and Custody**

Through Solomon, we compete with traditional securities firms, SFC-licensed virtual-asset trading platforms, crypto-native custodians and prime brokers, and global financial institutions expanding into digital-asset execution, custody and administration. These competitors include firms with larger balance sheets, deeper liquidity relationships and greater technology and marketing resources. As of June 1, 2026, the Hong Kong Government reported that 13 virtual-asset trading platforms had been licensed, illustrating the expanding regulated competitive field.

Solomon holds Hong Kong SFC licenses for Type 1, Type 4, Type 6 and Type 9 regulated activities and received approval on March 25, 2024 to provide virtual-asset dealing and advisory services, subject to conditions (including that dealing services be provided through an omnibus account with an SFC-licensed virtual-asset trading platform and only to clients of Solomon's Type 1 business). We compete on the ability to provide regulated access across traditional securities and digital assets, including virtual-asset trading, spot-ETF creation and redemption, security-token offerings and RWA distribution. For the year ended March 31, 2026, Solomon's assets under administration increased 347% to US$848.8 million, and our stablecoin and fiat-currency trading volume increased 395% to US$1.04 billion. These measures indicate increased platform activity; however, assets under administration are not owned by us, trading volume does not equal revenue, and historical growth rates may not be sustained.

- **RWA Tokenization**

Through FERION, we compete with specialist tokenization platforms, digital-asset infrastructure providers, banks, asset managers, fund administrators and exchanges developing issuance, transfer-agent, custody, distribution and lifecycle-management capabilities. McKinsey estimated in June 2024 that the market capitalization of tokenized financial assets (excluding cryptocurrencies and stablecoins) could reach approximately US$2 trillion by 2030, with a range of approximately US$1 trillion to US$4 trillion, while emphasizing that broad adoption remains dependent on regulation, infrastructure maturity, interoperability and investor demand. For the year ended March 31, 2026, FERION launched 10 RWA projects with approximately US$52 million in total value tokenized. We seek to differentiate FERION through an end-to-end workflow covering asset preparation, token issuance, KYC/AML, regulatory coordination, reporting, cash-flow distribution and redemption, together with distribution through our broader ecosystem. However, many competitors have longer operating histories, larger issuer pipelines or proprietary distribution, and market standards remain fragmented.

AI Tokens

- **AI Infrastructure, Model Aggregation and Routing**

Through KOVAR Cloud and KovaRouter, we compete with hyperscale cloud providers, enterprise AI platforms, model developers, model marketplaces, specialized AI gateways and open-source routing layers. Relevant competitors include Amazon Bedrock, Microsoft Azure AI Foundry and Google Vertex AI, as well as specialized platforms such as OpenRouter and Portkey. These platforms may offer broader model catalogs, larger developer communities, bundled cloud services and greater pricing leverage. Grand View Research projected that the broader global large-language-model market could reach US$35.43 billion by 2030, representing a 36.9% compound annual growth rate from 2025 to 2030. We compete on secure infrastructure, service levels, model availability, routing quality, cost, latency, billing, permission management, deployment flexibility and enterprise support.

- **Agent Identity, Governance and Compliance**

Through KOVAR Agent (Know-Your-Agent), we compete with identity, cybersecurity, AI governance, policy-engine, RegTech and workflow-control providers. Gartner projected that 40% of enterprise applications could include task-specific AI agents by the end of 2026, up from less than 5% in 2025, while cautioning that many products described as agents remain assistants that require human input. In a 2025 PwC survey of 308 U.S. business executives, 79% reported that their companies were adopting AI agents, but only 20% trusted agents to handle financial transactions. We believe this trust gap supports demand for identity verification, delegated permissions, policy enforcement, audit trails and accountability. Our Know-Your-Agent architecture is designed to integrate with KYC, KYB, Know-Your-Transaction, Know-Your-Wallet and anti-money-laundering controls. Its commercial success will depend on demonstrable security, interoperability and customer adoption.

- **Agentic Payments**

Through AgenPay, an initiative we are incubating pursuant to a memorandum of understanding with SC Ventures, we expect to compete with global card networks, payment processors, banks, hyperscale technology companies and crypto-native protocols. Visa reported that more than 100 partners were participating in Visa Intelligent Commerce and that hundreds of controlled real-world agent-initiated transactions had been completed as of December 2025. Mastercard launched Agent Pay in April 2025; Google introduced the payment-agnostic AP2 protocol with more than 60 organizations in September 2025; and Coinbase launched the x402 stablecoin-payment protocol in May 2025. These developments demonstrate substantial incumbent interest, but the market remains at an early stage and standards remain fragmented. AgenPay was in incubation when announced and had not generated disclosed commercial transaction volume or revenue.

We believe our competitive distinction lies not in claiming leadership in each individual market, but in integrating regulated digital-money issuance, institutional intermediation, RWA tokenization, treasury and payment infrastructure, enterprise AI routing, and agent identity and governance within a single operating group. This architecture is intended to enable governed AI systems to initiate transactions through regulated value rails while maintaining identity, permissions, monitoring and auditability. The model has begun to produce measurable operating activity. As reflected in our fiscal 2026 consolidated financial statements, total revenue was approximately US$28.05 million, including approximately US$22.2 million from AI infrastructure services and US$5.6 million from Digital Asset Tokens. Fiscal 2026 operating metrics included approximately US$226 million of AX ONE total payment volume, US$52 million of FERION value tokenized, US$848.8 million of Solomon assets under administration and US$1.04 billion of stablecoin and fiat-currency trading volume. These measures are operating indicators. Payment volume and trading volume do not represent revenue; assets under administration are not assets owned by us; and value tokenized does not represent the market value, liquidity or future performance of the underlying assets. These metrics are not directly comparable and do not assure that we will achieve scale, profitability or successful commercialization of AX COIN, KOVAR or AgenPay.

Competitive Strengths

We believe the following four strengths support our competitive position. Each of these strengths is subject to execution, regulatory, technology, counterparty and market-adoption risks, and competitors may replicate elements of our model.

- ***Complementary regulated capabilities through subsidiaries in Bahrain and Hong Kong.*** We combine a CBB-licensed stablecoin issuer with a Hong Kong securities intermediary holding SFC licenses for Type 1, Type 4, Type 6 and Type 9 regulated activities and conditional approvals for virtual-asset dealing and advisory services. Subject to the scope and conditions of each authorization, this regulatory foundation supports the development of issuance and payment use cases in Bahrain and regulated securities and virtual-asset intermediation in Hong Kong. Solomon's fiscal 2026 assets under administration reached US$848.8 million, an increase of 347%, and our stablecoin and fiat-currency trading volume reached US$1.04 billion, an increase of 395%. FOMO Pay entered into a strategic agreement with AX COIN to evaluate and advance Asia–Middle East settlement use cases, while BBK, BENEFIT and Singapore Gulf Bank entered into non-binding MoUs to assess institutional-payment, remittance, treasury or cross-border-settlement applications. These authorizations and arrangements do not provide exclusivity, and additional approvals may be required for particular products, jurisdictions or customer segments.

- ***Commercial traction across multiple revenue and transaction channels, with material revenue concentration.*** As reflected in our fiscal 2026 consolidated financial statements, revenue increased to approximately US$28.05 million from US$2.82 million in fiscal 2025. AI infrastructure service fees contributed approximately US$22.2 million, or approximately 79% of total revenue, and Digital Asset Tokens contributed approximately US$5.6 million. Fiscal 2026 operating indicators included approximately US$226 million of AX ONE payment volume, 10 FERION RWA projects with US$52 million in value tokenized, US$848.8 million of Solomon assets under administration and US$1.04 billion of stablecoin and fiat-currency trading volume. We believe these metrics demonstrate initial commercial use across AI infrastructure, payments, tokenization and institutional services. The FERION ecosystem is further supported by our collaboration with Libeara on the RYT tokenized money-market fund and our investment in Libeara. This growth has not yet translated into profitability; in fiscal 2026, we recorded a net loss of approximately US$13.29 million and approximately US$21.3 million of AI cloud-service costs, and our revenue remained concentrated in AI infrastructure services. Infrastructure cost, customer concentration, retention and the conversion of operating activity into recurring revenue remain important execution factors.

- ***Integrated architecture for governed AI-to-value workflows.*** Our Digital Asset Tokens pillar combines AX COIN, AX ONE, FERION and Solomon, while our AI Tokens pillar combines KOVAR Cloud, KOVAR Agent and KovaRouter. KovaRouter is designed to provide unified access, billing, permissions and intelligent routing across multiple large-language models, while KOVAR Agent is designed to provide agent identity, access control, behavior monitoring, operational audit and accountability integrated with financial-crime and policy engines. AgenPay is intended to connect these capabilities with payment routing so that an authorized agent can discover a service, obtain permission, initiate payment and generate an auditable record. We believe this combination is relevant because Gartner projected that 40% of enterprise applications could include task-specific agents by the end of 2026, while only 20% of respondents to PwC's 2025 executive survey trusted agents to conduct financial transactions. SC Ventures signed an MoU to incubate AgenPay with us, including API, routing and proof-of-concept work, and 4Paradigm entered into a strategic collaboration with us to develop AI-enabled blockchain compliance and RegTech capabilities. Neither collaboration establishes commercial adoption, and any competitive advantage will depend on product performance, security, interoperability and conversion of proofs of concept into recurring revenue.

- ***Public-company reporting framework and institutional ecosystem access.*** As a Nasdaq-listed foreign private issuer, we are subject to SEC reporting requirements and applicable Nasdaq governance standards. We believe this reporting framework, together with regulated subsidiaries, may facilitate diligence, procurement and counterparty assessment relative to providers that do not offer comparable public disclosure. Our September 2025 acquisition of AlloyX, announced at stated consideration of US$350 million, added the core tokenization, payments and AI platforms that support our two-pillar strategy; the selling shareholders were subject to a 12-month lock-up. Solomon was also selected as an industry pioneer for the Hong Kong Monetary Authority's EnsembleTX pilot phase, in which it was identified to participate in real-value interbank use cases involving tokenized deposits and tokenized-fund subscriptions. Our ecosystem includes the executed FOMO Pay strategic agreement and non-binding arrangements with banks, a national payment network and payment-infrastructure providers. These relationships may provide access to regulated channels and technical capabilities, but pilot participation does not assure commercial revenue, and the value of any partnership depends on implementation by both parties. Our public-company status also increases compliance and reporting costs.

Growth Strategies

Our objective is to build regulated infrastructure for the movement of digital value and the governance of AI agents that may initiate or support that movement. Over the next two to three years, we intend to pursue the following strategies. The timelines and operating milestones described below are management planning objectives rather than assurances of achievement. Their realization is subject to regulatory approvals, completion of product development and integrations, counterparty participation, market demand, funding, cybersecurity and other risks described elsewhere in this annual report.

- ***Commercialize regulated stablecoins and expand treasury and payment corridors.*** We enter this phase with a CBB stablecoin issuer license, approximately US$226 million of AX ONE payment volume in fiscal 2026, a signed strategic agreement with FOMO Pay, and non-binding MoUs with BBK, BENEFIT, INFINIOS and Singapore Gulf Bank. Our execution priorities are to complete the development and regulatory readiness of AXUSD and AXBHD; establish compliant issuance, reserve-management, safeguarding, redemption, reconciliation and reporting processes; integrate AX COIN and AX ONE APIs with selected banks, wallets, payment gateways and treasury clients; and develop B2B trade settlement, remittance, merchant settlement and institutional treasury use cases along GCC–Asia and GCC–Africa corridors. During the next 12 to 24 months, our operating milestones will include commencement of commercial issuance (subject to all required approvals), movement of selected arrangements in each priority counterparty category—banking, national payments and cross-border gateways—from evaluation toward controlled or production implementation, and growth in live corridors, transacting institutional customers and payment volume from the fiscal 2026 baseline of US$226 million. We also intend to assess stablecoin-as-a-service and card-linked applications where legally and commercially feasible. The potential market is substantial: Citi's September 2025 base case projected US$1.9 trillion of stablecoin issuance by 2030 and modeled nearly US$100 trillion of annual transaction activity at a 50-times velocity assumption. Our expected economic impact would be increased transaction fees, treasury-management income and service fees; however, commercialization may be delayed, partner arrangements may not become binding, and reserve and compliance requirements may constrain margins.

- ***Scale enterprise AI infrastructure, Know-Your-Agent governance and agentic payments.*** Our AI Tokens segment generated approximately US$22.2 million of AI infrastructure service fees in fiscal 2026, providing an operating base for KOVAR commercialization. KOVAR's product stack comprises KOVAR Cloud, KovaRouter and KOVAR Agent, and we have announced an MoU with SC Ventures to incubate AgenPay and a strategic collaboration with 4Paradigm relating to AI-enabled blockchain compliance and RegTech. Our execution plan is to expand the number of models and providers available through KovaRouter; improve policy-based routing, observability, billing, privacy, reliability and enterprise administration; integrate Know-Your-Agent with KYC/KYB/KYT, Know-Your-Wallet, AML and authorization engines; and complete proof-of-concept testing for agent-initiated payments with human-defined mandates, limits and audit trails. Over the next 12 to 24 months, our operating milestones are expected to include completing core KovaRouter and KOVAR Agent capabilities, increasing the number of supported models and providers, establishing reference deployments with selected enterprise customers or partners, and completing controlled proof-of-concept testing for agent-initiated payments. We intend to measure progress using the number of supported models, enterprise integrations, active customers, routed usage, recurring subscription and usage revenue, payment proofs of concept completed, and control exceptions identified and remediated. These milestones are subject to product, security, regulatory, counterparty and customer-adoption risks. The broader opportunity is illustrated by Grand View Research's projection that the AI-agent market could reach US$182.97 billion by 2033 and Gartner's projection that 40% of enterprise applications could include task-specific agents by the end of 2026. These industry forecasts do not represent our addressable market or expected revenue, and agentic payments remain at an early stage. If successful, this strategy could increase subscription, usage, implementation and transaction revenue and create cross-selling opportunities between our AI and Digital Asset Tokens pillars.

- ***Broaden RWA issuance and institutional digital-asset services.*** FERION launched 10 RWA projects with approximately US$52 million in value tokenized during fiscal 2026, while Solomon reached US$848.8 million of assets under administration and our stablecoin and fiat-currency trading volume reached US$1.04 billion. We intend to expand FERION's issuer pipeline and supported asset classes, with an initial focus on money-market funds, private credit, securities and other instruments for which legal rights, valuation, custody, cash flows and redemption can be structured and monitored. We plan to standardize reusable issuance modules, connect additional custodians, administrators, legal advisers and distribution partners, enhance investor and net-asset-value reporting, and integrate FERION products with Solomon's regulated intermediation and AX ONE treasury functions. Over the next two to three years, we intend to measure progress against the fiscal 2026 baselines of 10 projects and US$52 million in tokenized value, and against Solomon's US$848.8 million AUA and US$1.04 billion trading volume, with the objectives of increasing repeat issuers, supported asset classes, value tokenized, recurring post-issuance management fees and institutional distribution. We also intend to expand virtual-asset and tokenized-product services within the scope of Solomon's SFC authorizations and any additional approvals obtained. McKinsey's approximately US$2 trillion 2030 base-case estimate for tokenized financial assets and BCG's projection that tokenized funds alone could exceed US$600 billion by 2030 illustrate the potential market, but both are forecasts and depend on regulatory clarity, interoperability, liquidity and investor demand. We expect successful execution to diversify fee income across issuance, lifecycle management, brokerage, administration and distribution; however, product launches may be delayed by legal structuring, regulatory review or insufficient secondary-market liquidity.

- ***Sequence regulatory expansion around demonstrated client and corridor demand.*** Our current regulated foundations are in Bahrain and Hong Kong, supplemented by a minority investment in an MAS Major Payment Institution licensee in Singapore; the investee's license is not held by us. Rather than pursue licenses solely for geographic coverage, we intend to prioritize authorizations that unlock specific products, clients or payment corridors. Over the next 24 to 36 months, we plan to assess and, where justified by customer demand, seek additional licenses, registrations or partnerships in Europe, Singapore and North America for stablecoin, payment, money-service, digital-asset, brokerage or custody activities. Our execution sequence will be: first, complete regulatory gap analyses and target-product definitions; second, determine whether direct licensing, acquisition, minority investment or partnership provides the most capital-efficient entry; third, submit selected applications or complete transactions; and fourth, launch only after approval and operational-readiness testing. Management intends to monitor this strategy using the number of regulatory gap analyses completed, applications submitted, approvals obtained, licensed entities integrated, jurisdictions activated, compliance findings remediated and revenue generated from each new market. Within the 24-to-36-month planning period, we intend to reach documented go/no-go decisions for Europe, Singapore and North America; any application, approval or market entry will remain subject to the applicable regulatory process and management's capital-allocation criteria. The expected impact is a broader addressable institutional client base and reduced dependence on any single jurisdiction. Regulatory expansion will also increase capital, staffing, systems and reporting requirements, and there can be no assurance that any application will be approved or that an approved license will produce an adequate return.

Intellectual Property

Intellectual property and proprietary rights are critical to the success of our business. We rely on a combination of patent, copyright, trademark, and trade secret laws in Hong Kong and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements, and other contractual protections, to establish and protect our intellectual property and proprietary rights, including our proprietary technology, software, know-how, and brand.

The following provide the details of the registered trademarks that Solomon JFZ currently has in the Hong Kong SAR:

Application #	Goods/Services	Mark	Country	Approval Date	Registration Date	Expiration date
305215211	Class No: 36	logo	China	September 11, 2020	March 11, 2020	March 10, 2030
305717061	Class No: 9, 35, 36, 42	logo	China	January 4, 2022	August 13, 2021	August 12, 2031
306185430	Class No. 36	logo	China	July 21, 2023	March 7, 2023	March 6, 2033
306185421	Class No. 36	logo	China	July 21, 2023	March 7, 2023	March 6, 2033
306185412	Class No. 36	logo	China	July 21, 2023	March 7, 2023	March 6, 2033
306674095	Class No. 36	logo	China	June 10, 2025	September 20, 2024	September 19, 2034

Regulation

Currently, a substantial portion of our business operations is conducted in Hong Kong through our Hong Kong Subsidiaries, including Solomon JFZ, Solomon Wealth, AlloyX HK, and AX Coin HK, with additional regulated operations conducted through our subsidiaries in Singapore, the United States, Canada and the Kingdom of Bahrain. This section sets forth a summary of the most significant rules and regulations that affect our subsidiaries' business activities in Hong Kong and the other jurisdictions in which they are licensed or registered.

Save as disclosed below, other than those requisites for a domestic company engaged in the same business in the relevant jurisdiction, we are not required to obtain any additional permission from any Hong Kong or other authorities. Save as disclosed below, as of the date of this report, our subsidiaries have received from the relevant regulatory authorities in Hong Kong and the other jurisdictions in which they operate all requisite licenses, permissions or approvals needed to engage in the businesses currently conducted by them, and no permission or approval has been denied. Such licenses, permissions and approvals include, among others, the Type 1 license (dealing in securities), Type 4 license (advising on securities), Type 6 license (advising on corporate finance) and Type 9 license (asset management) granted by the HKSFC, together with the related virtual asset dealing and advisory approvals; the Trust or Company Service Provider license granted by the Registrar of Companies of Hong Kong; the Major Payment Institution license granted by the Monetary Authority of Singapore; the money services business registrations with the U.S. Financial Crimes Enforcement Network and the Financial Transactions and Reports Analysis Centre of Canada; and the Capital Markets — Stablecoin Issuer license granted by the Central Bank of Bahrain.

I. Licensing and Registration Under the SFO Administered by the HKSFC

The HKSFC is an independent statutory body set up in 1989 to regulate Hong Kong's securities and futures markets. It operates independently of the Government of Hong Kong, and is funded mainly by transaction levies and licensing fees.

The HKSFC derives its investigative, remedial and disciplinary powers from the SFO and the subsidiary legislations thereunder. The SFO, in particular, vested the HKSFC with multiple roles and sets out its regulatory objectives, including:

(i) to maintain and promote the fairness, efficiency, competitiveness, transparency and orderliness of the securities and futures industry;

(ii) to promote understanding by the public of financial services including the operation and functioning of the securities and futures industry;

(iii) to provide protection for members of the public investing in or holding financial products;

(iv) to minimize crime and misconduct in the securities and futures industry;

(v) to reduce systemic risks in the securities and futures industry; and

(vi) to assist the Financial Secretary of Hong Kong in maintaining the financial stability of Hong Kong by taking appropriate steps in relation to the securities and futures industry.

The HKSFC is one of the four financial regulators in Hong Kong charged with oversight of finance and investing, but it is the only Hong Kong financial regulator that is given the mandate to educate the investing public. Following the enactment of the Securities and Futures (Amendment) Ordinance 2012, the Investor Education Centre (now known as the Investor and Financial Education Council) was formed as a HKSFC subsidiary to educate the public on a broad range of retail financial products and services.

Under the SFO, any person who carries on a business in a regulated activity or holds itself out as carrying on a business in a regulated activity must be licensed under the relevant provisions of the SFO to carry on that regulated activity, unless any exemption under the SFO applies. This applies to a corporation carrying on a business in a regulated activity and to any individuals acting on behalf of that corporation in carrying on such activities, as further described below. It is an offense for a person to conduct any regulated activity without the appropriate license issued by the HKSFC.

Further, if a person (whether by itself or another person on his behalf, and whether in Hong Kong or from a place outside of Hong Kong) actively markets to the public in Hong Kong any services that it provides and such services, if provided in Hong Kong, would constitute a regulated activity, then that person is also subject to the licensing requirements under the SFO.

a. **Types of regulated activities**

Schedule 5 to the SFO stipulates the types of regulated activities, namely:

- Type 1: Dealing in securities
- Type 2: Dealing in futures contracts
- Type 3: Leveraged foreign exchange trading
- Type 4: Advising on securities
- Type 5: Advising on futures contracts
- Type 6: Advising on corporate finance
- Type 7: Providing automated trading services
- Type 8: Securities margin financing
- Type 9: Asset management
- Type 10: Providing credit rating services
- Type 13: Providing depositary services for relevant CISs

b. **Licensed corporation**

For application as a licensed corporation, the applicant has to be incorporated in Hong Kong or an overseas company registered with the Companies Registry of Hong Kong and the licensed corporation has to satisfy the HKSFC that it has proper business structure, good internal control systems and qualified personnel to ensure the proper management of risks that it will encounter in carrying on the proposed regulated business as detailed in the business plan submitted to the HKSFC.

c. **Sponsors and compliance advisers**

A sponsor is a licensed corporation or registered institution licensed or registered under the SFO for Type 6 (advising on corporate finance) regulated activity and permitted under its license or certificate of registration to undertake work as a sponsor in respect of an application for the listing of any securities on a recognized stock market under the GEM Listing Rules or the Listing Rules (as the case may be).

A compliance adviser is a licensed corporation or registered institution licensed or registered under the SFO for Type 6 (advising on corporate finance) regulated activity, that is permitted under its license or certificate of registration to undertake work as a sponsor to act as a compliance adviser under the GEM Listing Rules or the Listing Rules (as the case may be). The main role of a compliance adviser is to ensure that the listed company is properly guided and advised as to compliance with the GEM Listing Rules or the Listing Rules (as the case may be) and all other applicable rules, laws, codes and guidelines. Only firms eligible to act as sponsors are eligible to act as compliance advisers.

Under the sponsor regime established in January 2007, in order to act as a sponsor, apart from holding a Type 6 (advising on corporate finance) license, an application for sponsor license should be submitted to the HKSFC to demonstrate that it can meet the eligibility criteria pursuant to the "Additional competence requirements for corporations and individuals engaging in sponsor and compliance adviser work" set out in Appendix A to the Guidelines on Competence published by the HKSFC. In considering the sponsor license application, the HKSFC will take into account the competency of the firm to act as a sponsor and will also consider more generally the firm's fitness and properness as a corporate finance advisory firm under the Fit and Proper Guidelines published by the HKSFC.

d. **Anti-Money Laundering and Terrorist Financing**

Licensed corporations and other regulated members of our group are required to comply with the applicable anti-money laundering and counter-terrorist financing laws and regulations in Hong Kong as well as the Anti-Money Laundering Guideline. In Hong Kong, legislation dealing with money laundering and terrorist financing includes the following:

(i) the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) ("AMLO").

The AMLO imposes requirements relating to client due diligence and record-keeping and provides regulatory authorities with the powers to supervise compliance with the requirements under the AMLO. The AMLO also establishes the licensing regimes for trust or company service providers and for virtual asset service providers in Hong Kong, and defines the term "virtual asset" in section 53ZRA thereof for the purposes of the virtual asset related conditions imposed on licensed corporations.

(ii) the Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong) ("DTROP")

It is an offence under the DTROP if a person deals with any property knowing or having reasonable grounds to believe it to represent the proceeds of drug trafficking. The DTROP requires a person to report to an authorized officer if he/she knows or suspects that any property (directly or indirectly) represents the proceeds of drug trafficking or is intended to be used or was used in connection with drug trafficking. Failure to make such disclosure constitutes an offence under the DTROP.

(iii) the Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong) ("OSCO")

The OSCO empowers officers of the Hong Kong Police Force and the Hong Kong Customs and Excise Department to investigate organized crime and triad activities, and it gives the courts jurisdiction to confiscate the proceeds of organized and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences. The OSCO extends the money laundering offence to cover the proceeds of all indictable offences in addition to drug trafficking.

(iv) the United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong) ("UNATMO")

The UNATMO provides that it would be a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate. The UNATMO also requires a person to report his knowledge or suspicion of terrorist property to an authorized officer, and failure to make such disclosure constitutes an offence under the UNATMO.

(v) the United Nations Sanctions Ordinance (Chapter 537 of the Laws of Hong Kong) ("UNSO")

The UNSO implements in Hong Kong the United Nations Security Council resolutions to impose targeted sanctions against certain jurisdictions as instructed by the Ministry of Foreign Affairs of the PRC. There are prohibitions against trade-related activities, which include making available to, or for the benefit of, certain persons or entities, any funds or other financial assets or economic resources, or dealing with funds or other financial assets or economic resources of certain persons or entities from the relevant jurisdictions.

(vi) the Weapons of Mass Destruction (Control of Provision of Services) Ordinance (Chapter 526 of the Laws of Hong Kong) ("WMDO")

The WMDO provides that it is a criminal offence for a person to provide services to another person where the first-mentioned person believes or suspects, on reasonable grounds, that the services will or may assist the development, production, acquisition or stockpiling of weapons of mass destruction. The provision of services for the purposes of the WMDO covers a wide range of activities. The WMDO also provides for the criminal liability of the director, manager, secretary or other similar officer of a body corporate for offences committed by the body corporate with the consent and connivance of such officials.

Further, the Anti-Money Laundering Guideline sets out the anti-money laundering and counter-financing of terrorism statutory and regulatory requirements, and the anti-money laundering and counter-financing of terrorism standards which licensed corporations should meet in order to comply with the statutory requirements. It also provides practical guidance to assist licensed corporations and their senior management in designing and implementing their own anti-money laundering and counter-terrorist financing policies, procedures and controls in order to meet the relevant legal and regulatory requirements in Hong Kong.

In addition to the Hong Kong requirements described above, our subsidiaries registered or licensed in other jurisdictions are subject to the anti-money laundering and counter-terrorist financing regimes of those jurisdictions, including the Bank Secrecy Act and FinCEN regulations in the United States applicable to Bravo Valor Partners Ltd., the Proceeds of Crime (Money Laundering) and Terrorist Financing Act in Canada applicable to Gello Finance Ltd., the requirements of the MAS under the Payment Services Act and related notices applicable to GPL Remittance Pte. Ltd., and the anti-money laundering and financial crime rulebooks of the CBB applicable to AX Coin Bahrain B.S.C. (c).

e. **Supervision by the HKSFC**

The HKSFC supervises licensed corporations and intermediaries operating in the market. The HKSFC conducts on-site inspections and off-site monitoring to ascertain and supervise intermediaries' business conduct and compliance with relevant regulatory requirements, and to assess and monitor the financial soundness of intermediaries.

f. **Disciplinary power of the HKSFC**

Under Part IX of the SFO, subject to the due process for exercising disciplinary powers laid down in section 198 of the SFO, the HKSFC may exercise any of the following disciplinary actions against a regulated person (including a licensed person or a registered institution) if that person is found to be guilty of misconduct or not fit and proper to be or remain the same type of regulated person (sections 194 and 196 of the SFO):

- revocation or suspension of all or part of a license or registration in relation to any of the regulated activities for which a regulated person is licensed or registered;
- public or private reprimand on a regulated person;
- prohibition of a regulated person from applying to be licensed or registered;
- prohibition of a regulated person from, among others, applying to be licensed or registered in relation to such regulated activity(ies), for such period as the HKSFC may specify; and
- pecuniary penalty of the greater of an amount not exceeding HK$10 million or three times the profit gained or loss avoided as a result of the conduct in question.

g. **Takeovers and Mergers**

Financial advisers and independent financial advisers licensed by the HKSFC may act for Hong Kong listed issuers as regards transactions principally involving the Listing Rules, the GEM Listing Rules and the Takeovers Code.

In Hong Kong, any takeover, merger, privatization and share repurchase activities affecting public companies are regulated by the Takeovers Code which is issued by the HKSFC in consultation with the Takeovers and Mergers Panel. The primary purpose of the Takeovers Code is to afford fair treatment for shareholders who are affected by takeovers, mergers, privatizations and share buy-backs. The Takeovers Code seeks to achieve fair treatment by requiring equality of treatment of shareholders, mandating disclosure of timely and adequate information to enable shareholders to make an informed decision as to the merits of an offer and ensuring that there is a fair and informed market in the shares of companies affected by takeovers, mergers, privatizations and share buy-backs. The Takeovers Code also provides an orderly framework within which takeovers, mergers, privatizations and share buy-backs activities are to be conducted.

In addition, any other persons who issue circulars or advertisements to shareholders in connection with takeovers, mergers, privatizations and share buy-backs must observe the highest standards of care and consult with the Executive Director of the Corporate Finance Division of the HKSFC or any delegate thereof prior to the release thereof.

The roles and responsibilities of financial advisers and other professional advisers are of particular importance given the non-statutory nature of the Takeovers Code, and it is part of their responsibilities to use all reasonable efforts, subject to any relevant requirements of professional conduct, to ensure that their customers understand, and abide by, the requirements of the Takeovers Code, and to co-operate to that end by responding to inquiries from the Executive or any delegate thereof, the Takeovers and Mergers Panel or the Takeovers Appeal Committee.

II. The Stock Exchange - HKEX

Apart from the HKSFC, HKEX also plays a leading role in regulating companies seeking admission to the Hong Kong markets and supervising those companies once they are listed. HKEX is a recognized exchange controller under the SFO. It owns and operates the only stock exchange and futures exchange in Hong Kong, namely HKEX and Hong Kong Futures Exchange Limited, and their related clearing houses. The duty of HKEX is to ensure orderly and fair markets and that risks are managed prudently, and shall act in the interest of the public and in particular, the interests of the investing public.

In its role as the operator and frontline regulator of the central securities and derivatives marketplace in Hong Kong, HKEX (i) regulates listed issuers; (ii) administers listing, trading and clearing rules; and (iii) provides services at the wholesale level, to participants and users of its exchanges and clearing houses, including issuers and intermediaries (such as investment banks or sponsors, securities and derivatives brokers, custodian banks and information vendors) which service investors directly. These services comprise trading, clearing and settlement, depository and nominee services, and information services. Solomon JFZ is a participant of the Hong Kong Stock Exchange and, as such, is subject to the rules of the exchange and its related clearing houses in addition to the requirements of the HKSFC described above.

III. Licenses Held by Our Subsidiaries

a. **Solomon JFZ — HKSFC Licenses for Regulated Activities and Virtual Asset Services**

Solomon JFZ, a Hong Kong subsidiary of Solowin, is granted a license by the HKSFC in January 2017 to carry out Type 1 (dealing in securities) regulated activities; is granted a license by the HKSFC in October 2019 to carry out Type 4 (advising on securities) regulated activities; is granted a license by the HKSFC in May 2021 to carry out Type 6 (advising on corporate finance) regulated activities but not admitted as a sponsor; and is granted a license by the HKSFC in October 2019 to carry out Type 9 (asset management) regulated activities.

Our subsidiary Solomon JFZ (Asia) Holdings Limited is licensed to carry out regulated activities under Type 1 (Dealing in Securities), which includes: (i) making or offering to make an agreement with another person, or inducing or attempting to induce another person to enter into or to offer to enter into an agreement, for or with a view to acquiring, disposing of, subscribing for or underwriting securities; (ii) providing securities brokerage services to clients for trading in securities listed on the Hong Kong Stock Exchange and other recognized stock markets; and (iii) acting as a placing agent or distributor of securities, funds and other investment products to its clients.

Solomon JFZ is licensed to carry out regulated activities under Type 4 (Advising on Securities), which includes: (i) giving advice on whether, which, the time at which, or the terms or conditions on which, securities should be acquired or disposed of; and (ii) issuing analyses or reports, for the purposes of facilitating the recipients of the analyses or reports to make decisions on whether, which, the time at which, or the terms or conditions on which, securities are to be acquired or disposed of.

Solomon JFZ is licensed to carry out regulated activities under Type 6 (Advising on Corporate Finance), which includes: (i) giving advice concerning compliance with or in respect of the rules made under the SFO for listed corporations; and (ii) giving advice concerning the raising of funds by way of issue of securities and other corporate finance matters, in each case subject to the licensing conditions that Solomon JFZ shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities and shall not advise on matters or transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs issued by the HKSFC.

Solomon JFZ is licensed to carry out regulated activities under Type 9 (Asset Management), which includes: (i) providing a service of managing a portfolio of securities for another person on a discretionary basis; and (ii) acting as manager of funds and discretionary accounts for its clients. The Type 9 license is not subject to any licensing condition.

In March 2024, in addition to providing services related to traditional assets, Solomon JFZ was approved by the HKSFC to provide virtual asset dealing services and virtual asset advisory services. Virtual asset related services are subject to a new regulatory framework in Hong Kong, and Solomon JFZ has been among the initial group of HKSFC approved licensed corporations permitted to provide virtual asset trading and advisory services to investors. In addition, Solomon JFZ has been among the first group of HKSFC approved participating dealers of in-kind subscription and redemption for spot virtual asset ETFs in Hong Kong, enabling investors to subscribe to or redeem ETF shares directly with the underlying digital assets. Solomon JFZ has further developed regulated fiat-to-virtual asset and virtual asset-to-fiat on-ramp and off-ramp capabilities (commonly referred to as “coin-in” and “coin-out” services), enabling clients to deposit and withdraw virtual assets through its platform in a compliant manner.

With respect to providing virtual asset dealing services, the HKSFC has imposed the following licensing conditions on Solomon JFZ: (i) the licensee shall only provide such services through operating an omnibus account established and maintained with an SFC-licensed platform, where the term “SFC-licensed platform” refers to a virtual asset trading platform operator which is licensed by the HKSFC pursuant to section 116 of the SFO and/or section 53ZRK of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (the “AMLO”), and the term “virtual asset” is defined in section 53ZRA of the AMLO; (ii) the licensee shall comply with the “Terms and conditions for licensed corporations or registered institutions providing virtual asset dealing services under an omnibus account arrangement” (as amended from time to time); and (iii) the licensee shall only provide such services to persons which are, and remain at all times, its clients in respect of its business in Type 1 regulated activity (dealing in securities), where the term “dealing in securities” is specified in Part 2 of Schedule 5 to the SFO and the term “virtual asset” is defined in section 53ZRA of the AMLO.

With respect to providing virtual asset advisory services, the HKSFC has imposed the following licensing conditions on Solomon JFZ: (i) the licensee shall comply with the “Terms and conditions for licensed corporations or registered institutions providing virtual asset advisory services” (as amended from time to time); and (ii) the licensee shall only provide such services to persons which are, and remain at all times, clients of the licensed corporation in respect of its business in Type 4 regulated activity (advising on securities), where the term “advising on securities” is specified in Part 2 of Schedule 5 to the SFO and the term “virtual asset” is defined in section 53ZRA of the AMLO.

The following table summarizes the licenses and permissions held by Solomon JFZ.

License/Permit	Issuing Authority	Issuance Date	Term	Restrictions
Type 1 license (dealing in securities)	HKSFC	January 10, 2017	No expiration date	No licensing conditions
Type 1 license (upgraded to offer virtual asset dealing services)	HKSFC	March 25, 2024	No expiration date	With respect to providing virtual asset dealing services, the licensee or registered institution shall only provide such services through operating an omnibus account established and maintained with an SFC-licensed platform. The term "SFC-licensed platform" refers to a virtual asset trading platform operator which is licensed by the SFC pursuant to section 116 of the Securities and Futures Ordinance and/or section 53ZRK of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO). The term "virtual asset" is defined in section 53ZRA of the AMLO. With respect to providing virtual asset dealing services, the licensee or registered institution shall comply with the "Terms and conditions for licensed corporations or registered institutions providing virtual asset dealing services under an omnibus account arrangement" (as amended from time to time). The term "virtual asset" is defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. With respect to providing virtual asset dealing services, the licensee or registered institution shall only provide such services to persons which are, and remain at all times, its clients in respect of its business in Type 1 regulated activity (dealing in securities). The term "dealing in securities" is specified in Part 2 of Schedule 5 to the Securities and Futures Ordinance. The term "virtual asset" is defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.
Type 4 license (advising on securities)	HKSFC	October 16, 2019	No expiration date	No licensing conditions
Type 4 license (upgraded to offer virtual asset advisory services)	HKSFC	March 25, 2024	No expiration date	With respect to providing virtual asset advisory services, the licensee or registered institution shall comply with the "Terms and conditions for licensed corporations or registered institutions providing virtual asset advisory services" (as amended from time to time). The term "virtual asset" is defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance. With respect to providing virtual asset advisory services, the licensee or registered institution shall only provide such services to persons which are, and remain at all times, clients of the licensed corporation or registered institution in respect of its business in Type 4 regulated activity (advising on securities). The term "advising on securities" is specified in Part 2 of Schedule 5 to the Securities and Futures Ordinance. The term "virtual asset" is defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.
Type 6 license (advising on corporate finance)	HKSFC	May 13, 2021	No expiration date	The licensee shall not advise on matters/transactions falling within the ambit of the Codes on Takeovers and Mergers and Share Buy-backs issued by the Commission & shall not act as sponsor in respect of an application for the listing on a recognized stock market of any securities
Type 9 license (asset management)	HKSFC	October 16, 2019	No expiration date	No licensing conditions
Type 9 license (upgraded to offer virtual asset management services)	HKSFC	August 25, 2025	No expiration date	Compliance with the "Terms and conditions for licensed corporations or registered institutions managing portfolios of virtual assets" (as amended from time to time). The term "virtual asset" is defined in section 53ZRA of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

Key ongoing obligations of Solomon JFZ as a licensed corporation

i. Remaining fit and proper

Licensed corporations, licensed representatives and registered institutions must remain fit and proper as defined under the SFO at all times. They are required to comply with all applicable provisions of the SFO and its subsidiary legislations as well as the codes and guidelines issued by the HKSFC.

Section 116(3) of the SFO provides that the HKSFC shall refuse to grant a license to carry on a regulated activity unless the applicant for license satisfies the HKSFC that, inter alia, the applicant is a fit and proper person to be licensed for the regulated activity. The applicant must remain fit and proper at all times after the grant of such licenses by the HKSFC. In simple terms, a fit and proper person means one who is financially sound, competent, honest, reputable and reliable. Pursuant to section 129(1) of the SFO, in considering whether a person, an individual, corporation or institution, is fit and proper for the purpose of licensing or registration, the HKSFC shall, in addition to any other matter that the HKSFC may consider relevant, have regard to the following:

(a) the financial status or solvency;

(b) the educational or other qualifications or experience having regard to the nature of the functions to be performed;

(c) the ability to carry on the regulated activity competently, honestly and fairly; and

(d) the reputation, character, reliability and financial integrity,

of the applicant and other relevant persons as appropriate. The above fit and proper criteria serve as the fundamental basis when the HKSFC considers each license or registration application. Detailed guidelines are contained in the Fit and Proper Guidelines, the Licensing Handbook and the Guidelines on Competence published by the HKSFC.

ii. Minimum capital requirements

Section 145 of the SFO provides that depending on the types of regulated activity a licensed corporation conducts, a licensed corporation is required to maintain at all times paid-up share capital and liquid capital not less than the specified amounts in the Securities and Futures (Financial Resources) Rules (Cap. 571N of the laws of Hong Kong) (the "FRR").

The following table summarizes the minimum paid-up capital and liquid capital that a licensed corporation is required to maintain in respect of the types of regulated activities conducted by Solomon JFZ:

Regulated activity	**Minimum paid-up share capital**	**Minimum liquid capital**
Type 1 (dealing in securities) — where the corporation is an approved introducing agent or a trader	Not applicable	HK$500,000
Type 1 (dealing in securities) — where the corporation provides securities margin financing	HK$10,000,000	HK$3,000,000
Type 1 (dealing in securities) — in any other case	HK$5,000,000	HK$3,000,000
Type 4 (advising on securities) — where the corporation is subject to the licensing condition that it shall not hold client assets	Not applicable	HK$100,000
Type 4 (advising on securities) — in any other case	HK$5,000,000	HK$3,000,000
Type 6 (advising on corporate finance) — where the corporation acts as a sponsor (holding / not holding client assets)	HK$10,000,000	HK$3,000,000 / HK$100,000
Type 6 (advising on corporate finance) — where the corporation does not act as a sponsor (holding / not holding client assets)	HK$5,000,000 / Not applicable	HK$3,000,000 / HK$100,000
Type 9 (asset management) — where the corporation is subject to the licensing condition that it shall not hold client assets	Not applicable	HK$100,000
Type 9 (asset management) — in any other case	HK$5,000,000	HK$3,000,000

Pursuant to the FRR, if the licensed corporation is licensed for more than one regulated activity, the minimum paid-up share capital and liquid capital that the corporation should maintain shall be the highest amount required among those regulated activities. Solomon JFZ is required to have a minimum paid-up share capital of HK$10,000,000 and to maintain a minimum liquid capital of HK$3,000,000. Solomon JFZ maintains capital levels greater than the above minimum capital requirements and is in compliance with these HKSFC rules.

iii. Responsible officer requirements

To conduct any regulated activity, a licensed corporation must appoint at least two responsible officers for each type of regulated activity. Among these officers, at least one should be an executive director, responsible for supervising the respective regulated activity. As of the date of this report, Solomon JFZ has three responsible officers to carry out Type 1 regulated activities, two responsible officers to carry out Type 4 regulated activities, one responsible officer to carry out Type 6 regulated activities and two responsible officers to carry out Type 9 regulated activities. Among the responsible officers, at least one of them is an executive director. As a result, we are currently in full compliance with the HKSFC requirements for Type 1, Type 4 and Type 9 regulated activities, but have not been in full compliance with the requirements as to the number of responsible officers for Type 6 regulated activities since March 20, 2026 because of Mr. Cheng Tze Bun's resignation, and we has not, and will not, actively engage in providing Type 6 advising on corporate finance to customers, until the additional Responsible Officer is approved. As of the date hereof, we have not received further notice from HKSFC regarding approval or restriction on the relevant activities.

iv. Notification to the HKSFC of certain events and changes

Pursuant to sections 123 and 135 of the SFO and the Securities and Futures (Licensing and Registration) (Information) Rules (Chapter 571S of the Laws of Hong Kong), licensed corporations, licensed individuals and registered institutions are required to notify the HKSFC within the specified time limit of certain events and changes in their particulars, which include, inter alia, any intended cessation to carry on any regulated activity for which he/she/it is licensed, any intended change of address at which it proposes to carry on the regulated activity for which it is licensed and any cessation to be a director of a licensed corporation.

v. Submission of audited accounts

Section 156(1) of the SFO provides that licensed corporations and associated entities of intermediaries (except those which are authorized financial institutions) shall submit their audited accounts and other required documents within four months after the end of each financial year. If a licensed corporation ceases carrying on all of the regulated activities for which it is licensed, it should submit to the HKSFC its audited accounts and other required documents, made up to the date of cessation, not later than four months after the date of the cessation. The same requirement applies to an associated entity (which is not an authorized financial institution) of an intermediary upon its ceasing to be an associated entity of the intermediary under section 156(2) of the SFO.

vi. Submission of financial resources returns

Licensed corporations are required to submit monthly financial resources returns to the HKSFC. However, pursuant to section 56 of the FRR, corporations that are licensed only for Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 9 (asset management) and/or Type 10 (providing credit rating services) regulated activities and whose licenses are subject to the condition that they shall not hold client assets, are only required to submit semi-annual financial resources returns.

vii. Payment of annual fees

Sections 138(1) and (2) of the SFO provide that each licensed person or registered institution shall pay an annual fee to the HKSFC within one month after each anniversary date of his/her/its license or registration. Failure to make full payment of the annual fee before the due date will attract a surcharge on the outstanding amount and possible suspension and revocation of a license or registration under sections 138(3), 195(4)(a) and 195(6) of the SFO.

viii. Submission of annual returns

Section 138(4) of the SFO stipulates that each licensed corporation or licensed individual is required to submit an annual return to the HKSFC within one month after each anniversary date of his/her/its licenses. Failure to submit annual return before the due date could result in suspension and revocation of the license under sections 195(4)(b) and 195(6) of the SFO.

ix. Continuous professional training ("CPT")

Licensed corporations and registered institutions are primarily responsible for designing and implementing a continuous education program best suited to the training needs of the licensed representatives or relevant individuals they engage. The HKSFC has issued in January 2022 the revised Guidelines on Continuous Professional Training pursuant to section 399 of the SFO. Licensed representatives and relevant individuals of registered institutions are required to complete ten CPT hours per calendar year regardless of the number and type of regulated activities which they may engage in. Further, at least five CPT hours per calendar year attended by an individual should be on topics directly relevant to the regulated activities for which he or she is licensed at the time the CPT hours are undertaken and not less than two CPT hours on topics relating to ethics or compliance per calendar year. Failure to comply with the guidelines on CPT may reflect adversely on the fitness and properness of a person to continue to carry on the regulated activity.

x. Obligation for substantial shareholders

Under section 132 of the SFO, a person (including a corporation) has to apply for the HKSFC's approval prior to becoming or continuing to be, as the case may be, a substantial shareholder of a corporation licensed under section 116 of the SFO. A person who has become aware that he/she/it has become a substantial shareholder of a licensed corporation without the HKSFC's prior approval should, as soon as reasonably practicable and in any event within three business days after he/she/it becomes so aware, apply to the HKSFC for approval to continue to be a substantial shareholder of the licensed corporation.

xi. Variation of regulated activity specified in license or certificate of registration

Under section 127(1) of the SFO, a licensed corporation may apply in the prescribed manner and payment of the prescribed fee to the HKSFC to vary the regulated activity specified in its license or certificate of registration. Prior approval would also need to be obtained from the HKSFC in cases such as addition or reduction of regulated activity, modification or waiver of licensing conditions and change of financial year end.

xii. Modification or waiver of licensing requirements

Under the licensing requirements, a licensed corporation may apply in the prescribed manner and payment of the prescribed fee to the HKSFC for modification or waiver of the conditions imposed or certain other requirements specified in section 134 of the SFO.

xiii. Maintenance of insurance against specified risks

Under section 116(3)(c)(ii) of the SFO, corporations that are licensed to carry on certain regulated activities are required, as a condition of their licenses, to take out and maintain insurance in the manner prescribed by the Securities and Futures (Insurance) Rules (Chapter 571AI of the Laws of Hong Kong). In particular, before or at such time when the corporation becomes a Stock Exchange Participant and is licensed for Type 1 (dealing in securities) regulated activity, it should take out the required insurance under the relevant approved master policy for an insured amount of no less than HK$15,000,000 for the specified risks.

xiv. Other key ongoing obligations

Outlined below are other key ongoing obligations of a licensed corporation:

- payment of the prescribed fees to the HKSFC as described in Schedule 1 to the Securities and Futures (Fees) Rules (Chapter 571AF of the Laws of Hong Kong);
- keep records in accordance with the requirements under the Securities and Futures (Keeping of Records) Rules (Chapter 571O of the Laws of Hong Kong);
- submission of audited accounts and other required documents in accordance with the requirements under the Securities and Futures (Accounts and Audit) Rules (Chapter 571P of the Laws of Hong Kong);
- exhibit the printed license or certificate of registration (as the case may be) in a prominent place at its principal place of business in accordance with the requirements under the Securities and Futures (Miscellaneous) Rules (Chapter 571U of the Laws of Hong Kong); and
- compliance with business conduct requirements under the Code of Conduct, the Internal Control Guidelines and other applicable codes and guidelines issued by the HKSFC.

b. **AX COIN — Stablecoin Issuance and Related Regulatory Framework**

In Hong Kong, the Stablecoins Ordinance, which came into effect on August 1, 2025, established a licensing regime administered by the Hong Kong Monetary Authority (the "HKMA") for issuers of fiat-referenced stablecoins. Under the regime, any person who issues a fiat-referenced stablecoin in Hong Kong, or issues a stablecoin that references the value of the Hong Kong dollar, in the course of business, must be licensed by the HKMA and must comply with requirements relating to, among other things, full backing of the stablecoin by high-quality and highly liquid reserve assets, segregation and safekeeping of reserve assets, redemption at par value, and robust anti-money laundering, disclosure and governance standards. As of the date of this report, no member of our group issues fiat-referenced stablecoins in Hong Kong, and our group continues to monitor and evaluate the Hong Kong stablecoin licensing regime in connection with its stablecoin infrastructure business.

Our subsidiary AX Coin Bahrain B.S.C. (c), an indirect subsidiary held through AX Coin HK Limited, was granted a licence to provide regulated services by the Central Bank of Bahrain (the "CBB") on June 1, 2026, subject to the provisions of Decree No. 64 of 2006 with respect to promulgating the Central Bank of Bahrain and Financial Institutions Law and its amendments (the "CBB Law"). The licence is of the type "Capital Markets — Stablecoin Issuer" and authorizes AX Coin Bahrain B.S.C. (c) to carry on the business of issuing stablecoins as a regulated service in the Kingdom of Bahrain, which includes: (i) the issuance and offering of fiat-backed stablecoins supported by reserve assets maintained in accordance with the CBB's stablecoin issuance and offering requirements; (ii) the minting, distribution and redemption of such stablecoins for clients; and (iii) the operation of related stablecoin management functions, including reserve asset administration, wallet and custody arrangements for issued stablecoins, and integration of the stablecoins with permitted digital asset networks. Prior to the grant of the licence, AXCOIN had been granted the first stablecoin issuer licence on an in-principle basis from the CBB, and the licence was formally issued upon completion of the CBB's final regulatory approval process. AX Coin's principal business is the issuance of enterprise-grade stablecoins and the operation of a B2B infrastructure platform for payments, treasury management and tokenized asset settlement, marketed under the AX COIN brand.

Key ongoing regulatory obligations of AX Coin Bahrain B.S.C. (c) as a licensed stablecoin issuer

As a licensee of the CBB, AX Coin Bahrain B.S.C. (c) is subject to the CBB Law and the relevant modules of the CBB Rulebook Volume 6 applicable to stablecoin issuers, in particular the Stablecoin Issuance and Offering (SIO) Module and the Financial Crime (FC) Module. Its key ongoing regulatory obligations include the following:

Reserve asset backing. The licensee must ensure that each stablecoin in circulation is fully backed at all times (1:1 ratio) by reserve assets whose aggregate market value is at least equal to the par value of the stablecoins in circulation. Reserve assets must consist of high-quality and highly liquid assets denominated in the currency referenced by the stablecoin (or in currencies otherwise permitted by the CBB), with prudent limits on credit, market and concentration risks.

Segregation and safekeeping of reserve assets. Reserve assets must be segregated from the licensee's own assets and held with appropriately licensed custodians or financial institutions, under arrangements designed to protect the reserve assets from claims of the licensee's creditors in the event of the licensee's insolvency.

Redemption at par. The licensee must grant holders of the stablecoin a direct redemption right at par value against the referenced fiat currency, and must process redemption requests within the timeframes prescribed by the CBB without imposing unreasonable conditions or fees.

Disclosure and reporting. The licensee must publish a white paper or equivalent disclosure document describing the stablecoin arrangement, disclose on an ongoing basis the composition and value of the reserve assets, obtain periodic independent attestations or audits of the reserve assets, and submit regulatory returns and audited financial statements to the CBB within the prescribed time limits.

Prudential, governance and AML/CFT requirements. The licensee must maintain the minimum capital prescribed by the CBB (which may be calculated based on the par value of the stablecoins in circulation), maintain robust corporate governance, risk management, internal control, technology risk and cybersecurity frameworks, obtain the CBB's prior approval for controllers and key persons in controlled functions, and comply with Bahrain's anti-money laundering and counter-terrorist financing requirements under the CBB's Financial Crime Module and applicable Bahraini law.

Supervision and enforcement. The licensee is subject to the ongoing supervision of the CBB, which has the power to conduct inspections, require the production of information, impose directives and administrative penalties, and suspend or revoke the licence in the event of non-compliance with the CBB Law or the CBB Rulebook.

Payment and Money Services Registrations and Licences

Following the completion of our acquisition of the AlloyX Group in September 2025, our group's regulated footprint expanded to include payment and money services registrations and licences in the United States, Canada and Singapore, which support the AlloyX Group's stablecoin payment, cross-border settlement and digital asset infrastructure businesses.

c. **GPL Remittance Pte. Ltd. — Major Payment Institution Licence (Singapore)**

In Singapore, the Payment Services Act 2019 (the "PS Act"), administered by the Monetary Authority of Singapore (the "MAS"), provides a consolidated licensing and regulatory framework for payment service providers. Under the PS Act, a person carrying on a business of providing any regulated payment service must hold a payment service provider licence, which may be granted as a money-changing licence, a standard payment institution licence or a major payment institution licence. A major payment institution licence is required where the volume or value of payment transactions exceeds the thresholds specified in the PS Act, and major payment institutions are subject to more stringent prudential and safeguarding requirements commensurate with the scale of their activities.

Our subsidiary GPL Remittance Pte. Ltd. holds a Major Payment Institution licence (Licence No. PS20200168) issued by the MAS on January 28, 2020 under the PS Act, and is licensed to carry on a business of providing the following regulated payment services:

Money-changing service. The licensee is permitted to carry on a business of buying or selling foreign currency notes in Singapore, enabling it to provide currency exchange services to its customers.

Cross-border money transfer service. The licensee is permitted to carry on a business of: (i) accepting money for the purpose of transmitting, or arranging for the transmission of, money to any country or territory outside Singapore; and (ii) receiving money from any country or territory outside Singapore for, or arranging for the receipt of money by, any person in Singapore, enabling it to provide inbound and outbound cross-border remittance and settlement services.

The licence is subject to the conditions that the licensee must notify the MAS of significant changes to its business model, and must notify the MAS of any change in business address, phone number, email address or other contact details within seven days of such change. Under section 122(8) of the PS Act, the holder of this licence continues to be subject to every condition or restriction imposed under the Money-Changing and Remittance Businesses Act or the Payment Systems (Oversight) Act prior to January 28, 2020.

Key ongoing regulatory obligations of GPL Remittance Pte. Ltd. as a Major Payment Institution

As a major payment institution, GPL Remittance Pte. Ltd. is subject to the ongoing statutory and regulatory obligations under the PS Act, the Payment Services Regulations 2019 and the notices and guidelines issued by the MAS thereunder, which include the following:

Base capital requirement. The licensee must maintain at all times a base capital of not less than S$250,000, being the minimum amount prescribed for a major payment institution under the Payment Services Regulations 2019, so as to ensure that the licensee remains adequately capitalized relative to the scale of its payment services business.

Security requirement. The licensee must maintain with the MAS a security of: (i) S$100,000, where the average, over a calendar year, of the total value of all payment transactions that are accepted, processed or executed by the licensee in one month does not exceed S$6 million for any one payment service; or (ii) S$200,000, in any other case. The security must be provided in the form of a cash deposit with the MAS or a bank guarantee in favor of the MAS, and stands as security for the due performance by the licensee of its obligations under the PS Act and for any liabilities arising from its provision of payment services.

Safeguarding of customer moneys. Pursuant to section 23 of the PS Act and Regulation 17 of the Payment Services Regulations 2019, the licensee must safeguard "relevant money" received from, or on account of, its customers no later than the end of the business day following the day of receipt, by means of one or more of the prescribed safeguarding measures: (i) an undertaking or guarantee from a safeguarding institution (being a bank, a merchant bank or such other prescribed financial institution in Singapore) to be fully liable to the customer for such money; (ii) the deposit of such money in a trust account maintained with a safeguarding institution; or (iii) safeguarding such money in such other manner as may be prescribed by the MAS from time to time, in each case so that customer moneys are segregated from the licensee's own assets and protected from claims of the licensee's creditors in the event of the licensee's insolvency.

Anti-money laundering and countering the financing of terrorism. The licensee must implement and maintain an AML/CFT compliance program in accordance with MAS Notice PSN01 (Prevention of Money Laundering and Countering the Financing of Terrorism — Holders of Payment Services Licence (Specified Payment Services)) and the related MAS guidelines, which require, among other things: (i) an enterprise-wide assessment of the money laundering and terrorist financing risks associated with the licensee's business; (ii) risk-based customer due diligence, including the identification and verification of customers and their beneficial owners, and enhanced due diligence for higher-risk customers such as politically exposed persons; (iii) screening of customers and transactions against relevant sanctions and terrorist designation lists; (iv) ongoing monitoring of business relationships and scrutiny of transactions; (v) record-keeping for the prescribed periods; and (vi) the prompt filing of suspicious transaction reports with the Suspicious Transaction Reporting Office of the Singapore Police Force, with a copy extended to the MAS.

Notification of significant changes. The licensee must notify the MAS of, or obtain the MAS's prior approval for, certain events and changes, including: (i) the appointment of its chief executive officer, directors and partners, which requires the MAS's prior approval; (ii) any person becoming a 20% controller of the licensee, which requires the MAS's prior approval; (iii) significant changes to its business model, the types of payment services it provides or its safeguarding arrangements; (iv) any change in its business address, contact details or other prescribed particulars within the prescribed time limits; and (v) any event that materially impedes or impairs the operations of the licensee, including any insolvency event, as soon as practicable after its occurrence.

Periodic regulatory reporting and audit. The licensee must: (i) submit periodic regulatory returns in respect of each payment service it provides, in the prescribed forms and within the prescribed time limits; (ii) lodge its annual audited financial statements with the MAS within the prescribed period after the end of each financial year; and (iii) appoint an auditor to carry out an annual audit of its accounts and transactions and its compliance with the applicable requirements of the PS Act, including the safeguarding and AML/CFT requirements, and to submit the auditor's report to the MAS in the prescribed form.

Risk management and internal controls. The licensee must maintain governance, risk management and internal control frameworks commensurate with the nature, scale and complexity of its business, including compliance with the applicable MAS notices and guidelines on technology risk management, cyber hygiene, business continuity management and outsourcing, and must ensure that its directors and key officers remain fit and proper in accordance with the MAS's fit and proper criteria.

Supervision and enforcement. The licensee is subject to the ongoing supervision of the MAS, which has the power to, among other things, conduct on-site inspections and off-site reviews, require the production of information and documents, issue written directions to the licensee, impose additional licence conditions, impose civil or administrative penalties for contraventions of the PS Act, and suspend or revoke the licence in circumstances prescribed under the PS Act, including where the licensee fails to comply with the applicable regulatory requirements or ceases to be fit and proper.

d. **Bravo Valor Partners Ltd. — Money Services Business Registration (United States)**

In the United States, the Bank Secrecy Act (the "BSA") and its implementing regulations administered by the Financial Crimes Enforcement Network ("FinCEN") of the U.S. Department of the Treasury require any person doing business as a money services business ("MSB"), including money transmitters, dealers in foreign exchange and sellers of money orders, to register with FinCEN and to comply with the anti-money laundering program, recordkeeping and reporting requirements applicable to MSBs. Registration with FinCEN is a federal requirement that applies in addition to any state-level money transmitter licensing requirements that may apply to particular activities conducted in individual U.S. states.

Our subsidiary Bravo Valor Partners Ltd. is registered as an MSB with FinCEN (MSB Registration Number 31000187053707, initial registration received April 12, 2021), pursuant to the BSA regulations at 31 CFR 1022.380(a)-(f). The registration is nationwide in scope, covering all U.S. states and territories, and permits Bravo Valor Partners Ltd. to engage in the following core MSB activities:

Dealer in foreign exchange. The registrant is permitted to engage in the business of exchanging the currency of one country for the currency of another country in amounts exceeding US$1,000 for any one person on any one day, enabling it to provide foreign currency exchange and conversion services.

Money transmitter. The registrant is permitted to engage in the business of accepting currency, funds or other value that substitutes for currency from one person and transmitting such currency, funds or value to another location or person by any means, including through a financial agency or institution, an electronic funds transfer network or an informal value transfer system, enabling it to provide domestic and cross-border funds transmission services.

Seller of money orders. The registrant is permitted to engage in the business of selling money orders in amounts exceeding US$1,000 for any one person on any one day.

The MSB registration is a registration regime administered at the federal level and does not itself constitute a licence; money transmission activities conducted in individual U.S. states may separately require state-level money transmitter licences, and Bravo Valor Partners Ltd. conducts its activities in a manner designed to comply with the applicable federal and state requirements.

Key ongoing regulatory obligations of Bravo Valor Partners Ltd. as a registered MSB

As a registered MSB, Bravo Valor Partners Ltd. is subject to the ongoing requirements of the BSA and the implementing regulations of FinCEN thereunder, which include the following:

Written anti-money laundering program. The MSB must develop, implement and maintain an effective written anti-money laundering program that is reasonably designed to prevent the MSB from being used to facilitate money laundering and the financing of terrorist activities, and that is commensurate with the risks posed by the location, size, nature and volume of the financial services it provides. At a minimum, the program must incorporate the following four pillars: (i) written policies, procedures and internal controls reasonably designed to assure ongoing compliance with the BSA; (ii) the designation of a qualified compliance officer responsible for assuring day-to-day compliance with the program and the BSA; (iii) an ongoing education and training program for appropriate personnel concerning their responsibilities under the program; and (iv) independent testing or review of the program, conducted by an officer, employee or third party with sufficient knowledge of and independence from the functions being reviewed, to monitor and maintain the adequacy of the program.

Suspicious activity reporting. The MSB must file suspicious activity reports ("SARs") with FinCEN in respect of transactions conducted or attempted by, at or through the MSB involving or aggregating funds or other assets of at least US$2,000 where the MSB knows, suspects or has reason to suspect that the transaction: (i) involves funds derived from illegal activity or is intended to hide or disguise such funds; (ii) is designed to evade the requirements of the BSA; (iii) has no business or apparent lawful purpose; or (iv) involves the use of the MSB to facilitate criminal activity, in each case within the prescribed filing deadlines and subject to the strict confidentiality restrictions prohibiting the disclosure of the existence of a SAR.

Currency transaction reporting. The MSB must file currency transaction reports ("CTRs") with FinCEN for each transaction in currency (deposit, withdrawal, exchange or other payment or transfer) of more than US$10,000 conducted by, through or to the MSB by, or on behalf of, the same person on the same business day, with multiple currency transactions being aggregated and treated as a single transaction where the MSB has knowledge that they are conducted by or on behalf of the same person.

Recordkeeping requirements. The MSB must create and maintain records of certain transactions for a retention period of at least five years, including: (i) records required under the funds transfer recordkeeping rules and the so-called "travel rule," which requires the collection, retention and transmission of specified originator and beneficiary information for transmittals of funds of US$3,000 or more; (ii) records of each currency exchange in excess of US$1,000; and (iii) records relating to the issuance or sale of money orders of US$3,000 or more, in each case in a form that is retrievable and available to FinCEN and other authorized examining authorities upon request.

Registration renewal and updates. The MSB must renew its registration with FinCEN every two calendar years by filing a renewed Registration of Money Services Business (FinCEN Form 107), and must re-register or update its registration within the prescribed time limits upon the occurrence of certain events, including a transfer of ownership or control of the MSB, a change in the taxpayer identification number, or a material change in the information previously reported, and must maintain a current agent list where applicable and make such list available upon request to FinCEN and other authorized examining authorities.

Ongoing compliance monitoring and independent review. The MSB must monitor its compliance with the BSA on an ongoing basis, including through periodic independent reviews of the adequacy and effectiveness of its anti-money laundering program, and must document and remediate any deficiencies identified in such reviews.

Supervision and enforcement. The MSB is subject to examination for BSA compliance by the Internal Revenue Service, to which FinCEN has delegated examination authority for MSBs, and to the enforcement authority of FinCEN, which may, among other things, require the production of information, impose civil money penalties for violations of the BSA and its implementing regulations, including for the failure to register or to maintain an effective anti-money laundering program, and refer matters for criminal prosecution; the operation of an unregistered money transmitting business may also constitute a federal criminal offense under 18 U.S.C. § 1960, and state regulators may separately exercise licensing and enforcement authority over money transmission activities conducted in their respective states.

e. **Gello Finance Ltd. — Money Services Business Registration (Canada)**

In Canada, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (the "PCMLTFA") and its associated regulations, administered by the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC"), require any person or entity engaged in the business of foreign exchange dealing, remitting or transmitting funds, issuing or redeeming money orders or similar negotiable instruments, or dealing in virtual currencies to register with FINTRAC as a money services business before commencing such activities. The FINTRAC regime is a registration framework rather than a comprehensive licensing regime: registration with FINTRAC does not constitute an endorsement or licensing of the registrant's business by FINTRAC, but is a mandatory precondition to carrying on money services business activities in Canada and subjects the registrant to the full compliance, reporting and record-keeping obligations of the PCMLTFA. Registration must be renewed every two years and may be revoked where the registrant ceases to meet the applicable requirements.

Our subsidiary Gello Finance Ltd. is registered as a money services business with FINTRAC under the PCMLTFA, and its current registration is valid until April 30, 2028, subject to renewal in accordance with FINTRAC requirements. The registration permits Gello Finance Ltd. to carry on the following money services business activities in Canada, in accordance with the services declared in its registration:

Foreign exchange dealing. The registrant is permitted to conduct transactions involving the exchange of one type of currency for another, such as the exchange of Canadian dollars for U.S. dollars, enabling it to provide currency exchange and conversion services.

Money transferring. The registrant is permitted to transfer funds from one person or entity to another using an electronic funds transfer network or any other method, enabling it to provide domestic and cross-border remittance and funds transfer services.

Dealing in virtual currencies. The registrant is permitted to provide virtual currency exchange services (including exchanging funds for virtual currency, virtual currency for funds, and one virtual currency for another) and virtual currency transfer services (including transferring virtual currency at the request of a client and receiving a transfer of virtual currency for remittance to a beneficiary).

Key ongoing regulatory obligations of Gello Finance Ltd. as a registered MSB

As a money services business registered with FINTRAC, Gello Finance Ltd. is subject to the ongoing requirements of the PCMLTFA and its associated regulations, including the heightened standards for risk-based and effective compliance programs introduced by recent regulatory updates. Its key ongoing regulatory obligations include the following:

Compliance program. The MSB must establish, implement and maintain a documented, risk-based and effective compliance program, which must include the following five core elements: (i) the appointment of a compliance officer with the authority, knowledge and resources necessary to discharge his or her responsibilities; (ii) the development and application of written compliance policies and procedures that are kept up to date and approved by a senior officer; (iii) a documented risk assessment of the money laundering and terrorist financing risks associated with the MSB's clients, products, services, delivery channels, geographic locations and new technologies; (iv) a written and ongoing compliance training program for its employees, agents and mandataries; and (v) a review of the effectiveness of the compliance program, conducted at least every two years by an internal or external auditor or other qualified person, the results of which must be reported to a senior officer.

Client identification and verification. The MSB must verify the identity of clients, using the methods prescribed by the regulations, in the circumstances specified therein, including: (i) large cash transactions and large virtual currency transactions of C$10,000 or more; (ii) electronic funds transfers and virtual currency transfers of C$1,000 or more; (iii) foreign exchange transactions and the issuance or redemption of money orders or similar negotiable instruments of C$3,000 or more; and (iv) any transaction in respect of which a suspicious transaction report is required, and must also determine whether clients are acting on behalf of third parties, ascertain beneficial ownership where required, and make politically exposed person determinations in the prescribed circumstances.

Record-keeping requirements. The MSB must keep the records prescribed by the regulations, including transaction records, large cash and large virtual currency transaction records, electronic funds transfer records (including the originator and beneficiary information required under the applicable "travel rule" requirements), client identification records, third-party determination records and copies of reports filed with FINTRAC, generally for a period of at least five years from the date the record was created or the business relationship ended, and in a manner that enables the records to be provided to FINTRAC within 30 days of a request.

Suspicious transaction and other reporting. The MSB must report to FINTRAC: (i) suspicious transactions and attempted suspicious transactions where there are reasonable grounds to suspect that a transaction is related to the commission or attempted commission of a money laundering or terrorist activity financing offence, as soon as practicable after the measures that gave rise to the suspicion have been taken; (ii) large cash transactions and large virtual currency transactions of C$10,000 or more received in a single transaction or in multiple transactions within 24 hours; (iii) international electronic funds transfers of C$10,000 or more sent or received at the request of a client; and (iv) terrorist property in its possession or control, in each case within the prescribed timeframes and in the prescribed form.

Registration maintenance and change notifications. The MSB must keep its registration information with FINTRAC up to date and must notify FINTRAC of any change to its registration information, including changes to its name, business address, services offered, bank account information, senior officers, directors or agents, within 30 days of the change, and must renew its registration every two years prior to its expiry, failing which the registration will cease to be valid.

Supervision and enforcement. The MSB is subject to the ongoing supervision of FINTRAC, which has the authority to conduct compliance examinations, require the production of documents and information, enter into compliance agreements, issue administrative monetary penalties for non-compliance with the PCMLTFA and its regulations (with published notices of such penalties), revoke or refuse to renew an MSB registration in prescribed circumstances, and disclose cases of extensive non-compliance to law enforcement for potential criminal prosecution; it is a criminal offence to engage in money services business activities in Canada without being registered with FINTRAC.

The following table summarizes the licenses, permissions and registrations held by our subsidiaries other than Solomon JFZ.

License/Permit/ Registration	Holder	Issuing Authority	Issuance/Approval Date	Term	Scope/Restrictions
Capital Markets — Stablecoin Issuer licence	AX Coin Bahrain B.S.C. (c)	Central Bank of Bahrain	June 1, 2026	No expiration date, subject to ongoing CBB requirements	Issuance of regulated stablecoins under Decree No. 64 of 2006 (CBB and Financial Institutions Law)
MSB Registration (No. 31000187053707)	Bravo Valor Partners Ltd.	FinCEN, U.S. Department of the Treasury	April 12, 2021	Subject to renewal in accordance with FinCEN requirements	Nationwide registration (all U.S. states and territories) as a dealer in foreign exchange, money transmitter and seller of money orders under the BSA
MSB Registration	Gello Finance Ltd.	FINTRAC, Canada	Registered under the PCMLTFA	Valid until April 30, 2028, subject to renewal	Foreign exchange dealing, money transferring and dealing in virtual currencies under the PCMLTFA; registration regime administered by FINTRAC
Major Payment Institution Licence (No. PS20200168)	GPL Remittance Pte. Ltd.	Monetary Authority of Singapore	January 28, 2020	No expiration date, subject to ongoing MAS requirements	Money-changing service and cross-border money transfer service under the Payment Services Act 2019

IV. Recent Regulatory Developments Relating to Virtual Assets, Tokenization and Stablecoins

The HKMA and the HKSFC have crafted a forward-thinking regulatory environment that balances innovation with stability under the principle of "same activity, same risk, same regulation." Initiatives such as Project Ensemble, launched in 2024, have tested tokenized assets in a sandbox environment, while the Stablecoins Ordinance, effective August 1, 2025, regulates fiat-referenced stablecoins to ensure transparency and financial security. The HKSFC's ASPIRe Roadmap further outlines virtual asset initiatives ranging from token listings to staking. Our group has positioned itself to participate in these developments through its licensed subsidiaries in a measured and compliant manner.

In December 2024, the Company, in partnership with China Asset Management (Hong Kong) Limited, HSBC, Hang Seng Bank, OSL exchanges and Fosun Wealth Holdings, submitted a sandbox trial to the HKMA under the Project Ensemble Sandbox, becoming one of the first-phase testers of the sandbox launched in August 2024, which initially explored the "Fixed Income and Investment Funds" use case for the local application of tokenized currencies and assets. Building on the successful outcomes of the Project Ensemble Sandbox experimentation, in November 2025 the HKMA launched the pilot phase of Project Ensemble, known as "EnsembleTX," and Solomon JFZ was selected as one of the participating industry pioneers named in the HKMA's announcement of the pilot. Under EnsembleTX, Solomon JFZ collaborates with other leading institutions to facilitate interbank transactions involving tokenized deposits and tokenized fund subscriptions through the HKMA's blockchain-based infrastructure. The pilot is designed to enable faster, more transparent and more efficient settlement of real-value tokenized transactions, with an initial focus on the use of tokenized deposits in tokenized money market fund transactions and on real-time liquidity and treasury management, marking Hong Kong's transition from proof-of-concept experimentation to real-value transaction applications in its tokenization ecosystem.

Solomon JFZ, through its securities brokerage platform, distributes the ChinaAMC HKD Digital Money Market Fund, Hong Kong's first tokenized money market fund available to retail investors, which was launched on February 28, 2025 and is issued by China Asset Management (Hong Kong) Limited. In addition, Solomon Wealth, through its subsidiary Solomon Global Asset Management Limited, acts as the fund manager of Solowin Digital Horizon SP, a Cayman-domiciled tokenized fund focused on bridging traditional finance with the on-chain ecosystem, and Solomon JFZ has received approval to distribute private tokenized fund products to its clients. Through the AlloyX Group's FERION platform, our group also provides real-world asset ("RWA") tokenization services, encompassing asset evaluation, token issuance, trading and redemption, with compliance and lifecycle management processes designed to adhere to applicable regulations in the relevant jurisdictions.

In February 2026, AXG Investment Ltd., a subsidiary of the AlloyX Group, launched virtual asset structured investment products linked to Bitcoin and Ethereum, with Solomon JFZ, as an SFC-licensed corporation, responsible for providing sales and related services to qualified investors. With this launch, Solomon JFZ became one of the first brokerage institutions in Hong Kong to officially launch virtual asset structured products under the HKSFC regulatory framework. The products comply with the SFO and are available exclusively to professional investors, with compliance features that include independent custody through licensed virtual asset trading platforms, multi-signature wallets, on-chain auditability and standardized legal documentation tailored for institutional participation.

V. Compliance

We maintain internal control systems, risk management procedures and compliance functions that are designed to ensure ongoing compliance by each of its licensed and registered subsidiaries with the applicable regulatory capital, liquidity, client asset protection, record-keeping and reporting requirements in the jurisdictions in which they operate. Each licensed subsidiary has adopted anti-money laundering and counter-terrorist financing policies, procedures and controls, including client due diligence, ongoing transaction monitoring, sanctions screening and suspicious transaction reporting, commensurate with the nature and scale of its business and consistent with the requirements of the HKSFC, the Registrar of Companies of Hong Kong, the HKMA, the MAS, FinCEN, FINTRAC and the CBB, as applicable. In respect of its virtual asset, tokenization and stablecoin related activities, we apply enhanced safeguards for investor protection, including independent custody arrangements with licensed platforms, segregation of client assets, on-chain auditability, smart contract review, and standardized legal documentation, and provides such services only to eligible categories of clients in accordance with the conditions of the relevant licenses and approvals. As of the date of this report, we believe that each of our subsidiaries is in compliance in all material respects with the applicable laws, regulations, licensing conditions and regulatory requirements of the jurisdictions in which it conducts its regulated businesses.

C. Organizational Structure

See "*—A. History and Development of the Company—Corporate Structure*" above for details of our current organizational structure.

D. Property, Plant and Equipment

Our corporate headquarters are located at Room 1910-1912A, Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong. Solomon JFZ entered into an office tenancy agreement with Wide Harvest Investment Limited on October 10, 2024, pursuant to which Solomon JFZ leased the premises that our corporate headquarters are currently located at for a term of two years, from November 2, 2024 until November 1, 2026. Solomon JFZ agreed to pay the landlord a monthly rent in an amount of HK$93,236 (approximately $12,000).

Our wealth management center is located at Unit Nos.8505B-8506A of Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong. Solowin entered into an office tenancy agreement with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, agent for the landlord, "City Lion Investment Limited" on January 12, 2024, pursuant to which Solowin leased the premises as office for a term of two years, from January 12, 2024 until January 11, 2026, and subsequently renewed with a term of two years, from January 12, 2026 until January 11, 2028. Solowin agreed to pay the landlord a monthly rent in an amount of HK$376,575 and HK$351,470 (approximately $48,278 and $45,060, respectively).

AlloyX HK entered into an office tenancy agreement with HKL (Jardine House) Limited on December 5, 2024, pursuant to which AlloyX HK leased the premises as office for a term of 3 years, from December 5, 2024 to November 30, 2027. AlloyX HK agreed to pay the landlord a monthly rent in an amount of HK$390,344 (approximately $50,044).

AlloyX HK also entered into an office tenancy agreement with Longling Limited on June 1, 2025, pursuant to which AlloyX HK leased the premises as office for a term of 5 years, from June 1, 2025 to July 30, 2030. AlloyX HK agreed to pay the landlord a monthly rent in an amount of HK$90,000 (approximately $11,538).

The following table summarizes the information of the real property leased by the Company:

Location	Type of Right	Area	Usage	Term
Room 1910-1912A, Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	Lease	Land use right area 3,586 sf/property area 3,586 sf	Other commercial service land/office space	Land use right ends November 1, 2026
Unit Nos.8505B-8506A of Level 85, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong	Lease	Land use right area5,021 sf./property area 5, 021 sf.	Other commercial service land/office space	Land use right ends January 11, 2028
Unit 1710 - 1714, Jardine House, 1 Connaught Place, Central, Hong Kong	Lease	Land use right area 3,308 sf./property area 3,308 sf.	Other commercial service land/office space	Land use right ends November 30, 2027
17/F, Cai Building, 54 to 58 Electric Road, Tin Hau, Hong Kong	Lease	Land use right area 2,041 sf./property area 2,041 sf.	Other commercial service land/office space	Land use right ends July 30, 2030

Each of the tenancy agreements was duly stamped and registered at the Land Registry of Hong Kong. No legal title will be transferred to us at the end of the lease period. We intend to renew the lease upon its expiration. We believe the above facilities are adequate and suitable for our current needs and that, should it be needed, suitable additional or alternative space will be available to accommodate any such expansion of our operations.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report on Form 20-F. This discussion may contain forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements because of various factors, including those set forth under Item 3 "Key Information—D. Risk Factors" or in other parts of this annual report on Form 20-F. See also "Introductory Notes—Forward-looking Information."

A. Operating Results

Overview

The Company is a regulated global fintech company integrating traditional finance, digital assets and artificial intelligence. Founded in 2016 and headquartered in Hong Kong, the Company underwent a fundamental strategic transformation in fiscal 2026 following the acquisition of AlloyX Group, repositioning itself from a Hong Kong-centric securities brokerage firm into a global dual-pillar digital economy infrastructure platform focused on Digital Asset Tokens and AI Tokens.

The Company maintains a globally regulated business footprint through its core subsidiaries. Its Hong Kong arm holds full HKSFC Type 1, 4, 6 and 9 licenses for securities, corporate finance, asset management and virtual asset regulated services. The Company also possesses valid payment and money services qualifications in Singapore, the United States and Canada. In June 2026, its Bahrain subsidiary became the world's first recipient of a formal stablecoin issuer license under the Central Bank of Bahrain framework, supporting its global stablecoin issuance and cross-border payment infrastructure business.

Solowin operates two core business verticals. Its Digital Asset Tokens segment covers cross-border payment and stablecoin treasury systems, RWA tokenization platform and blockchain protocol solutions, offering compliant tokenization, settlement and decentralized financial services. Its AI Tokens segment is anchored by full-stack AI platform, delivering AI model aggregation, intelligent agent governance and enterprise cloud infrastructure services. The Company continues to retain its mature traditional brokerage, wealth management and asset management businesses to form a diversified and compliant revenue ecosystem.

Fiscal 2026 represented a transformative high-growth year for the Company, with total revenue surging nearly tenfold year-over-year, alongside substantial increases in trading volume, assets under administration, payment throughput and tokenized asset scale. Consistent with its global expansion strategy, the Company incurred net losses driven by ongoing investments in technology research, regulatory compliance and business scaling. The Company's future growth is primarily driven by the expansion of its institutional AI client base and the continued commercialization of its global payment and digital asset infrastructure business lines.

As of March 31, 2026, our financial and operating highlights were as follows:

- Revenue increased approximately 10x to $28.05 million for the fiscal year ended March 31, 2026 as compared to $2.82 million for the same period of last year;
- Net loss increased by 56% to $13.29 million for the fiscal year ended March 31, 2026, as compared to $8.54 million for the same period of last year;
- Basic and diluted loss per share improved by 79% to $0.11 for the fiscal year ended March 31, 2026, as compared to $0.53 for the same period of last year;
- The AX ONE platform launched and has processed Total Payment Volume reaching $226 million;
- The FERION platform launched 10 RWA projects, and Total Value Tokenized reached $52million;
- The KOVAR platform launched KovaRouter, our enterprise AI model aggregation and intelligent routing platform, and continued to develop and commercialize the Know-your-Agent governance layer;
- Assets under Administration on SOLOMON platform increased by 347% to $848.8 million as compared to $189.8 million for the same period of last year; and

- Total trading volume of stablecoins and fiat currencies increased by 395% to $1.04 billion as compared to $210 million for the same period of last year.

- AX Coin Bahrain received the stablecoin issuer license in-principle approval from the Central Bank of Bahrain ("CBB"). Following the fiscal year end, in June 2026, it was officially granted the full license by the CBB to carry out stablecoin issuer activities — the first license granted under the CBB's stablecoin regulatory framework.

Principal Factors Affecting Our Financial Performance

Our consolidated operating results are primarily affected by the following factors:

- Scale of stablecoin issuance, circulation and institutional adoption.

A core portion of our revenue is derived from stablecoin reserve yield, minting/redemption fees and cross-border payment transaction fees. Our top-line performance is directly determined by the circulating scale of our AXUSD and AXBHD stablecoins, institutional adoption volume, and the overall market outlook for regulated stablecoin applications in cross-border settlement and treasury management.

- Transaction volume across our digital asset and payment platforms.

Our fee-based revenue is highly correlated with business activity volume generated by our core platforms. Total payment volume processed by the AX ONE payment infrastructure, RWA tokenization project scale and trading volume executed on the FERION platform, and stablecoin and fiat trading volume across our ecosystem directly drive transaction fee and tokenization service income.

- Enterprise client demand and usage intensity for AI infrastructure services.

AI model invocation fees, platform subscription fees and enterprise solution integration fees represent our fast-growing revenue streams. Our revenue growth relies entirely on continuous enterprise client demand, sustained usage of the AI routing and agent governance systems, and scaled deployment of our AI infrastructure solutions.

- Institutional client concentration and key client retention.

Following our strategic transformation, our revenue is heavily concentrated among a limited number of institutional enterprise and financial clients, rather than retail users. Sustained cooperation, repeat orders and expanding service consumption by major institutional clients are critical to our revenue stability. The loss or reduced spending of key clients will directly lower our consolidated revenue.

- Global interest rate levels affecting stablecoin reserve yields.

Interest income generated from stablecoin reserve assets is a key recurring revenue component. Fluctuations in global market interest rates directly impact the yield level of our high-quality reserve portfolios, resulting in direct variability in our interest revenue.

- Market competition and industry pricing pressure.

We face ongoing competition from global stablecoin issuers, traditional financial institutions and alternative AI infrastructure providers. Competitive dynamics may drive pricing compression for tokenization fees, payment processing charges and AI service fees, restricting our revenue margin and growth potential.

- Regulatory restrictions on revenue-generating business scope.

Regulatory changes in Bahrain, Hong Kong and other jurisdictions may limit permissible stablecoin activities, virtual asset service scope, RWA tokenization models and AI financial service scenarios. Any regulatory restrictions on our revenue-bearing businesses will directly constrain our income generation capacity.

- Traditional capital market activity and client asset scale.

Our securities brokerage, asset management and wealth management revenue is affected by Hong Kong market activity, IPO and fundraising volume, client trading frequency and total assets under administration. Market fluctuations directly impact trading commissions, management fees and corporate finance income.

Taxation

Cayman Islands

Solowin is incorporated in the Cayman Islands. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is currently no estate duty, inheritance tax or gift tax. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties applicable to any payments made to or by the Company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the Ordinary Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Ordinary Shares, nor will gains derived from the disposal of the Ordinary Shares be subject to Cayman Islands income or corporation tax.

Hong Kong

Our subsidiaries incorporated in Hong Kong each are subject to Hong Kong profit tax at a rate of (1) 8.25% on the assessable profits up to HK$2,000,000; and (2) 16.5% on any part of assessable profits over HK$2,000,000. No Hong Kong profit tax has been levied as we did not have assessable profit that was earned in or derived from our Hong Kong subsidiaries for the fiscal year ended March 31, 2023. Income tax expense of nil and $19,000 was recorded for the fiscal year ended March 31, 2026 and 2025. Hong Kong does not impose a withholding tax on dividends.

Our Reportable Segments

ASC Topic 280, Segment Reporting, establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in consolidated financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker ("CODM") for making operating decisions and assessing performance as the source for determining the Company's reportable segments.

The Company's CODM are the Executive Directors and Chief Executive Officer, who review the operation results by customer base of each separate operating segment when making decisions about allocating resources and assessing the performance of the segment.

With the recent developments in the Company's business, the Company has reorganized its business segments which now consist of two reportable segments: (i) Digital Asset Tokens, and (ii) AI Tokens ("Segment Reorganization"). As part of the Segment Reorganization, the Company has:

- combined the former "Investment advisory fees" and "Corporate consultancy service income" as "Consultancy service fee".
- combined the former "Securities and virtual assets brokerage commissions and handling income" and "Referral income" as "Transaction service fee".
- renamed the former "Asset management income - related parties" as "Asset management service fee".
- combined "Interest income", "Tokenization service fee", "Transaction service fee", "Asset management service fee", and "Consultancy service fee" as a new segment "Digital Asset Tokens".
- introduced a new segment, "AI Tokens" containing "AI infrastructure service fee".

Results of Operations

Comparison of Years Ended March 31, 2026, 2025 and 2024

	Year Ended March 31			Increase (Decrease) For Year Ended March 31			
	2026	2025	2024	2026 and 2025		2025 and 2024	
	$'000	$'000	$'000	$'000	%	$'000	%
Revenues							
Digital Asset Tokens							
(i) Interest income	-	30	128	(30)	(100)%	(98)	(77)%
(ii) Tokenization service fee	2,722	-	-	2,722	100%	-	-
(iii) Transaction service fee	852	110	312	742	675%	(202)	(65)%
(iv) Asset management service fee	593	655	871	(62)	(9)%	(216)	(25)%
(v) Consultancy service fee	1,677	2,024	2,980	(347)	(17)%	(956)	(32)%
	5,844	2,819	4,291	3,025	107%	(1,472)	(34)%
AI Tokens							
(i) AI infrastructure service fee	22,204	-	-	22,204	100%	-	-
	22,204	-	-	22,204	100%	-	-
Total revenues	28,048	2,819	4,291	25,229	895%	(1,472)	(34)%
Expenses							
Marketing and promotion expenses	863	1,006	927	(143)	(14)%	79	9%
Commission and handling expenses	501	474	15	27	6%	459	3,060%
Professional fee	3,214	4,669	774	(1,455)	(31)%	3,895	503%
Information technology expenses	2,551	749	383	1,802	241%	366	96%
Office expenses	1,525	888	342	637	72%	546	160%
AI cloud service costs	21,293	-	-	21,293	100%	-	-
Employee benefits expenses	8,964	2,290	5,043	6,674	291%	(2,753)	(55)%
General and administrative expenses	1,688	1,377	383	311	23%	994	260%
Allowance for (reversal of) credit losses	453	(502)	854	955	(190)%	(1,356)	(159)%
Total expenses	41,052	10,951	8,721	30,101	275%	2,230	26%
Loss from operations	(13,004)	(8,132)	(4,430)	(4,872)	60%	(3,702)	84%

Other (expenses) income							
Interest income	7	46	29	(39)	(85)%	17	59%
Other (expenses) income	(321)	16	3	(337)	(2,106)%	13	433%
Interest expenses	-	(5)	-	5	(100)%	(5)	100%
Share of results of an associate	30	(54)	(3)	84	(156)%	(51)	1,700%
Loss on disposal of an associate	-	(100)	-	100	(100)%	(100)	100%
Impairment loss of long-term investments, net	-	(290)	-	290	(100)%	(290)	100%
Total other (expenses) income, net	(284)	(387)	29	103	(27)%	(416)	(1,434)%
Loss before income tax expense	(13,288)	(8,519)	(4,401)	(4,769)	56%	(4,118)	94%
Income tax expense	-	19	155	(19)	(100)%	(136)	(88)%
Net loss	(13,288)	(8,538)	(4,556)	(4,750)	56%	(3,982)	87%
Net loss attributable to							
Owners of the Company	(13,174)	(8,538)	(4,556)	(4,636)	54%	(3,982)	87%
Non-controlling interests	(114)	-	-	(114)	100%	-	-
	(13,288)	(8,538)	(4,556)	(4,750)	56%	(3,982)	87%
Other comprehensive (loss) income							
Foreign currency translation adjustment	(11)	33	16	(44)	(133)%	17	106%
Total comprehensive loss	(13,299)	(8,505)	(4,540)	(4,794)	56%	(3,965)	87%
Attributable to							
Owners of the Company	(13,185)	(8,505)	(4,540)	(4,680)	55%	(3,965)	87%
Non-controlling interests	(114)	-	-	(114)	100%	-	-
	(13,299)	(8,505)	(4,540)	(4,794)	56%	(3,965)	87%
Basic and diluted net loss per share	(0.11)	(0.53)	(0.33)	0.42	(79)%	(0.20)	61%
Weighted average number of shares outstanding - basic and diluted	124,898,113	16,127,380	13,724,658	108,770,733	674%	2,402,722	18%

Year ended March 31, 2026

	Digital Asset Tokens segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	5,251	22,204	-	27,455
Revenues- related party income	593	-	-	593
Total revenues	5,844	22,204	-	28,048
Marketing and promotion expenses	(23)	(41)	(799)	(863)
Commission and handling expenses	(417)	-	(84)	(501)
Allowance for credit losses	(100)	(353)	-	(453)
Employee benefits expenses	(3,731)	(1,881)	(3,352)	(8,964)
AI cloud service costs	-	(21,293)	-	(21,293)
General and administrative expenses	(1,386)	(3,813)	(3,779)	(8,978)
Total expenses	(5,657)	(27,381)	(8,014)	(41,052)
Interest income	6	-	1	7
Other income (expenses)	23	35	(379)	(321)
Share of results of an associate	-	-	30	30
Total other income (expenses), net	29	35	(348)	(284)
Income (loss) before income tax expense	216	(5,142)	(8,362)	(13,288)
Total assets	9,874	20,606	20,226	50,706
Total liabilities	(5,924)	(11,259)	(8,412)	(25,595)
Net assets	3,950	9,347	11,814	25,111

Year ended March 31, 2025

	Digital Asset Tokens segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	2,164	-	-	2,164
Revenues- related party income	655	-	-	655
Total revenues	2,819	-	-	2,819
Marketing and promotion expenses	-	-	(1,006)	(1,006)
Commission and handling expenses	(474)	-	-	(474)
Reversal of credit losses	92	-	410	502
Employee benefits expenses	-	-	(2,290)	(2,290)
General and administrative expenses	(1,134)	-	(6,549)	(7,683)
Total expenses	(1,516)	-	(9,435)	(10,951)
Interest income	-	-	41	41
Other expenses	-	-	(374)	(374)
Share of results of an associate	-	-	(54)	(54)
Total other expenses, net	-	-	(387)	(387)
Income (loss) before income tax expense	1,303	-	(9,822)	(8,519)
Total assets	348	-	11,960	12,308
Total liabilities	(5,124)	-	(2,453)	(7,577)
Net assets (liabilities)	(4,776)	-	9,507	4,731

Year ended March 31, 2024

	Digital Asset Token segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	3,420	-	-	3,420
Revenues- related party income	871	-	-	871
Total revenues	4,291	-	-	4,291
Marketing and promotion expenses	-	-	(927)	(927)
Commission and handling expenses	(15)	-	-	(15)
Allowance for credit losses	(444)	-	(410)	(854)
Employee benefits expenses	-	-	(5,043)	(5,043)
General and administrative expenses	(335)	-	(1,547)	(1,882)
Total expenses	(794)	-	(7,927)	(8,721)
Interest income	-	-	29	29
Other income	-	-	3	3
Share of results of an associate	-	-	(3)	(3)
Total other income, net	-	-	29	29
Income (loss) before income tax expense	3,497	-	(7,898)	(4,401)
Total assets	8,716	-	6,685	15,401
Total liabilities	(5,136)	-	(1,341)	(6,477)
Net assets	3,580	-	5,344	8,924

Comparison of the years ended March 31, 2026 and 2025

Revenue. We have generated revenue through interest income, tokenization service fee, transaction service fee, asset management service fee, consultancy service fee, and AI infrastructure service fee. Our total revenue was $28,048,000 for the fiscal year ended March 31, 2026, compared to $2,819,000 for the year ended March 31, 2025, an increase of $25,229,000, or 895%. The increase in revenue was mainly driven by the increase in revenue from AI infrastructure services.

The following table sets forth the breakdown of our revenue for the periods presented:

	For the years ended March 31,			
	2026		2025	
	(in thousands)	% of revenue	(in thousands)	% of revenue
Interest income	-	-	30	1%
Tokenization service fee	2,722	10%	-	-
Transaction service fee	852	3%	110	4%
Asset management service fee	593	2%	655	23%
Consultancy service fee	1,677	6%	2,024	72%
AI infrastructure service fee	22,204	79%	-	-
Total	28,048	100%	2,819	100%

- For the fiscal years ended March 31, 2026 and 2025, we had interest income of nil and $30,000, respectively. The decrease was primarily due to a reduction in outstanding from the rolling balance cash clients in relation to the securities brokerage services, attributable to increased client repayments during the period. Interest income accounted for nil of total revenue for the year ended March 31, 2026, compared to 1% for the year ended March 31, 2025.

- For the fiscal years ended March 31, 2026 and 2025, we had tokenization service fee of $2,722,000 and nil, respectively. The increase was due to the introduction of such services during the year after the acquisition of AlloyX Limited and its subsidiaries. Tokenization service fee accounted for 10% of total revenue for the year ended March 31, 2026, compared to nil for the year ended March 31, 2025.

- For transaction service fee, revenue from securities brokerage commissions and handling income decreased by $53,000, or 48%, to $57,000 for the fiscal year ended March 31, 2026 from $110,000 for the fiscal year ended March 31, 2025. The slight decrease in commissions earned is due to lower frequency of trading activities in the U.S. market. We started to provide such services in January 2017.

  Virtual assets transaction income increased by $290,000, or 1,933%, to $305,000 for the fiscal year ended March 31, 2026 from $15,000 for the fiscal year ended March 31, 2025. The increase is primarily attributable to the launch and growing adoption of the Company's virtual assets services, including trading of digital assets through Solomon VA+, and subscription and redemption services for the Bitcoin spot ETF and Ethereum spot ETF. We did not have referral income for the fiscal year ended March 31, 2025, compared to $490,000 referral income for the fiscal year ended March 31, 2026. The referral income was generated by referring investors to our corporate customers or brokers or insurance companies. We acted as an agent and earned referral income in a percentage of subscription amount stipulated in the agreement. No such referral activities occurred for the fiscal year ended March 31, 2025. Transaction service fee accounted for 3% of our total revenue for the fiscal year ended March 31, 2026, as compared to 4% for the fiscal year ended March 31, 2025. We began to provide such services in October 2021.

- Revenue from asset management income decreased by $62,000, or 9% to $593,000 for the fiscal year ended March 31, 2026 from $655,000 for the fiscal year ended March 31, 2025. The decrease was primarily due to decrease of performance fees derived from Solomon Capital Fund SPC - Solomon Capital SP2, resulting from reduced investor subscriptions and weaker fund performance for the fiscal year ended March 31, 2026. All revenues from asset management during these periods were derived from management fee, performance fees and fund subscription of investment fund products. Asset management services accounted for 2% of our total revenue for the fiscal year ended March 31, 2026, as compared to 23% for the fiscal year ended March 31, 2025. We began to provide such services in April 2021.

- For consultancy service fee, revenue from corporate consultancy service income decreased by $2,000, or 0.2% to $997,000 for the fiscal year ended March 31, 2026 from $999,000 for the fiscal year ended March 31, 2025. The increase was primarily driven by the acquisition of new clients and growing interest from corporate clients seeking to list in the U.S. market. We began to provide such services in December 2021. Revenue from investment advisory fees decreased by $345,000, or 34% to $680,000 for the fiscal year ended March 31, 2026 from $1,025,000 for the fiscal year ended March 31, 2025. The decrease was primarily due to a reduced client base and decrease in value-added services to institutional clients. Consultancy service fee accounted for 6% of our total revenue for the fiscal year ended March 31, 2026, as compared to 72% for the fiscal year ended March 31, 2025. We began to provide such services in October 2021.

- For the fiscal years ended March 31, 2026 and 2025, we had AI infrastructure service fee of $22,204,000 and nil, respectively. The increase was due to the introduction of such services during the year after the acquisition of AlloyX Limited and its subsidiaries. AI infrastructure service fee accounted for 79% of total revenue for the year ended March 31, 2026, compared to nil for the year ended March 31, 2025.

Expenses. Our expenses include commission and handling expenses, general and administrative expenses, marketing and promotion expenses, (reversal of) allowance for credit losses and employee benefits expenses. Our expenses increased by $30,101,000, or 275%, to $41,052,000 for the fiscal year ended March 31, 2026 from $10,951,000 for the fiscal year ended March 31, 2025. Such increase was mainly due to increase in AI cloud service costs and employee benefits expenses for the fiscal year ended March 31, 2026.

- Marketing and promotion expenses – Our marketing and promotion expenses consist primarily of advertising and other promotional activities. Our marketing and promotion expenses decreased by $143,000, or 14%, to $863,000 for the fiscal year ended March 31, 2026, from $1,006,000 for the fiscal year ended March 31, 2025. This decrease was mainly due to the decrease in holding marketing activities.

- Commission and handling expenses – Our commission and handling expenses are mainly derived from our securities related services and consultancy services, which increased by $27,000, or 6% to $501,000 for the fiscal year ended March 31, 2026 from $474,000 for the fiscal year ended March 31, 2025. The increase was mainly due to increase in brokerage fees paid to other financial institutions for trading activities in oversea markets, reflecting higher trading activities in US market.

- Employee Benefits Expenses – Our employee benefits expenses increased by $6,674,000, or 291%, to $8,964,000 for the fiscal year ended March 31, 2026, from $2,290,000 for the fiscal year ended March 31, 2025. This increase was mainly due to the 750,000 ordinary shares were issued to an employee as share rewards for the fiscal year ended March 31, 2026 and no such award was issued to the employees for the fiscal year ended March 31, 2025. The acquisition of AlloyX Limited and its subsidiaries also increased the total headcount of the Company and therefore increased the overall payroll expenses.

- General and administrative expenses – Our general and administrative expenses consist primarily of depreciation of property and equipment, amortization of intangible assets, professional fee, information technology expenses, office leases, insurance, public investor expenses and general office expenses. Our general and administrative expenses increased by $1,295,000, or 17% to $8,978,000 for the fiscal year ended March 31, 2026 from $7,683,000 for the fiscal year ended March 31, 2025. As a percentage of revenue, general and administrative expenses decreased to 32% for the fiscal year ended March 31, 2026 from 273% for the fiscal year ended March 31, 2025.

- (Reversal of) Allowance for Credit Losses – We recorded provision for expected credit losses of $453,000 for the fiscal year ended March 31, 2026, compared to the reversal of provision for expected credit losses of $502,000 for the fiscal year ended March 31, 2025. This is mainly due to the increase in overall receivables from customers which was in line with increase in revenue.

Loss from Operations. Loss from operations increased to $13,004,000 for the fiscal year ended March 31, 2026, from $8,132,000 for the fiscal year ended March 31, 2025, an increase of $4,872,000 or 60%.

Other (Expenses) Income, net. Other expenses, net decreased to $284,000 for the fiscal year ended March 31, 2026, compared to net of $387,000 for the fiscal year ended March 31, 2025. Other income mainly consisted of interest income from bank deposits and loan receivables. Other expenses mainly consisted of interest expenses from short-term borrowings, share of results of an associate, loss on disposal of an associate and impairment loss of long-term investments.

- Share of results of an associate – We recorded a share of profit of $30,000 for the fiscal year ended March 31, 2026, compared to a loss of $54,000 in the prior year.

- Loss on disposal of an associate – Nil loss on disposal of an associate was recognized in the fiscal year ended March 31, 2026. For the fiscal year ended March 31, 2025, we recorded a loss of $100,000 on the disposal of an associate in connection with the sale of its equity interest back to the associate.

- Impairment loss of long-term investments – No impairment losses were recorded during the fiscal year ended March 31, 2026. For the fiscal year ended March 31, 2025, we recorded an impairment loss of $290,000 on one of our long-term investments which does not have a readily determinable fair value.

Income tax expense. Income tax expense of nil and $19,000 was recorded for the fiscal year ended March 31, 2026 and 2025. See also "*—Taxation*" above.

Net Loss. Net loss increased to $13,288,000 for the fiscal year ended March 31, 2026, from $8,538,000 for the fiscal year ended March 31, 2025, an increase of $4,750,000 or 56%.

Basic and Diluted Net Loss per Share. Basic and diluted net loss per share decreased to $0.11 for the fiscal year ended March 31, 2026, from $0.53 for the fiscal year ended March 31, 2025.

Comparison of the years ended March 31, 2025 and 2024

During the years ended March 31, 2025 and 2024, there was no revenue generated from the AI Tokens segment. All revenue was attributable to the Digital Assets Tokens segment.

Revenue. During the years ended March 31, 2025 and 2024, we have generated revenue through interest income, transaction service fee, asset management service fee and consultancy service fee. Our total revenue was $2,819,000 for the fiscal year ended March 31, 2025, compared to $4,291,000 for the year ended March 31, 2024, a decrease of $1,472,000, or 34%. The decrease in revenue was mainly driven by the decrease of revenue from consultancy services.

The following table sets forth the breakdown of our revenue for the periods presented:

	For the years ended March 31,			
	2025		2024	
	(in thousands)	% of revenue	(in thousands)	% of revenue
Interest income	30	1%	128	3%
Transaction service fee	110	4%	312	7%
Asset management service fee	655	23%	871	20%
Consultancy service fee	2,024	72%	2,980	70%
Total	2,819	100%	4,291	100%

For the fiscal years ended March 31, 2025 and 2024, we had interest income of $30,000 and $128,000, respectively. The decrease was primarily due to decrease in outstanding from the rolling balance cash clients in relation to the securities brokerage services. Interest income accounted for 1% of total revenue for the year ended March 31, 2025, compared to 3% for the year ended March 31, 2024.

Decrease in transaction service fee was due to the overall decrease in revenue from securities brokerage commissions and handling income, virtual asset service income, as well as referral income. Revenue from securities brokerage commissions and handling income increased by $44,000, or 86%, to $95,000 for the fiscal year ended March 31, 2025 from $51,000 for the fiscal year ended March 31, 2024. The slight increase in commissions earned is due to a higher volume of trading activity in the U.S. market. We started to provide such services in January 2017. Virtual assets transaction income of $15,000 was first recognized for the fiscal year ended March 31, 2025. The increase is primarily attributable to the launch and growing adoption of the Company's virtual assets services, including trading of digital assets through Solomon VA+, and subscription and redemption services for the Bitcoin spot ETF and Ethereum spot ETF. We did not have referral income for the fiscal year ended March 31, 2025, compared to $261,000 referral income for the fiscal year ended March 31, 2024. The referral income was generated by referring investors to our corporate customers or brokers for IPO subscriptions in oversea markets. We acted as an agent and earned referral income in a percentage of subscription amount stipulated in the agreement.

Revenue from asset management income decreased by $216,000, or 25% to $655,000 for the fiscal year ended March 31, 2025 from $871,000 for the fiscal year ended March 31, 2024. The decrease was primarily due to decrease of performance fees derived from Solomon Capital Fund SPC - Solomon Capital SP2, resulting from reduced investor subscriptions and weaker fund performance for the fiscal year ended March 31, 2025. All revenues from asset management during these periods were derived from management fee, performance fees and fund subscription of investment fund products. Asset management services accounted for 23% of our total revenue for the fiscal year ended March 31, 2025, as compared to 20% for the fiscal year ended March 31, 2024. We began to provide such services in April 2021.

The decrease in revenue from consultancy service income was due to the overall decrease from investment advisory services and corporate consultancy service income. Revenue from investment advisory fees decreased by $1,835,000, or 64% to $1,025,000 for the fiscal year ended March 31, 2025 from $2,860,000 for the fiscal year ended March 31, 2024. The decrease was primarily due to a reduced client base and decrease in value-added services to institutional clients. Investment advisory services accounted for 36% of our total revenue for the fiscal year ended March 31, 2025, as compared to 67% for the fiscal year ended March 31, 2024. We began to provide such services in October 2021. Revenue from corporate consultancy service income increased by $879,000, or 733% to $999,000 for the fiscal year ended March 31, 2025 from $120,000 for the fiscal year ended March 31, 2024. The increase was primarily driven by the acquisition of new clients and growing interest from corporate clients seeking to list in the U.S. market. Corporate consultancy service income accounted for 36% of our total revenue for the fiscal year ended March 31, 2025, as compared to 3% for the fiscal year ended March 31, 2024. We began to provide such services in December 2021.

Expenses. Our expenses include commission and handling expenses, general and administrative expenses, marketing and promotion expenses, (reversal of) provision for expected credit losses and employee benefits expenses. Our expenses increased by $2,230,000, or 26%, to $10,951,000 for the fiscal year ended March 31, 2025 from $8,721,000 for the fiscal year ended March 31, 2024. Such increase was mainly due to increase in general and administrative expenses, marketing and promotion expenses and professional fee for the fiscal year ended March 31, 2025.

- Marketing and promotion expenses – Our marketing and promotion expenses consist primarily of advertising and other promotional activities. Our marketing and promotion expenses increased by $79,000, or 9%, to $1,006,000 for the fiscal year ended March 31, 2025, from $927,000 for the fiscal year ended March 31, 2024. This increase includes expenses related to the Hong Kong FinTech Week 2024 and other significant marketing events which were aimed to enhance brand visibility, and promote our services to attract more investors and potential clients.

- Commission and handling expenses – Our commission and handling expenses are derived from our securities related services and corporate consultancy services, which increased by $459,000, or 3,060% to $474,000 for the fiscal year ended March 31, 2025 from $15,000 for the fiscal year ended March 31, 2024. The increase was mainly due to (i) increase in brokerage fees paid to other financial institutions for trading activities in oversea markets, which amounted to $23,000 for the fiscal year ended March 31, 2025, compared to $15,000 in the prior year, reflecting higher trading activities in US market and was in line with our increase in securities brokerage commissions and handling income. As a percentage of revenue from securities brokerage, brokerage commission and handling expenses increased to 24% for the fiscal year ended March 31, 2025 from 29% for the fiscal year ended March 31, 2024; (ii) $451,000 in referral fees paid to third-party for successfully introducing new corporate clients for corporate consultancy or financial advisory services. These referral fee represented approximate 45% of the total corporate consultancy service income for the fiscal year ended March 31, 2025 and no such referral expenses were recorded during the same period in 2024. The referral activities contributed to the substantial growth in corporate consultancy service income.

- Employee Benefits Expenses – Our employee benefits expenses decreased substantially by $2,753,000, or 55%, to $2,290,000 for the fiscal year ended March 31, 2025, from $5,043,000 for the fiscal year ended March 31, 2024. This decrease was mainly due to the implementation of the 2023 Equity Incentive Plan under which 1,500,000 ordinary shares were issued to employees as share rewards for the fiscal year ended March 31, 2024 and no such award was issued to the employees for the fiscal year ended March 31, 2025.

- General and administrative expenses – Our general and administrative expenses consist primarily of depreciation of property and equipment, amortization of intangible assets, professional fee, information technology expenses, office leases, insurance, public investor expenses and general office expenses. Our general and administrative expenses increased by $5,801,000, or 308% to $7,683,000 for the fiscal year ended March 31, 2025 from $1,882,000 for the fiscal year ended March 31, 2024. As a percentage of revenue, general and administrative expenses increased to 273% for the fiscal year ended March 31, 2025 from 44% for the fiscal year ended March 31, 2024.

- (Reversal of) Provision for Expected Credit Losses – We recorded reversal of provision for expected credit losses of $502,000 for the fiscal year ended March 31, 2025, compared to the provision for expected credit losses of $854,000. This is mainly due to the loan receivables which were previously subject to an allowance for expected credit losses but were fully repaid in July 2024. The reversal also reflects the improved recoverability of the receivables in accordance with our credit loss policy.

Loss from Operations. Loss from operations increased to $8,132,000 for the fiscal year ended March 31, 2025, from $4,430,000 for the fiscal year ended March 31, 2024, an increase of $3,702,000 or 84%.

Other (Expenses) Income, net. Other expenses, net increased to $387,000 for the fiscal year ended March 31, 2025, compared to other income, net of $29,000 for the fiscal year ended March 31, 2024. Other income mainly consisted of interest income from bank deposits and loan receivables. Other expenses consisted of interest expenses from short-term borrowings, share of results of an associate, loss on disposal of an associate and impairment loss of long-term investments.

- Share of results of an associate – We recorded a share of loss of $54,000 for the fiscal year ended March 31, 2025, compared to a loss of $3,000 in the prior year

- Loss on disposal of an associate – For the fiscal year ended March 31, 2025, we recorded a loss of $100,000 on the disposal of an associate in connection with the sale of its equity interest back to the associate.

- Impairment loss of long-term investments – For the fiscal year ended March 31, 2025, we recorded an impairment loss of $290,000 on one of our long-term investments which does not have a readily determinable fair value. No impairment losses were recorded during the same period in 2024.

Income tax expense. Income tax expense of $19,000 and $155,000 was recorded for the fiscal year ended March 31, 2025 and 2024. See also "*—Taxation*" above.

Net Loss. Net loss increased to $8,538,000 for the fiscal year ended March 31, 2025, from $4,556,000 for the fiscal year ended March 31, 2024, an increase of $3,982,000 or 87%.

Basic and Diluted Net Loss per Share. Basic and diluted net loss per share increased to $0.53 for the fiscal year ended March 31, 2025, from $0.33 for the fiscal year ended March 31, 2024.

B. Liquidity and Capital Resources

As of March 31, 2026, cash and cash equivalents increased to $16.8 million, from $3.84 million as of March 31, 2025. To date, we have financed our operations primarily through a combination of net cash flows generated from operations, and equity and debt financings provided by investors and the Company's major shareholders.

We believe that our current levels of cash and cash flows from operations will be sufficient to meet our anticipated cash needs for our operations and expansion plans for at least the next 12 months. We may, however, in the future require additional cash resources due to changing business conditions, implementation of our strategy to expand our business, or other investments or acquisitions we may decide to pursue. If our own financial resources are insufficient to satisfy our capital requirements, we may seek to sell additional equity or debt securities or obtain additional credit facilities. The sale of additional equity securities could result in dilution to our shareholders. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financial covenants that would restrict our operations. Financing may not be available in amounts or on terms acceptable to us, if at all. Any failure by us to raise additional funds on terms favorable to us, or at all, could limit our ability to expand our business operations and could harm our overall business prospects.

Cash Flows for the Years Ended March 31, 2026, 2025 and 2024

The following table sets forth a summary of our cash flows for the periods presented:

	Years Ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Net cash used in operating activities	(15,335)	(1,057)	(5,607)
Net cash provided by (used in) investing activities	4,452	287	(1,376)
Net cash provided by financing activities	21,074	2,376	6,720
Net change in cash and cash equivalents and cash segregated for regulatory purpose	10,191	1,606	(263)
Cash and cash equivalents and cash segregated for regulatory purpose at beginning of the year	8,857	7,251	7,514
Cash and cash equivalents and cash segregated for regulatory purpose at end of the year	19,048	8,857	7,251

Operating Activities

Net cash used in operating activities was $15,335,000, $1,057,000 and $5,607,000 for the fiscal years ended March 31, 2026, 2025 and 2024, respectively. For the fiscal year ended March 31, 2026, the net loss of $13,288,000 and decrease in payables to customers of $2,185,000, were the primary drivers of the cash used in operating activities.

For the fiscal year ended March 31, 2025, the operating loss before working capital changes of $5,211,000, offset by the decrease of $2,770,000 in receivables from customers and the decrease of $999,000 in prepaid expenses and other current assets, were the primary drivers of the cash used in operating activities.

For the fiscal year ended March 31, 2024, the net loss of $4,556,000, the increase of $2,038,000 in receivables from customers and increase of $1,656,000 in prepaid expenses and other current assets, were the primary drivers of the cash used in operating activities.

Investing Activities

Net cash provided by investing activities was $4,452,000 for the fiscal year ended March 31, 2026, consisted of net cash and cash equivalents obtained from acquisition of subsidiaries of $5,304,000.

Net cash provided by investing activities was $287,000 for the fiscal year ended March 31, 2025, mainly consisted of repayment of loan to a third party in the amount of $1,010,000, offset by the purchase of long-term investments in the amount of $658,000.

Net cash used in investing activities was $1,376,000 for the fiscal year ended March 31, 2024, mainly consisted of loan to third party in the amount of $958,000 and acquisition of an associate in the amount of $257,000.

Financing Activities

Net cash provided by financing activities was $21,074,000 for the fiscal year ended March 31, 2026, mainly consisted of proceeds from capital injection from investors of $16,878,000 and proceeds from issuance of convertible notes of $5,000,000.

Net cash provided by financing activities was $2,376,000 for the fiscal year ended March 31, 2025, representing proceeds from shareholders' contribution in the amount of $1,000,000, advance from directors in the amount of $942,000 and proceeds from other borrowings in the amount of $420,000.

Net cash provided by financing activities was $6,720,000 for the fiscal year ended March 31, 2024, mainly consisted of consisted of net proceeds from IPO after deducting any payment for IPO costs, in the amount of $6,656,000.

Capital Expenditures

We did not incur any capital expenditure for the fiscal years ended March 31, 2026, 2025, and 2024. We plan to make capital expenditures in the future to meet the needs that may result from the expected growth of our business.

Holding Company Structure

Solowin is a holding company with no material operations of its own. We conduct our operations primarily through our subsidiaries. As a result, Solowin's ability to pay dividends depends upon dividends paid by its subsidiaries. If its existing subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to Solowin.

C. Research and Development

Research and development is fundamental to advancing our dual-pillar strategy and maintaining technological leadership.

In the Digital Asset Tokens pillar, our engineering teams focus on enhancing the AX ONE platform's custody architecture, smart routing capabilities, and enterprise API connectivity. We also continue to expand FERION's multi-asset tokenization functionality and integrate AI-driven tools for post-issuance compliance monitoring.

In the AI Tokens pillar, R&D is centered on the KOVAR platform. We are actively developing the Know-your-Agent governance layer to strengthen identity verification, permission controls, and behavioral auditing for AI agents. At the same time, we are improving KovaRouter's intelligent routing algorithms to optimize performance across cost, speed, and quality. A key cross-pillar initiative is the continued development of AgenPay, which enables secure and compliant agentic payments using regulated stablecoins. We maintain an agile, cost-efficient engineering culture that supports rapid iteration and enterprise-grade deployment.

Currently, our research and development team is comprised of five internal R&D product officers and outsource technical development resources, focusing on the technical development, functional optimization and ongoing maintenance of the Company's core technology platforms. Historically, our R&D efforts were mainly dedicated to upgrading and maintaining the Solomon VA+ trading platform. Following the acquisition of AlloyX Group and the Company's strategic transformation in fiscal 2026, our R&D focus has shifted to the development and enhancement of our digital asset infrastructure platforms, namely the FERION RWA tokenization platform and the AX ONE digital currency treasury and payment orchestration platform. As the Solomon VA+ trading system has become fully mature and stable, no incremental R&D investment was made for this platform during the fiscal year ended March 31, 2026.

Our R&D team maintains solid technical capabilities in financial system architecture, blockchain infrastructure and institutional fintech product iteration. It undertakes full-cycle technical development, API integration, system testing and operational optimization for FERION and AX ONE, supporting the continuous upgrade of our RWA tokenization, digital payment, custody and treasury management businesses.

R&D investment supports our technological iteration and business scalability, sustaining our product competitiveness in digital asset and fintech infrastructure. For the fiscal years ended March 31, 2026, 2025 and 2024, our R&D expenditures were approximately $0.54 million, $0.46 million and $0.4 million, representing 34%, 6% and 21% of our general and administrative expenses, respectively. The fluctuations in R&D spending primarily reflect changes in our strategic technical roadmap. We incurred substantial one-time setup and development costs for our emerging digital asset platforms in fiscal 2025. In fiscal 2026, after completing the core framework development of FERION and AX ONE and ceasing further development spending on the mature trading platform, our overall R&D expenses decreased, with resources reallocated to refining and expanding our digital infrastructure product functions.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trend, uncertainty, demand, commitment or event that is reasonably likely to have a material effect on our net revenues and income from continuing operations, profitability, liquidity, capital resources, or would cause reported financial information not necessarily to be indicative of future operation results or financial condition.

E. Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in conformity with accounting principles generally accepted by the U.S. GAAP, which requires us to make judgments, estimates and assumptions that affect our reported amount of assets, liabilities, revenue, costs and expenses, and any related disclosures. Although there were no material changes made to the accounting estimates and assumptions in the past three years, we continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates.

We believe that the following accounting policies involve a higher degree of judgment and complexity in their application and require us to make significant accounting estimates. Accordingly, these are the policies we believe are the most critical to understanding and evaluating our consolidated financial condition and results of operations.

Receivables from customers, broker-dealers and clearing organizations

Receivables from customers arise from (i) the business of dealing in investment securities and virtual assets for customers; (ii) investment advisory business; (iii) corporate consultancy business; (iv) asset management business; and (v) AI infrastructure services

Receivables from broker-dealers and clearing organizations arise from the business of investment securities. Broker-dealers will require balances to be placed with them in order to cover the positions taken by its customers. Clearing house receivables typically represent proceeds receivable on trades that have yet to settle and are usually collected within two days.

The balance of receivables from customers related to the Company's customer in (i) trading activities; (ii) rendering the investment advisory services; (iii) rendering the corporate consultancy services; and (iv) rendering the asset management services.

In evaluating the collectability of receivables balances, the Company considers specific evidence including the aging of the receivable, the customers' payment history, its current creditworthiness, its underlying equity securities secured and current economic trends.

The receivables from customers, broker-dealers and clearing organizations, such as Hong Kong Exchanges and Clearing Limited ("HKEx"), are normally viewed as past due or delinquent based on how recently payments have been received. The Company has contractual rights to receive cash on demand from customers, broker-dealers and clearing organizations. As of March 31, 2026 and 2025, there are receivables from customers past due over 90 days. Management is actively monitoring these receivables and continues to assess their recoverability with reference to customers' payment history, credit standing, and the status of the underlying securities held. As of March 31, 2026 and 2025, the allowance for expected credit losses on receivables from customers were approximately $929,000 and $501,000, respectively.

As of March 31, 2026 and 2025, no receivables from clearing organizations and broker-dealers are past due or delinquent as the receivables are normally being settled within two days after the trade execution. As of March 31, 2026 and 2025, the Company has evaluated the probable losses on receivables from broker-dealers and clearing organizations are minimal and the allowance for expected credit losses on receivables from broker-dealers and clearing organizations were approximately $13,000 and nil, respectively.

The Company regularly reviews the adequacy and appropriateness of the allowance for expected credit losses. The receivables are written off after all collection efforts have ceased. The receivables from customers related to trading activities are secured in the form of underlying equity securities. The Company is entitled to dispose such collateral held on behalf of the customers for the purpose of settling any liability owed. The Company applies the practical expedient based on collateral maintenance provisions under ASC 326, Financial Instruments – Credit Losses, in estimating an allowance for credit losses for receivables from customers. In accordance with the practical expedient, when the Company reasonably expects that borrowers (or counterparties, as applicable) will replenish the collateral as required, there is no expectation of credit losses when the collateral's fair value is greater than the amortized cost of the financial asset. If the amortized cost exceeds the fair value of collateral, then credit losses are estimated only on the unsecured portion.

Revenue recognition

In May 2014, the FASB issued Topic 606, "Revenue from Contracts with Customers". This topic clarifies the principles for recognizing revenue and develops a common revenue standard for U.S. GAAP. Simultaneously, this topic supersedes the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance throughout the Industry Topics of the Codification. The core principle of the guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company currently generates its revenue from the following main sources:

(a) Interest income

The Company earns interest income primarily from its rolling cash balance accounts or IPO financing offered by the Company to customers in relation to the securities brokerage services. Revenue is recognized over the period that the rolling cash balance account or IPO financing are outstanding. The Company offers rolling cash balance account or IPO financing to individual customers as a principal. Interest income is directly charged at fixed percentage over the financing amount from the customer's account when customers repay the balance account or principal amount of IPO financing. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount.

(b) Tokenization service fee

The Company provides real-world-assets ("RWA") tokenization project-based services to clients who want to engage in web3 activities and trading of tokenized products on chains. The Company acts as a principal by deploying in-house IT personnel and technical support to enable the provision of such tokenization services, together with the inputs from sales team and support team to fulfill the demand of the clients.

(c) Transaction service fee

(i) Wealth management services

Revenue from wealth management services is primarily derived from securities brokerage commission and handling income and investment advisory income.

Securities brokerage commission income generated by provision of securities brokerage services of executing trades to customers, who are individual customers or brokers, and is recognized at a point in time (trade date) when the performance obligation has been satisfied by the completion of trades and the risks and rewards of ownership have been transferred to/from the customer. The Company acts as an agent. The transaction price is a variable consideration as the price is determined by a fixed percentage of transaction amounts. Commission fees are directly charged from the customer's account when the transactions are executed.

Handling income generated from providing services such as settlement (clearing) of securities, new share subscription services in relation to IPOs and dividend collection, to individual customers or brokers. Securities settlement service income is recognized at a point in time when the transactions are completed. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount. New share subscription handling income is recognized at the time when the performance obligation has been satisfied by successfully submitting the IPO subscription to banks on behalf of customers. New share subscription handling income is fixed per IPO subscription order and no variable consideration in the transaction. Dividend collection handling income is recognized at the time when the performance obligation has been satisfied by receiving dividends by the Company on behalf of customers. When the Company receives the cash dividend distributed by the stocks on behalf of customers, the net dividend will be distributed and deposited into the account of the customers, after deducting the dividend collection handling fees. Dividend collection handling income is charged at a fixed percentage of dividend collected and therefore the transaction price is a variable consideration as the price is determined to be a fixed percentage of dividend amount. The Company acts as an agent and handling income is directly charged from the customer's account when the transactions are executed.

(ii) Virtual assets services

The Company provides virtual asset trading services by executing buy and sell orders for digital assets (e.g., Bitcoin, Ethereum) to both individual and institutional customers. The Company's performance obligation is fulfilled when it completes each trade order, transferring control of the virtual asset to or from the customer. Revenue is recognized at a point in time on the trade date, as this is when the Company has satisfied its distinct performance obligation by executing the trade. The Company acts as an agent as the risks and rewards remain with the customer. Transaction fees for trading are variable and based on a fixed percentage of the transaction amount. Fees are charged directly to the customer's account upon execution of each trade.

The Company acts as a participating dealer for certain virtual asset spot ETFs, each in-kind or in-cash subscription or redemption represents a distinct performance obligation, fulfilled when the subscription or redemption process is completed. Revenue is recognized at a point in time, specifically upon the completion of each subscription or redemption transaction. The Company acts as an agent in these transactions, arranging the exchange on behalf of the client and ETF providers. Fees for subscription and redemption services are considered variable and are calculated as a fixed percentage of the transaction amount. Fees are charged directly to the customer's account upon completion of each transaction.

(iii) Referral income

Referral income generated by provision of referral services by acting as agent to corporate customers or brokers. The Company refers investors to corporate customers or brokers and earns referral income. The Company enters into a distinct referral agreement with corporate customers or brokers for the provision of referral services. The referral service is distinct and is identified as one performance obligation. The transaction price is a variable consideration as the consideration is determined to be a fixed percentage of subscription amount in the transaction, either IPO or fund raised in other fundraising activities. Revenue from providing referral services to customers is recognized at a point in time when the transaction and the performance is completed, which is generally at the completion of an IPO or fundraising activities.

(d) Asset management services

Revenue from asset management is primarily in connection with (i) services as an investment manager or an advisor from funds or investments; and (ii) fund subscription services to customers. The Company rendered management services to individual customers as a principal, which are recorded over the period of service provided. Asset management service fee is charged by the Company to funds monthly and collected directly out of custodial accounts. The Company acts as a principal to provide asset management services directly to individual customers. The services include market research, asset allocation, equity selection, regular portfolio oversight, risk reassessment and rebalancing as needed. The Company charges customers management fees at a fixed percentage of asset value under management in accordance with the agreement. The fee is due and paid within the specified terms of payment. The transaction price is a variable consideration as the price is determined to be a fixed percentage of asset value.

Performance fees are accounted for when the return on assets under management, over a given period established in each fund's private memorandum, exceeds certain return benchmarks or other performance benchmarks, depending on each fund's private memorandum. Performance fees are calculated on an annual basis. Performance fees are a form of variable consideration. The Company recognizes these fees when the associated performance obligations are satisfied, the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to the Company.

Subscription fees charged to fund subscriber for subscription of funds are recognized at a point in time when participating share is successfully subscribed. The Company acts as an agent between funds and fund subscribers to provide fund subscription services and charges a fund subscription fee at a fixed rate with reference to the size of the subscription amount to fund subscribers through funds when the subscription of funds is completed, and typically due in no more than 30 days from invoicing. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount.

(e) Consultancy service fee

(i) Corporate finance services

Revenue from corporate finance services is generated through corporate consultancy service income and company secretarial services income.

Corporate consultancy income generated by acting as advisers to customers, including but not limited to listed companies or companies planning for IPO, advising on the terms and structures of the proposed corporate transactions, or the relevant implications and compliance matters under the Hong Kong regulatory framework for listed companies; market research, strategic analysis, and other advisory services to support customers in developing new business areas or enhancing existing operations, in return for consultancy service income.

The Company enters into a distinct contract with its customers for the provision of corporate consultancy services. The scope of work under consultancy services can vary from project to project. For projects involve multiple tasks which are separable or distinct as the Company's customers can benefit from each standalone task, the entire transaction prices of consultancy services are generally allocated to each separatable and identifiable service component. For projects involve a series of tasks which are interrelated and are not separable or distinct as the Company's customers cannot benefit from any standalone task, the entire transaction prices of consultancy services are generally allocated to a single performance obligation.

The transaction price might be variable even when the stated price in the contract is fixed because the Company may be entitled to upfront payment only when the contract is lapsed before completion of consultancy services. Payment is typically made in installments, with an upfront payment received upon signing the contract and subsequent payments made based on the completion of specific service stages as outlined in the contract between the Company and the customer. The transaction price and payment terms are stated in the contract for each individual engagement.

Corporate consultancy service income received from customers is non-refundable, and the Company is entitled to receive upfront payment upon signing the contract. Revenue from upfront payment and other installments is recognized based on the point in time either (a) when the deliverables, in the form of reports are delivered based on the specific terms of the contract; or (b) lapse of the consultancy service contract.

(ii) Company secretarial services income

Company secretarial services income is generated by acting as a company secretarial service provider to customers, including support for statutory compliance and corporate structuring. The Company acts as an agent and recognizes revenue on a net basis, representing only the fee earned. Revenue is recognized at the point in time when the Company's facilitation obligation is fulfilled.

There were no contract asset and contract liability balances as of March 31, 2026 and 2025.

(iii) Investment advisory services

Investment advisory income is recognized when the relevant advice has been provided or the relevant services have been rendered. The Company enters into a distinct contract with its customers as a principal for the provision of investment advisory services. The Company provides customers with global economic information, industry analysis, investment recommendations and portfolio allocation strategies. The Company concludes that each monthly investment advisory service is both (1) distinct and (2) it meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the customers is substantially similar for each month, even though the exact volume of services may vary. Therefore, the Company concludes that the monthly investment advisory services satisfy the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. There is no variable consideration in the transaction price. Accordingly, based on the output methods, the Company recognizes revenues from investment advisory services on a monthly basis when it satisfies its performance obligations throughout the contract terms. The Company issues invoices to customers quarterly and the contractual payment terms are typically due no more than 30 days from invoicing.

(f) AI Infrastructure service fee

The Company operates an integrated service model that provides enterprise customers with end-to-end cloud and digital application solutions. The Company acts as a total solution partner which spans initial assessment, solution design, cloud deployment, application implementation, and continuous post-launch support.

The Company acts as a principal to work with certain suppliers such as third-party cloud service procurement, data infrastructure costs, implementation labor, technical personnel costs, and other support-related delivery expenses. to have the necessary infrastructure to enable the provision of such integrated services, together with the inputs from IT personnels and sales team to fulfill the demand of the clients.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of the acquired entity as a result of the Company's acquisitions of interests in its subsidiaries.

The Company annually, or more frequently if the Company believes indicators of impairment exist, reviews the carrying value of goodwill to determine whether impairment may exist.

In performing the two-step quantitative impairment test, the first step compares the fair values of each reporting unit to its carrying amount, including goodwill. If the fair value of each reporting unit exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of goodwill to the carrying value of a reporting unit's goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. This allocation process is only performed for the purposes of evaluating goodwill impairment and does not result in an entry to adjust the value of any assets or liabilities. An impairment loss is recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets, liabilities and goodwill to reporting units, and determining the fair value of each reporting unit.

Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company believes that the impact of recently issued standards that are not yet effective will not have a material impact on its financial position or results of operations upon adoption.

Recently adopted accounting standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company adopted this update beginning April 1, 2025 and the adoption of ASU 2023-09 does not have a material impact on its consolidated financial statements and disclosures.

New accounting standards not yet adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires incremental disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments–Credit Losses– Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326), which added a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The guidance is effective for annual periods beginning after December 15, 2025. The Company is evaluating the impact of the adoption of this update on the consolidated financial statements.

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-06, amending the accounting for costs related to internal-use software. The ASU removes reference to software development project stages. Additionally, the ASU requires capitalization of software costs to begin when management has authorized and committed to funding the software and it is probable that the project will be completed and the software will be used to perform the function intended. The requirements of the new standard are effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted and the amendments may be applied on a prospective, retrospective, or modified basis. The Company is in the process of analyzing the impact on our results of operations and financial position. "

In December 2025, the FASB issued ASU No. 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which provides updated guidance on how to recognize, measure, and present government grants. The ASU will be effective for annual reporting periods beginning after December 15, 2028, including interim periods within those fiscal years with early adoption permitted. The Company is assessing the effect of this update on its consolidated financial statements.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company's consolidated balance sheet, statements of operations and comprehensive loss and statements of cash flows.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth certain information regarding Solowin's directors and executive officers.

NAME	AGE	POSITION
Ling Ngai Lok	43	Chief Executive Officer and Chairman
Haokang Zhu	34	Director
Lili Liu	43	Chief Financial Officer
Xue Yao	44	Director
Wing Yan Ho	44	Independent Director
Cha Hwa Chong	60	Independent Director
Ho Kuen Tam	50	Independent Director
Yang Wang	63	Independent Director

Ling Ngai Lok. Mr. Lok has served as Solowin's Chief Executive Officer since March 2025 and the Chairman of the Board of Solowin since November 2022. He previously served as Solowin's director from July 2021 to June 2022 and Solomon JFZ's director since January 2019. He has been the fund director of Solomon Capital Fund SPC since March 2019, overseeing the operation of the SPC Fund and reviewing and evaluating the performance of the fund. Mr. Lok's expertise in finance, fund management, capital markets, and fund-raising, has been instrumental in driving the Company's capital growth.

Haokang Zhu. Mr. Zhu has served as Solowin's director since October 2025. Mr. Zhu is the co-founder and chief executive officer of AlloyX Limited. Mr. Zhu currently is also a member of the Entrepreneurship Committee Advisory Group and a vetting judge for the Incubation Fund at Cyberport. Previously, he served as the Head of Digital Assets and Head of Family Office Business at China Asset Management (Hong Kong) from April 2024 to July 2025, where he oversaw crypto ETFs, fund tokenization, stablecoin treasury management, and central bank digital currency sandboxes. During this period, he led the launch of Asia's first approved compliant retail tokenized money market fund in 2025 and spearheaded the issuance of Asia's first and largest Bitcoin and Ethereum spot ETFs in 2024. From January 2023 to March 2024, Mr. Zhu served as a portfolio manager and the chief investment officer at Holly International Asset Management, where he established the Asia RWA Workgroup to promote the tokenization of real-world assets. From June 2020 to November 2022, Mr. Zhu served as a portfolio manager and the head of equity investment at Dongxing Securities (HK) Asset Management. Before that, he worked at Goldman Sachs as an executive director from July 2015 to May 2020, completing 100+ IPOs and financing deals across New York, Boston, and Hong Kong. He currently serves as an independent director of China New Economy Fund Limited (HKEX: 0080). Mr. Zhu earned a Doctorate in FinTech from The Hong Kong Polytechnic University and co-authored the first Chinese-language book on RWA tokenization, published by China's Ministry of Finance publishing house, with the English version released by Springer Nature.

Lili Liu, CFA. Ms. Liu has served as Solowin's Chief Financial Officer since June 2022 and as the Secretary of the Company since December 2023. She has also been the Chief Financial Officer of Solomon JFZ since November 2021, mainly responsible for financial management and internal control. Ms. Liu has over 10 years of experience in investment banking, corporate finance, and financial services. Prior to joining Solomon JFZ in 2021, Ms. Liu served as the Risk Manager and Internal Audit Manager at a private equity firm for two years, and as the Chief Financial Officer of a large-scale construction company for over five years. Ms. Liu obtained her master's degree in economics from the University of International Business and Economics in Beijing in 2007. She further obtained a second master's degree in financial engineering from the City University of Hong Kong in 2021. She is currently a chartered member of the CFA Institute.

Xue Yao. Ms. Yao has served as a director of Solowin since March 2025. Ms. Yao has served as a director of Solomon JFZ from October 2022 to April 2025 and the Managing Director of Solomon Wealth since August 2024. At Solomon JFZ and Solomon Wealth, Ms. Yao has been responsible for setting their strategic direction and overseeing their business performance. Since March 2019, Ms. Xue has been a fund director of Solomon Capital Fund SPC, in which Solomon JFZ acts as the investment manager and Ms. Xue oversees fund operations, evaluates performance, and ensures compliance with applicable regulations. Ms. Yao has over 15 years of experience in investment banking, corporate finance, and private equity in small and mid-cap markets. Prior to joining Solomon JFZ, Ms. Yao worked as the Finance Director at Followme Technology Limited where her duties included financial control, overseeing business operations, and developing business plans. Ms. Yao obtained her EMBA in China Europe International Business School in 2023.

Wing Yan Ho. Ms. Ho has severed as Solowin's independent director since September 2023. Ms. Ho holds a Bachelor Degree of Business Administration in Applied Economics from Hong Kong Baptist University and a Master Degree of Corporate Governance from The Open University of Hong Kong (currently known as Hong Kong Metropolitan University). Ms. Ho is an Associate Member of both The Hong Kong Chartered Governance Institute ("HKCGI") and The Chartered Governance Institute. She is also a holder of the Practitioner's Endorsement issued by HKCGI. Ms. Ho is a director of BMI Listed Corporate Services Limited and is responsible for managing the business operations of the company secretarial and administrative services for the reputable listed groups in various industries. Ms. Ho has been serving as director for BMI Listed Corporate Services Limited since August 2012, where her main responsibility relates to company secretarial services. She has extensive experience in a diversified range of professional corporate services for Hong Kong and offshore companies from various business sectors. Ms. Ho particularly specializes in corporate governance advisory, corporate restructuring, corporate financing and directors' professional development with emphasis on listed companies and she continues to advise on these matters on a consultancy basis. Ms. Ho actively participates in the formulation and execution of strategy at the companies.

Cha Hwa Chong. Mr. Chong has served as Solowin's independent director since September 2023. Mr. Chong is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants. Mr. Chong holds a bachelor's degree of management with honours from the University of Science, Malaysia. He has more than 20 years of experience in the accounting and finance area servicing private and publicly listed companies in Hong Kong and the Southern Asia region. Mr. Chong has been an independent non-executive director of China Beidahuang Industry Group Holdings Limited (000039.HK) since December 2018. He was also an independent non-executive director of Sino Energy International Holdings Group Limited (01096.HK) from March 2021 to October 2022. And he was an executive director of Aurum Pacific (China) Group Limited (08148.HK) from October 2020 to April 2021. The shares of the above companies are listed respectively on Main Board and GEM of The Stock Exchange of Hong Kong Limited.

Ho Kuen Tam. Mr. Tam has severed as Solowin's independent director since September 2023. Mr. Tam has over 20 years of experience in the financial industry in Hong Kong and has led over 50 projects in capital market transactions. He has led significant mid-size IPOs in Hong Kong such as Zijin Mining Group Ltd. (02899.HK) and China Datang Corp Renewable Power Co Ltd. (01798.HK). Throughout his career, Mr. Tam has held various senior positions in the financial industry, including Vice President at CITIC Securities International Company Limited, Director at Essence International Securities (HK) Limited, and Vice President at China Everbright Securities (HK) Limited. From March 2019 to June 2020, Mr. Tam served as Head of Brokerage for Global Inheritance Asset Management Limited, a brokerage company. From January 2018 to December 2018, he was the Responsible Officer for HF Securities and Futures Limited, a brokerage company based in Hong Kong. Mr. Tam obtained Chartered Financial Analyst (CFA) designation in 2001 and is a member of both the CFA Institute and The Hong Kong Society of Financial Analysts. He earned his Bachelor of Science in Finance from City University of Hong Kong.

Yang Wang. Prof. Wang has severed as Solowin's independent director since October 2025. Prof. Wang is the Vice-President and Pro-Vice-Chancellor (Institutional Advancement) and Chair Professor in Mathematics, Computing and Data Science at The University of Hong Kong. An internationally respected scholar with more than 150 academic publications, his research spans blockchain technology, data science, and applied mathematics. Before joining The University of Hong Kong, Prof. Wang worked at the Hong Kong University of Science and Technology from October 2020 to July 2025. While at the Hong Kong University of Science and Technology, he held several leadership positions, including Head of the Department of Mathematics, Dean of the School of Science, Vice-President for Institutional Advancement, and Chair Professor in Mathematics. Prof. Wang currently serves as an independent director of Iflytek Medical Technology Co. (HKEX: 2506) and Antalpha Platform Holding Company (Nasdaq: ANTA). He earned his bachelor's degree in mathematics from the University of Science and Technology of China and his Master of Science and Ph.D. in mathematics from Harvard University. Additionally, as the Chief Scientist of the Institute of Web 3.0 Hong Kong, he has played a pivotal role in advancing Hong Kong's Web3 technology ecosystem and driving innovation in AI education.

There is no arrangement or understanding with any major shareholders, customers, suppliers or others, pursuant to which any person named above was selected as a director or member of senior management.

No family relationship exists between any of the persons named above.

B. Compensation

For the fiscal year ended March 31, 2026, the aggregate cash compensation and benefits that we paid to the executive officers were approximately $0.87 million, and we did not pay any compensation separately to the employee directors for their services as directors of Solowin or our subsidiaries. None of the directors or executive officers received any equity awards, including options, restricted shares or other equity incentives in the year ended March 31, 2026, except that Ms. Lili Liu, our Chief Financial Officer, was granted an option to purchase 60,000 Class A Ordinary Shares on December 17, 2025 with a time-based vesting schedule.

Our HK Subsidiaries operate a mandatory provident fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees employed under the jurisdiction of Hong Kong Employment Ordinance (Chapter 57 of the laws of Hong Kong). The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, HK Subsidiaries and each of the employees are required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000.

2023 Equity Incentive Plan

In November 2023, we adopted the Company's 2023 Equity Incentive Plan (the "Plan"). On December 9, 2025, the Company adopted the Amended and Restated 2023 Equity Incentive Plan to reflect the redesignation of the class of shares issuable under the plan from ordinary shares to Class A Ordinary Shares and to make certain related conforming, administrative and clarifying updates. The purpose of the Plan is to promote the long-term success of the Company and the creation of shareholder value by (a) encouraging employees, directors and consultants to focus on the Company's performance, (b) encouraging the attraction and retention of employees, directors and consultants with exceptional qualifications and (c) linking employees, directors and consultants directly to shareholder interests through increased share ownership. The Plan permits the grant of incentive share options, nonstatutory share options, restricted shares, restricted share units, and share appreciation rights as the Company may determine. Under the Plan, the maximum aggregate number of Class A Ordinary Shares we are authorized to issue pursuant to equity awards granted thereunder, subject to certain adjustments pursuant to the terms thereof, is 5,000,000 Class A Ordinary Shares.

As of the date of this report, we have issued 4,380,000 restricted shares under the Plan and 578,900 options are outstanding.

The following paragraphs summarize the principal terms of the Plan:

Administration. The Plan may be administered by the board or a committee. The Plan is currently being administered by our Compensation Committee as the Administrator of the Plan. The Administrator has the authority to determine the specific terms and conditions of all awards granted under the Plan, including, without limitation, the number of Class A Ordinary Shares subject to each award, the price to be paid for the award and the applicable vesting criteria. The Administrator has discretion to make all other determinations necessary or advisable for the administration of the Plan.

Eligibility. We may grant awards to our employees, directors and consultants.

Notice of Grant. Each award under the Plan shall be evidenced by an award agreement to be entered into by the grantee and our company, in such form as the Administrator may from time to time determine.

Conditions of Award. The Administrator shall determine the provisions, terms, and conditions of each award including, but not limited to, eligible participant, vesting schedule, and other terms and conditions that the award is subject to.

Transferability. Unless otherwise provided in the Plan or otherwise determined by the Administrator, all awards under the Plan are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge.

Term of the Plan. The Plan will expire on, and no award may be granted pursuant to the Plan after, the tenth anniversary of the effective date of the Plan. Any awards that are outstanding on the tenth anniversary of the effective date will remain in force according to the terms of the Plan and the applicable award agreement.

Termination of, or Amendments to, the Plan. The board may at any time amend, alter, suspend or terminate the Plan, provided that the Company will obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with applicable laws. No termination, amendment, or modification of the Plan shall adversely affect in any material way any award previously granted pursuant to the Plan without the prior written consent of the participant. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to awards granted prior to the date of such termination.

C. Board Practices

Terms of Directors and Executive Officers

Our directors may be appointed by a resolution of our board of directors or by an ordinary resolution of the shareholders. In addition, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director either to fill a casual vacancy on our board or as an addition to the existing board. Our officers are elected by and serve at the discretion of our board of directors. Our directors are not subject to a term of office and hold office until such time as they resign or otherwise are removed from office by ordinary resolution of the shareholders. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director or; (vi) is removed from office pursuant to the laws of the Cayman Islands or any other provisions of the memorandum and articles of association.

Board Composition and Committees

Board of Directors

The Nasdaq Marketplace Rules generally require that a majority of an issuer's board of directors must consist of independent directors. Solowin's board of directors currently consists of seven directors, and four of them are independent directors.

A director is not required to hold any shares in the Company to qualify to serve as a director. Solowin's board of directors may exercise all the powers of Solowin to raise or borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third-party.

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with Solowin is required to declare the nature of his interest at a meeting of the directors. Following a declaration being made, subject to any separate requirement for Audit Committee approval under applicable law or the rules and regulations of the Nasdaq and unless disqualified by the chairman of the relevant board meeting, a director may vote in respect of any contract, proposed contract, or arrangement notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the directors at which any such contract or proposed contract or arrangement is considered.

Board Committees

We have established an audit committee, a compensation committee and a nominating and corporate governance committee of Solowin's board of directors. We have adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee

The audit committee consists of three directors, namely, Wing Yan Ho, Cha Hwa Chong, and Ho Kuen Tam, each of whom satisfies the "independence" requirements of Rule 10A-3 under the Exchange Act and Section 5605 of the Nasdaq Marketplace Rules. Cha Hwa Chong is the chairperson of our audit committee. The board of directors has also determined that Cha Hwa Chong qualifies as an "audit committee financial expert." The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with Solowin's code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee

The compensation committee consists of three directors, namely, Wing Yan Ho, Yang Wang, and Ho Kuen Tam, each of whom satisfies the "independence" requirements of Rule 10A-3 under the Exchange Act and Section 5605 of the Nasdaq Marketplace Rules. Ho Kuen Tam is the chairperson of the compensation committee. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to Solowin's directors and executive officers. Solowin's chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for the Company's chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of the Company's non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee

The nominating and corporate governance committee consists of three directors, namely, Wing Yan Ho, Yang Wang, and Ho Kuen Tam, each of whom satisfies the "independence" requirements of Rule 10A-3 under the Exchange Act and Section 5605 of the Nasdaq Marketplace Rules. Wing Yan Ho is the chairperson of our nominating and corporate governance committee. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become the directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

Duties of Directors

Under Cayman Islands law, Solowin's directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. The directors must also exercise their powers only for a proper purpose. The directors also owe to our company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with the memorandum and articles of association, as amended and restated from time to time. Our company has the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. In certain limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached.

The functions and powers of the board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our share register.

Terms of Directors and Officers

Our directors may be appointed by a resolution of our board of directors or by an ordinary resolution of the shareholders. In addition, our board of directors may, by the affirmative vote of a simple majority of the directors present and voting at a board meeting appoint any person as a director either to fill a casual vacancy on our board or as an addition to the existing board. Our officers are elected by and serve at the discretion of our board of directors. Our directors are not subject to a term of office and hold office until such time as they resign or otherwise are removed from office by ordinary resolution of the shareholders. A director will cease to be a director if, among other things, the director (i) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director or; (vi) is removed from office pursuant to the laws of the Cayman Islands or any other provisions of the memorandum and articles of association.

D. Employees

We had 80, 33, and 25 employees as of March 31, 2026, 2025 and 2024, respectively. As of March 31, 2026, we had a total of 77 full-time employees in Hong Kong and 3 employees in Bahrain to support our business operations. The following table sets forth the number of our employees by function as of March 31, 2026:

Function	Number of Employees	Percentage
Client Onboarding	2	3%
Payment	4	5%
Settlement	2	3%
Compliance	3	3%
Finance and Accounting	6	7%
Management	5	6%
Operational Control	5	6%
AML and CTF	2	3%
Investor Relationship	2	3%
Infrastructure and Security	2	3%
Legal and company secretary	2	3%
Risk Management	2	3%
Product R&D	5	6%
Human Resources and Administration	5	6%
Investment and Financing	7	8%
Business development	12	15%
Asset Management	5	6%
Wealth Management	9	11%
Total	**80**	**100%**

Solomon JFZ, Solomon Wealth, AlloyX HK and AX Coin Bahrain enter into standard labor contracts with their key employees. Such labor contracts typically include a confidentiality covenant that requires employees to protect the employer's confidential information during and after their employment.

None of Solomon JFZ, Solomon Wealth, AlloyX HK or AX Coin Bahrain's employees are subject to collective bargaining agreements. As required by laws and regulations in Hong Kong, Solomon JFZ, Solomon Wealth and AlloyX HK contribute to MPF under the Hong Kong Mandatory Provident Fund Schemes Ordinance. In addition, Solomon JFZ, Solomon Wealth, AlloyX HK and AX Coin Bahrain provide medical benefits to the staff. We consider Solomon JFZ, Solomon Wealth, AlloyX HK and AX Coin Bahrain's relations with their employees to be good, and we have never experienced a strike or significant work stoppage.

As of the date of this report, no other subsidiaries of the Company have employees.

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership of our Ordinary Shares as of the date of this report by (i) each of the directors and executive officers; (ii) all of the directors and executive officers as a group; and (iii) each person known to us to own beneficially more than 5% of either Class A or Class B Ordinary Shares. Unless otherwise indicated, the business address of each of the individuals below is Room 1910-1912A, Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

Information with respect to beneficial ownership has been furnished by each director, officer, or beneficial owner of 5% or more of Class A or Class B Ordinary Shares. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all Ordinary Shares shown as beneficially owned by them.

	Beneficial Ownership[1]		Percent of	Percent of	Percent of Total
	Class A Ordinary Shares	Class B Ordinary Shares	Class A Ordinary Shares[2]	Class B Ordinary Shares[3]	Voting Shares[4]
Directors and Executive Officers:					
Ling Ngai Lok, Chief Executive Officer and Chairman[5][6][9][11]	46,663,197	31,371,599	28.9%	100%	75.8%
Haokang Zhu, Director[8]	46,663,197	0	28.9%	*	9.8%
Lili Liu, Chief Financial Officer[10]	15,000	0	*	*	*
Xue Yao, Director[7][11]	0	3,960,000	*	12.6%	8.3%
Wing Yan Ho, Independent Director	0	0	*	*	*
Ho Kuen Tam, Independent Director	0	0	*	*	*
Cha Hwa Chong, Independent Director	0	0	*	*	*
Yang Wang, Independent Director	0	0	*	*	*
All directors and executive officers as a group	93,341,394	31,371,599	57.7%	100%	85.6%
Other Principal Shareholders:					
Gemini Asia Holdings Limited[5][11]	0	8,040,000	*	25.6%	16.9%
Vast Space Limited[6]	23,331,598	23,331,599	14.4%	74.4%	54.0%
FORTUNE DYNASTY GLOBAL LIMITED[7][11]	0	3,960,000	*	12.6%	8.3%
Firewood Group Limited[8]	46,663,197	0	28.9%	*	9.8%
Well Insight Limited[9]	23,331,599	0	14.4%	*	4.9%

* Less than 1%.

(1) Beneficial Ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Except as noted below, each of the beneficial owners listed above has direct ownership of and sole voting power and investment power with respect to the Ordinary Shares. For each beneficial owner above, securities exercisable for, convertible into or exchangeable for, Class A Ordinary Shares within 60 days have been included in the denominator.

(2) Based on 161,732,228 Class A Ordinary Shares issued and outstanding as of the date of this report. Holders of Class A Ordinary Shares are entitled to one (1) vote per share.

(3) Based on 31,371,599 Class B Ordinary Shares issued and outstanding as of the date of this report. Holders of Class B Ordinary Shares are entitled to ten (10) votes per share. Class B Ordinary Shares are convertible into Class A Ordinary Shares on a 1:1 basis as follows: (i) at the option of the holder of Class B Ordinary Shares without the payment of additional consideration, and (ii) automatically upon any sale, transfer, assignment or disposition of Class B Ordinary Shares to a person or entity which is not an affiliate of such holder.

(4) Percentage of Total Voting Shares represents total ownership with respect to all Class A Ordinary Shares and Class B Ordinary Shares issued and outstanding, which vote together as a single class on all matters. Warrants, or other securities exercisable for, convertible into or exchangeable for Ordinary Shares, are not included in calculating the Percentage of Total Voting Shares for the beneficial owners.

(5) Gemini Asia Holdings Limited is incorporated in the British Virgin Islands. Ling Ngai Lok, our Chief Executive Officer and Chairman, is the sole director and sole shareholder of Gemini Asia Holdings Limited, and has sole voting and investment power over the shares held by Gemini Asia Holdings Limited. The address of the registered office of Gemini Asia Holdings Limited is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

(6) Vast Space Limited is incorporated in the British Virgin Islands. Ling Ngai Lok, our Chief Executive Officer and Chairman, is the sole director and sole shareholder of Vast Space Limited, and has sole voting and investment power over the shares held by Vast Space Limited. The address of the registered office of Vast Space Limited is Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands.

(7) FORTUNE DYNASTY GLOBAL LIMITED is incorporated in the Republic of Seychelles. Xue Yao, a director of Solowin, is the sole director and sole shareholder of FORTUNE DYNASTY GLOBAL LIMITED, and has sole voting and investment power over the shares held by FORTUNE DYNASTY GLOBAL LIMITED. The address of the registered office of FORTUNE DYNASTY GLOBAL LIMITED is Vistra Corporate Services Centre, Suite 23, 1st Floor, Eden Plaza, Eden Island, Mahe, Seychelles.

(8) Firewood Group Limited is incorporated in the British Virgin Islands. Haokang Zhu, our director, is the sole director and sole shareholder of Firewood Group Limited, and has sole voting and investment power over the shares held by Firewood Group Limited. The address of the registered office of Firewood Group Limited is Aegis Chambers, 1st Floor, Ellen Skelton Building, 3076 Sir Francis Drake's Highway, Road Town, Tortola, VG1110, British Virgin Islands.

(9) Well Insight Limited is a company incorporated under the laws of the British Virgin Islands. Ling Ngai Lok, our Chief Executive Officer and Chairman, is the sole director of Well Insight Limited. The address of the registered office of Well Insight Limited is Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands. Mr. Lok disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.

(10) Ms. Liu was granted an option to purchase 60,000 Class A Ordinary Shares under the Company's Amended and Restated 2023 Equity Incentive Plan on December 17, 2025, which vest in 12 equal quarterly installments, with the first installment of 5,000 shares vesting on March 1, 2026 and the final installment vesting on December 1, 2028. Such option will expire on October 17, 2031. As of the date of this report, 10,000 options have vested, and 5,000 options will vest within 60 days on September 1, 2026.

(11) Gemini Asia Holdings Limited ("Gemini Asia"), a British Virgin Islands company wholly owned and controlled by Mr. Lok, and Fortune Dynasty Global Limited ("Fortune Dynasty"), a Seychelles company wholly owned and controlled by Ms. Yao, are parties to an acting in concert agreement, dated July 2, 2025 (the "Acting in Concert Agreement"), pursuant to which each party has agreed to act in concert with the other in respect of all matters requiring a vote of the Company's shareholders, with the parties first consulting in good faith to reach unanimous consensus and, failing consensus, the decision of Gemini Asia, as the "Lead Party," being final and binding on both parties. The Acting in Concert Agreement has an initial term of 12 months during which it may not be terminated, continuing thereafter until terminated by either party upon written notice to the other. As a result of this arrangement, Mr. Lok (and Gemini Asia) may be deemed to share voting power over the 3,960,000 Class B Ordinary Shares beneficially owned by Ms. Yao (and Fortune Dynasty), and such shares are reported both in Mr. Lok (and Gemini Asia)'s beneficial ownership figures and in Ms. Yao and (and Fortune Dynasty)'s beneficial ownership figures, which may result in the shares being counted more than once in the table. Ms. Yao retains sole investment power over such shares, and Mr. Lok (and Gemini Asia) disclaim beneficial ownership of such shares except to the extent of his or its pecuniary interest therein, if any.

Except for the Class B Ordinary Shares held by Gemini Asia Holdings Limited, Vast Space Limited, and FORTUNE DYNASTY GLOBAL LIMITED, none of the major shareholders have different voting rights from other shareholders. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of the Company.

F. Disclosure of a Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

Please refer to Item 6 "*Directors, Senior Management and Employees—E. Share Ownership*."

B. Related Party Transactions

Please refer to Note 23 to our audited consolidated financial statements included in this annual report, for a description of related party transactions for the financial periods presented, between us and any related parties that had or will have a direct or indirect material interest, other than compensation arrangements, which are described under "*Item 6. Directors, Senior Management and Employees—B. Compensation*."

C. Interests of Experts and Counsel

Not applicable.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

Financial Statements

We have appended consolidated financial statements filed as part of this annual report. See Item 18 "*Financial Statements*."

Legal Proceedings

We may from time to time become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial costs and diversion of our resources, including our management's time and attention. As at the date of this report, we are not aware of any such legal proceedings or claims that we believe will have a material adverse effect on our business, financial condition or operating results.

Dividend Policy

We have not previously declared, or paid cash dividends and we have no plan to declare or pay any dividends in the near future on the Ordinary Shares. We currently intend to retain most, if not all, of our available funds and future earnings to operate and expand our business.

Solowin's board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that it may only pay dividends out of its profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in it being unable to pay its debts as they fall due in the ordinary course of business immediately following the date on which the distribution or dividend is paid, or would be in violation of the relevant provisions, if any, of the Company's memorandum and articles of association. Even if the board of directors of Solowin decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant.

Solowin is a holding company incorporated in the Cayman Islands and it relies principally on dividends from its subsidiaries for its cash requirements, including any payment of dividends to its shareholders. According to the Companies Ordinance of Hong Kong, a Hong Kong company may only make a distribution out of profits available for distribution. Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect to dividends paid by a Hong Kong company.

Cash dividends, if any, on the Ordinary Shares will be paid in U.S. dollars.

B. Significant Changes

No significant change has occurred since the date of our consolidated financial statements filed as part of this annual report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

Solowin's ordinary shares became listed on the Nasdaq Capital Market on September 7, 2023 under the ticker symbol "SWIN." On December 17, 2024, Solowin held an extraordinary general meeting of shareholders, during which our shareholders approved the re-classification and re-designation of the Company's ordinary shares. As a result of such re-classification and re-designation, the Company's authorized share capital was re-classified and re-designated into 950,000,000 Class A Ordinary Shares and 50,000,000 Class B Ordinary Shares and then issued and outstanding 16,172,300 ordinary shares of par value of $0.0001 each in the Company were re-classified and re-designated into 8,132,300 Class A Ordinary Shares of par value US$0.0001 each with one (1) vote per share and 8,040,000 Class B Ordinary Shares of par value $0.0001 each with ten (10) votes per share. On December 23, 2024, Solowin filed an amendment to its Form 8-A to reflect that the class of security registered under Section 12(b) of the Exchange Act had changed from ordinary shares to Class A Ordinary Shares, and that the class of our security traded on Nasdaq had accordingly changed from ordinary shares to Class A Ordinary Shares.

On October 10, 2025, the Company's Class A Ordinary Shares commenced trading under the new ticker symbol "AXG" on Nasdaq.

B. Plan of Distribution

Not applicable.

C. Markets

See our disclosures above under "*—A. Offer and Listing Details*."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

The following represents a summary of certain key provisions of the Company's Charter Documents. The summary does not purport to be a summary of all of the provisions of the Company's Charter Documents and of all relevant provisions of Cayman Islands law governing the management and regulation of Cayman Islands companies.

Solowin is a Cayman Islands exempted company with limited liability and its affairs are governed by its memorandum and articles of association, as amended, the Companies Act (As Revised) of the Cayman Islands (the "Companies Act") and the common law of Cayman Islands.

Solowin adopted its Second Amended and Restated Memorandum and Articles of Association on December 17, 2024 (the "Charter Documents"). The following are summaries of material provisions of the Charter Documents (Solowin's memorandum and articles of association currently in effect), and of the Companies Act, insofar as they relate to the material terms of the Ordinary Shares.

Objects of the Company. Under the Charter Documents, the objects of Solowin are unrestricted, and Solowin is capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by section 27(2) of the Companies Act.

Ordinary Shares. Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for voting and conversion rights. The Ordinary Shares are issued in registered form and are issued when registered in Solowin's register of members. Solowin may not issue shares to bearer. Solowin's shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion. Class B Ordinary Shares are convertible into Class A Ordinary Shares on a 1:1 basis as follows: (i) at the option of the holder of Class B Ordinary Shares without the payment of additional consideration, and (ii) automatically upon any sale, transfer, assignment or disposition of Class B Ordinary Shares to a person or entity which is not an affiliate of such holder. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

Dividends. The holders of the Ordinary Shares are entitled to such dividends as may be declared by the board of directors. The Charter Documents provide that dividends may be declared and paid out of the funds of the Company lawfully available therefor. Under the laws of the Cayman Islands, Solowin may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid out of its share premium if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Holders of the Ordinary Shares have the right to receive notice of, attend and vote at general meetings of Solowin. Holders of the Class A Ordinary Shares and the Class B Ordinary Shares shall, at all times (other than in respect of separate general meetings of the holders of a class or series of shares), vote together as one class on all matters submitted to a vote by the members at any such general meeting. Each Class A Ordinary Share shall be entitled to one (1) vote on all matters subject to the vote at general meetings of the Company, and each Class B Ordinary Share shall be entitled to ten (10) votes on all matters subject to the vote at general meetings of the Company. Voting at any meeting of shareholders is to be decided on a show of hands unless a poll is required by the rules and regulations of Nasdaq or a poll is demanded by:

- by at least three shareholders present in person or by proxy for the time being entitled to vote at the meeting;
- by shareholder(s) present in person or by proxy representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; and
- by shareholder(s) present in person or by proxy and holding shares in us conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the Ordinary Shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the issued and outstanding Ordinary Shares at a meeting. A special resolution will be required for important matters such as a change of name, making changes to the Charter Documents, a reduction of its share capital and the winding up of the Company. The shareholders may, among other things, divide or combine their shares by ordinary resolutions.

General Meetings of Shareholders. As a Cayman Islands exempted company, Solowin is not obliged by the Companies Act to call shareholders' annual general meetings. Its Charter Documents provide that it shall, if required by the Companies Act, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by its directors. All general meetings (including an annual general meeting, any adjourned general meeting or postponed meeting) may be held as a physical meeting at such times and in any part of the world and at one or more locations, as a hybrid meeting or as an electronic meeting, as may be determined by our board of directors in its absolute discretion.

Shareholders' general meetings may be convened by the chairperson of the board of directors or by a majority of the board of directors. Advance notice of at least ten clear days is required for the convening of the annual general shareholders' meeting (if any) and any other general meeting of the shareholders. A quorum required for any general meeting of shareholders consists of, at the time when the meeting proceeds to business, two shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to issued and outstanding shares in the Company entitled to vote at such general meeting.

The Companies Act does not provide shareholders with any right to requisition a general meeting or to put any proposal before a general meeting. These rights may be provided in a company's articles of association. However, Solowin's Charter Documents do not provide its shareholders with any right to requisition a general meeting or to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of the shareholders may transfer all or any of his or her Ordinary Shares by an instrument of transfer in the usual or common form or in a form prescribed by Nasdaq or any other form approved by the board of directors. Notwithstanding the foregoing, the Ordinary Shares may also be transferred in accordance with the applicable rules and regulations of Nasdaq.

The board of directors may, in its absolute discretion, decline to register any transfer of any Ordinary Share which is not fully paid up or on which we have a lien. The board of directors may also decline to register any transfer of any Ordinary Share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the Ordinary Shares to which it relates and such other evidence as the board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of Ordinary Shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the Ordinary Share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as the directors may from time to time require is paid to us in respect thereof.

If the directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required in accordance with the rules of the Nasdaq, be suspended and the register closed at such times and for such periods as the board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as the board may determine.

Liquidation. On the winding up of the Company, if the assets available for distribution amongst the shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. If the assets available for distribution are insufficient to repay all of the paid-up capital, such assets will be distributed so that, as nearly as may be, the losses are borne by the shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. The board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. Solowin may issue shares on terms that such shares are subject to redemption, at its option or at the option of the holders of these shares, on such terms and in such manner as may be determined by the board of directors. The Company may also repurchase any of its shares on such terms and in such manner as have been approved by the board of directors. Under the Companies Act, the redemption or repurchase of any share may be paid out of the Company's profits, share premium or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the Company has commenced liquidation. In addition, the Company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. Whenever the capital of Solowin is divided into different classes the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be varied with the sanction of a resolution passed by a majority of two-thirds of the votes cast at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking pari passu with such existing class of shares.

Issuance of Additional Shares. The Charter Documents authorize the board of directors to issue additional Ordinary Shares from time to time as the board of directors shall determine, to the extent of available authorized but unissued shares.

The Charter Documents also authorize the board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including, among other things:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights and voting rights; and
- the rights and terms of redemption and liquidation preferences.

The board of directors may issue preference shares without action by the shareholders to the extent of available authorized but unissued shares. Issuance of these shares may dilute the voting power of holders of Ordinary Shares.

Inspection of Books and Records. Holders of the Ordinary Shares will have no general right under Cayman Islands law to inspect or obtain copies of the list of shareholders or the corporate records. However, the Charter Documents have provisions that provide the shareholders the right to inspect the register of shareholders without charge, and to receive the annual audited financial statements.

Anti-Takeover Provisions. Some provisions of the Charter Documents may discourage, delay or prevent a change of control of the Company or management that shareholders may consider favorable, including provisions that:

- authorize the board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by the shareholders; and

- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, the directors may only exercise the rights and powers granted to them under the Charter Documents for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. Solowin is an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;

- is not required to open its register of members for inspection;

- does not have to hold an annual general meeting;

- may issue shares with no par value;

- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);

- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

- may register as an exempted limited duration company; and

- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose, a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provided the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved, in the case of a shareholder scheme, by seventy-five percent in value of the members or class of members, as the case may be, with whom the arrangement is to be made and, in the case of a creditor scheme, a majority in number of each class of creditors with whom the arrangement is to be made, and who must in addition represent seventy-five per cent in value of each such class of creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of a dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted, in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, save that objectors to a takeover offer may apply to the Grand Court of the Cayman Islands for various orders that the Grand Court of the Cayman Islands has a broad discretion to make, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its members or an express power in its articles of association. On hearing such a petition, the Cayman Islands court may, among other things, make an order appointing a restructuring officer or make any other order as the court thinks fit.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than the number of votes which have actually been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Charter Documents provide that that we shall indemnify our directors and officers, and their personal representatives, against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such persons, other than by reason of such person's dishonesty, wilful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, Solowin has entered into indemnification agreements with the directors and executive officers that provide such persons with additional indemnification beyond that provided in its memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company — a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Solowin's amended and restated articles of association provide that any action required or permitted to be taken at any general meetings may be taken upon the vote of shareholders at a general meeting duly noticed and convened in accordance with Solowin's amended and restated articles of association or may be taken by written consent of the shareholders without a meeting.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act does not provide shareholders with any right to requisition a general meeting or to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Solowin's amended and restated articles of association do not provide its shareholders with such right. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but the amended and restated articles of association do not provide for cumulative voting. As a result, the shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Solowin's amended and restated articles of association, subject to certain restrictions as contained therein, directors may be removed with or without cause, by an ordinary resolution of the shareholders. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the company and the director, if any; but no such term shall be implied in the absence of express provision. Under Solowin's amended and restated articles of association, a director's office shall be vacated if the director (i) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from the board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director or; (vi) is removed from office pursuant to the laws of the Cayman Islands or any other provisions of Solowin's memorandum and articles of association.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Solowin's amended and restated articles of association, if its share capital is divided into more than one class of shares, the rights attached to any such class may only be varied with the sanction of a resolution passed by a majority of two-thirds of the votes cast at a separate meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Cayman Islands law, Solowin's memorandum and articles of association may only be amended with a special resolution of its shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by Solowin's Charter Documents on the rights of non-resident or foreign shareholders to hold or exercise voting rights on its shares. In addition, there are no provisions in Solowin's Charter Documents governing the ownership threshold above which shareholder ownership must be disclosed.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in Item 4 "*Information on the Company*," Item 5 "*Operating and Financial Review and Prospects*," Item 7 "*Major Shareholders and Related Party Transactions*," or filed (or incorporated by reference) as exhibits to this annual report or otherwise described or referenced in this annual report.

D. Exchange Controls

Cayman Islands Exchange Controls

There are no exchange controls restrictions on payment of dividends, interest or other payments to the holders of our Ordinary Shares or on the conduct of our operations in the Cayman Islands, where we were incorporated. There are no Cayman Islands laws that impose any exchange controls on us or that affect the payment of dividends, interest or other payments to nonresident holders of our Ordinary Shares. Cayman Islands law and our articles of association do not impose any material limitations on the right of non-residents or foreign owners to hold or vote our Ordinary Shares.

Hong Kong Exchange Controls

Hong Kong does not impose foreign exchange controls. This means there are no restrictions on the movement of capital into or out of the territory. Individuals and businesses can freely convert and transfer currencies without government intervention. The Hong Kong Monetary Authority (HKMA) ensures that the region maintains a high degree of financial openness, facilitating a free flow of capital. This openness is a cornerstone of Hong Kong's financial policy and contributes to its status as a major global financial hub.

The Hong Kong dollar (HKD) is pegged to the U.S. dollar (USD) within a tight range, which provides stability and predictability for foreign exchange transactions. The peg is maintained through the Linked Exchange Rate System, where the HKMA intervenes in the currency market to maintain the exchange rate within the specified range.

There are no restrictions on the repatriation of profits, dividends, interest, or capital. Foreign investors can freely repatriate their investment returns, which makes Hong Kong an attractive destination for international business and investment.

E. Taxation

The following is a general summary of certain material Cayman Islands, Hong Kong and U.S. federal income tax considerations. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any particular shareholder or prospective shareholder. The discussion is based on laws and relevant interpretations thereof in effect as of the date hereof, all of which are subject to change or different interpretations, possibly with retroactive effect.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties applicable to any payments made to or by the Company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the Ordinary Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Ordinary Shares, nor will gains derived from the disposal of the Ordinary Shares be subject to Cayman Islands income or corporation tax.

Hong Kong Taxation

The following summary of certain relevant taxation provisions under the laws of Hong Kong is based on current law and practice and is subject to changes therein. This summary does not purport to address all possible tax consequences relating to purchasing, holding or selling the Ordinary Shares, and does not take into account the specific circumstances of any particular investors, some of whom may be subject to special rules. Accordingly, holders or prospective purchasers (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult their own tax advisers regarding the tax consequences of purchasing, holding or selling the Ordinary Shares. Under the current laws of Hong Kong:

- No profit tax is imposed in Hong Kong in respect of capital gains from the sale of the Ordinary Shares.

- Revenues gains from the sale of the Ordinary Shares by persons carrying on a trade, profession or business in Hong Kong where the gains are derived from or arise in Hong Kong from the trade, profession or business will be chargeable to Hong Kong profits tax, which is currently imposed at the following rates:

  (i) 7.5% on the assessable profits up to HK$2,000,000; and 15% on any part of assessable profits over HK$2,000,000; and

  (ii) 8.25% on the assessable profits up to HK$2,000,000; and 16.5% on any part of assessable profits over HK$2,000,000.

- Gains arising from the sale of Ordinary Shares, where the purchases and sales of the Ordinary Shares are effected outside of Hong Kong such as, for example, on Cayman Islands, should not be subject to Hong Kong profits tax.

According to the current tax practice of the Hong Kong Inland Revenue Department, dividends paid on the Ordinary Shares would not be subject to any Hong Kong tax.

No Hong Kong stamp duty is payable on the purchase and sale of the Ordinary Shares.

United States Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of the Class A Ordinary Shares by a U.S. Holder (as defined below) that acquires the Class A Ordinary Shares and holds the Class A Ordinary Shares as "capital assets" (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This discussion is based upon existing U.S. federal tax law, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax considerations described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, and alternative minimum tax considerations, the Medicare tax on certain net investment income, information reporting or backup withholding or any state, local, and non-U.S. tax considerations, relating to the ownership or disposition of the Class A Ordinary Shares. The following summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a mark-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- tax-exempt entities (including private foundations);
- individual retirement accounts or other tax-deferred accounts;
- persons liable for alternative minimum tax;
- persons who acquire their Class A Ordinary Shares pursuant to any employee share option or otherwise as compensation;
- investors that will hold their Class A Ordinary Shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes;
- investors that have a functional currency other than the U.S. dollar;
- persons that actually or constructively own 10% or more of the Class A Ordinary Shares (by vote or value); or
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding the Class A Ordinary Shares through such entities,

all of whom may be subject to tax rules that differ significantly from those discussed below.

Each U.S. Holder is urged to consult its tax advisor regarding the application of U.S. federal taxation to its particular circumstances, and the state, local, non-U.S., and other tax considerations of the ownership and disposition of the Class A Ordinary Shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of the Class A Ordinary Shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created in, or organized under the laws of the United States or any state thereof or the District of Columbia;
- an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust (i) the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that has otherwise validly elected to be treated as a U.S. person under the Code.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of the Class A Ordinary Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding the Class A Ordinary Shares and their partners are urged to consult their tax advisors regarding an investment in the Class A Ordinary Shares.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year is attributable to assets that produce or are held for the production of passive income. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. Passive assets are those which give rise to passive income, and include assets held for investment, as well as cash, assets readily convertible into cash, and working capital. Our goodwill and other unbooked intangibles are taken into account and may be classified as active or passive depending upon the relative amounts of income generated by us in each category. We would be treated as owning a proportionate share of the assets and earning a proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the stock.

We do not expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or may become a PFIC is a factual determination made annually that will depend, in part, upon the composition and classification of our income and assets, including the relative amounts of income generated by our strategic investment business as compared to our other businesses, and the value of the assets held by our strategic investment business as compared to our other businesses. Because there are uncertainties in the application of the relevant rules, it is possible that the IRS may challenge our classification of certain income and assets as non-passive, which may result in our being or becoming classified as a PFIC in the current or subsequent years. Furthermore, fluctuations in the market price of the Class A Ordinary Shares may cause us to be a PFIC for the current or future taxable years because the value of our assets for purposes of the asset test, including the value of our goodwill and unbooked intangibles, may be determined by reference to the market price of the Class A Ordinary Shares from time to time (which may be volatile). Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be or become a PFIC for the current or future taxable years. Under circumstances where our revenues from activities that produce passive income significantly increase relative to our revenues from activities that produce non-passive income, or where we determine not to deploy significant amounts of cash for active purposes, our risk of becoming a PFIC may substantially increase.

If we are a PFIC for any year during which a U.S. Holder holds the Class A Ordinary Shares, we generally will continue to be treated as a PFIC with respect to that U.S. Holder for all succeeding years during which such U.S. Holder holds the Class A Ordinary Shares unless, in such case, we cease to qualify as a PFIC and such U.S. Holder makes a deemed sale election.

Dividends

Any cash distributions paid on the Class A Ordinary Shares out of our current or accumulated earnings and profits, as determined under U.S. federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder. Because we do not intend to determine our earnings and profits under U.S. federal income tax principles, any distribution we pay will generally be treated as a "dividend" for U.S. federal income tax purposes. Dividends received on the Class A Ordinary Shares will not be eligible for the dividends received deduction allowed to corporations in respect of dividends received from U.S. corporations.

Individuals and other non-corporate U.S. Holders may be subject to tax on any such dividends at the lower capital gain tax rate applicable to "qualified dividend income," provided that certain conditions are satisfied, including that (i) the Class A Ordinary Shares on which the dividends are paid are readily tradable on an established securities market in the United States, (ii) we are neither a PFIC nor treated as such with respect to a U.S. Holder for the taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period requirements are met. Our Class A Ordinary Shares are currently readily tradeable on an established securities market in the United States. There can be no assurance that the Class A Ordinary Shares will continue to be considered readily tradable on an established securities market in later years. U.S. Holders are urged to consult their tax advisors regarding the applicability of the lower income tax rate on dividends paid with respect to the Class A Ordinary Shares.

For U.S. foreign tax credit purposes, dividends paid on the Class A Ordinary Shares will generally be treated as income from foreign sources and will generally constitute passive category income. The rules governing the foreign tax credit are complex and U.S. Holders are urged to consult their tax advisors regarding the availability of the U.S. foreign tax credit under their particular circumstances.

Sale or Other Disposition

A U.S. Holder will generally recognize gain or loss upon the sale or exchange of Class A Ordinary Shares in an amount equal to the difference between the amount realized upon the disposition and the holder's adjusted tax basis in such Class A Ordinary Shares. Such gain or loss will generally be capital gain or loss. Any such capital gain or loss will be long term if the Class A Ordinary Shares have been held for more than one year. Non-corporate U.S. Holders (including individuals) generally will be subject to U.S. federal income tax on long-term capital gain at preferential rates. The deductibility of a capital loss may be subject to limitations. Any such gain or loss that the U.S. Holder recognizes will generally be treated as U.S. source income or loss for foreign tax credit limitation purposes, which could limit the availability of foreign tax credits. Each U.S. Holder is advised to consult its tax advisor regarding the tax consequences if a foreign tax is imposed on a disposition of the Class A Ordinary Shares, including the applicability of any tax treaty and the availability of the foreign tax credit under its particular circumstances.

Passive Foreign Investment Company Rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds the Class A Ordinary Shares, and unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will generally be subject to special tax rules on (i) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125 percent of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Class A Ordinary Shares), and (ii) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of the Class A Ordinary Shares. Under the PFIC rules:

- the excess distribution or gain will be allocated ratably over the U.S. Holder's holding period for the Class A Ordinary Shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC (each, a "pre-PFIC year"), will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than a pre-PFIC year, will be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for that year, increased by an additional tax equal to the interest on the resulting tax deemed deferred with respect to each such taxable year.

Alternatively, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to its Class A Ordinary Shares. If a U.S. Holder makes this election with respect to the Class A Ordinary Shares, the holder will generally (i) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of Class A Ordinary Shares held at the end of the taxable year over the adjusted tax basis of such Class A Ordinary Shares, and (ii) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the Class A Ordinary Shares over the fair market value of such Class A Ordinary Shares held at the end of the taxable year, although such deduction will only be allowed to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the Class A Ordinary Shares would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes a mark-to-market election in respect of the Class A Ordinary Shares and we cease to be classified as a PFIC, the holder will not be required to take into account the gain or loss described above during any period that we are not classified as a PFIC. If a U.S. Holder makes a mark-to-market election, any gain such U.S. Holder recognizes upon the sale or exchange of the Class A Ordinary Shares in a year when we are a PFIC will be treated as ordinary income, and any loss will be treated as ordinary loss. Such loss will only be treated as ordinary loss to the extent of the net amount previously included in income as a result of the mark-to-market election.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than *de minimis* quantities on at least 15 days during each calendar quarter, or regularly traded, on a qualified exchange or other market, as defined in applicable U.S. Treasury regulations. The Class A Ordinary Shares should be treated as marketable stock at the time they are listed on Nasdaq Capital Market. We anticipate that the Class A Ordinary Shares should qualify as being regularly traded, but no assurances may be given in this regard.

Because a mark-to-market election cannot technically be made for any lower-tier PFICs that we may own, a U.S. Holder may continue to be subject to the PFIC rules with respect to such U.S. Holder's indirect interest in any investments held by us that are treated as an equity interest in a PFIC for U.S. federal income tax purposes.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections which, if available, would result in tax treatment different from (and generally less adverse than) the general tax treatment for PFICs described above.

If a U.S. Holder owns the Class A Ordinary Shares during any taxable year that we are a PFIC, the U.S. Holder must generally file an annual IRS Form 8621, *Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund*. You should consult your tax advisor regarding the U.S. federal income tax consequences of owning and disposing of the Class A Ordinary Shares if we are or become a PFIC.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We have filed this annual report on Form 20-F with the SEC under the Exchange Act. Statements made in this report as to the contents of any document referred to are not necessarily complete. With respect to each such document filed as an exhibit to this report, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

We are subject to the informational requirements of the Exchange Act as a foreign private issuer and file reports and other information with the SEC. Reports and other information filed by us with the SEC, including annual reports on Form 20-F and reports on Form 6-K. Reports and other information filed by us with the SEC, including this annual report, may be viewed from the SEC's Internet site at http://www.sec.gov. In accordance with Nasdaq Stock Market Rule 5250(d), we will also post this annual report on Form 20-F on our website at https://solowin.io. In addition, we will provide hardcopies of our annual report free of charge to shareholders upon request.

As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of quarterly reports and proxy statements, and officers, directors and principal shareholders are exempt from the short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

If we are required to provide an annual report to security holders in response to the requirements of Form 6-K, we will submit the annual report to security holders in electronic format in accordance with the EDGAR Filer Manual.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Risk

Our company is exposed to foreign currency risk primarily through income or expenses that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily US$. As HK$ is currently pegged to US$, our exposure to foreign exchange fluctuations is minimal.

Interest Rate Risk

Our exposure to interest rate risk primarily relates to income generated by excess cash, which is mostly held in interest-bearing bank deposits. Interest-earning instruments carry a degree of interest rate risk. We have not been exposed to material risks due to changes in interest rates, and we have not used any derivative financial instruments to manage our interest risk exposure. However, our future interest income may fall short of expectations due to changes in market interest rates.

We may invest proceeds we have received from financings in interest-earning instruments. Investments in both fixed rate and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall.

Inflation

We do not believe the impact of inflation on our company is material. Our operations are primarily conducted in Hong Kong and Hong Kong's inflation rates have been relatively stable in recent years. According to the Census and Statistics Department of Hong Kong, the average annual inflation rates were approximately 1.7% for 2024 and 1.4% for 2025. The year-on-year Composite CPI increase has remained moderate at around 2.0% in the first half of 2026.

The annual inflation rate for 2027 is expected to stay moderate at around 2% in Hong Kong. While the inflation rate in Hong Kong has been on the rise, and import prices may continue to rise notably amid high inflation in many major economies, with those of energy-related items soaring further, price pressures on other major components were broadly in check in Hong Kong.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITIES HOLDERS AND USE OF PROCEEDS

Material Modifications to the Rights of Security Holders

On December 17, 2024, we held an extraordinary general meeting of shareholders, during which our shareholders approved the re-classification and re-designation of the Company's ordinary shares. As a result of such re-classification and re-designation, the Company's authorized share capital was re-classified and re-designated into 950,000,000 Class A Ordinary Shares and 50,000,000 Class B Ordinary Shares and then issued and outstanding 16,172,300 ordinary shares of par value of $0.0001 each in the Company were re-classified and re-designated into 8,132,300 Class A Ordinary Shares of par value US$0.0001 each with one (1) vote per share and 8,040,000 Class B Ordinary Shares of par value $0.0001 each with ten (10) votes per share. On December 23, 2024, we filed an amendment to our Form 8-A to reflect that the class of security registered under Section 12(b) of the Exchange Act had changed from ordinary shares to Class A Ordinary Shares, and that the class of our security traded on Nasdaq had accordingly changed from ordinary shares to Class A Ordinary Shares.

Under our Charter Documents, we are authorized to issue two classes of ordinary shares, Class A Ordinary Shares and Class B Ordinary Shares. We are authorized to issue (i) 950,000,000 Class A Ordinary Shares, par value $0.0001 per share and (ii) 50,000,000 Class B Ordinary Shares, par value $0.0001 per share. Class A Ordinary Shares are entitled to one (1) vote per share on proposals requiring or requesting shareholder approval, unless prohibited by law. Class B Ordinary Shares are entitled to ten (10) votes per Class B Ordinary Share on any such matter.

Class B Ordinary Shares are convertible into Class A Ordinary Shares on a 1:1 basis as follows: (i) at the option of the holder of Class B Ordinary Shares without the payment of additional consideration, and (ii) automatically upon any sale, transfer, assignment or disposition of Class B Ordinary Shares to a person or entity which is not an affiliate of such holder. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. Other than voting and conversion rights, Class A Ordinary Shares and Class B Ordinary Shares have the same rights and preferences and rank equally.

Holders of Class B Ordinary Shares collectively hold approximately 66.0% of the voting power of our outstanding share capital as of the date of this report. Their interests may not be the same as or even conflict with the interests of holders of our Class A Ordinary Shares.

Use of Proceeds

The following "Use of Proceeds" information relates to the registration statement on Form F-1 (File Number 333-271525) (the "F-1 Registration Statement") in relation to our initial public offering of 2,000,000 ordinary shares, at an initial offering price of $4.00 per ordinary share. EF Hutton, division of Benchmark Investments, LLC acted as sole book-running manager for the offering.

The F-1 Registration Statement became effective on September 6, 2023. For the period from September 6, 2023, the effective date of the F-1 Registration Statement, to March 31, 2024, the total expenses incurred for the Company's account in connection with our IPO was approximately $1.69 million, which included $0.72 million in underwriting discounts and commissions for the IPO and approximately $0.97 million in other costs and expenses. We received net proceeds of approximately $7.07 million from our initial public offering. None of the transaction expenses included payments to directors or officers of our company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

For the period from September 6, 2023 to March 31, 2025, we used all of the approximately $7.07 million in net proceeds from our initial public offering for business expansion, recruitment of additional professional staff, funding the HKSFC capital requirements, and sales and marketing, in accordance with the planned use of net proceeds as disclosed in the F-1 Registration Statement.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(e), our management has carried out an evaluation, with the participation and under the supervision of our Chief Executive Officer, Mr. Ling Ngai Lok and our Chief Financial Officer, Ms. Lili Liu, of the effectiveness of the design and operation of our disclosure controls and procedures, as of March 31, 2026. Based upon, and as of the date of this evaluation, Mr. Lok and Ms. Liu, determined that, as of March 31, 2026, our disclosure controls and procedures were not effective.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP, and includes those policies and procedures that:

(1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with the authorization of our management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting as of March 31, 2026. In making this assessment, management used the framework set forth in the report entitled Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO. The COSO framework summarizes each of the components of a company's internal control system, including (i) the control environment, (ii) risk assessment, (iii) control activities, (iv) information and communication, and (v) monitoring. Based on our assessment, we determined that, as of March 31, 2026, our internal control over financial reporting was not effective based on those criteria.

As a result of our assessment, management identified the following material weakness as of March 31, 2026: we lack sufficient accounting and financial reporting personnel with requisite knowledge and comprehensive accounting and reporting policies and procedures relating to the application and compliance with SEC rules and regulations.

We are committed to remediating this material weakness and have begun implementing measures designed to improve our internal control over financial reporting. These measures include:

- (i) hiring additional accounting and financial reporting personnel with SEC reporting experience;
- (ii) expanding the capabilities of existing accounting and financial reporting personnel through continuous training and education in the accounting and reporting requirements under SEC rules and regulations; and
- (iii) establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our company's consolidated financial statements and related disclosures.

Our management team will continue to monitor and evaluate the effectiveness of our internal controls and procedures on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements.

Our management does not believe that these deficiencies had a material effect on our financial condition or results of operations or caused our financial statements as of and for the year ended March 31, 2026 to contain a material misstatement.

Attestation Report of the Registered Public Accounting Firm

Because the Company is a non-accelerated filer, this annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

Except as described above, there have been no changes in our internal control over financial reporting during the fiscal year ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Our board of directors has determined that Mr. Cha Hwa Chong is an "audit committee financial expert" and that he is an "independent director" as defined by the rules and regulations of Nasdaq.

ITEM 16B. CODE OF ETHICS

Our code of conduct and business ethics conforms to the rules and regulations of Nasdaq. The code of conduct and business ethics applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer, and addresses, among other things, honesty and ethical conduct, conflicts of interest, compliance with laws, regulations and policies, including disclosure requirements under the federal securities laws, confidentiality, trading on inside information, and reporting of violations of the code. A copy of conduct and business ethics has been filed as an exhibit to this report. Our code of ethics is also posted on the corporate governance page of our website at https://solowin.io. During the fiscal year ended March 31, 2026, there were no waivers of our code of ethics.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with services rendered by our principal external auditors for the periods indicated.

	Fiscal Year Ended March 31,	
	2026	**2025**
Audit Fees – WWC, P.C.	$ -	$ 160,000
Audit Fees – AOGB CPA Limited	160,000	-
Tax Fees	-	-
TOTAL	$ 160,000	$ 160,000

"Audit Fees" consisted of the aggregate fees billed for professional services rendered for the audit of our annual financial statements and review of the interim financial statements or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements.

"Tax Fees" consisted of the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. Included in such Tax Fees were fees for preparation of our tax returns and consultancy and advice on other tax planning matters.

Our Audit Committee pre-approves all auditing services and permitted non-audit services to be performed for us by our independent auditor, including the fees and terms thereof (subject to the de minimums exceptions for non-audit services described in Section 10A(i)(l)(B) of the Exchange Act that are approved by our Audit Committee prior to the completion of the audit). The percentage of services provided for which we paid audit-related fees, tax fees, or other fees that were approved by our Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X promulgated by the SEC was 100%.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

We have not asked for, nor have we been granted, an exemption from the applicable listing standards for our Audit Committee.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

There were no purchases of equity securities made by or on behalf of us or any "affiliated purchaser" as defined in Rule 10b-18 of the Exchange Act during the period covered by this Annual Report.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

On November 11, 2025, the Company dismissed WWC, P.C. ("WWC") as the Company's independent registered public accounting firm, effective immediately. On the same date, the Company appointed AOGB CPA Limited, or AOGB, as the Company's independent registered public accounting firm, effective immediately. The dismissal of WWC and the appointment of AOGB were approved by the Audit Committee of the Company's board of directors and ratified by the board of directors.

The information set forth in the Company's Report on Form 6-K furnished to the Securities and Exchange Commission on November 12, 2025, including the letter of WWC filed as Exhibit 15.1 thereto, is incorporated herein by reference to this annual report.

WWC's audit reports on the Company's consolidated financial statements for the fiscal years ended March 31, 2025 and March 31, 2024 did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the Company's fiscal years ended March 31, 2025 and March 31, 2024 and the subsequent interim period through November 11, 2025, there were no disagreements, as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions thereto, between the Company and WWC on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to WWC's satisfaction, would have caused WWC to make reference to the subject matter of the disagreements in connection with its reports on the Company's consolidated financial statements for such periods. During the Company's fiscal years ended March 31, 2025 and March 31, 2024 and the subsequent interim period through November 11, 2025, there were no reportable events, as defined in Item 16F(a)(1)(v) of Form 20-F.

During the Company's fiscal years ended March 31, 2025 and March 31, 2024 and the subsequent interim period through November 11, 2025, neither the Company nor anyone acting on its behalf consulted AOGB regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, and neither a written report nor oral advice was provided to the Company by AOGB that AOGB concluded was an important factor considered by the Company in reaching a decision as to any accounting, auditing or financial reporting issue, or (ii) any matter that was either the subject of a disagreement, as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions thereto, or a reportable event, as defined in Item 16F(a)(1)(v) of Form 20-F.

The Company provided WWC with a copy of the disclosure contained in the Form 6-K furnished on November 12, 2025 and requested that WWC furnish a letter addressed to the Securities and Exchange Commission stating whether or not it agreed with the statements made therein. A copy of WWC's letter was filed as Exhibit 15.1 to that Form 6-K and is incorporated herein by reference to this annual report.

ITEM 16G. CORPORATE GOVERNANCE

We were incorporated in Cayman Islands and our corporate governance practices are governed by applicable Cayman Islands law and our memorandum and articles of association. In addition, because our Class A Ordinary Shares are listed on Nasdaq, we are subject to Nasdaq's corporate governance requirements.

Nasdaq Listing Rule 5615(a)(3) permits a foreign private issuer like us to follow home country practices in lieu of certain requirements of Listing Rule 5600, provided that such foreign private issuer discloses in its annual report filed with the SEC each requirement of Rule 5600 that it does not follow and describes the home country practice followed in lieu of such requirement.

We currently follow some Cayman corporate governance practices in lieu of Nasdaq corporate governance listing standards as follows:

- We are not required to hold annual shareholders' meetings, as otherwise required by Nasdaq Listing Rule 5620(a).
- We are not required to seek shareholder approval for the establishment of or any material amendments, to our equity compensation arrangements for officers, directors, employees or consultants, in lieu of the shareholder approval requirement under Nasdaq Listing Rule 5635(c).
- We are not required to seek shareholder approval for the issuance of securities in a transaction other than a public offering where such issuance involves 20% or more of the shares or the voting power outstanding before the issuance, at a price lower than the "Minimum Price," in lieu of the shareholder approval requirement under Nasdaq Listing Rule 5635(d).
- We are not required to seek shareholder approval under Nasdaq Listing Rule 5635(a) for the issuance of securities in connection with certain acquisitions of the stock or assets of another company.

Our Cayman Islands counsel has provided relevant letters to Nasdaq certifying that under Cayman Islands law, we are not required to hold annual shareholders' meetings or seek shareholders' approval in the above circumstances.

In addition, Nasdaq Listing Rule 5640 provides that voting rights of existing shareholders of publicly traded common stock registered under Section 12 of the Exchange Act cannot be disparately reduced or restricted through any corporate action or issuance. However, Nasdaq Interpretive Material 5640 Voting Rights Policy provides that Nasdaq will accept any action or issuance relating to the voting rights structure of a non-U.S. company that is in compliance with Nasdaq's requirements for domestic companies or not prohibited by the company's home country law. Solowin has elected to follow the practice of its home country, the Cayman Islands, in lieu of complying with Rule 5640, and, after obtaining shareholder approval on December 17, 2024, established a dual class share structure with Class B Ordinary Shares carrying enhanced voting power. For details, see "*Item 4A. History and Development of the Company—Reclassification and Dual Class Structure.*"

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

ITEM 16J. INSIDER TRADING POLICIES

Solowin adopted an insider trading policy on May 24, 2024 governing the purchase, sale, and other dispositions of its securities by directors, officers, and employees. These policies and procedures are reasonably designed to promote compliance with applicable insider trading laws, rules and regulations, and applicable U.S. federal, state and foreign securities laws. A copy of the SOLOWIN HOLDINGS Insider Trading Policy is attached as Exhibit 11.2 to this annual report.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy

We maintain a technology and cybersecurity program, which includes information security, as part of our overall risk management process with the aim that our information systems, including those of our suppliers and other third-parties, will be resilient, effective and capable of safeguarding against emerging risks and cybersecurity threats. We endeavor to assure our program is appropriately resourced and to attract and retain expert talent to execute it.

We have established preventive measures and fulfill our security obligations to protect our networks from interference, damage, or unauthorized access, and to prevent the leakage, theft, or alteration of network data. As part of our supplier risk management program, we conduct security assessments prior to engagement of high-risk suppliers and other third-party providers and have a monitoring program to evaluate ongoing compliance with our cybersecurity standards.

A key element of our technology and cybersecurity program strategy is fostering training and awareness. Our training and awareness program includes annual cybersecurity awareness training and role-based phishing tests for our employees and for third parties with access to our systems.

Our technology and cybersecurity program focuses on the defense, rapid detection and rapid remediation of cybersecurity threats and incidents. Additionally, our program incorporates comprehensive cybersecurity policies and crisis response and management procedures, aimed at rapidly addressing, responding to, and effectively communicating about cybersecurity threats and incident.

Our cybersecurity crisis management program sets forth the items, procedures and actions we expect to address and follow in the event of a cybersecurity incident, including detection, response, mitigation and remediation. When a potential threat or incident is identified, our cyber security incident response team will assign a risk level classification and initiate the escalation and other steps called for by our plan. All incidents that are initially assessed by the cybersecurity incident response team as potentially high-risk are escalated promptly to our Chief Executive Officer, who will determine whether and what elements of our cybersecurity crisis response and management plan should be activated, including escalation to other senior management. Our Chief Executive Officer will inform our board of directors of cybersecurity incidents, as appropriate, considering a variety of factors, including financial, operational, legal or reputational impact.

Our program's maturity and operational readiness are regularly evaluated by independent experts and penetration tests that are consistent with the national cybersecurity level. Our program, and the results of these independent evaluations and testing, are regularly reviewed by our senior management and members of our board of directors.

We have not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect us, including our operations, business strategy, results of operations, or financial condition.

Risk Governance

We are committed to appropriate cybersecurity governance and oversight.

Our board of directors has oversight of our strategic and business risk management, including cybersecurity risk management. Our board of directors is responsible for ensuring that management has processes in place designed to identify and evaluate cybersecurity risks to which we are exposed and to implement processes and programs to manage cybersecurity risks and mitigate cybersecurity incidents. Management is responsible for identifying, assessing, and managing material cybersecurity risks on an ongoing basis, establishing processes to ensure that such potential cybersecurity risk exposures are monitored, putting in place appropriate mitigation measures, maintaining cybersecurity policies and procedures, and providing regular reports to our board of directors.

For additional information on our cybersecurity risks, please see Item 3 "*Key information—D. Risk Factors*."

PART III

ITEM 17. FINANCIAL STATEMENTS

We have elected to provide our financial statements pursuant to Item 18.

ITEM 18. FINANCIAL STATEMENTS

The full text of our audited consolidated financial statements begins on page F-1 of this annual report.

ITEM 19. EXHIBITS

Exhibit No.	Description
1.1	Second Amended and Restated Memorandum and Articles of Association of the registrant (incorporated herein by reference to Exhibit 99.1 to the Form 6-K furnished with the SEC on December 18, 2024)
2.1*	Description of Class A Ordinary Shares Registered Pursuant to Section 12 of the Exchange Act as of March 31, 2026
2.2	Form of Warrant dated June 2, 2025 (incorporated by reference to Exhibit 4.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on May 29, 2025)
2.3	Form of Warrant dated June 9, 2025 (incorporated by reference to Exhibit 4.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on June 6, 2025)
4.1	Form of Indemnification Agreement between the registrant and its directors and executive officers (incorporated herein by reference to Exhibit 10.1 to the registration statement on Form F-1 (File No. 333-271525), as amended, initially filed with the SEC on April 28, 2023)
4.2†	Form of Employment Agreement between the registrant and its executive officers (incorporated herein by reference to Exhibit 10.2 to the registration statement on Form F-1 (File No. 333-271525), as amended, initially filed with the SEC on April 28, 2023)
4.3	Office Tenancy Agreement between Wide Harvest Investment Limited and Solomon JFZ (Asia) Holdings Limited, dated December 20, 2022 (incorporated herein by reference to Exhibit 10.7 to the registration statement on Form F-1 (File No. 333-271525), as amended, initially filed with the SEC on April 28, 2023)
4.4	Amended and Restated SOLOWIN HOLDINGS 2023 Equity Incentive Plan (incorporated herein by reference to Exhibit 99.1 to post-effective amendment No.1 to the registration statement on Form S-8 (File No. 333-275337) filed with the SEC on December 10, 2025)
4.5	Membership Interest Purchase Agreement, by and among SOLOWIN HOLDINGS, Cambria Capital, LLC and Cambria Asset Management, Inc., dated March 5, 2024 (incorporated by reference to Exhibit 4.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on March 6, 2024)
4.6	Interests Buyback and Release Agreement, dated April 4, 2025 (incorporated by reference to Exhibit 4.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on April 8, 2025)
4.7	Form of Securities Purchase Agreement, dated May 23, 2025, between the Company and each investor (incorporated by reference to Exhibit 10.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on May 23, 2025)
4.8	Form of Securities Purchase Agreement, dated May 29, 2025, between the Company and the Purchasers (incorporated by reference to Exhibit 10.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on May 29, 2025)
4.9	Placement Agency Agreement, dated May 29, 2025, between the Company and Eddid Securities USA, Inc. (incorporated by reference to Exhibit 10.2 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on May 29, 2025)
4.10	Form of Securities Purchase Agreement, dated June 6, 2025, between the Company and each Purchaser (incorporated by reference to Exhibit 10.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on June 6, 2025)
4.11	Sale and Purchase Agreement, by and among SOLOWIN HOLDINGS, Chen Dongbin, and Lau Cho, dated June 16, 2025 (incorporated by reference to Exhibit 4.1 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on June 16, 2025)
4.12	Form of Shareholders Agreement, by and among SOLOWIN HOLDINGS, Tiger Coin (Hong Kong) Limited, and Wei Zhu (incorporated by reference to Exhibit 4.2 to the Report of Foreign Private Issuer on Form 6-K furnished by the registrant on June 16, 2025)

4.13	Share Purchase Agreement, by and among SOLOWIN HOLDINGS, AlloyX Limited and the sellers listed in Schedule I thereto, dated August 11, 2025 (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on August 18, 2025)
4.14	Sale and Purchase Agreement, by and among SOLOWIN HOLDINGS, Liong Chew Seang @ Muliana, and GPL Remittance Pte. Ltd., dated August 15, 2025 (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on August 18, 2025)
4.15	Form of Securities Purchase Agreements, dated November 25, 2025, between the Registrant and the investors named therein (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on November 26, 2025)
4.16	Securities Purchase Agreement, dated December 31, 2025, between the Registrant and Fourth Paradigm International Limited (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on December 31, 2025)
4.17	Securities Purchase Agreement, dated February 9, 2026, between the Registrant and Streeterville Capital, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on February 9, 2026)
4.18	Pre-Paid Purchase #2 issued to Streeterville Capital, LLC, dated June 2, 2026, pursuant to the Securities Purchase Agreement dated February 9, 2026 (incorporated by reference to Exhibit 10.1 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on June 2, 2026)
4.19	Letter Agreement, dated June 2, 2026, between the Registrant and Streeterville Capital, LLC (incorporated by reference to Exhibit 10.2 to the Registrant's Report of Foreign Private Issuer on Form 6-K furnished to the SEC on June 2, 2026)
8.1*	List of the registrant's subsidiaries
11.1	Code of Ethics of the registrant (incorporated herein by reference to Exhibit 99.1 to the registration statement on Form F-1 (File No. 333-271525), as amended, initially filed with the SEC on April 28, 2023)
11.2	Insider Trading Policy of the registrant (incorporated by reference to Exhibit 11.2 to the Annual Report on Form 20-F filed by the registrant on July 26, 2024)
12.1*	Certifications of Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-1(a)
12.2*	Certifications of Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-1(a)
13.1**	Certifications of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certifications of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
15.1*	Consent from AOGB CPA Limited, an independent registered public accounting firm.
15.2*	Consent from WWC, P.C., an independent registered public accounting firm.
97.1	Clawback Policy of the registrant (incorporated by reference to Exhibit 97.1 to the Annual Report on Form 20-F filed by the registrant on July 26, 2024)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** Furnished herewith.

† Executive Compensation Plan or Agreement

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Date: July 31, 2026

SOLOWIN HOLDINGS

/s/ Ling Ngai Lok

Ling Ngai Lok
Chairman and Chief Executive Officer

SOLOWIN HOLDINGS AND ITS SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
Report of Independent Registered Public Accounting Firm (PCAOB ID: 7020)	F-2
Report of Independent Registered Public Accounting Firm (PCAOB ID: 1171)	F-3
Consolidated Balance Sheets as of March 31, 2026 and 2025	F-4
Consolidated Statement of Loss and Comprehensive Loss for the Years Ended March 31, 2026, 2025 and 2024	F-5
Consolidated Statements of Changes in Shareholders' Equity for the Years Ended March 31, 2026, 2025 and 2024	F-6
Consolidated Statements of Cash Flows for the Years Ended March 31, 2026, 2025 and 2024	F-7
Notes to Consolidated Financial Statements	F-8

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Solowin Holdings

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Solowin Holdings and its subsidiaries (the "Company") as of March 31, 2026, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended March 31, 2026, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations and its cash flows for the year ended March 31, 2026, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ AOGB CPA Limited

Hong Kong, Hong Kong
July 31, 2026

We have served as the Company's auditor since 2025.

AOGB CPA Limited, Suite 2501-03, Tesbury Centre, 28 Queen's Road East, Admiralty, Hong Kong
Tel: 2152-2238, Website: *www.aogb.com*

WWC, P.C. CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Registered Public Accounting Firm

To: The Board of Directors and Shareholders of
Solowin Holdings and its subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Solowin Holdings and its subsidiaries (collectively the "Company") as of March 31, 2025 and 2024, and the related consolidated statements of (loss) income and comprehensive (loss) income, changes in shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

WWC, P.C.

WWC, P.C.
Certified Public Accountants
PCAOB ID No.1171

San Mateo, California
June 30, 2025

We have served as the Company's auditor since 2022.

2010 PIONEER COURT, SAN MATEO, CA 94403 TEL.: (650) 638-0808 FAX.: (650) 638-0878
E-MAIL: INFO@WWCCPA.COM WEBSITE: WWW.WWCCPA.COM

SOLOWIN HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2026 AND 2025
(Amount in U.S. dollars and in thousands, except for share data, or otherwise noted)

	As of March 31,	
	2026	2025
	$'000	$'000
ASSETS		
Current assets:		
Cash and cash equivalents	16,804	3,838
Cash segregated for regulatory purpose	2,244	5,019
Receivables from:		
Customers, net of allowance for credit losses of $842,000 and $500,000 as of March 31, 2026 and 2025, respectively	11,257	146
Customers - related parties, net of allowance for credit losses of $87,000 and $1,000 as of March 31, 2026 and 2025, respectively	339	46
Brokers-dealers and clearing organizations, net of allowance for credit losses of $13,000 and nil as of March 31, 2026 and 2025, respectively	714	19
Prepaid expenses and other current assets, net	2,323	577
Right to receive cryptocurrencies, net of allowance for credit losses of $74,000 and nil as of March 31, 2026 and 2025, respectively	3,940	-
Amount due from related parties	38	12
Total current assets	37,659	9,657
Non-current assets:		
Investment in an associate	7,530	-
Long-term investments, net	494	368
Property and equipment, net	319	157
Operating right-of-use assets, net	2,418	671
Intangible assets, net	607	86
Refundable deposits	1,129	1,017
Prepaid expenses, net	503	352
Goodwill, net	47	-
Total non-current assets	13,047	2,651
TOTAL ASSETS	50,706	12,308
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Other borrowings	-	420
Payables to customers	2,837	5,022
Accruals and other current liabilities	2,403	524
Payables to AI cloud service providers	10,449	-
Convertible notes	5,232	-
Operating lease liabilities - current	1,222	577
Amount due to directors	198	951
Amount due to related parties	2,022	-
Total current liabilities	24,363	7,494
Non-current liabilities:		
Operating lease liabilities - non-current	1,232	83
Total non-current liabilities	1,232	83
TOTAL LIABILITIES	25,595	7,577
COMMITMENTS AND CONTINGENCIES		
Shareholders' equity		
Class A ordinary shares (US$0.0001 par value per share; 950,000,000 shares authorized; 157,582,228 and 8,440,000 shares issued and outstanding as of March 31, 2026 and 2025, respectively)*	16	1
Class B ordinary shares (US$0.0001 par value per share; 50,000,000 shares authorized; 31,371,599 and 8,040,000 shares issued and outstanding as of March 31, 2026 and 2025, respectively)*	3	1
Additional paid-in capital	52,830	19,219
Accumulated losses	(27,696)	(14,522)
Accumulated other comprehensive income	21	32
	25,174	4,731
Non-controlling interests	(63)	-
TOTAL EQUITY	25,111	4,731
TOTAL LIABILITIES AND EQUITY	50,706	12,308

* Retroactively restated for effect of share re-classification on December 17, 2024 (see Note 16)

The accompanying notes are an integral part of these financial statements.

SOLOWIN HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED MARCH 31, 2026, 2025 and 2024
(Amount in U.S. dollars and in thousands, except for share and per share data, or otherwise noted)

	For the years ended March 31,		
	2026	**2025**	**2024**
	$'000	**$'000**	**$'000**
Revenues**			
Digital Asset Tokens			
(i) Interest income	-	30	128
(ii) Tokenization service fee	2,722	-	-
(iii) Transaction service fee	852	110	312
(iv) Asset management service fee – related parties	593	655	871
(v) Consultancy service fee	1,677	2,024	2,980
	5,844	2,819	4,291
AI Tokens			
(i) AI infrastructure service fee	22,204	-	-
	22,204	-	-
Total revenues	28,048	2,819	4,291
Expenses			
Marketing and promotion expenses	863	1,006	927
Commission and handling expenses	501	474	15
Professional fee	3,214	4,669	774
Information technology expenses	2,551	749	383
Office expenses	1,525	888	342
AI cloud service costs	21,293	-	-
Employee benefits expenses	8,964	2,290	5,043
General and administrative expenses	1,688	1,377	383
Allowance for (reversal of) credit losses	453	(502)	854
Total expenses	41,052	10,951	8,721
Other (expenses) income			
Interest income	7	46	29
Other (expenses)/income	(321)	16	3
Interest expenses	-	(5)	-
Share of results of an associate	30	(54)	(3)
Loss on disposal of an associate	-	(100)	-
Impairment loss of long-term investments, net	-	(290)	-
Total other (expenses) income, net	(284)	(387)	29
Loss before income tax expense	(13,288)	(8,519)	(4,401)
Income tax expense	-	19	155
Net loss	(13,288)	(8,538)	(4,556)
Net loss attributable to			
Owners of the Company	(13,174)	(8,538)	(4,556)
Non-controlling interests	(114)	-	-
	(13,288)	(8,538)	(4,556)
Other comprehensive (loss) income			
Foreign currency translation adjustment	(11)	33	16
Total comprehensive loss	(13,299)	(8,505)	(4,540)
Attributable to			
Owners of the Company	(13,185)	(8,505)	(4,540)
Non-controlling interests	(114)	-	-
	(13,299)	(8,505)	(4,540)
Basic and diluted net loss per share	(0.11)	(0.53)	(0.33)
Weighted average number of shares outstanding - basic and diluted*	124,898,113	16,127,380	13,724,658

* Retroactively restated for effect of share re-classification on December 17, 2024 (see Note 16)

** Retroactively restated for effect of reclassifying the revenue presentation (see Note 17)

The accompanying notes are an integral part of these financial statements.

SOLOWIN HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED MARCH 31, 2026, 2025 and 2024
(Amount in U.S. dollars and in thousands, except for share data, or otherwise noted)

	Class A ordinary shares		Class B ordinary shares		Additional		Accumulated other	Non-	
	Number of shares	Amount	Number of shares	Amount	paid-in capital	Accumulated losses	comprehensive (loss) income	controlling interests	Total equity
		$'000		$'000	$'000	$'000	$'000	$'000	$'000
Balance as of April 1, 2023	3,960,000	-**	8,040,000	1	4,785	(1,428)	(17)	-	3,341
Issuance of ordinary shares through public offering, net	2,000,000	-**	-	-	6,313	-	-	-	6,313
Share-based compensations	1,500,000	-**	-	-	3,810	-	-	-	3,810
Foreign currency translation adjustment	-	-	-	-	-	-	16	-	16
Net loss	-	-	-	-	-	(4,556)	-	-	(4,556)
Balance as of March 31, 2024	7,460,000	-**	8,040,000	1	14,908	(5,984)	(1)	-	8,924
Issuance of ordinary shares	500,000	-**	-	-	1,000	-	-	-	1,000
Share-based compensations	480,000	1	-	-	3,311	-	-	-	3,312
Foreign currency translation adjustment	-	-	-	-	-	-	33	-	33
Net loss	-	-	-	-	-	(8,538)	-	-	(8,538)
Balance as of March 31, 2025	8,440,000	1	8,040,000	1	19,219	(14,522)	32	-	4,731
Issuance of ordinary shares for business combination under common control	106,779,926	10	23,331,599	2	5,595	-	-	-	5,608
Issuance of ordinary shares	41,612,302	4	-	-	23,529	-	-	-	23,533
Issuance of warrants					1,266				1,266
Share-based compensation	750,000	-**	-	-	3,221	-	-	-	3,221
Non-controlling interests arising on formation of subsidiaries	-	-	-	-	-	-	-	51	51
Foreign currency translation adjustment	-	-	-	-	-	-	(11)	-	(11)
Net loss	-	-	-	-	-	(13,174)	-	(114)	(13,288)
Balance as of March 31, 2026	157,582,228	16	31,371,599	3	52,830	(27,696)	21	(63)	25,111

* Retroactively restated for effect of share re-classification on December 17, 2024 (see Note 16)

** Less than US$1,000

The accompanying notes are an integral part of these financial statements.

SOLOWIN HOLDINGS AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2026, 2025 and 2024
(Amount in U.S. dollars and in thousands)

	For the years ended March 31,		
	2026	**2025**	**2024**
	$'000	**$'000**	**$'000**
Cash flows from operating activities			
Net loss	(13,288)	(8,538)	(4,556)
Adjustment to reconcile net loss to cash used in operating activities:			
Amortization of intangible assets	7	18	7
Depreciation of property and equipment	131	81	23
Allowance for (reversal of) credit losses	453	(502)	854
Loss on disposal of intangible assets	12	-	-
Share-based compensations	3,221	3,312	3,810
Share of results of an associate	(30)	54	3
Loss on disposal of an associate	-	100	-
Impairment loss of long-term investments	-	290	-
Interest income from loan receivable	-	(26)	(26)
Loss on fair value change of convertible notes	232	-	-
Change in operating assets and liabilities:			
Change in receivables from customers	(11,762)	2,770	(2,038)
Change in receivables from brokers-dealers and clearing organizations	(716)	660	(376)
Change in refundable deposits	(89)	(399)	(462)
Change in prepaid expenses and other current assets	(1,842)	999	(1,656)
Change in amount due from a director	-	-	28
Change in amounts with related parties	2,188	-	-
Change in payables to AI cloud service providers	10,449	-	-
Change in payables to customers	(2,185)	(89)	(1,235)
Change in contract liabilities	-	-	(120)
Change in accruals and other current liabilities	1,872	292	69
Change in right to receive cryptocurrencies	(4,014)	-	-
Change in income taxes payable	-	(55)	55
Change in operating lease liabilities	26	(24)	13
Cash used in operating activities	(15,335)	(1,057)	(5,607)
Cash flows from investing activities			
Purchase of intangible assets	(540)	(27)	(20)
Purchase of property and equipment	(186)	(88)	(141)
Purchase of long-term investments, net	(126)	(658)	-
Acquisition of an associate	-	-	(257)
Proceeds from disposal of an associate	-	50	-
Acquisition of subsidiaries under common control	5,304	-	-
Repayment of loan to a third party	-	1,010	-
Loan to a third party	-	-	(958)
Cash provided by (used in) investing activities	4,452	287	(1,376)
Cash flows from financing activities			
Proceeds from shareholders' contribution	-	1,000	-
Proceeds from capital injection from investors	16,878	-	-
Net proceeds from initial public offering ("IPO")	-	-	7,065
Proceeds from other borrowings	-	420	-
Payment for IPO costs	-	-	(409)
Advance to related parties	-	14	61
Proceeds from issuance of convertible notes	5,000	-	-
Advance from directors	-	942	3
Repayments to directors	(804)	-	-
Cash provided by financing activities	21,074	2,376	6,720
Net change in cash, cash equivalents and cash segregated for regulatory purpose	10,191	1,606	(263)
Cash, cash equivalents and cash segregated for regulatory purpose at beginning of the year	8,857	7,251	7,514
Cash, cash equivalents and cash segregated for regulatory purpose at the end of the year	19,048	8,857	7,251
Supplementary cash flows information			
Cash received from interest	7	46	29
Cash paid for income taxes	-	74	101
Supplemental schedule of non-cash investing and financing activities			

Repayment of loans through issuance of shares	424	-	-
Acquisition of an associate through issuance of Class A Ordinary Shares	7,500	-	-
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	1,034	273	1,044

	As of March 31,		
	2026	**2025**	**2024**
	$'000	**$'000**	**$'000**
Reconciliation to amounts on consolidated balance sheets:			
Cash and cash equivalents	16,804	3,838	2,140
Cash segregated for regulatory purpose	2,244	5,019	5,111
Total cash, cash equivalents and cash segregated for regulatory purpose	19,048	8,857	7,251

The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Solowin Holdings (collectively the "Company") is a company incorporated in Cayman Islands with limited liability on July 23, 2021. The Company is an investment holding company.

Solomon JFZ (Asia) Holdings Limited ("SJFZ") was incorporated on July 25, 2016. SJFZ is a limited liability corporation licensed with the Hong Kong Securities and Futures Commission ("HKSFC") to carry out regulated activities including Type 1 (Dealing in Securities), Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management).

On December 4, 2023, as a part of the strategic expansion into the private wealth management business, the Company formed a new wholly owned subsidiary, Solomon Private Wealth Limited ("Solomon Wealth"), under the laws of Hong Kong.

Solomon Global Asset Management Limited ("SGAM") is a company incorporated in British Virgin Islands with limited liability on August 4, 2023. On March 12, 2025, Solomon Wealth entered into a preliminary agreement for the acquisition from an external third party of 100% of equity interest of SGAM. The transaction was completed on March 13, 2025. On May 7, 2025, Solomon Wealth transferred 100% ownership of SGAM to the Company. As a result, SGAM became a wholly-owned subsidiary of Company.

On April 25, 2025, as a part of our strategic expansion into the stablecoin business, the Company formed a new wholly owned subsidiary, AX Coin Limited, under the laws of Hong Kong, and subsequently renamed it as AX Coin HK Limited on September 12, 2025.

On April 25, 2025, as a part of our strategic development of digital assets investment business, the Company, together with our Chairman and Chief Executive Officer Mr. Ling Ngai Lok, set up a new subsidiary, Solowin Investment Limited, under the laws of Hong Kong, in which the Company holds 4,000 shares out of 10,000 issued shares, accounting for 40% of the entity. On November 19, 2025, the Company acquired Mr. Lok's shares in the entity for a total purchase price of $1.00, and the entity became a wholly owned subsidiary of the Company. Subsequently, the entity was renamed as AlloyX Ventures Limited on November 25, 2025. As to date of these financial statements, AlloyX Ventures Limited has not commenced substantive operations.

On June 16, 2025, the Company entered into a sale and purchase agreement with two independent individuals, pursuant to which the Company purchased from them, a 48% stake in Tiger Coin (Hong Kong) Limited, a private company limited by shares incorporated in Hong Kong, for a total purchase price of $7,500,000. Such purchase price was satisfied by the issuance of an aggregate of 7,500,000 Class A Ordinary Shares of the Company to them, with each person receiving 3,750,000 Class A Ordinary Shares. The transaction was completed in June 2025.

On August 11, 2025, the Company entered into a sale and purchase agreement with Mr. Lok Ling Ngai and Mr. Haokang Zhu as well as certain independent third parties to acquire 100% equity interest of AlloyX Limited, a Cayman Islands company developing next-generation stablecoin infrastructure centered on tokenized money-market funds and cross-border payments. Consideration to the sellers comprised 106,779,926 Class A Ordinary Shares and 23,331,599 Class B Ordinary Shares. Upon the closing of the acquisition on September 3, 2025, AlloyX became a wholly owned subsidiary of the Company. AlloyX has four subsidiaries, including (i) Master Venus Limited, a company incorporated under the laws of Samoa, (ii) AlloyX HK, a company incorporated under the laws of Hong Kong, (iii) AlloyX Group PTE Ltd, a company incorporated under the laws of Singapore, and (iv) Bravo Valor Partners Ltd, a company incorporated under the laws of the State of Washington, the United States of America. Both the Company and AlloyX were controlled by the same common controller, Mr. Lok Ling Ngai before this acquisition since July 3, 2025. Thus, the acquisition was a transaction between entities under common control, which, under U.S. GAAP, requires the assets and liabilities to be transferred at the historical cost of the entity. Accordingly, the Company's financial information prior to the acquisition date of September 3, 2025 was retrospectively adjusted to include the financial results of AlloyX for the period during which the entities were under common control since July 3, 2025.

On August 15, 2025, the Company entered into a sale and purchase agreement, with one independent individual, pursuant to which the Company purchased from the shareholder 190,000 ordinary shares, representing 19% of the issued and paid-up share capital, in GPL Remittance Pte. Ltd., an exempt private company limited by shares incorporated in Singapore ("GPL"), for consideration of SGD161,500 in cash. As of the date of this report, this acquisition has closed.

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

On August 25, 2025, the Company, together with the Company's Chairman and Chief Executive Officer, Mr. Ling Ngai Lok, and the Company's director, Mr. Haokang Zhu, formed a new subsidiary, AX Coin Limited ("AX Coin") under laws of the Cayman Islands, in which the Company holds 32,000 shares out of 50,000 outstanding shares, accounting for 64% of the entity. On October 23, 2025, the Company transferred AX Coin HK Limited to AX Coin Limited, and as a result, AX Coin HK Limited became a wholly owned subsidiary of AX Coin limited. AX Coin Limited's major business is enterprise-grade stablecoin issuance and provision of an infrastructure platform tailored for B2B scenarios including payments, treasury management and tokenized asset settlement.

On October 23, 2025, the Company transferred AX Coin HK Limited to AX Coin Limited, and as a result, AX Coin HK Limited became a wholly-owned subsidiary of AX Coin Limited.

On November 18, 2025, the Company formed a new wholly-owned subsidiary AXG International Management W.L.L. under AX Coin HK Limited.

On December 30, 2025, AlloyX HK entered into a sale and purchase agreement, with one company, pursuant to which AlloyX HK purchased from the shareholder 10,000 ordinary shares, representing 100% of the issued and paid-up share capital, in Gello Finance Limited., an exempt private company limited by shares incorporated in Canada, for consideration of HKD366,000 in cash. As of the date of this report, this acquisition has closed.

On January 2, 2026, as part of our strategic development of Web3 investment business, Solowin formed a new wholly-owned subsidiary, AXG Investment Ltd, under the laws of the Cayman Islands. As of the date of this report, AXG Investment Ltd has not commenced operations.

On February 8, 2026, AX Coin HK Limited together with Firewood Group Limited, further set up AX Coin Bahrain B.S.C (c), in which AX Coin HK and Firewood hold 95% and 5% of the entity, respectively. AX Coin's principal business, through its operational subsidiaries in HK and Bahrain, is the issuance of enterprise-grade stablecoins and the operation of a B2B infrastructure platform for payments, treasury management and tokenized asset settlement, marketed under the AX COIN brand. As of the date of this report, AX COIN focuses on obtaining licenses and establishing networks across the globe for its stablecoin business.

The Company together with its subsidiaries (collectively the "Group") are primarily engaged in providing tokenization services, transaction services, asset management services, consultancy services and AI infrastructure services in Hong Kong.

Details of the Company and its subsidiaries are set out in the table as follows:

Name	Date of incorporation	Percentage of effective ownership		Place of incorporation	Principal activities
		March 31, 2026	March 31, 2025		
Solowin Holdings	July 23, 2021	N/A	N/A	Cayman Islands	Holding company
Solomon JFZ (Asia) Holdings Limited	July 25, 2016	100%	100%	Hong Kong	Securities and virtual assets dealings and brokerage; advising on securities; corporate consultancy services; and asset management services
Solomon Private Wealth Limited	December 4, 2023	100%	100%	Hong Kong	Wealth management and financial planning services
Solomon Global Asset Management Limited	August 4, 2023 (Acquired on March 13, 2025)	100%	100%	British Virgin Islands	Wealth management and financial planning services
AX Coin Limited	August 25, 2025	64%	N/A	Cayman Islands	Holding company
AX Coin HK Limited	April 25, 2025	100%	N/A	Hong Kong	Holding company
AXG International Management W.L.L.	November 18, 2025	100%	N/A	Kingdom of Bahrain	Dormant
AX Coin Bahrain B.S.C. Closed	February 8, 2026	95%	N/A	Kingdom of Bahrain	Stablecoin issuance
AlloyX Limited	October 22, 2024 (Acquired on September 3, 2025)	100%	N/A	Cayman Islands	Holding company
Master Venus Limited	February 2, 2016 (Acquired on September 3, 2025)	100%	N/A	Samoa	Holding company
AlloyX (Hong Kong) Limited	December 23, 2024 (Acquired on September 3, 2025)	100%	N/A	Hong Kong	Digital assets-related services
AlloyX Group Pte Limited	January 16, 2025 (Acquired on September 3, 2025)	100%	N/A	Singapore	Dormant
Bravo Valor Partners Limited	June 4, 2021 (Acquired on September 3, 2025)	100%	N/A	United States	Dormant
Gello Finance Limited	April 8, 2025 (Acquired on December 30, 2025)	100%	N/A	Canada	Dormant
AlloyX Ventures Limited (formerly known as Solowin Investment Limited)	April 25, 2025 (Acquired on November 25, 2025)	100%	N/A	Hong Kong	Dormant
AXG Investment Limited	January 2, 2026	100%	N/A	Cayman Islands	Dormant

1. ORGANIZATION AND PRINCIPAL ACTIVITIES (Continued)

Reorganization

Previous to a group reorganization (the "Group Reorganization"), both the Company and Master Venus Limited (the "Predecessor Parent Company"), a company incorporated in Samoa, were ultimately owned 33% by Ms. Xue Yao ("Ms. Yao"), 34% by Mr. Ling Ngai Lok ("Mr. Lok") and 33% by Mr. Xiaohang Zhang ("Mr. Zhang").

Pursuant to the Group Reorganization to rationalize the structure of the Company and its subsidiary in preparation for the listing of the shares, the Company becomes the holding company of SJFZ on October 17, 2022, which involves the transfer of the entire equity interest of SJFZ by the Predecessor Parent Company. The Company, together with its wholly-owned subsidiary, is effectively controlled by the same controlling shareholders, i.e., ultimately held as to 33% by Ms. Yao, 34% by Mr. Lok and 33% by Mr. Zhang, before and after the Group Reorganization and therefore the Group Reorganization is considered as a recapitalization of entities under common control. The consolidation of the Company and its subsidiary has been accounted for at historical cost. No amount is recognized in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination. The consolidated statements of operation and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows are prepared as if the current group structure had been in existence throughout the years ended March 31, 2026 and 2025, or since the respective dates of incorporation/establishment of the relevant entity, where this is a shorter period. The consolidated balance sheets as of March 31, 2026 and 2025 present the assets and liabilities of the companies now comprising the Group which had been incorporated/established as at the relevant balance sheet date as if the current group structure had been in existence at those dates.

On December 7, 2022, the Company's shareholders and Board of Directors approved to amend the authorized share capital from $10,000, divided into 10,000 ordinary shares of a par value of $1 per share, to $100,000, divided into 1,000,000,000 ordinary shares of a par value of $0.0001 per share. The Company believes it is appropriate to reflect such changes in share structure on a retroactive basis pursuant to ASC 260. The Company has retroactively restated all shares and per share data for all periods presented. On the same day, the shareholders of the Company surrendered 488,000,000 ordinary shares of $0.0001 par value each for no consideration. The issued and outstanding shares of the Company changed from 500,000,000 to 12,000,000. As a result, the Company had 1,000,000,000 authorized shares, par value of $0.0001, of which 12,000,000 shares were issued and outstanding as of March 31, 2023.

Initial Public Offering

On September 8, 2023, the Company announced the closing of its IPO of 2,000,000 ordinary shares, $0.0001 par value per share at an offering price of $4.00 per share for a total of $8,000,000 in gross proceeds. The Company raised total net proceeds of $7,065,000, which was reflected in the consolidated statements of cash flows, after deducting underwriting discounts and commissions and offering expenses. The ordinary shares of the Company began trading on the Nasdaq Stock Market in the United States on September 7, 2023 under the symbol "SWIN", and subsequently changed to "AXG" during the current year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and applicable rules and regulations of the Securities and Exchange Commission.

Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. All transactions and balances between the Company and its subsidiaries have been eliminated upon consolidation.

A subsidiary is an entity in which (i) the Company directly or indirectly controls more than 50% of the voting power; or (ii) the Company has the power to appoint or remove the majority of the members of the board of directors or to cast a majority of votes at the meetings of the board of directors or to govern the financial and operating policies of the investee pursuant to a statute or under an agreement among the shareholders or equity holders.

Reclassification (related to the restated segment information of prior year)

During the year ended March 31, 2026, the Company modified the information that chief operating decision maker, who was also Chief Executive Officer, regularly reviewed for purposes of allocating resources and assessing performance, prompting a change in management, operating segments, and reporting units. As a result, beginning in the year ended March 31, 2026, the Company report financial performance based on new business segments described in Note 3 – Segment Information. The Company has recast historically presented comparative segment information to conform to the way the Company internally manage and monitor segment performance as of and for the year ended March 31, 2026. This change primarily impacted Note 17 - Revenue Recognition, with no impact on total revenue presented in the consolidated statements of loss.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates relate to allowance for expected credit losses, impairment for goodwill, investment in an associate, long-term investments and intangible assets. Actual results could vary from the estimates and assumptions that were used.

Foreign currency translation and transaction and convenience translation

The accompanying audited consolidated financial statements are presented in United States dollars ("US$" or "$"). The functional currency of the Company is $ and the functional currency of the Company's subsidiaries is the Hong Kong Dollars ("HKD"). The Company's assets and liabilities are translated into $ from HKD at year-end exchange rates. Its revenues and expenses are translated at the average exchange rate during the year. Capital accounts are translated at their historical exchange rates when the capital transactions occurred.

	As of March 31,	
	2026	2025
Year-end spot rate	7.8055	7.7787

	For the years ended March 31,		
	2026	2025	2024
Average rate	7.7761	7.7917	7.8243

Warrant

The Company assessed the classification of warrant issued in accordance with ASC 480 and ASC 815. The Company determines that the warrant issued should be classified as equity. The warrants are recorded at fair value on the grant date and no changes in fair value are recognized after the issuance date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices, in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Based on the short-term nature of cash and cash equivalents, cash segregated for regulatory purpose, receivables from customers, brokers-dealers and clearing organizations, other current assets, loan receivables, amount due to directors, amounts due from (to) related parties, payables to customers, other borrowings, payables to AI cloud service providers, accruals and other current liabilities has determined that the carrying value approximates their fair values. The carrying amounts of operating lease liabilities approximate their fair values since they bear an interest rate which approximates market interest rates.

Acquisition

(i) Business combination

The Group accounts for acquisitions of entities that include inputs and processes and have the ability to create outputs as business combinations. The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805 "Business Combinations" ("ASC 805"). Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) the total costs of acquisition, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the business acquired, the difference is recognized directly in the consolidated statements of comprehensive loss as gain on bargain purchase. During the measurement period, which can be up to one year from the acquisition date, the Group may record adjustments to the initially recorded balances of assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the consolidated statements of comprehensive loss.

(ii) Business combination under common control

The consolidated financial statements incorporate the financial information of a business that was acquired in the year ended March 31, 2026 from an entity that controls both the Group as well as the acquired business. Under U.S. GAAP this is considered a business combination under common control and the acquiring company's (the Group's) prior year financial statements have been adjusted to reflect the acquisition for all periods during which both entities were under common control during which the entities were under common control since July 3, 2025.

Under U.S. GAAP the acquired assets and assumed liabilities have been consolidated in the Group financial statements at the historical basis of the respective account balances.

Related parties

The Company adopted ASC 850, Related Party Disclosures, for the identification of related parties and disclosure of related party transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of deposits with banks and all highly liquid investments, with maturities of three months or less. The Company's cash is held at well capitalized financial institutions, but they are not Federal Deposit Insurance Corporation ("FDIC") insured. The Company maintains its cash in bank deposit accounts which at times may exceed insured limits. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk on cash and cash equivalents.

Cash segregated for regulatory purpose

The balance of cash segregated for regulatory purpose represents the bank balance that the Company held on behalf of customers. The Company maintains segregated bank accounts with authorized institutions to hold customers' monies arising from its normal course of business. The Company's cash segregated for regulatory purpose is held at well capitalized financial institutions, but they are not FDIC insured. The segregated customers account balance is restricted for customer transactions and governed by the Securities and Futures (Client Money) Rule under the Hong Kong Securities and Futures Ordinance. The Company has classified such segregated customers account balances as cash segregated for regulatory purpose and recognized the corresponding accounts payable to the respective customers under the liabilities section. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk on cash segregated for regulatory purpose.

Receivables from customers, broker-dealers and clearing organizations, net

Receivables from customers arise from (i) the business of dealing in investment securities and virtual assets for customers; (ii) investment advisory business; (iii) corporate consultancy business; and (iv) asset management business.

Receivables from broker-dealers and clearing organizations arise from the business of investment securities and virtual assets. Broker-dealers will require balances to be placed with them in order to cover the positions taken by its customers. Clearing house receivables typically represent proceeds receivable on trades that have yet to settle and are usually collected within two days.

In evaluating the collectability of receivables balances, the Company considers specific evidence including the aging of the receivable, the customers' payment history, its current creditworthiness, its underlying equity securities secured and current economic trends.

The receivables from customers, broker-dealers and clearing organizations, such as Hong Kong Exchanges and Clearing Limited ("HKEx"), are normally viewed as past due or delinquent based on how recently payments have been received. The Company has contractual rights to receive cash on demand from customers, broker-dealers and clearing organizations. As of March 31, 2026 and 2025, there are receivables from customers past due over 90 days. Management is actively monitoring these receivables and continues to assess their recoverability with reference to customers' payment history, credit standing, and the status of the underlying securities held. As of March 31, 2026 and 2025, the allowance for expected credit losses on receivables from customers were approximately $929,000 and $501,000, respectively.

As of March 31, 2026 and 2025, no receivables from clearing organizations and broker-dealers are past due or delinquent as the receivables are normally being settled within two days after the trade execution. As of March 31, 2026 and 2025, the Company has evaluated the probable losses on receivables from broker-dealers and clearing organizations are minimal and the allowance for expected credit losses on receivables from broker-dealers and clearing organizations were approximately $13,000 and nil, respectively.

The Company regularly reviews the adequacy and appropriateness of the allowance for expected credit losses. The receivables are written off after all collection efforts have ceased. The receivables from customers related to trading activities are secured in the form of underlying equity securities. The Company is entitled to dispose such collateral held on behalf of the customers for the purpose of settling any liability owed. The Company applies the practical expedient based on collateral maintenance provisions under ASC 326, Financial Instruments – Credit Losses, in estimating an allowance for credit losses for receivables from customers. In accordance with the practical expedient, when the Company reasonably expects that borrowers (or counterparties, as applicable) will replenish the collateral as required, there is no expectation of credit losses when the collateral's fair value is greater than the amortized cost of the financial asset. If the amortized cost exceeds the fair value of collateral, then credit losses are estimated only on the unsecured portion.

Prepaid expenses and other current assets, net

Prepayments and other current assets consist of cash advanced to suppliers or service providers for purchasing goods or services that have not been received or provided to the Company and prepayments to professional parties and marketing companies. Cash advanced to suppliers or service providers is refundable and bears no interest. Prepayments are classified as either current or non-current based on the terms of the respective agreements. These advances are unsecured and reviewed periodically to determine whether their carrying value has become impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loan receivables, net

Loan receivables are recognized when the Company, as a lender, provides the loan to borrowers as per the loan agreement. Loan receivables are initially measured at the amount of the loan provided. Subsequent to initial recognition, loan receivables are measured at amortized cost using the effective interest method, which includes the recognition of interest income less any allowance for expected credit losses. The loan receivables was settled during the year ended March 31, 2025.

Refundable deposit

As a clearing member firm of HKEx, the Company is exposed to clearing member credit risk.

HKEx requires member firms to deposit cash to a clearing fund. If a clearing member defaults in its obligations to clearing organizations in an amount larger than its own margin and clearing fund deposits, the shortfall is absorbed pro rata from the deposits of the other clearing members. HKEx has the authority to assess their members for additional funds if the clearing fund is depleted. A large clearing member default could result in a substantial cost if the Company is required to pay such additional funds.

Rental deposits represent security payments made to lessors for the Company's lease agreements entered. The Company made such security payments upon the commencement of the original lease agreements. The security deposit will be refunded to the Company upon the termination or expiration of the lease agreements as well as the delivery of the vacant leased properties to the lessors by the Company.

Right to receive cryptocurrencies

Right to receive cryptocurrencies represents the cryptocurrencies that the Company invests in cryptocurrency-denominated short-term investments to earn investment income. These short-term investments have flexible terms and therefore can be redeemed at any time. The Company follows the January 2025 updated AICPA's Practice Aid, Accounting for and Auditing of Digital Assets ("Digital Assets Practice Aid") and accounts for these cryptocurrency-denominated short-term investments as cryptocurrency lending arrangements since the Company has transferred the present rights to the economic benefits associated with the cryptocurrencies for a different rights to receive cryptocurrencies in the future and the Company cannot sell, pledge, loan, or otherwise use the invested (lent) cryptocurrencies while the investment is outstanding. Upon investing (lending), the Company derecognizes the cryptocurrencies invested (lent) and concurrently recognizes receivables settled in cryptocurrencies which are measured at the fair value.

The arrangements with the counterparties to invest (lend) cryptocurrencies are on an unsecured basis. No collateral is held for the cryptocurrencies invested (lent). The investments are not protected by any deposit insurance scheme and are unsecured, and the Company may lose some or all of the amount deposited in extreme market conditions. Upon withdrawal, the Company receives the same type of cryptocurrency in the same quantity in principal plus additional interest returns. The investments can be withdrawn on demand by the Company and transferred to the Company in real time other than in exceptional circumstances, which may include, without limitation, extreme market volatility, network outages and delays, validator or protocol failure, a significant number of simultaneous redemption requests from other users, or other unanticipated events.

The Company recognizes an allowance for receivables settled in cryptocurrencies using the general expected credit losses model in a manner similar to the model and considerations used for assessing credit losses from financial instruments. Under this model, the Company calculates the allowance for credit losses by considering on a discounted basis, all expected shortfalls which are the difference between the quantity of cryptocurrency due to the Company in accordance with the contract and the quantity of cryptocurrency that the Company expects to receive, in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance on the financial asset is the sum of these probability-weighted outcomes.

The Company considers both internal and external, and quantitative and qualitative factors when estimating expected credit losses for receivables settled in cryptocurrencies such as the creditworthiness of the counterparty, the results of the historical transactions with the counterparty, the business practices of the counterparty, regulatory developments relating to the industry, liquidity of the underlying cryptocurrency, and the trend of the general economy.

The Company recognizes expected credit losses from receivables settled in cryptocurrencies with a corresponding adjustment to their carrying amount through a loss allowance account. Subsequent recoveries of receivables settled in cryptocurrencies previously written off are recognized as a reversal of impairment in profit or loss in the period in which the recovery occurs.

The Company recognized $74,000, nil and nil of allowance for credit loss against the receivables settled in cryptocurrencies for the years ended March 31, 2026, 2025 and 2024. There were no such investments during the years ended March 31, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in an associate

An associate is an entity over which the Company has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Company holds 20% or more of the voting power of another entity. The Company accounts for its investment in an associate using the equity method unless the fair value option is elected for an investment and the Company does not elect the fair value option.

On acquisition of the investment, any excess of the cost of the investment over the Company's share of the net fair value of the investee's identifiable assets and liabilities represents goodwill and is included in the carrying amount of the investment. Any excess of the Company's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Company's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associate is carried at cost plus post-acquisition changes in the Company's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in an associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within "Share of results of an associate" in the consolidated statements of loss and comprehensive loss..

When the Company ceases to have significant influence over an associate, the use of the equity method is discontinued. The investment is derecognized, and any retained interest is measured at fair value on the date significant influence is lost. The resulting difference between the carrying amount of the equity method investment and the aggregate of the fair value of consideration received and the fair value of any retained interest is recognized in earnings. If the transaction includes deferred or contingent consideration, it is also measured at fair value at the date of derecognition.

Long-term investments, net

In accordance with Financial Accounting Standards Board ("FASB") ASC 321, "Investment-Equity Securities," the Company accounts for non-marketable securities on a prospective basis. Equity investments that do not have readily determinable fair values and do not qualify for the net asset value practical expedient are eligible for the measurement alternative.

The Company elected to record equity investments without readily determinable fair values using the measurement alternative at cost, less impairment, adjusted for subsequent observable price changes on a nonrecurring basis, and report changes in the carrying value of the equity investments in current earnings. Changes in the carrying value of the equity investments are required to be made whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Pursuant to ASC 321, for those equity investments that the Company elects to use the measurement alternative, the Company makes a qualitative assessment of whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, the Company estimates the investment's fair value in accordance with the principles of ASC 820. If the fair value is less than the investment's carrying value, the Company recognizes an impairment loss equal to the difference between the carrying value and fair value. For the years ended March 31, 2026, 2025 and 2024, the Company recognized impairment loss of long-term investments of approximately nil, $290,000 and nil, respectively.

Property and equipment, net

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the item to its present working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated statements of loss and comprehensive loss in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the item, the expenditure is capitalized as an additional cost of the item.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and equipment, net (Continued)

Depreciation is provided to write off the cost of items of property and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following estimated useful lives:

Furniture and fixtures	5 years
Office equipment	5 years
Computer equipment	3.3 years
Leasehold improvements	Shorter of the lease terms or the estimated useful lives of the assets

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statements of loss and comprehensive loss in the year the asset is derecognized.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed of the acquired entity as a result of the Company's acquisitions of interests in its subsidiaries.

The Company annually, or more frequently if the Company believes indicators of impairment exist, reviews the carrying value of goodwill to determine whether impairment may exist.

In performing the two-step quantitative impairment test, the first step compares the fair values of each reporting unit to its carrying amount, including goodwill. If the fair value of each reporting unit exceeds its carrying amount, goodwill is not considered to be impaired and the second step will not be required. If the carrying amount of a reporting unit exceeds its fair value, the second step compares the implied fair value of goodwill to the carrying value of a reporting unit's goodwill. The implied fair value of goodwill is determined in a manner similar to accounting for a business combination with the allocation of the assessed fair value determined in the first step to the assets and liabilities of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to the assets and liabilities is the implied fair value of goodwill. This allocation process is only performed for the purposes of evaluating goodwill impairment and does not result in an entry to adjust the value of any assets or liabilities. An impairment loss is recognized for any excess in the carrying value of goodwill over the implied fair value of goodwill. Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets, liabilities and goodwill to reporting units, and determining the fair value of each reporting unit.

Intangible assets, net

Intangible assets are originally recognized at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. The Company's intangible assets consist of the trading platform system and eligibility rights to trade on or through HKEx, as well as the software platforms costs incurred and being capitalized during the current year. The trading platform system is considered by the management as having a finite useful life of two years. Accordingly, the trading platform system is amortized on a straight-line basis over two years. The estimated useful life and amortization method of an intangible asset with finite life is reviewed at the end of each reporting period, with the effect of any changes in estimated being accounted for on a prospective basis. Management has determined that trading rights and the software platforms have indefinite useful lives. These assets are not amortized and tested for impairment annually either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether an indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Impairment of long-lived assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. No impairment of long-lived assets was recognized for the years ended March 31, 2026, 2025 and 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payables to customers

Payables to customers arise from the business of dealing in investment securities and virtual assets. Payables to customers represent payables related to the Company's customer trading activities, which include the cash deposits received by the Company as requested by third party broker-dealers to place with them in order to cover the positions taken by its customers, clearing house payables due on pending trades and payable on demand, as well as the bank balances held on behalf of customers.

Payables to AI cloud service providers

Payables to AI cloud service providers arise from the business of AI infrastructure services. Payables to AI cloud service providers represent payables related to the Company's AI infrastructure services costs, which include the service costs paid by the Company as requested by various service vendors.

Accruals and other current liabilities

Accruals and other current liabilities primarily include accrued salary and employee benefits, accrued legal and professional fee and other accrued expenses for the operation in the ordinary course of business.

Commitments and contingencies

In the normal course of business, the Company is subject to commitments and contingencies, including operating lease commitments, legal proceedings and claims arising out of its business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss will occur, and a reasonable estimate of the loss can be made. The Company may consider many factors in making these assessments on liability for contingencies, including historical and the specific facts and circumstances of each matter. There were no material commitments or contingencies as of March 31, 2026 and 2025.

Revenue recognition

The Company recognizes revenue in accordance with ASC Topic 606 Revenue from Contracts with Customers. Revenue is recognized when control of the promised goods or services is transferred to the customers in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those goods or services. Revenue is recognized when the following 5-step revenue recognition criteria are met:

1) Identify the contract with a customer

2) Identify the performance obligations in the contract

3) Determine the transaction price

4) Allocate the transaction price

5) Recognize revenue when or as the entity satisfies a performance obligation.

The Company currently generates its revenue from the following main sources:

(a) Interest income

The Company earns interest income primarily from its rolling cash balance accounts or IPO financing offered by the Company to customers in relation to the securities brokerage services. Revenue is recognized over the period that the rolling cash balance account or IPO financing are outstanding. The Company offers rolling cash balance account or IPO financing to individual customers as a principal. Interest income is directly charged at fixed percentage over the financing amount from the customer's account when customers repay the balance account or principal amount of IPO financing. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(b) Tokenization service fee

The Company provides real-world-assets ("RWA") tokenization project-based services to clients who want to engage in web3 activities and trading of tokenized products on chains, which contains one performance obligation to have the contract price to allocate. The service components are not distinct as they cannot benefit the customers without each other. Revenue is recognized over time. The Company acts as a principal by deploying in-house IT personnel and technical support to enable the provision of such tokenization services, together with the inputs from sales team and support team to fulfill the demand of the clients, in which the Company has control over the specified service before that service is transferred to a customer. The Company granted credit period for customers. The credit period is normally 90 days. There is no right of return for the services.

(c) Transaction service fee

(i) Wealth management services

Revenue from wealth management services is primarily derived from securities brokerage commission and handling income and investment advisory income.

Securities brokerage commission income generated by provision of securities brokerage services of executing trades to customers, who are individual customers or brokers, and is recognized at a point in time (trade date) when the performance obligation has been satisfied by the completion of trades and the risks and rewards of ownership have been transferred to/from the customer. The Company acts as an agent. The transaction price is a variable consideration as the price is determined by a fixed percentage of transaction amounts. Commission fees are directly charged from the customer's account when the transactions are executed.

Handling income generated from providing services such as settlement (clearing) of securities, new share subscription services in relation to IPOs and dividend collection, to individual customers or brokers. Securities settlement service income is recognized at a point in time when the transactions are completed. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount. New share subscription handling income is recognized at the time when the performance obligation has been satisfied by successfully submitting the IPO subscription to banks on behalf of customers. New share subscription handling income is fixed per IPO subscription order and no variable consideration in the transaction. Dividend collection handling income is recognized at the time when the performance obligation has been satisfied by receiving dividends by the Company on behalf of customers. When the Company receives the cash dividend distributed by the stocks on behalf of customers, the net dividend will be distributed and deposited into the account of the customers, after deducting the dividend collection handling fees. Dividend collection handling income is charged at a fixed percentage of dividend collected and therefore the transaction price is a variable consideration as the price is determined to be a fixed percentage of dividend amount. The Company acts as an agent and handling income is directly charged from the customer's account when the transactions are executed.

(ii) Virtual assets services

The Company provides virtual asset trading services by executing buy and sell orders for digital assets (e.g., Bitcoin, Ethereum) to both individual and institutional customers. The Company's performance obligation is fulfilled when it completes each trade order, transferring control of the virtual asset to or from the customer. Revenue is recognized at a point in time on the trade date, as this is when the Company has satisfied its distinct performance obligation by executing the trade. The Company acts as an agent as the risks and rewards remain with the customer. Transaction fees for trading are variable and based on a fixed percentage of the transaction amount. Fees are charged directly to the customer's account upon execution of each trade.

The Company acts as a participating dealer for certain virtual asset spot ETFs, each in-kind or in-cash subscription or redemption represents a distinct performance obligation, fulfilled when the subscription or redemption process is completed. Revenue is recognized at a point in time, specifically upon the completion of each subscription or redemption transaction. The Company acts as an agent in these transactions, arranging the exchange on behalf of the client and ETF providers. Fees for subscription and redemption services are considered variable and are calculated as a fixed percentage of the transaction amount. Fees are charged directly to the customer's account upon completion of each transaction.

(iii) Referral income

Referral income generated by provision of referral services by acting as agent to corporate customers or brokers. The Company refers investors to corporate customers or brokers and earns referral income. The Company enters into a distinct referral agreement with corporate customers or brokers for the provision of referral services. The referral service is distinct and is identified as one performance obligation. The transaction price is a variable consideration as the consideration is determined to be a fixed percentage of subscription amount in the transaction, either IPO or fund raised in other fundraising activities. Revenue from providing referral services to customers is recognized at a point in time when the transaction and the performance is completed, which is generally at the completion of an IPO or fundraising activities. Referral income of approximately $490,000 was recognized during the year ended March 31, 2026. Nil referral services has been provided during the year ended March 31, 2025.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(d) Asset management services

Revenue from asset management is primarily in connection with (i) services as an investment manager or an advisor from funds or investments; and (ii) fund subscription services to customers. The Company rendered management services to individual customers as a principal, which are recorded over the period of service provided. Asset management service fee is charged by the Company to funds monthly and collected directly out of custodial accounts. The Company acts as a principal to provide asset management services directly to individual customers. The services include market research, asset allocation, equity selection, regular portfolio oversight, risk reassessment and rebalancing as needed. The Company charges customers management fees at a fixed percentage of asset value under management in accordance with the agreement. The fee is due and paid within the specified terms of payment. The transaction price is a variable consideration as the price is determined to be a fixed percentage of asset value.

Performance fees are accounted for when the return on assets under management, over a given period established in each fund's private memorandum, exceeds certain return benchmarks or other performance benchmarks, depending on each fund's private memorandum. Performance fees are calculated on an annual basis. Performance fees are a form of variable consideration. The Company recognizes these fees when the associated performance obligations are satisfied, the related uncertainties are resolved, the likelihood of a claw-back or reversal is improbable and the likely amount of the transaction prices can be estimated without significant chance of reversal, indicating high probability of economic benefits and cash inflow to the Company.

Subscription fees charged to fund subscriber for subscription of funds are recognized at a point in time when participating share is successfully subscribed. The Company acts as an agent between funds and fund subscribers to provide fund subscription services and charges a fund subscription fee at a fixed rate with reference to the size of the subscription amount to fund subscribers through funds when the subscription of funds is completed, and typically due in no more than 30 days from invoicing. The transaction price is a variable consideration as the price is determined to be a fixed percentage of the transaction amount.

(e) Consultancy service fee

(i) Corporate finance services

Revenue from corporate finance services is generated through corporate consultancy service income and company secretarial services income.

Corporate consultancy income generated by acting as advisers to customers, including but not limited to listed companies or companies planning for IPO, advising on the terms and structures of the proposed corporate transactions, or the relevant implications and compliance matters under the Hong Kong regulatory framework for listed companies; market research, strategic analysis, and other advisory services to support customers in developing new business areas or enhancing existing operations, in return for consultancy service income.

The Company enters into a distinct contract with its customers for the provision of corporate consultancy services. The scope of work under consultancy services can vary from project to project. For projects involve multiple tasks which are separable or distinct as the Company's customers can benefit from each standalone task, the entire transaction prices of consultancy services are generally allocated to each separatable and identifiable service component. For projects involve a series of tasks which are interrelated and are not separable or distinct as the Company's customers cannot benefit from any standalone task, the entire transaction prices of consultancy services are generally allocated to a single performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

The transaction price might be variable even when the stated price in the contract is fixed because the Company may be entitled to upfront payment only when the contract is lapsed before completion of consultancy services. Payment is typically made in installments, with an upfront payment received upon signing the contract and subsequent payments made based on the completion of specific service stages as outlined in the contract between the Company and the customer. The transaction price and payment terms are stated in the contract for each individual engagement.

Corporate consultancy service income received from customers is non-refundable, and the Company is entitled to receive upfront payment upon signing the contract. Revenue from upfront payment and other installments is recognized based on the point in time either (a) when the deliverables, in the form of reports are delivered based on the specific terms of the contract; or (b) lapse of the consultancy service contract.

(ii) Company secretarial services income

Company secretarial services income is generated by acting as a company secretarial service provider to customers, including support for statutory compliance and corporate structuring. The Company acts as an agent and recognizes revenue on a net basis, representing only the fee earned. Revenue is recognized at the point in time when the Company's facilitation obligation is fulfilled.

There were no contract asset and contract liability balances as of March 31, 2026 and 2025.

(iii) Investment advisory services

Investment advisory income is recognized when the relevant advice has been provided or the relevant services have been rendered. The Company enters into a distinct contract with its customers as a principal for the provision of investment advisory services. The Company provides customers with global economic information, industry analysis, investment recommendations and portfolio allocation strategies. The Company concludes that each monthly investment advisory service is both (1) distinct and (2) it meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the customers is substantially similar for each month, even though the exact volume of services may vary. Therefore, the Company concludes that the monthly investment advisory services satisfy the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. There is no variable consideration in the transaction price. Accordingly, based on the output methods, the Company recognizes revenues from investment advisory services on a monthly basis when it satisfies its performance obligations throughout the contract terms. The Company issues invoices to customers quarterly and the contractual payment terms are typically due no more than 30 days from invoicing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

(f) AI Infrastructure service fee

The Company operates an integrated service model that provides enterprise customers with end-to-end cloud and digital application solutions. The Company acts as a total solution partner which spans initial assessment, solution design, cloud deployment, application implementation, and continuous post-launch support.

The Company acts as a principal to work with certain suppliers which provide access to cloud services, containing one performance obligation to have the contract price to allocate. The service components are not distinct as they cannot benefit the customers without each other. Revenue is recognized over time. To have the necessary infrastructure to enable the provision of such integrated services, together with the inputs from IT personnels and sales team to fulfill the demand of the clients, in which the Company has control over the specified service before that service is transferred to a customer. The Company granted credit period for customers. The credit period is normally 90 days. There is no right of return for the services.

Other income

Interest income is mainly generated from loan to third party, savings and time deposits which are less than one year, and is recognized on an accrual basis using the effective interest method. Interest income receives from banks on a monthly basis.

Government subsidies

Government subsidies are recognized as income over periods necessary to match them with the related costs they are intended to compensate, on a systematic basis when there is reasonable assurance that the Company will comply with the conditions attaching of them, such as the Company is required to stay in the same level of employment, are fulfilled and the subsidies will be received. A government subsidy that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company, with no future related costs or obligations, is recognized as income of the period in which it becomes receivable.

During the years ended March 31, 2026, 2025 and 2024, the Company recognized government subsidies of nil, nil, and approximately $3,000, respectively, in other income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Commission and handling expenses

Commission and handling expenses for executing and/or clearing transactions are accrued on a trade-date basis and are expensed as incurred.

General and administrative expenses

General and administrative expenses mainly consist of, lease expense, office supplies and upkeep expenses, and other miscellaneous administrative expenses.

Leasing

The Company is a lessee of non-cancellable operating leases for offices. The Company determines if an arrangement is a lease at inception. Right-of-use assets ("ROU") and lease liabilities are recognized at the present value of the future lease payments at the lease's commencement date. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate based on the information available at the lease commencement date. The Company generally uses the base, non-cancellable lease term in calculating the right-of-use assets and lease liabilities.

The Company recognizes the lease payments in the consolidated operations and comprehensive loss on a straight-line basis over the lease terms and variable lease payments in the periods in which the obligations for those payments are incurred, if any. The lease payments under the lease arrangements are fixed.

The Company did not adopt the practical expedient that allows lessees to treat the lease and non-lease components of a lease as a single lease component. Non-lease components include payments for building management, utilities and property tax. It separates the non-lease components from the lease components to which they relate.

The Company evaluates the impairment of its right-of-use assets consistent with the approach applied for its other long-lived assets. The Company reviews the recoverability of its long-lived assets when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on its ability to recover the carrying value of the asset from the expected undiscounted future pre-tax cash flows of the related operations. The Company has elected to include the carrying amount of operating lease liabilities in any tested asset group and include the associated lease payments in the undiscounted future pre-tax cash flows. For the years ended March 31, 2026, 2025 and 2024, the Company did not have any impairment loss against its operating lease right-of-use assets.

Employee benefits

All salaried employees of the Company in Hong Kong are enrolled in a Mandatory Provident Fund Scheme ("MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance, within two months of employment. The MPF scheme is a defined contribution retirement plan administered by an independent trustee. The Company makes regular contributions of 5% of the employee's relevant income to the MPF scheme, subject to a maximum of HKD1,500 per month. Contributions to the plan vest immediately. The Company recorded MPF expenses of approximately $139,000, $59,000 and $38,000 for the years ended March 31, 2026, 2025 and 2024, respectively.

For the Company's subsidiaries operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on certain formula. Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Company to utilize the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement').

The Amendment Ordinance was gazetted on June 17, 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e. May 1, 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year. Under the Amendment Ordinance, the accrued benefits derived from the Group's Enhanced MPF Scheme, minus the mandatory contributions, made pre–, on or post-transition can continue to be used to offset pre- and post-transition LSP. The impact from the Amendment Ordinance on the Company's LSP liability is considered insignificant.

Income taxes

The Company accounts for income taxes in accordance with the U.S. GAAP. Under the asset and liability method as required by this accounting standard, the recognition of deferred income tax liabilities and assets for the expected future tax consequences of temporary differences between the income tax basis and financial reporting basis of assets and liabilities. Provision for income taxes consists of taxes currently due plus deferred taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued)

The charge for taxation is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis. Deferred tax assets are recognized to the extent that it is probable that taxable income to be utilized with prior net operating loss carried forwards. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax is charged or credited in the income statement, except when it is related to items credited or charged directly to equity. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Current income taxes are provided for in accordance with the laws of the relevant taxing authorities. For the years ended March 31, 2026, 2025 and 2024, there were temporary differences of nil, nil, and approximately $9,000, respectively. As of March 31, 2026 and 2025, no deferred tax asset or liability recognized.

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended March 31, 2026, 2025 and 2024.

Loss per share

The Company computes net loss per share in accordance with ASC 260, “*Earnings per Share”*. ASC 260 requires presentation of both basic and diluted net loss per share (“EPS”) on the face of the consolidated statements of loss and comprehensive loss. Basic EPS is computed by dividing income available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of warrants, options, and restricted stock units.

Dilutive shares which could exist pursuant to the exercise of outstanding stock instruments and which were excluded from the diluted weighted average number of ordinary shares in the calculation because their affect would have been anti-dilutive for the years ended March 31, 2026, 2025 and 2024.

Share based compensations

The Company follows the provisions of ASC 718, “Compensation - Stock Compensation,” which establishes the accounting for share-based awards to employee, director and service providers. For these share-based awards, share based compensations is measured at the grant date based on the fair value of the award and is recognized as expense with graded vesting on a straight-line basis over the requisite service period for the entire award.

Recent accounting pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. Unless otherwise discussed, the Company adopted this update beginning April 1, 2025 and the adoption of ASU 2023-09 does not have a material impact on its consolidated financial statements and disclosures.

Recently adopted accounting standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company’s management does not believe the adoption of ASU 2023-09 will have a material impact on its consolidated financial statements and disclosures.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent accounting pronouncements (Continued)

New accounting standards not yet adopted

In November 2024, the FASB issued ASU 2024-03, Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses, which requires incremental disclosures about specific expense categories, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. The amendments are effective for fiscal years beginning after December 15, 2026, and for interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted and the amendments may be applied either prospectively or retrospectively. Management is currently evaluating this ASU to determine its impact on the Company's disclosures.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments–Credit Losses– Measurement of Credit Losses for Accounts Receivable and Contract Assets (Topic 326), which added a practical expedient that assumes that current conditions as of the balance sheet date do not change for the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The guidance is effective for annual periods beginning after December 15, 2025. The Company is evaluating the impact of the adoption of this update on the consolidated financial statements.

In September 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2025-06, amending the accounting for costs related to internal-use software. The ASU removes reference to software development project stages. Additionally, the ASU requires capitalization of software costs to begin when management has authorized and committed to funding the software and it is probable that the project will be completed and the software will be used to perform the function intended. The requirements of the new standard are effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods. Early adoption is permitted and the amendments may be applied on a prospective, retrospective, or modified basis. The Company is in the process of analyzing the impact on our results of operations and financial position."

In December 2025, the FASB issued ASU No. 2025-10, Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities, which provides updated guidance on how to recognize, measure, and present government grants. The ASU will be effective for annual reporting periods beginning after December 15, 2028, including interim periods within those fiscal years with early adoption permitted. The Company is assessing the effect of this update on its consolidated financial statements.

Except as mentioned above, the Company does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the Company's consolidated balance sheet, statements of loss and comprehensive loss and statements of cash flows.

3. SEGMENT INFORMATION

ASC Topic 280, Segment Reporting, establishes standards for reporting information about operating segments on a basis consistent with the Company's internal organizational structure as well as information about geographical areas, business segments and major customers in consolidated financial statements for details on the Company's business segments. The Company uses the "management approach" in determining reportable operating segments. The management approach considers the internal organization and reporting used by the Company's chief operating decision maker ("CODM") for making operating decisions and assessing performance as the source for determining the Company's reportable segments.

The Company's CODM are the Executive Directors and Chief Executive Officer, who review the operation results by customer base of each separate operating segment when making decisions about allocating resources and assessing the performance of the segment.

With the recent developments in the Company's business, the Company has reorganized its business segments which now consist of two reportable segments: (i) Digital Asset Tokens, and (ii) AI Tokens ("Segment Reorganization"). As part of the Segment Reorganization, the Company has:

- combined the former "Investment advisory fees" and "Corporate consultancy service income" as "Consultancy service fee".
- combined the former "Securities and virtual assets brokerage commissions and handling income" and "Referral income" as "Transaction service fee".
- renamed the former "Asset management income - related parties" as "Asset management service fee".
- combined "Interest income", "Tokenization service fee", "Transaction service fee", "Asset management service fee", and "Consultancy service fee" as a new segment "Digital Asset Tokens".
- introduced a new segment, "AI Tokens." containing "AI infrastructure service fee".

Comparative segment information has been adjusted to reflect the Segment Reorganization. The Company believes the Segment Reorganization does not have a material impact on its consolidated financial statements. The following summary describes the products and services offered in each of the reorganized reportable segments:

Segments	Business Activities
Digital Asset Tokens	Interest income: - Providing rolling cash balance accounts or IPO financing offered by the Company to customers in relation to the securities brokerage services
	Tokenization service fee: - Providing RWA tokenization project-based services to clients who want to engage in web3 activities and trading of tokenized products on chains
	Transaction service fee: - Providing securities related services for commission and handling income by offering securities dealing and brokerage services, IPO subscription and other financing services
	Asset management service fee: - Providing asset management services for asset management fee, performance fee and fund subscription fee
	Consultancy service fee: - Providing capital raising, debt financing, secondary offerings and financial advisory services - Providing corporate consultancy services
AI Tokens	AI infrastructure service fee: - Provides an integrated service model that provides enterprise customers with end-to-end cloud and digital application solutions.

3. SEGMENT INFORMATION (Continued)

When evaluating the Company's performance and making key decisions regarding resource allocation, the CODM reviews key metrics, which include the following:

Year ended March 31, 2026

	Digital Asset Tokens segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	5,251	22,204	-	27,455
Revenues- related party income	593	-	-	593
Total revenues	5,844	22,204	-	28,048
Marketing and promotion expenses	(23)	(41)	(799)	(863)
Commission and handling expenses	(417)	-	(84)	(501)
Allowance for credit losses	(100)	(353)	-	(453)
Employee benefits expenses	(3,731)	(1,881)	(3,352)	(8,964)
AI cloud service costs	-	(21,293)	-	(21,293)
General and administrative expenses	(1,386)	(3,813)	(3,779)	(8,978)
Total expenses	(5,657)	(27,381)	(8,014)	(41,052)
Interest income	6	-	1	7
Other income (expenses)	23	35	(379)	(321)
Share of results of an associate	-	-	30	30
Total other income (expenses), net	29	35	(348)	(284)
Income (loss) before income tax expense	216	(5,142)	(8,362)	(13,288)
Total assets	9,874	20,606	20,226	50,706
Total liabilities	(5,924)	(11,259)	(8,412)	(25,595)
Net assets	3,950	9,347	11,814	25,111

3. SEGMENT INFORMATION (Continued)

Year ended March 31, 2025

	Digital Asset Tokens segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	2,164	-	-	2,164
Revenues- related party income	655	-	-	655
Total revenues	2,819	-	-	2,819
Marketing and promotion expenses	-	-	(1,006)	(1,006)
Commission and handling expenses	(474)	-	-	(474)
Reversal of credit losses	92	-	410	502
Employee benefits expenses	-	-	(2,290)	(2,290)
General and administrative expenses	(1,134)	-	(6,549)	(7,683)
Total expenses	(1,516)	-	(9,435)	(10,951)
Interest income	-	-	41	41
Other expenses	-	-	(374)	(374)
Share of results of an associate	-	-	(54)	(54)
Total other expenses, net	-	-	(387)	(387)
Income (loss) before income tax expense	1,303	-	(9,822)	(8,519)
Total assets	348	-	11,960	12,308
Total liabilities	(5,124)	-	(2,453)	(7,577)
Net assets (liabilities)	(4,776)	-	9,507	4,731

3. SEGMENT INFORMATION (Continued)

Year ended March 31, 2024

	Digital Asset Token segment	AI Tokens segment	Corporate	Total
	$'000	$'000	$'000	$'000
Revenues- excluding related party income	3,420	-	-	3,420
Revenues- related party income	871	-	-	871
Total revenues	4,291	-	-	4,291
Marketing and promotion expenses	-	-	(927)	(927)
Commission and handling expenses	(15)	-	-	(15)
Allowance for credit losses	(444)	-	(410)	(854)
Employee benefits expenses	-	-	(5,043)	(5,043)
General and administrative expenses	(335)	-	(1,547)	(1,882)
Total expenses	(794)	-	(7,927)	(8,721)
Interest income	-	-	29	29
Other income	-	-	3	3
Share of results of an associate	-	-	(3)	(3)
Total other income, net	-	-	29	29
Income (loss) before income tax expense	3,497	-	(7,898)	(4,401)
Total assets	8,716	-	6,685	15,401
Total liabilities	(5,136)	-	(1,341)	(6,477)
Net assets	3,580	-	5,344	8,924

4. INVESTMENT IN AN ASSOCIATE

On March 5, 2024, the Company entered into a membership interest purchase agreement with Cambria Capital and Cambria Asset Management, Inc. (the "Purchase Agreement"), pursuant to which the Company agreed to purchase 100% of the membership interests in Cambria Capital for a total purchase price of $700,000 by December 31, 2024. In January 2025, following the non-completion of the second closing to acquire the remaining 75.1% by December 31, 2024, the Company notified Cambria Capital of the termination in accordance with the terms of the Purchase Agreement. On April 4, 2025, the Company entered into an interests buyback and release agreement with Cambria Asset Management, Inc. and Cambria Capital, pursuant to which the Company agreed to sell the 24.9% equity in Cambria Capital back to Cambria Asset Management, Inc. for $100,000. The Company had and ceased to have significant influence over Cambria Capital in February 2025, and had derecognized the investment as of March 31, 2025. As to date of these financial statements, the Company had already received the $100,000.

On April 25, 2025, as a part of our strategic development of digital assets investment business, the Company, together with our Chairman and Chief Executive Officer Mr. Ling Ngai Lok, set up a new subsidiary, Solowin Investment Limited, under the laws of Hong Kong, in which the Company holds 4,000 shares out of 10,000 issued shares, accounting for 40% of the entity. On November 19, 2025, the Company acquired Mr. Lok's shares in the entity for a total purchase price of $1.00, and the entity became a wholly owned subsidiary of the Company. Subsequently, the entity was renamed as AlloyX Ventures Limited on November 25, 2025. As to date of these financial statements, AlloyX Ventures Limited has not commenced substantive operations.

On June 16, 2025, the Company entered into a sale and purchase agreement with two independent individuals, pursuant to which the Company purchased from them, a 48% stake in Tiger Coin (Hong Kong) Limited, a private company limited by shares incorporated in Hong Kong, for a total purchase price of $7,500,000. Such purchase price was satisfied by the issuance of an aggregate of 7,500,000 Class A Ordinary Shares of the Company to them, with each person receiving 3,750,000 Class A Ordinary Shares. The transaction was completed in June 2025.

The Company's investment in an associate is summarized below:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	-	254
Cost of acquisition	7,500	-
Share of results of an associate	30	(54)
Loss of disposal of an associate	-	(100)
Consideration received	-	(50)
Consideration receivables transferred to other receivables	-	(50)
Ending balance	7,530	-

The following table illustrates the summarized financial information of the Company's associates as of March 31, 2026 and 2025 (and not the Company's share of those amounts), adjusted for difference in accounting policies between the Company and the associates, if any.

	As of March 31, 2026
	$'000
Current assets	166
Non-current assets	50
Current liabilities	(78)
Net assets of the associate	138
Company's share in %	48%
Company's share in $	66
Goodwill	7,464
Carrying amount	7,530
Revenue	2,071
Net income for the year	62

5. LONG-TERM INVESTMENTS, NET

Long-term investments, net consist of investments in non-marketable securities as the following:

	Ownership interest	As of March 31,	
		2026	2025
	%	$'000	$'000
Non-marketable equity securities:			
Investment A	2.47%	-	-
Investment B	8.13%	368	368
Investment C	4.90%	-*	-*
Investment D	19.00%	126	-
Net carrying value		494	368

* Less than $1,000

The Company does not have significant influence over the equity investments. Since such investment does not have readily determinable fair values, the Company elected to account for the investments by using alternative measurement. The long-term investments, net are reported at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer.

On May 28, 2024, the Company entered into a share purchase agreement with certain shareholder of Investment A, which wholly owns a virtual assets investment manager in Hong Kong. Pursuant to which, the Company acquired 2.47% of the total outstanding share capital of Investment A for an aggregate purchase price of $290,000.

On August 2, 2024, the Company entered into a share subscription agreement to subscribe 10 ordinary shares (equivalent to 500,000 shares after stock split on September 3, 2025) of Investment B, an investment holding company, in which one of its subsidiaries has been licensed by the HKSFC in Hong Kong, for a total subscription price of $368,000. The transaction is closed on August 23, 2024.

On September 13, 2024, Solomon Wealth acquired 4.90% of equity interest of Investment C, a money lenders company in Hong Kong, for a total cash consideration of HKD 49 (approximately $6).

On August 18, 2025, the Company acquired 19.00% of equity interest of Investment D, a company in Singapore, for a total cash consideration of SGD 161,500 (approximately $126,000).

The following table presents the movement of investments as of March 31, 2026 and 2025:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	368	-
Additions	126	658
Impairment loss of long-term investment, net – Investment A	-	(290)
Ending balance	494	368

As of March 31, 2026 and 2025, cumulative unrealized impairment of $290,000 and $290,000 were included in the carrying value of the Company's long-term investments, net, respectively.

For the years ended March 31, 2026, 2025 and 2024, impairment loss of long-term investments of nil, $290,000 and nil is recorded in the Company's consolidated statements of loss and comprehensive loss, respectively.

6. RIGHT TO RECEIVE CRYPTOCURRENCIES, NET

As of March 31, 2026 and 2025, the Company's right to receive cryptocurrencies consists of the following:

	As of March 31,	
	2026	2025
	$'000	$'000
Cryptocurrencies investments	3,850	-
Cryptocurrencies held at brokerage accounts	164	-
	4,014	-
Less: allowance for credit losses	(74)	-
Total	3,940	-

The following table presents the movement of right to receive cryptocurrencies for the year ended March 31, 2026 and 2025:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	-	-
Additions	4,014	-
Ending balance	4,014	-

The movement of the allowance for expected credit losses for right to receive cryptocurrencies was as follows:

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Beginning balance	-	-	-
Additions	74	-	-
Reversal	-	-	-
Write-offs	-	-	-
Exchange realignment	-	-	-
Ending balance	74	-	-

7. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	As of March 31,	
	2026	2025
	$'000	$'000
Leasehold improvement	352	167
Computers equipment	183	84
Furniture and fixtures	55	55
Office equipment	23	6
Sub-total	613	312
Less: accumulated depreciation	(294)	(155)
Property and equipment, net	319	157

Depreciation expense for the years ended March 31, 2026, 2025 and 2024, was approximately $131,000, $81,000 and $23,000, respectively.

8. OPERATING RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company is a lessee of non-cancellable operating leases for corporate office in Hong Kong.

The Company's operating right-of-use assets and operating lease liabilities recognized in the consolidated balance sheets consist of the following:

	As of March 31,	
	2026	2025
	$'000	$'000
Cost	3,436	1,975
Less: accumulated depreciation	(1,018)	(1,304)
Operating lease right-of-use assets, net	2,418	671

	As of March 31,	
	2026	2025
	$'000	$'000
Operating lease liabilities		
Current portion	1,222	577
Non-current portion	1,232	83
Total	2,454	660

	As of March 31,	
	2026	2025
Operating leases:		
Weighted average remaining lease term (years)	2	1
Weighted average discount rate	5.22%	5.79%

8. OPERATING RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

During the years ended March 31, 2026, 2025 and 2024, the Company incurred lease expense of approximately $2,258,000, $712,000 and $257,000, respectively.

The maturity analysis of the Company's non-cancelable operating lease obligations as of March 31, 2026 is as follows:

	Operating leases
	$'000
Year ending March 31, 2027	1,315
Year ending March 31, 2028	962
Year ending March 31, 2029	138
Year ending March 31, 2030	138
Year ending March 31, 2031	46
Total undiscounted operating lease obligations	2,599
Less: imputed interest	(145)
Operating lease liabilities recognized in the consolidated balance sheets	2,454

9. INTANGIBLE ASSETS, NET

Intangible assets, net consist of the following:

	As of March 31,	
	2026	2025
	$'000	$'000
Trading rights	64	64
Softwares	554	47
Sub-total	618	111
Less: accumulated amortization	(11)	(25)
Intangible assets, net	607	86

Amortization expense for the years ended March 31, 2026, 2025 and 2024, was approximately $7,000, $18,000 and $7,000, respectively.

The Company recognized disposal loss of $12,000, $nil and $nil for the years ended March 31, 2026, 2025 and 2024, respectively.

10. RECEIVABLES FROM CUSTOMERS, BROKER-DEALERS AND CLEARING ORGANIZATIONS, NET

Receivables from customers, broker-dealers and clearing organizations, net comprised the following:

	As of March 31,	
	2026	2025
	$'000	$'000
Receivables from:		
Customers	12,525	693
Brokers-dealers and clearing organizations	727	19
Sub-total	13,252	712
Less: allowance for credit losses	(942)	(501)
Total	12,310	211

10. RECEIVABLES FROM CUSTOMERS, BROKER-DEALERS AND CLEARING ORGANIZATIONS, NET (Continued)

The movement of the allowance for credit losses for receivables from customers, broker-dealers and clearing organizations was as follows:

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Beginning balance	501	590	223
Additions	539	-	444
Reversal	(98)	(92)	-
Write-offs	-	-	(77)
Exchange realignment	-	3	-
Ending balance	942	501	590

11. GOODWILL, NET

The changes in the carrying amount of goodwill are as follows:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	-	-
Addition arising on acquisition of subsidiaries	47	-
Net carrying amount at the end of the year	47	-

Goodwill acquired during the year ended March 31, 2026 relates to the acquisition of Gello Finance Limited as set out in Note 22.

The Company performs its annual goodwill impairment test as of March 31. For the year ended March 31, 2026, the Company performed a qualitative assessment of its reporting unit in accordance with ASC 350-20-35-3. In performing the qualitative assessment, the Company considered various factors, including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, and other entity-specific events. Based on this assessment, the Company determined that it was not more likely than not that the fair value of the reporting unit was less than its carrying amount. As a result, no impairment of goodwill was recognized for the year ended March 31, 2026.

12. PREPAID EXPENSES AND OTHER CURRENT ASSETS, NET

	As of March 31,	
	2026	2025
	$'000	$'000
Current		
Prepaid professional fee (note a)	53	359
Prepaid information technology expenses	254	53
Prepaid office expenses	-	108
Prepaid marketing expenses	7	-
Other receivables	1,944	50
Others	65	7
Total prepaid expenses and other current assets, net - current	2,323	577
Non-current		
Prepaid professional fee (note a)	503	352
Total prepaid expenses, net - non-current	503	352

Note:

(a) Prepaid professional fee mainly represented virtual asset business solutions consultancy fee advanced to the advisors. The service is expected to be provided from year 2024 to year 2028.

13. LOAN RECEIVABLES, NET

As of March 31, 2026 and 2025, the Company has no balance of loan receivable, net.

On October 18, 2023, the Company (as the lender) entered into a loan agreement with a Hong Kong company (as the borrower), which is an independent third party of the Company, pursuant to which the Company agreed to provide a 1-year loan of HKD7,500,000 (equivalent to approximately $958,000) to the borrower for its current activities, with a fixed interest of HKD400,000 (equivalent to approximately $52,000) which is due in full upon repayment of the loan on the maturity date of October 17, 2024. As of March 31, 2024, the net carrying amount of the loan receivables was approximately $574,000, which included an interest receivable of approximately $26,000. The loan had been fully repaid and settled in July 2024.

Interest income for the loan receivables for the years ended March 31, 2026, 2025 and 2024 was approximately nil, $26,000 and $26,000, respectively.

The movement of the allowance for expected credit losses for loan receivables was as follows:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	-	410
Reversal	-	(410)
Ending balance	-	-

14. ACCRUALS AND OTHER CURRENT LIABILITIES

	As of March 31,	
	2026	2025
	$'000	$'000
Accrued payroll and welfare expenses	522	10
Accrued professional fee	14	266
Accrued advisory services fee	-	111
Accrued information technology expenses	1,356	101
Accrued interest expenses	-	5
Other accruals and payables	511	31
Total	2,403	524

15. OTHER BORROWINGS

	As of March 31,	
	2026	2025
	$'000	$'000
Short-term borrowings	-	420

In January 2025, the Company obtained short-term borrowings from two independent third parties, with principal amounts of $220,000 and $200,000 respectively. Each of the loan bears interest at a fixed rate of 6% per annum and repayable within one year or on demand. The loan with outstanding principal and interest amounting to $424,239 was subsequently settled by issuing 1,272,728 ordinary shares in May 2025 (see detailed disclosure in note 16).

Interest expenses for the other borrowings for the years ended March 31, 2026, 2025 and 2024 was approximately nil, $5,000 and nil, respectively.

16. SHAREHOLDERS' EQUITY

(a) Initial public offering

On September 8, 2023, the Company announced the closing of its IPO of 2,000,000 ordinary shares, $0.0001 par value per share at an offering price of $4.00 per share for a total of $8,000,000 in gross proceeds. The Company raised total net proceeds of $7,065,000, which was reflected in the consolidated statements of cash flows, after deducting underwriting discounts and commissions and outstanding offering expenses. During the process of IPO, the Company incurred an aggregate of approximately $720,000 for underwriting discounts and commissions and approximately $967,000 for total offering expenses as of March 31, 2024. At the date of closing of IPO, the underwriting discounts and commissions and total offering expenses of approximately $1,687,000 were offset against the gross proceeds of $8,000,000 resulted in net amount of approximately $6,313,000 which was recognized in additional paid-in capital of the Company.

(b) Share-based compensation

The Company has adopted an equity incentive plan on November 6, 2023, pursuant to which the Company is authorized to grant equity awards in the form of incentive share options, nonstatutory share options, restricted shares, restricted share units and share appreciation rights to employees, directors, and consultants of the Company or any affiliates of the Company. All outstanding awards are non-cash and settleable with ordinary shares.

On November 7, 2023, the Company approved to grant equity awards of 1,500,000 shares to employees of SJFZ for their past efforts in services, which were vested immediately upon grant. On the same day, the Company issued 1,500,000 ordinary shares to the employees.

On December 17, 2025, the Company approved to grant 578,900 share options to employees of the Company to encourage efforts in services, which are vested over 3 years upon grant. On the same day, the Company issued 578,900 share options to the employees. The shares were valued at approximately $1,757,000, which was based on the value of the Company's ordinary shares at the grant date.

16. SHAREHOLDERS' EQUITY (Continued)

A summary of our stock option award activity as of and for the year ended March 31, 2026 is as follows:

	Shares Underlying Stock Options	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Outstanding as of March 31, 2025	-	$ -	-	$ -
Granted	578,900	4	5.8	-
Exercised	-	-	-	-
Canceled/forfeited	-	-	-	-
Outstanding as of March 31, 2026	578,900	4	5.6	-
Vested and expected to vest as of March 31, 2026	48,242	4	5.6	-
Exercisable as of March 31, 2026	48,242	$ 4	5.6	$ -

The weighted average grant date fair value of options granted during the years ended March 31, 2026 was $3.03 per share. The total intrinsic value of options exercised during the years ended March 31, 2026 was nil. No stock option exercised for the year ended March 31, 2026.

The exercise price of stock options granted is set to be $4 per share according to the Share Option Agreement. The fair value of each option award is estimated on the date of grant using the Black-Scholes-Merton option pricing model ("Black-Scholes Model"). Expected volatility is based on historical volatility of our common stock. The expected term of options granted is based on analyses of historical employee termination rates and option exercises. The risk-free interest rate is based on the U.S. Treasury yield for a period consistent with the expected term of the option in effect at the time of the grant. The dividend yield assumption is based on the expectation of no future dividend payments. The assumptions used in the Black-Scholes Model were as follows:

	For the years ended March 31,		
	2026	2025	2024
Expected volatility	199.73%	-	-
Average expected term (in years)	5.8 years	-	-
Risk-free interest rate	3.78%	-	-
Expected dividend yield	-	-	-

A summary of the status of the non-vested options to purchase shares or to subscribe to new shares as of March 31, 2026, and changes during the year ended March 31, 2026 is presented below:

	Shares Underlying Stock Options	Weighted Average Exercise Price per Share
Non-vested as of April 1, 2025	-	$ -
Granted	578,900	4
Vested	(48,242)	4
Canceled/forfeited	-	-
Non-vested as of March 31, 2026	530,658	4
Vested and expected to vest as of March 31, 2026	48,242	4
Exercisable as of March 31, 2026	48,242	$ 4

On January 13, 2026, the Company approved to grant equity awards of 750,000 shares to an employee of SPW for the past efforts in services, which were vested immediately upon grant. On the same day, the Company issued 750,000 ordinary shares to the employee. The shares options were valued at approximately $3,075,000, which was based on the value of the Company's ordinary shares at the grant date.

16. SHAREHOLDERS' EQUITY (Continued)

The Company recorded approximately $3,221,000, nil, and $3,810,000 of share-based compensations as employee benefits expenses for the years ended March 31, 2026, 2025 and 2024, respectively.

On April 8, 2024, the Company approved to grant 480,000 shares to a consultant of SJFZ to compensate the services rendered, which were vested immediately upon grant. On the same day, the Company issued 480,000 ordinary shares to the consultant. The shares were valued at approximately $3,312,000, which was based on the value of the Company's ordinary shares at the grant date.

The Company recorded approximately nil, $3,312,000, and nil of share-based compensations as professional fee for the years ended March 31, 2026, 2025 and 2024, respectively.

(c) Financing arrangements

Issuance of ordinary shares

On November 15, 2024, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with an individual investor (the "Investor"), pursuant to which the Company agreed to sell to the Investor an aggregate of 500,000 ordinary shares, par value $0.0001 at a purchase price of $2.00 per share in a registered direct offering. The financing will be consummated in two closings. The first closing occurred on November 18, 2024, in which the Investor purchased 192,300 ordinary shares for $384,600, and the second closing was completed on December 20, 2024 for 307,700 ordinary shares. The Securities Purchase Agreement includes a negative claw-back provision (the "Negative Claw-back Provision") that may result in the issuance of additional 500,000 ordinary shares at no further consideration under certain market conditions. The Company received total of $1,000,000 during the year ended March 31, 2025.

On May 27, 2025, the Company issued 1,272,728 Class A ordinary shares to two independent third parties in order to repay short-term borrowings of $440,000 in total (see disclosure in note 15 for details of short-term borrowing). On the same date, the Company issued additional 9,333,332 Class A ordinary shares to certain individual investors, in a registered direct offering, for aggregate gross proceeds of approximately $3,500,000.

On June 3, 2025, the Company sold 20,000,000 Class A ordinary shares and warrants to purchase up to 1,000,000 Class A Ordinary Shares to certain investors, in a registered direct offering, for aggregate gross proceeds of $6,600,000.

On June 9, 2025, the Company sold 2,000,000 Class A ordinary shares and warrants to purchase up to 4,000,000 Class A ordinary shares to certain investors, in a registered direct offering, for aggregate gross proceeds of $1,600,000.

On December 9, 2025, the Company sold 493,421 Class A ordinary shares to certain investors, in a registered direct offering, for aggregate gross proceeds of approximately $1,500,000.

On February 4, 2026, the Company sold 512,821 Class A ordinary shares to certain individual investors, in a registered direct offering, for aggregate gross proceeds of approximately $2,000,000.

Convertible notes

On February 9, 2026, the Company entered into a securities purchase agreement (the "Securities Purchase Agreement") with Streeterville Capital, LLC (the "Investor"). Pursuant to the Securities Purchase Agreement, the Company agreed to issue and sell to the Investor one or more pre-paid purchases (each, a "Pre-Paid Purchase" and collectively, the "Pre-Paid Purchases") at an aggregate purchase price of up to $100,000,000 for the purchase of the Company's Class A Shares. The Company also agreed to issue (i) 1,500,000 Class A Ordinary Shares for $150.0 within ninety days after the closing date to the Investor as pre-delivery shares. The proceeds from the Pre-Paid Purchases are used for working capital and other corporate purposes.

The Securities Purchase Agreement provides for an initial Pre-Paid Purchase in the principal amount of $5,415,000 (the "Convertible Note"), before deducting an original issue discount (the "OID") of $400,000 and a transaction expense amount of $15,000 (the "Initial Pre-Paid Purchase"). The OID for each subsequent Pre-Paid Purchase after the Initial Pre-Paid Purchase will be eight percent (8%) of the amount set forth in the applicable Request (as defined in the Securities Purchase Agreement) and each subsequent Pre-Paid Purchase will accrue interest at the rate of eight percent (8%) per annum.

16. SHAREHOLDERS' EQUITY (Continued)

The Company received $5,000,000 from the Investor on February 10, 2026.

The Company elected to account for the convertible note at fair value as of March 31, 2026 and passed for evaluation of embedded features for the bifurcation. The Company evaluated that the fair value of the convertible note is $5,231,587 on the issuance date and recognized a loss of $231,587 in the statement of loss and comprehensive loss.

On May 11, 2026, the Company issued 1,500,000 of Class A ordinary shares to the Investor.

(d) Share re-classification - dual class structure

On December 17, 2024, the Company held an extraordinary general meeting of members, at which the shareholders approved the re-designation and re-classification of the Company's ordinary shares and the adoption of the Second Amended and Restated Memorandum and Articles of Association of the Company. The Company's authorized share capital of 1,000,000,000 shares of par value of $0.0001 each was re-classified and re-designated into 950,000,000 Class A ordinary shares par value of $0.0001 each and 50,000,000 Class B ordinary shares par value of $0.0001 each. The 16,172,300 ordinary shares of par value of $0.0001 each issued and outstanding as of that date were re-classified and re-designated into 8,132,300 Class A ordinary shares of par value $0.0001 each with one (1) vote per share and 8,040,000 Class B ordinary shares of par value $0.0001 each with ten (10) votes per share.

The Company believed it is appropriate to reflect the above transactions on a retroactive basis and the Company has retroactively adjusted the shares and per share data for all periods presented.

There were 157,582,228 and 8,440,000 Class A ordinary shares issued and outstanding as of March 31, 2026 and 2025, respectively, and there were 31,371,599 and 8,040,000 Class B ordinary shares issued and outstanding as of March 31, 2026 and 2025.

17. DISAGGREGATED REVENUE

The following is the Company's revenue from contracts with customers that are recognized at a point in time, in accordance with ASC Topic 606, by major transactional based services:

	For the years ended March 31,		
	2026	**2025**	**2024**
	$'000	**$'000**	**$'000**
Digital Asset Tokens:			
(a) Transaction service fee			
Securities and virtual assets brokerage commission income	30	55	25
Securities and virtual assets brokerage handling income	27	55	26
Virtual assets trading income	7	-	-
Virtual assets subscription / redemption income	298	-	-
	362	110	51
Other services			
Referral income	490	-	261
(b) Asset management service fee			
Fund subscription fee – related parties	-	16	22
(c) Consultancy service fee			
Corporate consultancy income	997	993	120
Company secretarial services income	-	6	-
	997	999	120
Total revenues recognized at a point in time	1,849	1,125	454

17. DISAGGREGATED REVENUE (Continued)

The following is the Company's revenue from contracts with customers for services recognized over a period of time in accordance with ASC Topic 606, by major service type:

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Digital Asset Tokens:			
(a) Interest income			
Other securities brokerage financing	-	30	128
(b) Tokenization service fee			
Tokenization service fee	2,722	-	-
(c) Asset management service fee			
Management fee income – related parties	267	429	311
Performance fee income – related parties	326	210	538
	593	639	849
(d) Consultancy service fee			
Investment advisory income	680	1,025	2,860
AI Tokens:			
AI Infrastructure service fee	22,204	-	-
Total revenues recognized over a period of time	26,199	1,694	3,837

18. OTHER (EXPENSES)/INCOME

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Subsidies (note a)	39	-	3
Exchange gain on foreign currency translation	19	14	-
Loss on fair value change of convertible notes	(232)	-	-
Others	(147)	2	-
Total	(321)	16	3

Note:

(a) The subsidies were granted for the year ended March 31, 2026 from the Blockchain & Digital Asset Pilot Subsidy Scheme launched by the Hong Kong Cyberport Management Company Limited which aims to support Blockchain & Web3.0 industry development.

The subsidies were granted for the year ended March 31, 2024 by the Reimbursement of Maternity Leave Pay Scheme from the Hong Kong Government to reimburse partial statutory maternity leave pay under the Employment Ordinance that is required to be paid and has been paid to the employee.

19. EMPLOYEE BENEFITS EXPENSES

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Salaries and other short term employee benefits	5,597	2,231	1,195
Payments to defined contribution pension schemes	146	59	38
Share based compensations	3,221	-	3,810
Total	8,964	2,290	5,043

20. INCOME TAX

Hong Kong

SJFZ, SPW, AX Coin HK Limited, AlloyX HK and AlloyX Ventures Limited are incorporated in Hong Kong and is subject to Hong Kong Profits Tax on the taxable income as reported in its statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. For the years ended March 31, 2026, 2025 and 2024 Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. The applicable tax rate for the first HKD 2 million of assessable profits is 8.25% and assessable profits above HKD 2 million will continue to be subject to the rate of 16.5% for corporations in Hong Kong, effective from the year of assessment 2018/2019. Before that, the applicable tax rate was 16.5% for corporations in Hong Kong.

Singapore

The Company's subsidiaries, AlloyX Group Pte. Ltd. is considered Singapore tax resident enterprises under Singapore tax laws. Accordingly, it is subject to enterprise income tax on their taxable income as determined under Singapore tax laws and accounting standards at a statutory tax rate of 17% .

Cayman Islands, The British Virgin Islands ("BVI"), Samoa, Bahrain

Under the current and applicable laws of the Cayman Islands, BVI, Samoa and Bahrain, the Company, SGAM, AX Coin Limited, AXG International Management W.L.L., AX Coin Bahrain B.S.C. Closed, AlloyX Limited, Master Venus Limited, and AXG Investment Limited are not subject to tax on income or capital gain. Additionally, upon payments of dividends by the Company to its shareholders, no Cayman Islands, BVI, Samoa and Bahrain withholding tax will be imposed.

Loss before income tax expense is attributable to the following tax jurisdictions:

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Hong Kong	(4,499)	(714)	1,559
Cayman Islands	(8,454)	(7,805)	(5,960)
Samoa	(25)	-	-
British Virgin Islands	(40)	-	-
Bahrain	(267)	-	-
Singapore	(3)	-	-
Loss before income tax expense	(13,288)	(8,519)	(4,401)

20. INCOME TAX (Continued)

The following tables provide the reconciliation of the differences between the statutory and effective tax expenses for the years ended March 31, 2026, 2025 and 2024.

	For the years ended March 31,		
	2026	2025	2024
	$'000	$'000	$'000
Loss before income tax expense	(13,288)	(8,519)	(4,401)
Tax at Hong Kong statutory tax rate of 16.5%	(2,193)	(1,406)	(726)
Effect of tax-exempt for the Company incorporated in Cayman Islands	1,385	1,288	984
Effect of tax-exempt for the Company incorporated in Samoa	4	-	-
Effect of tax-exempt for the Company incorporated in British Virgin Islands	2	-	-
Effect of tax-exempt for the Company incorporated in Bahrain	44	-	-
Tax effect on non-assessable income	(1)	(19)	-
Tax effect on non-deductible expenses	11	-	60
Tax effect on deductible temporary differences	9	-	(2)
Under provision of prior year	-	19	-
Change in valuation allowance	739	137	(140)
Tax concession	-	-	(21)
Income tax expense	-	19	155

The following table sets forth the significant components of the deferred tax assets of the Company as of March 31, 2026 and 2025:

	As of March 31,	
	2026	2025
	$'000	$'000
Deferred tax assets, net:		
Net operating loss carryforwards	876	137
Less: valuation allowance	(876)	(137)
Deferred tax assets, net	-	-

The movement of valuation allowance is as follows:

	As of March 31,	
	2026	2025
	$'000	$'000
Beginning balance	137	-
Tax losses recognized	739	137
Ending balance	876	137

The Company had approximately $5,309,000 and $830,000 operating tax losses carried forward as of March 31, 2026 and 2025, respectively. All the tax losses carryforwards will carryforward indefinitely. As of March 31, 2026 and 2025, no deferred tax assets have been recognized for these tax loss carry-forwards because management is not able to reliably estimate if and when the benefit of potential tax assets would be realized.

21. LOSS PER SHARE

	For the years ended March 31,		
	2026	2025	2024
Numerator			
Net loss	(13,288)	(8,538)	(4,556)
Less: net loss attributable to NCI	114	-	-
Net loss attributable to owners of the Company	(13,174)	(8,538)	(4,556)
Denominator:			
Weighted average shares outstanding – basic & diluted	124,898,113	16,127,380	13,724,658
Basic and diluted loss per ordinary shares	(0.11)	(0.53)	(0.33)

Dilutive shares which could exist pursuant to the exercise of outstanding stock instruments and which were not included in the calculation because their affect would have been anti-dilutive for the years ended March 31, 2026, 2025 and 2024 are as follows:

	For the years ended March 31,		
	2026	2025	2024
Convertible notes	1,500,000	-	-
Warrant	5,000,000	-	-
Share-based compensation for management and employees	530,658	-	-
Total	7,030,658	-	-

22. ACQUISITION OF SUBSIDIARIES

On September 3, 2025, the Company completed the acquisition of AlloyX Limited and its wholly-owned subsidiaries (“AlloyX”), pursuant to the Share Purchase Agreement dated as of August 11, 2025 with Mr. Lok Ling Ngai, and Mr. Haokang Zhu as well as certain independent third parties to acquire 100% controlling ownership interest of AlloyX, whose principal activities are developing next-generation stablecoin infrastructure centered on tokenized money-market funds and cross-border payments. Both the Company and AlloyX were controlled by the same common controller, Mr. Lok Ling Ngai before this acquisition since July 3, 2025, the transaction was accounted for as business combination under common control, and therefore, the related acquired assets and liabilities were transferred at AlloyX’s historical carrying value.

The Company issued an aggregate of 130,111,525 exchangeable shares, 106,779,926 shares from Class A and 23,331,599 shares from Class B. The acquisition is intended to expand the Company’s business.

22. ACQUISITION OF SUBSIDIARIES (Continued)

The following table summarizes the historical balances of the assets acquired and liabilities assumed as of July 3, 2025.

	As of July 3, 2025
	$'000
Cash and cash equivalents	5,351
Prepaid expenses and other current assets, net	204
Property and equipment, net	106
Right of use assets, operating leases	1,856
Refundable deposits	23
Total assets acquired	7,540
Accrued and other current liabilities	(6)
Amount due to related parties	(50)
Operating lease liabilities, current	(594)
Operating lease liabilities, non-current	(1,282)
Total liabilities assumed	(1,932)
Net assets acquired	5,608

In connection with the acquisition of AlloyX, Vast Space Limited, an entity controlled by Mr. Lok, may receive up to US$10.0 million upon achievement of specified enterprise valuation milestones during the 24-month period ending September 3, 2027. The Company determined that the arrangement represents compensation attributable to Mr. Lok's post-combination services and is accounted for separately from the common-control transaction under ASC 718.

At March 31, 2026, the management concluded that the cumulative compensation cost was not material and therefore did not recognize the related compensation expense and liability. The award will be remeasured at each subsequent reporting date until settlement.

Subsequent to the reporting date, no additional information has become available that would require adjustment to the purchase consideration.

On December 30, 2025, the Company completed the acquisition of Gello Finance Limited ("Gello"), pursuant to the Share Purchase Agreement dated as of December 27, 2025 with independent third parties to acquire 100% controlling ownership interest of Gello, whose principal activities are money services business. The Company paid approximately $47,000. The acquisition is intended to expand the Company's business.

	As of March 31, 2026
	$'000
Cash and cash equivalents	47
Total consideration for acquisition	47
Allocation of the purchase consideration:	
Goodwill	47
Total assets acquired	47
Net assets acquired	47

From the acquisition date to the year ended March 31, 2026, Gello contributed nil revenue and profit/(loss) to the Company's consolidated statements of loss and comprehensive loss.

The value of the goodwill can be attributed to a number of business factors, including expected synergies that the AI infrastructure services provided which may help the growth of digital assets-related services in the subsequent years , future growth opportunities, and the assembled workforce, none of which qualify for separate recognition. The excess of purchase consideration over the fair value of net assets acquired was recorded as goodwill, which is not tax-deductible.

23. RELATED PARTY TRANSACTIONS AND BALANCES

Nature of relationships with related parties

Name	Relationship with the Company
Grow World LPF (note a)	Entity controlled by Mr. Lok and Ms. Yao
Grow World II LPF	Entity controlled by Mr. Lok and Ms. Yao
Solomon Capital Fund SPC	Entity controlled by Mr. Lok and Ms. Yao
Northstar Futurex SP	Entity controlled by Solomon Global Select Fund SPC
Winner Global Select LPF	Entity controlled by Mr. Lok
Mr. Lok (note b)	Shareholder and director of the Company
Ms. Yao (note c)	Shareholder and director of the Company
Mr. Zhu (note d)	Shareholder and director of the Company

Note:

(a) On August 2, 2024, Grow World LPF was no longer a related party to the Company, following a transfer of the Grow World LPF's ownership to a third party. Additionally, the Company ceased to be Grow World LPF's investment manager on August 6, 2024 and no income was recognized since August 6, 2024.

(b) Mr. Lok was a director of the Company and had been appointed as the Chief Executive Officer with effect from March 19, 2025.

(c) Ms. Yao was a director of SJFZ from October 2022 to April 2025 and had been appointed as a director of the Company with effect from March 19, 2025.

(d) Mr. Zhu has been appointed as a director of the Company, effective from October 15, 2025.

Related party transactions

Name	Nature	For the years ended March 31,		
		2026	2025	2024
		$'000	$'000	$'000
Grow World LPF	Asset management income	-	1	10
Grow World II LPF	Asset management income	57	127	46
Solomon Capital Fund SPC	Asset management income	536	527	815
Total asset management income		593	655	871

23. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Balance with related parties

Name	Nature	As of March 31, 2026	As of March 31, 2025
		$'000	$'000
Grow World II LPF	Receivable from customers	47	4
Solomon Capital Fund SPC	Receivable from customers	292	42
Total receivable from customers		339	46
Solomon Capital Fund SPC	Amount due from related parties	32	12
Grow World II LPF	Amount due from related parties	6	-
Total amount due from related parties		38	12
Northstar Futurex SP	Amount due to related parties	(22)	-
Winner Global Select LPF	Amount due to related parties	(2,000)	-
Total amount due to related parties		(2,022)	-
Mr. Lok	Amount due to directors	-	(382)
Ms. Yao	Amount due to directors	(198)	(569)
Total amount due to directors		(198)	(951)

Amounts due from (to) related parties and directors are unsecured, non-interest bearing and repayable on demand. The nature of amounts due from related parties is payment in advance for certain operating expenses. These balances are non-trade in nature except for approximately $339,000 and $46,000 represented asset management income receivables as of March 31, 2026 and 2025, respectively.

Remuneration to senior management for the years ended March 31, 2026, 2025 and 2024 were:

	For the years ended March 31, 2026	2025	2024
	$'000	$'000	$'000
Salaries and other short term employee benefits	666	644	518
Payments to defined contribution pension schemes	6	10	12
Total	672	654	530

During the years ended March 31, 2026, 2025 and 2024, except for these transactions disclosed above, as discussed in note 1 and note 22, the Company also acquired shares of AlloyX Venture Limited (formerly known as Solowin Investment Limited) from Mr. Lok and shares of AlloyX Limited from Mr. Lok and Mr. Zhu. Prior to the combination AlloyX Limited, Mr. Lok Ling Ngai has control over AlloyX Limited. The combination has therefore been accounted for using the predecessor method which the assets and liabilities of AlloyX Limited were recognised at their carrying amounts.

24. REGULATORY REQUIREMENTS

SJFZ is a licensed corporation in Hong Kong regulated by HKSFC, the minimum liquid capital requirement is HK$3,000,000 (approximately $384,000) to carry out multiple regulated activities. The following table summarizes the minimum liquid capital as established by the HKSFC that the Company were required to maintain as of March 31, 2026 and 2025 and the actual amounts of capital that were maintained.

Capital requirements as of March 31, 2026	Minimum liquid capital requirements	Capital levels maintained
	$'000	$'000
Solomon JFZ (Asia) Holdings Limited	384	2,689

Capital requirements as of March 31, 2025	Minimum liquid capital requirements	Capital levels maintained
	$'000	$'000
Solomon JFZ (Asia) Holdings Limited	386	3,957

The Company's operation subsidiary maintains a capital level greater than the minimum liquid capital requirements and it is in compliance with the minimum liquid capital requirement established by the HKSFC.

25. CONCENTRATIONS AND RISKS

Credit risk

Bank balances

The Company believes that there is no significant credit risk associated with cash in Hong Kong, which were held by reputable financial institutions in the jurisdiction where the Company's Hong Kong subsidiaries is located.

Cash segregated for regulatory purpose is deposited in financial institutions as required by the Hong Kong Securities and Futures Ordinance. These financial institutions are of sound credit ratings and hence management believes that there is no significant credit risk related to cash held for regulatory purpose.

Receivables from customers

The Company's securities trading activities are transacted on either a cash or margin basis. The Company's credit risk is limited because substantially all of the contracts entered into are settled directly at securities clearing organizations. In margin transactions, the Company extends credit to customers subject to various regulatory and internal margin requirements, collateralized by cash and securities in the customers' account. IPO loans are exposed to credit risk from customers who fail to repay the loans upon IPO stock allotment. The Company monitors the customers' collateral level and has the right to dispose of the newly allotted stocks once the stocks first start trading. No IPO loans are outstanding as of March 31, 2026 and 2025.

In connection with its clearing activities, the Company is obligated to settle transactions with brokers and other financial institutions even if its customers fail to meet their obligations to the Company. Customers are required to complete their transactions by the settlement date, generally two business days after the trade date. If customers do not fulfil their contractual obligations, the Company may incur losses. The Company has established procedures to reduce this risk by generally requiring customers to deposit sufficient cash and/or securities into their account prior to placing an order.

Right to receive cryptocurrencies

The Company is exposed to risk from right to receive cryptocurrencies. These assets are subject to credit evaluations. An allowance, where applicable, is made for estimated unrecoverable amounts that have been determined by reference to past default experience and the current economic environment.

Other current assets

The Company is exposed to risk from other current assets. These assets are subject to credit evaluations. An allowance, where applicable, is made for estimated unrecoverable amounts that have been determined by reference to past default experience and the current economic environment.

Concentration of credit risk

The Company's exposure to credit risk associated with its brokerage and other activities is measured on an individual counterparty basis, as well as by groups of counterparties that share similar attributes.

25. CONCENTRATIONS AND RISKS (Continued)

Details of the customers accounting for 10% or more of total revenue are as follows:

	For the years ended March 31,					
	2026	2026	2025	2025	2024	2024
	$'000	%	$'000	%	$'000	%
Customer A	480	*	637	23%	1,760	41%
Customer B	50	*	591	21%	-	-
Customer C - a related party	536	*	527	19%	815	19%
Customer D	-	-	388	14%	-	-
Customer E	-	-	309	11%	-	-
Customer F	-	-	-	-	1,100	26%
Customer G	7,131	25%	-	-	-	-
Customer H	6,588	23%	-	-	-	-
Customer I	4,146	15%	-	-	-	-

Details of the customers accounting for 10% or more of total expenses are as follows:

	For the years ended March 31,					
	2026	2026	2025	2025	2024	2024
	$'000	%	$'000	%	$'000	%
Supplier A	18,628	47%	-	-	-	-

Details of the customers accounting for 10% or more of total receivables from customers are as follows:

	As of March 31,			
	2026	2026	2025	2025
	$'000	%	$'000	%
Customer B	-	-	99	52%
Customer C - a related party	292	*	42	22%
Customer J	-	-	41	21%
Customer H	3,460	30%	-	-
Customer G	5,163	45%	-	-
Customer I	1,218	10%	-	-

Details of the customers accounting for 10% or more of total payables to customers are as follows:

	As of March 31,			
	2026	2026	2025	2025
	$'000	%	$'000	%
Customer K	-	-	1,568	31%
Customer L	-	-	1,404	28%
Customer M	-	-	655	13%
Customer A	371	13%	-	-

Details of the suppliers accounting for 10% or more of total payables to AI cloud service providers are as follows:

	As of March 31,			
	2026	2026	2025	2025
	$'000	%	$'000	%
Supplier A	10,054	96%	-	-

* Less than 10%

The disclosure of customers represents separate and distinct customers and there are no customers listed that also comprise a significant percentage of either the Company's revenues or receivables or payables for any year presented.

25. CONCENTRATIONS AND RISKS (Continued)

Currency risk

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the financial instruments. The Company is not exposed to significant transactional foreign currency risk since almost all of its transactions, assets and liabilities are denominated in HKD which is the functional currency of the operating subsidiaries.

Market and geographic risk

The Company's major operations are conducted in Hong Kong. Accordingly, the political, economic, and legal environments in Hong Kong, as well as the general state of Hong Kong's economy may influence the Company's business, financial condition, and results of operations.

26. COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business. Management is currently not aware of any such legal proceedings or claims that could have, individually or in the aggregate, a material adverse effect on the Company's business, financial condition, or operating results.

27. SUBSEQUENT EVENTS

The Company has assessed all events from March 31, 2026, up through July 31, 2026, which is the date of these consolidated financial statements are available to be issued, except as disclosed below, there are no other material subsequent events that require disclosure in these consolidated financial statements.

On May 11, 2026, the Company issued 1,500,000 of Class A ordinary shares to Streeterville Capital, LLC (the "Investor"), arising from the Company's entering into a securities purchase agreement with the Investor.

On June 1, 2026, a subsidiary of the Company was granted a Stablecoin Issuer license by Central Bank of Bahrain to carry out Stablecoin Issuer activities.

On June 8, 2026, the Company issued 1,000,000 of Class A ordinary shares to Streeterville Capital, LLC (the "Investor"), arising from the Company's entering into a securities purchase agreement with the Investor.

On June 29, 2026, the Company approved to grant 1,650,000 shares to consultants of the Company to compensate the services rendered, which were vested immediately upon grant. On the same day, the Company issued 1,650,000 ordinary shares to the consultants. The shares were valued at approximately $5,396,000, which was based on the value of the Company's ordinary shares at the grant date.

Exhibit 2.1

DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE EXCHANGE ACT AS OF MARCH 31, 2026

As of March 31, 2026, SOLOWIN HOLDINGS had one class of securities registered under Section 12 of the Exchange Act—its class A ordinary shares, $0.0001 par value (the "Class A Ordinary Shares"). References herein to "we," "us," "our," "Company" and "Solowin" refer to SOLOWIN HOLDINGS.

The following represents a description of our securities and does not purport to be complete. It is subject to and qualified in its entirety by reference to our Second Amended and Restated Memorandum and Articles of Association (the "Charter Documents"). We encourage you to read the Charter Documents, filed as an exhibit to this report, as well as the applicable provisions of Cayman Islands law for additional information.

Share Capital

Under the Charter Documents, the Company is authorized to issue two classes of ordinary shares, Class A Ordinary Shares and class B ordinary Shares (the "Class B Ordinary Shares"), comprising (i) 950,000,000 Class A Ordinary Shares, par value $0.0001 per share and (ii) 50,000,000 Class B Ordinary Shares, par value $0.0001 per share. Class A Ordinary Shares and Class B Ordinary Shares are collectively referred to as "Ordinary Shares."

Our Class A Ordinary Shares are listed on The Nasdaq Stock Market under the symbol "AXG."

Ordinary Shares. Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for voting and conversion rights. The Ordinary Shares are issued in registered form and are issued when registered in Solowin's register of members. Solowin may not issue shares to bearer. Solowin's shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares.

Conversion. Class B Ordinary Shares are convertible into Class A Ordinary Shares on a 1:1 basis as follows: (i) at the option of the holder of Class B Ordinary Shares without the payment of additional consideration, and (ii) automatically upon any sale, transfer, assignment or disposition of Class B Ordinary Shares to a person or entity which is not an affiliate of such holder. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances.

Dividends. The holders of the Ordinary Shares are entitled to such dividends as may be declared by the board of directors. The Charter Documents provide that dividends may be declared and paid out of the funds of the Company lawfully available therefor. Under the laws of the Cayman Islands, Solowin may pay a dividend out of either profit or share premium account; provided that in no circumstances may a dividend be paid out of its share premium if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business.

Voting Rights. Holders of the Ordinary Shares have the right to receive notice of, attend and vote at general meetings of Solowin. Holders of the Class A Ordinary Shares and the Class B Ordinary Shares shall, at all times (other than in respect of separate general meetings of the holders of a class or series of shares), vote together as one class on all matters submitted to a vote by the members at any such general meeting. Each Class A Ordinary Share shall be entitled to one (1) vote on all matters subject to the vote at general meetings of the Company, and each Class B Ordinary Share shall be entitled to ten (10) votes on all matters subject to the vote at general meetings of the Company. Voting at any meeting of shareholders is to be decided on a show of hands unless a poll is required by the rules and regulations of Nasdaq or a poll is demanded by:

- by at least three shareholders present in person or by proxy for the time being entitled to vote at the meeting;
- by shareholder(s) present in person or by proxy representing not less than one-tenth of the total voting rights of all shareholders having the right to vote at the meeting; and
- by shareholder(s) present in person or by proxy and holding shares in us conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the Ordinary Shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the issued and outstanding Ordinary Shares at a meeting. A special resolution will be required for important matters such as a change of name, making changes to the memorandum and articles of association, a reduction of its share capital and the winding up of the Company. The shareholders may, among other things, divide or combine their shares by ordinary resolutions.

General Meetings of Shareholders. As a Cayman Islands exempted company, Solowin is not obliged by the Companies Act to call shareholders' annual general meetings. Its Charter Documents provide that it shall, if required by the Companies Act, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by its directors. All general meetings (including an annual general meeting, any adjourned general meeting or postponed meeting) may be held as a physical meeting at such times and in any part of the world and at one or more locations, as a hybrid meeting or as an electronic meeting, as may be determined by our board of directors in its absolute discretion.

Shareholders' general meetings may be convened by the chairperson of the board of directors or by a majority of the board of directors. Advance notice of at least ten clear days is required for the convening of the annual general shareholders' meeting (if any) and any other general meeting of the shareholders. A quorum required for any general meeting of shareholders consists of, at the time when the meeting proceeds to business, two shareholders holding shares which carry in aggregate (or representing by proxy) not less than one-third of all votes attaching to issued and outstanding shares in the Company entitled to vote at such general meeting.

The Companies Act does not provide shareholders with any right to requisition a general meeting or to put any proposal before a general meeting. These rights may be provided in a company's articles of association. However, Solowin's Charter Documents do not provide its shareholders with any right to requisition a general meeting or to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of Ordinary Shares. Subject to the restrictions set out below, any of the shareholders may transfer all or any of his or her Ordinary Shares by an instrument of transfer in the usual or common form or in a form prescribed by Nasdaq or any other form approved by the board of directors. Notwithstanding the foregoing, the Ordinary Shares may also be transferred in accordance with the applicable rules and regulations of Nasdaq.

The board of directors may, in its absolute discretion, decline to register any transfer of any Ordinary Share which is not fully paid up or on which we have a lien. The board of directors may also decline to register any transfer of any Ordinary Share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the Ordinary Shares to which it relates and such other evidence as the board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of Ordinary Shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the Ordinary Share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as the directors may from time to time require is paid to us in respect thereof.

If the directors refuse to register a transfer they shall, within two months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required in accordance with the rules of the Nasdaq, be suspended and the register closed at such times and for such periods as the board of directors may from time to time determine; provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as the board may determine.

Liquidation. On the winding up of the Company, if the assets available for distribution amongst the shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. If the assets available for distribution are insufficient to repay all of the paid-up capital, such assets will be distributed so that, as nearly as may be, the losses are borne by the shareholders in proportion to the par value of the shares held by them.

Calls on Shares and Forfeiture of Shares. The board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Shares. Solowin may issue shares on terms that such shares are subject to redemption, at its option or at the option of the holders of these shares, on such terms and in such manner as may be determined by the board of directors. The Company may also repurchase any of its shares on such terms and in such manner as have been approved by the board of directors. Under the Companies Act, the redemption or repurchase of any share may be paid out of the Company's profits, share premium or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding or (c) if the Company has commenced liquidation. In addition, the Company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. Whenever the capital of Solowin is divided into different classes the rights attached to any such class may, subject to any rights or restrictions for the time being attached to any class, only be varied with the sanction of a resolution passed by a majority of two-thirds of the votes cast at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation, allotment or issue of further shares ranking pari passu with such existing class of shares.

Issuance of Additional Shares. The Charter Documents authorize the board of directors to issue additional Ordinary Shares from time to time as the board of directors shall determine, to the extent of available authorized but unissued shares.

The Charter Documents also authorize the board of directors to establish from time to time one or more series of preference shares and to determine, with respect to any series of preference shares, the terms and rights of that series, including, among other things:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights and voting rights; and
- the rights and terms of redemption and liquidation preferences.

The board of directors may issue preference shares without action by the shareholders to the extent of available authorized but unissued shares. Issuance of these shares may dilute the voting power of holders of Ordinary Shares.

Inspection of Books and Records. Holders of the Ordinary Shares will have no general right under Cayman Islands law to inspect or obtain copies of the list of shareholders or the corporate records. However, the Charter Documents have provisions that provide the shareholders the right to inspect the register of shareholders without charge, and to receive the annual audited financial statements.

Anti-Takeover Provisions. Some provisions of the Charter Documents may discourage, delay or prevent a change of control of the Company or management that shareholders may consider favorable, including provisions that:

- authorize the board of directors to issue preference shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preference shares without any further vote or action by the shareholders; and

- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, the directors may only exercise the rights and powers granted to them under the Charter Documents for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted Company. Solowin is an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;

- is not required to open its register of members for inspection;

- does not have to hold an annual general meeting;

- may issue shares with no par value;

- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);

- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

- may register as an exempted limited duration company; and

- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder’s shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The plan must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose, a company is a "parent" of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provided the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved, in the case of a shareholder scheme, by seventy-five percent in value of the members or class of members, as the case may be, with whom the arrangement is to be made and, in the case of a creditor scheme, a majority in number of each class of creditors with whom the arrangement is to be made, and who must in addition represent seventy-five per cent in value of each such class of creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the "squeeze out" of a dissentient minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted, in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, save that objectors to a takeover offer may apply to the Grand Court of the Cayman Islands for various orders that the Grand Court of the Cayman Islands has a broad discretion to make, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its members or an express power in its articles of association. On hearing such a petition, the Cayman Islands court may, among other things, make an order appointing a restructuring officer or make any other order as the court thinks fit.

Shareholders' Suits. In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than the number of votes which have actually been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

A shareholder may have a direct right of action against us where the individual rights of that shareholder have been infringed or are about to be infringed.

Indemnification of Directors and Executive Officers and Limitation of Liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Charter Documents provide that that we shall indemnify our directors and officers, and their personal representatives, against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such persons, other than by reason of such person's dishonesty, wilful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, Solowin has entered into indemnification agreements with the directors and executive officers that provide such persons with additional indemnification beyond that provided in its Charter Documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company — a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Solowin's amended and restated articles of association provide that any action required or permitted to be taken at any general meetings may be taken upon the vote of shareholders at a general meeting duly noticed and convened in accordance with Solowin's amended and restated articles of association or may be taken by written consent of the shareholders without a meeting.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act does not provide shareholders with any right to requisition a general meeting or to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Solowin's amended and restated articles of association do not provide its shareholders with such right. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands but the amended and restated articles of association do not provide for cumulative voting. As a result, the shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Solowin's amended and restated articles of association, subject to certain restrictions as contained therein, directors may be removed with or without cause, by an ordinary resolution of the shareholders. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the company and the director, if any; but no such term shall be implied in the absence of express provision. Under Solowin's amended and restated articles of association, a director's office shall be vacated if the director (i) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from the board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law from being a director or; (vi) is removed from office pursuant to the laws of the Cayman Islands or any other provisions of Solowin's Charter Documents.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Solowin's amended and restated articles of association, if its share capital is divided into more than one class of shares, the rights attached to any such class may only be varied with the sanction of a resolution passed by a majority of two-thirds of the votes cast at a separate meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under Cayman Islands law, Solowin's Charter Documents may only be amended with a special resolution of its shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by Solowin's Charter Documents on the rights of non-resident or foreign shareholders to hold or exercise voting rights on its shares. In addition, there are no provisions in Solowin's Charter Documents governing the ownership threshold above which shareholder ownership must be disclosed.

Exhibit 8.1

List of Subsidiaries

Name	Jurisdiction of Incorporation	Percentage of Ownership
GPL Remittance Pte. Ltd.	Singapore	19%
AlloyX Venture Limited	Hong Kong	100%
AXG Investment Ltd.	Cayman Islands	100%
Solomon JFZ (Asia) Holdings Limited	Hong Kong	100%
AX Coin Limited	Cayman Islands	64%
AX Coin HK Limited	Hong Kong	64%
AXG International Management W.L.L.	Bahrain	64%
AX Coin Bahrain B.S.C Closed	Bahrain	60.8%
AlloyX Limited	Cayman Islands	100%
AlloyX Group Pte. Ltd.	Singapore	100%
Bravo Valor Partners Ltd.	United States	100%
Master Venus Limited	Samoa	100%
AlloyX (Hong Kong) Limited	Hong Kong	100%
GelloFinance Ltd.	Canada	100%
Solomon Global Asset Management Limited	British Virgin Islands	100%
Tiger Coin (Hong Kong) Limited	Hong Kong	48%
Solomon Private Wealth Limited	Hong Kong	100%

Exhibit 12.1

CERTIFICATIONS

I, Ling Ngai Lok, certify that:

1. I have reviewed this annual report on Form 20-F of SOLOWIN HOLDINGS;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: July 31, 2026

/s/ Ling Ngai Lok

Ling Ngai Lok
Chief Executive Officer

Exhibit 12.2

CERTIFICATIONS

I, Lili Liu, certify that:

1. I have reviewed this annual report on Form 20-F of SOLOWIN HOLDINGS;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: July 31, 2026

/s/ Lili Liu

Lili Liu
Chief Financial Officer

Exhibit 13.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Ling Ngai Lok, the Chief Executive Officer of SOLOWIN HOLDINGS (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Annual Report on Form 20-F for the fiscal year ended March 31, 2026 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement this 31st day of July, 2026.

/s/ Ling Ngai Lok
Ling Ngai Lok
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to SOLOWIN HOLDINGS and will be retained by SOLOWIN HOLDINGS and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 13.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Lili Liu, the Chief Financial Officer of SOLOWIN HOLDINGS (the "Company"), DOES HEREBY CERTIFY that:

1. The Company's Annual Report on Form 20-F for the fiscal year ended March 31, 2026 (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. Information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

IN WITNESS WHEREOF, the undersigned has executed this statement this 31st day of July, 2026.

/s/ Lili Liu
Lili Liu
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to SOLOWIN HOLDINGS and will be retained by SOLOWIN HOLDINGS and furnished to the Securities and Exchange Commission or its staff upon request.

The forgoing certification is being furnished to the Securities and Exchange Commission pursuant to § 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 15.1

AOGB

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the inclusion in the Registration Statements of Solowin Holdings and its subsidiaries (collectively the "Company") on Form S-8 (No. 333-275337) and Form F-3 (No. 333-282552 and No. 333-290894) of our report dated on July 31, 2026, relating to our audits of the accompanying consolidated balance sheets of the Company as of March 31, 2026, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended March 31, 2026.

/s/ AOGB CPA Limited

Hong Kong, Hong Kong
July 31, 2026

Exhibit 15.2

WWC, P.C. CERTIFIED PUBLIC ACCOUNTANTS

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference of our report dated June 30, 2025, which appears in the Annual Report on Form 20-F on July 31, 2026 relating to the consolidated balance sheets of Solowin Holdings and its subsidiaries (collectively the "Company") as of March 31, 2025 and the related consolidated statements of loss (income) and comprehensive loss (income), changes in shareholders' equity, and cash flows for each of the two years in the period ended March 31, 2025.

WWC, P.C

San Mateo, California
July 31, 2026

WWC, P.C.
Certified Public Accountants
PCAOB ID No.1171

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