

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

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

For the fiscal year ended: **December 31, 2024**

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

For the transition period from _____ to _____

**NEXT TECHNOLOGY HOLDING INC
(FORMERLY KNOWN AS WETRADE GROUP INC)**

(Exact name of registrant as specified in its charter)

Wyoming

*(State or other jurisdiction of
incorporation or organization)*

84-4948289

*(I.R.S. Employer
Identification Number)*

**Room 519, 05/f Block T3
Qianhai Premier Finance Centre Unit 2
Guiwan Area, Nanshan District, Shenzhen
People's Republic of China**
(Address of principal executive offices) (Zip code)

+852 96369080

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
Common Stock, no par value

Securities registered pursuant to Section 12(g) of the Act:
None

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or an amendment to this form 10-K. 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 (§ 232.405 of this chapter) 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, smaller reporting company, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer



Accelerated filer



Non-accelerated filer ☐Smaller Reporting Company ☒Emerging growth company ☒

If an emerging growth company, 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. ☐

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 whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates, based upon the closing price of \$4.5418 per share of common stock as of June 28, 2024 (the last business day of the registrant's most recently completed second fiscal quarter), was \$26,003,894.23.

As of March 27, 2025, there were 436,265,135 shares of common stock outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”). These forward-looking statements are generally located in the material set forth under the headings “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Business” and “Properties” but may be found in other locations as well. These forward-looking statements are subject to risks and uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from the results, performance or achievements expressed or implied by the forward-looking statements. You should not unduly rely on these statements.

We identify forward-looking statements by use of terms such as “may,” “will,” “expect,” “anticipate,” “estimate,” “hope,” “plan,” “believe,” “predict,” “envision,” “intend,” “will,” “continue,” “potential,” “should,” “confident,” “could” and similar words and expressions, although some forward-looking statements may be expressed differently. You should be aware that our actual results could differ materially from those contained in the forward-looking statements.

Forward-looking statements are based on information available at the time the statements are made and involve known and unknown risks, uncertainties and other factors that may cause our results, levels of activity, performance or achievements to be materially different from the information expressed or implied by the forward-looking statements in this report. These factors include, among others:

- our ability to raise capital;
- our ability to identify suitable acquisition targets;
- our ability to successfully execute acquisitions on favorable terms;
- declines in general economic conditions in the markets where we may compete;
- unknown environmental liabilities associated with any companies we may acquire; and
- significant competition in the markets where we may operate.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis.

Forward-looking statements speak only as of the date of this report or the date of any document incorporated by reference in this report. Except to the extent required by applicable law or regulation, we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

PART I

ITEM 1. BUSINESS

Overview

Next Technology Holding Inc (Formerly known as “WeTrade Group, Inc”) (the “Company”) was incorporated in the State of Wyoming on March 28, 2019. As of December 31, 2024, the Company pursue two corporate strategies. One business strategy is to continue providing software development services, and the other strategy is to acquire and hold Bitcoin.

Software development

We provide AI-enabled software development services to our customers, which include developing, designing, and implementing various SAAS software solutions for businesses of all types, including industrial and other businesses.

Bitcoin Acquisition Strategy

Our Bitcoin acquisition strategy generally involves acquiring Bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase Bitcoin.

We view our Bitcoin holdings as being held for trading and expect to continue to accumulate Bitcoin. We have not set any specific target for the amount of Bitcoin we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financing to purchase additional Bitcoin.

This overall strategy also contemplates that we may (i) periodically sell Bitcoin for general corporate purposes, including to generate cash for treasury management or in connection with strategies that generate tax benefits in accordance with applicable law, (ii) enter into additional capital raising transactions that are collateralized by our Bitcoin holdings, and (iii) consider pursuing additional strategies to create income streams or otherwise generate funds using our Bitcoin holdings.

We believe that, due to its limited supply, Bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long term.

The following table presents a roll-forward of our Bitcoin holdings, including additional information related to our Bitcoin purchases, fair value change in digital asset and number of Bitcoin held during the year:

	Digital asset original cost basis	Fair value change in digital asset	Digital asset fair value	Number of Bitcoin held
Balance on December 31, 2022	-	-	-	-
Digital asset purchase	\$ 24,990,000	-	\$ 35,137,576	833
Fair value gain on digital asset	-	\$ 10,147,576	-	-
Balance on December 31, 2023	\$ 24,990,000	\$ 10,147,576	\$ 35,137,576	833
Fair value gain on digital asset	-	\$ 43,184,854	\$ 43,184,854	-
Balance on December 31, 2024	\$ 24,990,000	\$ 53,332,430	\$ 78,322,430	833

Regulatory Permissions and Developments

Our counsel as to PRC law has advised us that the laws and regulations of the PRC do not currently have any material impact on our business, financial condition or results of operations. 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. If there is a significant change to current political arrangements between mainland China and Hong Kong, companies operating in Hong Kong such as us may face similar regulatory risks as those operated in the PRC, including their ability to offer securities to investors, list their securities on a U.S. or other foreign exchange, conduct their business or accept foreign investment. In light of China's recent expansion of authority in Hong Kong, there are risks and uncertainties which we cannot foresee for the time being, and rules and regulations in China can change quickly with little or no advance notice. The Chinese government may intervene or influence our current and future operations in Hong Kong at any time, or may exert more control over offerings conducted overseas and/or foreign investment in issuers like ourselves.

We are aware that 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.

For example, on June 10, 2021, the Standing Committee of the National People's Congress enacted the PRC Data Security Law, 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 a hierarchical protection system for data security.

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 certain activities in the securities markets and promote the high-quality development of the capital markets, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over Chinese-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws.

On August 20, 2021, the 30th meeting of the Standing Committee of the 13th National People's Congress voted and passed the "Personal Information Protection Law of the People's Republic of China," or "PRC Personal Information Protection Law," which became effective on November 1, 2021. The PRC Personal Information Protection Law applies to the processing of personal information of natural persons within the territory of China that is carried out outside of China where (i) such processing is for the purpose of providing products or services for natural persons within China, (ii) such processing is to analyze or evaluate the behavior of natural persons within China, or (iii) there are any other circumstances stipulated by related laws and administrative regulations.

On December 28, 2021, the Cyberspace Administration of China (the "CAC") jointly with the relevant authorities formally published Measures for Cybersecurity Review (2021) which took effect on February 15, 2022, replacing the former Measures for Cybersecurity Review (2020) issued on July 10, 2021. Measures for Cybersecurity Review (2021) stipulates 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 undergo a cybersecurity review by the cybersecurity review office if it seeks to be listed in a foreign country.

On February 17, 2023, with the approval of the State Council, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, or the Trial Measures, and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Measures, (i) domestic companies that seek to offer or list securities overseas, both directly and indirectly, shall complete filing procedures with the CSRC pursuant to the requirements of the Trial Measures within three working days following their submission of initial public offerings or listing applications. If a domestic company fails to complete the required filing procedures or conceals any material fact or falsifies any major content in its filing documents, such domestic company may be subject to administrative penalties, such as an order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines; (ii) if the issuer meets both of the following criteria, the overseas offering and listing conducted by such issuer shall be deemed an indirect overseas offering and listing by a PRC domestic company: (A) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year were derived from PRC domestic companies; and (B) the majority of the issuer’s business activities are carried out in mainland China, or its main place(s) of business are located in mainland China, or the majority of its senior management team in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. In such circumstances, where a PRC domestic company is seeking an indirect overseas offering and listing in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and where an issuer makes an application for an initial public offering or listing in an overseas market, the issuer shall submit filings with the CSRC within three business days after such application is submitted.

On February 24, 2023, the CSRC, together with the MOF, National Administration of State Secrets Protection and National Archives Administration of China, revised the Provisions issued by the CSRC and National Administration of State Secrets Protection and National Archives Administration of China in 2009. The revised Provisions were issued under the title the “Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies,” and became effective on March 31, 2023 together with the Trial Measures. One of the major revisions to the revised Provisions is to expand their application to cover indirect overseas offering and listing, as is consistent with the Trial Measures. The revised Provisions require that, among other things, (a) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals or entities, including securities companies, securities service providers, and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; and (b) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals and entities, including securities companies, securities service providers, and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations. As of the date of this Report, the revised Provisions have come into effect. Any failure or perceived failure by our Company or our subsidiaries to comply with the above confidentiality and archives administration requirements under the revised Provisions and other PRC laws and regulations may result in the relevant entities being held legally liable by competent authorities, and referred to the judicial organ to be investigated for criminal liability if suspected of committing a crime.

Except for the Basic Law, national laws of the PRC do not apply in Hong Kong unless they are listed in Annex III of the Basic Law and applied locally by promulgation or local legislation. National laws that may be listed in Annex III are currently limited under the Basic Law to those which fall within the scope of defense and foreign affairs as well as other matters outside the limits of the autonomy of Hong Kong. National laws and regulations relating to data protection, cybersecurity and anti-monopoly have not been listed in Annex III and do not apply directly to Hong Kong and, as such, we are advised by our counsel as to PRC law that the CAC and CSRC do not currently have jurisdiction over companies operating in Hong Kong.

Our counsel as to PRC law has advised us that we are not currently required to obtain any permission or approval from the CSRC, the CAC or any other regulatory authority in the PRC for our operations, the trading of our securities on the NASDAQ and the offering of our securities to foreign investors. The business of our subsidiary is not subject to cybersecurity review with the CAC, given that PRC laws on data protection and cybersecurity do not currently apply to Hong Kong. To the extent that if we become subject to such PRC laws in the future, we do not believe we are required to conduct a cybersecurity review because (i) we do not possess a large amount of personal information in our business operations; and (ii) 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. In addition, we are not subject to merger control review by China's anti-monopoly enforcement agency as such PRC enforcement agency does not currently have jurisdiction over our Hong Kong operating subsidiary. However, our operations could be adversely affected, directly or indirectly, by existing or future laws and regulations relating to our business or industry, if we inadvertently conclude that such approvals are not required when they are, or applicable laws, regulations, or interpretations change and we are required to obtain approval in the future. We may be subject to penalties and sanctions imposed by the PRC regulatory agencies, including the CSRC, if we fail to comply with such rules and regulations, which could adversely affect the ability of the Company's securities to continue to trade on the NASDAQ, which may cause the value of our securities to significantly decline or become worthless.

In addition, in light of the recent statements and regulatory actions by the PRC government, such as those related to Hong Kong's national security, the promulgation of regulations prohibiting foreign ownership of Chinese companies operating in certain industries, which are constantly evolving, and anti-monopoly concerns, we may be subject to the risks of uncertainty of any future actions of the PRC government in this regard including the risk that the PRC government could disallow our holding company structure, which may result in a material change in our operations, including our ability to continue our existing holding company structure, carry on our current business, accept foreign investments, and offer or continue to offer securities to our investors. These adverse actions could cause the value of our securities to significantly decline or become worthless.

There may be prominent risks associated with our operations being in Hong Kong. For example, as a U.S.-listed public company operating primarily in Hong Kong, we may face heightened scrutiny, criticism and negative publicity, which could result in a material change in our operations and the value of our common stock. Additionally, we are subject to certain legal and operational risks associated with our business operations in Hong Kong, which is subject to political and economic influence from China. PRC laws and regulations governing our current business operations are sometimes vague and uncertain, and we may face the risk that changes in the policies of the PRC government could have a significant impact upon the business we may be able to conduct in Hong Kong and the profitability of such business. Therefore, these risks associated with being based in or having the majority of our operations in Hong Kong could likely cause the value of our securities to significantly decline or be worthless. Furthermore, these risks would likely result in a material change in our business operations or a complete hinderance of our ability to offer or continue to offer our securities to investors. Furthermore, changes in Chinese internal regulatory mandates, such as the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the "M&A Rules"), the Anti-Monopoly Law, the Cybersecurity Law and the Data Security Law, may target the Company's corporate structure and impact our ability to conduct business in Hong Kong, accept foreign investments, or list on a U.S. or other foreign exchange.

The U.S. government, including the SEC, has recently made statements and taken certain actions that may lead to significant changes to U.S. and international relations, and will impact companies with connections to the United States or China (including Hong Kong). The SEC has issued statements primarily focused on companies with significant China-based operations. For example, on July 30, 2021, Gary Gensler, Chairman of the SEC, issued a Statement on Investor Protection Related to Recent Developments in China, pursuant to which Chairman Gensler stated that he has asked the SEC staff to engage in targeted additional reviews of filings for companies with significant China-based operations.

Government Regulation

The laws and regulations applicable to Bitcoin and digital assets are evolving and subject to interpretation and change.

Governments around the world have reacted differently to digital assets; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as the U.S., digital assets are subject to overlapping, uncertain and evolving regulatory requirements.

As digital assets have grown in both popularity and market size, the U.S. Executive Branch, Congress and a number of U.S. federal and state agencies, including the Financial Crimes Enforcement Network, the Commodity Futures Trading Commission (“CFTC”), the SEC, the Financial Industry Regulatory Authority, the Consumer Financial Protection Bureau, the Department of Justice, the Department of Homeland Security, the Federal Bureau of Investigation, the IRS and state financial regulators, have been examining the operations of digital asset networks, digital asset users and digital asset exchanges, with particular focus on the extent to which digital assets can be used to violate state or federal laws, including to facilitate the laundering of proceeds of illegal activities or the funding of criminal or terrorist enterprises, and the safety and soundness and consumer-protective safeguards of exchanges or other service-providers that hold, transfer, trade or exchange digital assets for users. Many of these state and federal agencies have issued consumer advisories regarding the risks posed by digital assets to investors. In addition, federal and state agencies, and other countries have issued rules or guidance regarding the treatment of digital asset transactions and requirements for businesses engaged in activities related to digital assets.

Depending on the regulatory characterization of Bitcoin, the markets for Bitcoin in general, and our activities in particular, our business and our Bitcoin acquisition strategy may be subject to regulation by one or more regulators in the United States and globally. Ongoing and future regulatory actions may alter, to a materially adverse extent, the nature of digital assets markets, the participation of industry participants, including service providers and financial institutions in these markets, and our ability to pursue our Bitcoin strategy. Additionally, U.S. state and federal and foreign regulators and legislatures have taken action against industry participants, including digital assets businesses, and enacted restrictive regimes in response to adverse publicity arising from hacks, consumer harm, or criminal activity stemming from digital assets activity. U.S. federal and state energy regulatory authorities are also monitoring the total electricity consumption of cryptocurrency mining, and the potential impacts of cryptocurrency mining to the supply and dispatch functionality of the wholesale grid and retail distribution systems. Many state legislative bodies have passed, or are actively considering, legislation to address the impact of cryptocurrency mining in their respective states.

The CFTC takes the position that some digital assets, including Bitcoin, fall within the definition of a “commodity” under the Commodities Exchange Act of 1936, as amended (the “CEA”). Under the CEA, the CFTC has broad enforcement authority to police market manipulation and fraud in spot digital assets markets in which we may transact. Beyond instances of fraud or manipulation, the CFTC generally does not oversee cash or spot market exchanges or transactions involving digital asset commodities that do not utilize margin, leverage, or financing. In addition, CFTC regulations and CFTC oversight and enforcement authority apply with respect to futures, swaps, other derivative products and certain retail leveraged commodity transactions involving digital asset commodities, including the markets on which these products trade.

The SEC and its staff have taken the position that certain other digital assets fall within the definition of a “security” under the U.S. federal securities laws. Public statements made by senior officials and senior members of the staff at the SEC indicate that the SEC does not consider Bitcoin to be a security under the federal securities laws. However, such statements are not official policy statements by the SEC and reflect only the speakers’ views, which are not binding on the SEC or any other agency or court and cannot be generalized to any other digital assets.

In addition, since transactions in Bitcoin provide a degree of anonymity, they are susceptible to misuse for criminal activities, such as money laundering. This misuse, or the perception of such misuse, could lead to greater regulatory oversight of Bitcoin and Bitcoin platforms, and there is the possibility that law enforcement agencies could close Bitcoin platforms or other Bitcoin-related infrastructure with little or no notice and prevent users from accessing or retrieving Bitcoin held via such platforms or infrastructure. For example, in her January 2021 nomination hearing before the Senate Finance Committee, Treasury Secretary Janet Yellen noted that cryptocurrencies have the potential to improve the efficiency of the financial system but that they can be used to finance terrorism, facilitate money laundering, and support activities that threaten U.S. national security interests and the integrity of the U.S. and international financial systems. The U.S. Treasury Department's Office of Foreign Assets Control has issued updated advisories regarding the use of virtual currencies, added a number of digital asset exchanges and service providers to the Specially Designated Nationals and Blocked Persons list and engaged in several enforcement actions, including a series of enforcement actions that have either shut down or significantly curtailed the operations of several smaller digital asset exchanges associated with Russian and/or North Korean nationals.

Our business operations are not currently impacted by the cryptocurrency restrictions imposed by the Chinese government (collectively, the "PRC Crypto Restrictions") in any material respect, even though the Chinese government has adopted an increasingly stringent approach in recent years, as outlined and discussed below.

On December 3, 2013, the People's Bank of China, China's central bank ("PBoC"), issued the *Notice on Preventing Risks Associated with Bitcoin*, emphasizing that Bitcoin should be deemed as a virtual commodity rather than a fiat currency. This notice prohibits financial and payment institutions in China from providing Bitcoin-related services, highlighting the potential risks of money-laundering associated with Bitcoin.

Further tightening the regulatory environment, on September 4, 2017, the PBoC issued the *Announcement on Preventing Risks Associated with Financing Activities through ICOs*, which prohibits the initial coin offerings (ICOs) which was characterized as a potentially criminal activity, potentially involving suspected illegal issuance and sales of tokens and notes, unauthorized public issuance of securities, illegal fundraising, financial fraud, and Ponzi schemes.

The most recent regulatory measure came on September 24, 2021, when the PBoC, along with nine other Chinese national government bodies, issued the *Notice Regarding Further Prevention and Management of Risks Associated with Cryptocurrency Trading Hype* banning overseas cryptocurrency exchanges from providing services to residents in mainland China. This notice also prohibits individuals in mainland China from working for overseas exchanges, and restricts companies and individuals from providing marketing, payment, settlement services or technical support to these exchanges. A comprehensive monitoring system was also established to oversee cryptocurrency activities of individuals and companies in mainland China, giving local authorities extensive authority to monitor their regions and raise early warning flags.

We believe our business operations are not currently subject to these PRC Crypto Restrictions. We are not a PRC company, nor do we plan to open or retain any PRC subsidiaries. We are not a financial or payment institution operating within China either. We closed our PRC subsidiaries in July 2024 and currently do not conduct any business activities within China. We do not engage in any exchange business between fiat currency and cryptocurrency or among cryptocurrencies. We do not issue digital tokens through ICOs or otherwise, nor do we provide marketing, payment, settlement services or related technical support for any cryptocurrency exchanges.

Our involvement with Bitcoin is limited to purchasing and holding Bitcoins, which is not prohibited under the PRC Crypto Restrictions. Furthermore, the holding of certain executive roles by Chinese citizens in our company does not violate any PRC Crypto Restrictions.

While our current business operations are not subject to the PRC Crypto Restrictions, future changes in our business strategies or operations could expose us to these restrictions. In addition, the PRC Crypto Restrictions are continuously evolving and can be subject to significant changes. There is a possibility that the Chinese government may broaden its regulatory scope to include a wider range of cryptocurrency-related activities, potentially impacting companies operating outside of China. If new regulations are introduced or if our business evolves to include activities that fall under the PRC jurisdiction, we could face increased regulatory scrutiny, compliance costs or operational restrictions, which, in turn, could materially affect our current or anticipated business operations.

As noted above, activities involving Bitcoin and other digital assets may fall within the jurisdiction of more than one financial regulator and various courts and such laws and regulations are rapidly evolving and increasing in scope. The U.S. federal government, states, regulatory agencies, and foreign countries may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of Bitcoin or the ability of individuals or institutions such as us to own or transfer Bitcoin. For example:

- On March 9, 2022, President Biden signed an executive order relating to cryptocurrencies. While the executive order did not mandate the adoption of any specific regulations, it instructed various federal agencies to consider potential regulatory measures, including the evaluation of the creation of a U.S. CBDC. On September 16, 2022, the White House released a framework for digital asset development, based on reports from various government agencies, including the U.S. Department of Treasury, the Department of Justice, and the Department of Commerce. Among other things, the framework encourages regulators to pursue enforcement actions, issue guidance and rules to address current and emergent risks, support the development and use of innovative technologies by payment providers to increase access to instant payments, consider creating a federal framework to regulate nonbank payment providers, and evaluate whether to call upon Congress to amend the Bank Secrecy Act and laws against unlicensed money transmission to apply explicitly to digital asset service providers. There have also been several bills introduced in Congress that propose to establish additional regulation and oversight of the digital asset markets.
- On April 4, 2022, SEC Chair Gary Gensler announced that he has asked SEC staff to work (i) to register and regulate digital asset platforms like securities exchanges; (ii) with the CFTC on how to jointly address digital asset platforms that trade both securities and non-securities; (iii) on segregating out digital asset platforms' custody of customer assets, if appropriate; and (iv) on segregating out the market making functions of digital asset platforms, if appropriate. Similarly, foreign government authorities have recently expanded their efforts to restrict certain activities related to Bitcoin and other digital assets.
- On September 8, 2022, the White House Office of Science and Technology Policy issued a report in coordination with other federal agencies relating to the climate and energy implications of digital assets, including Bitcoin, in the United States. Among its findings are that digital assets are energy intensive and drive significant environmental impacts, and the report recommends further study of the environmental impact of digital assets and the development of environmental performance regulations for digital asset miners, which may include limiting or eliminating digital assets that use high energy intensity consensus mechanisms, including the proof-of-work consensus mechanisms on which the Bitcoin blockchain is based.
- On March 1, 2023, the U.S. Under Secretary for Domestic Finance provided an update on the development of a U.S. CBDC, indicating that the U.S. Department of Treasury would be providing an initial set of findings and recommendations regarding the development and adoption of a U.S. CBDC in the coming months.
- On April 14, 2023, the SEC reopened the comment period for its proposal to amend the definition of "exchange" under Exchange Act Rule 3b-16 to encompass trading and communication protocol systems for digital asset securities and trading systems that use distributed ledger or blockchain technology, including both so-called "centralized" and "decentralized" trading systems. The comment period is now closed. The SEC may determine whether to adopt the revised definition after an evaluation of comments provided during the comment period. If adopted in its proposed form, the new definition would have a sweeping impact on digital asset trading venues and other digital asset industry participants.

- The European Union’s Markets in Crypto Assets Regulation (“MiCA”), a comprehensive digital asset regulatory framework for the issuance and use of digital assets, like Bitcoin, became effective in June 2023, with various requirements phasing into effect through 2024.
- On June 5, 2023, the SEC filed a complaint against Binance Holdings Ltd. and other affiliated entities in federal district court for the District of Columbia, alleging, among other claims related to the operation of the affiliates and their platforms, that: (i) the Binance entities commingled and diverted customer assets; (ii) various affiliates of Binance Holdings Ltd. operated as exchanges, brokers, dealers and clearing agencies without registration under the Exchange Act; (iii) Binance Holdings Ltd. engaged in the unregistered offer and sale of securities; (iv) affiliates of Binance Holdings Ltd. operated in a manner to evade U.S. federal securities laws, and (v) affiliates of Binance Holdings Ltd. misled customers and investors concerning the existence and adequacy of market surveillance and controls to detect and prevent manipulative trading.
- On June 6, 2023, the SEC filed a complaint against Coinbase, Inc. and other affiliated entities in federal district court in the Southern District of New York, alleging, among other claims: (i) that Coinbase, Inc. violated the Exchange Act by failing to register with the SEC as a national securities exchange, broker-dealer, and clearing agency, in connection with activities involving certain identified digital assets that the SEC’s complaint alleges are securities, (ii) that Coinbase, Inc. violated the Securities Act of 1933, as amended (the “Securities Act”) by failing to register with the SEC the offer and sale of securities in connection with its staking program, and (iii) that Coinbase Global Inc. is jointly and severally liable as a control person under the Exchange Act for Coinbase Inc.’s violations of the Exchange Act to the same extent as Coinbase Inc.
- In the United Kingdom, on June 29, 2023, the Financial Services and Markets Act 2023 (“FSMA 2023”) became law. FSMA 2023 (i) clarifies that “cryptoassets” are subject to the regulated activities and financial promotion orders and (ii) establishes that digital assets firms, including exchanges and custodians, operating in or providing services to the United Kingdom carrying out certain activities involving “cryptoassets” are performing a regulated activity that needs to be authorized by the Financial Conduct Authority and may also be subject to oversight from the Bank of England. Several additional pieces of proposed legislation in the United Kingdom, including The Public Offers and Admissions to Trading Regulations 2023, may subject “cryptoassets” to further regulation. FSMA 2023 gave the UK Treasury powers to create financial market infrastructure sandboxes. The legislative framework for the UK’s Digital Securities Sandbox will take effect in January 2024.
- On November 20, 2023, the SEC filed a complaint against Payward Inc. and Payward Ventures Inc., together known as Kraken, alleging, among other claims, that Kraken’s crypto trading platform was operating as an unregistered securities exchange, broker, dealer, and clearing agency. The SEC’s complaint also alleges that Kraken’s business practices, deficient internal controls, and poor recordkeeping practices present a range of risks for its customers.
- On November 21, 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U.S. Department of Justice, CFTC, the U.S. Department of Treasury’s Office of Foreign Asset Control, and the Financial Crimes Enforcement Network to resolve a multi-year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance Holdings Ltd. agreed to, among other things, pay \$4.3 billion in penalties across the four agencies and to discontinue its operations in the United States. Binance also acknowledged that it willfully operated an unlicensed money-transmitting business, pleaded guilty to criminal charges of not having adequate anti-money laundering protocols in place and committed violations of the International Emergency Economic Powers Act, and its then chief executive officer pleaded guilty to failing to maintain an effective anti-money laundering program and resigned as chief executive officer of Binance. This settlement does not include any settlement of the SEC’s complaint against Binance referenced above.
- On October 10, 2024, the SEC filed a complaint against Cumberland DRW LLC, alleging violations of Section 15(a) of the Exchange Act (related to regulation of “brokers” and “dealers”), including references to Cumberland’s activities regarding Bitcoin.

Implications of Holding Foreign Company Accountable Act

On March 24, 2021, the SEC adopted interim final rules relating to the implementation of certain disclosure and documentation requirements of the Holding Foreign Company Accountable Act, or the HFCAA. An identified issuer will be required to comply with these rules if the SEC identifies it as having a “non-inspection” year under a process to be subsequently established by the SEC. In June 2021, the Senate passed the Accelerating Holding Foreign Companies Accountable Act, which, if signed into law, would reduce the time period for the delisting of foreign companies under the HFCAA to two consecutive years instead of three years. If our auditor cannot be inspected by the Public Company Accounting Oversight Board, or the PCAOB, for two consecutive years, the trading of our securities on any U.S. national securities exchanges, as well as any over-the-counter trading in the U.S., will be prohibited. On September 22, 2021, the PCAOB adopted a final rule implementing the HFCAA, which provides a framework for the PCAOB to use when determining, as contemplated under the HFCAA, whether the PCAOB is unable to inspect or investigate completely registered public accounting firms located in a foreign jurisdiction because of a position taken by one or more authorities in that jurisdiction. On December 2, 2021, the SEC issued amendments to finalize rules implementing the submission and disclosure requirements in the HFCAA. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions. On December 16, 2021, the PCAOB issued a report on its determinations that it is unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong, because of positions taken by PRC authorities in those jurisdictions. On August 26, 2022, the PCAOB announced that it had signed a Statement of Protocol (the “Statement of Protocol”) with the China Securities Regulatory Commission and the Ministry of Finance of China. The terms of the Statement of Protocol would grant the PCAOB complete access to audit work papers and other information so that it may inspect and investigate PCAOB-registered accounting firms headquartered in China and Hong Kong. According to the PCAOB, its December 2021 determinations under the HFCAA remain in effect. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. Under the PCAOB’s rules, a reassessment of a determination under the HFCAA may result in the PCAOB reaffirming, modifying or vacating the determination. In the event it is later determined that the PCAOB is unable to inspect or investigate completely the Company’s auditor because of a position taken by an authority in a foreign jurisdiction, then such lack of inspection could cause trading in the Company’s securities to be prohibited under the HFCAA ultimately result in a determination by a securities exchange to delist the Company’s securities.

Transfers of Cash to and from Our Subsidiaries

Next Technology Holding Inc. is a holding company. We conduct our operations in Hong Kong primarily through our subsidiaries in both Hong Kong and BVI. We may rely on dividends to be paid by our Hong Kong and BVI subsidiaries to fund our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, to service any debt we may incur and to pay our operating expenses. If our Hong Kong and BVI subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Next Technology Holding Inc. is permitted under the Wyoming laws to provide funding to our subsidiaries in Hong Kong and BVI through loans or capital contributions without restrictions on the amount of the funds, subject to satisfaction of applicable government registration, approval and filing requirements. Next Technology is also permitted under the laws of Hong Kong to provide funding to Next Technology Inc. through dividend distribution without restrictions on the amount of the funds. As of the date of this annual report, there has been no distribution of dividends or assets among the holding company or the subsidiaries. We currently do not have any cash management policies in place.

We currently intend to retain all available funds and future earnings, if any, for the operation and expansion of our business and do not anticipate declaring or paying any dividends 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.

Subject to the Wyoming Business Corporations Act and our bylaws, our board of directors may authorize and declare a dividend to shareholders at such time and of such an amount as they think fit if they are satisfied, on reasonable grounds, that immediately following the dividend the value of our assets will exceed our liabilities and we will be able to pay our debts as they become due. There is no further Wyoming statutory restriction on the amount of funds which may be distributed by us by dividend.

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. The laws and regulations of the PRC do not currently have any material impact on transfer of cash from Next Technology Holding Inc. to Hong Kong subsidiaries or from Hong Kong subsidiaries to Next Technology Holding Inc. 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 or across borders and to U.S investors.

Overview of Business and Industry

Software Development

We provide AI-enabled software development services to our potential customers in USA, Hong Kong and Singapore, which included developing, designing and implementing various SAAS software solutions for business of all types, including industrials and other businesses.

The analytics market is highly competitive and subject to rapidly changing technology and market conditions. Our ability to compete successfully depends on a number of factors within and outside of our control. Some of these factors include software quality, performance and reliability; the quality of our service and support teams; marketing and prospecting effectiveness; the ability to incorporate artificial intelligence and other technically advanced features; and our ability to differentiate our products. Failure to perform in these or other areas may reduce the demand for our offerings and materially adversely affect our revenue from both existing and prospective customers.

Bitcoin Holding

We hold substantially all of our Bitcoin in custody accounts at Japanese based, institutional-grade custodians that have demonstrated records of regulatory compliance and information security. Our Bitcoin acquisition strategy generally involves acquiring Bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase Bitcoin.

We view our Bitcoin holdings as held for trading and expect to continue to accumulate Bitcoin. We have not set any specific target for the amount of Bitcoin we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financing to purchase additional Bitcoin.

Bitcoin Industry and Market

Bitcoin is a digital asset that is issued by and transmitted through an open-source protocol, known as the Bitcoin protocol, collectively maintained by a peer-to-peer network of decentralized user nodes. This network hosts a public transaction ledger, known as the Bitcoin blockchain, on which Bitcoin holdings and all validated transactions that have ever taken place on the Bitcoin network are recorded. Balances of Bitcoin are stored in individual “wallet” functions, which associate network public addresses with one or more “private keys” that control the transfer of Bitcoin. The Bitcoin blockchain can be updated without any single entity owning or operating the network.

Creation of New Bitcoin and Limits on Supply

New Bitcoin is created and allocated by the Bitcoin protocol through a “mining” process that rewards users that validate transactions in the Bitcoin blockchain. Validated transactions are added in “blocks” approximately every 10 minutes. The mining process serves to validate transactions and secure the Bitcoin network. Mining is a competitive and costly operation that requires a large amount of computational power to solve complex mathematical algorithms. This expenditure of computing power is known as “proof of work.” To incentivize miners to incur the costs of mining Bitcoin, the Bitcoin protocol rewards miners that successfully validate a block of transactions with newly generated Bitcoin.

The Bitcoin protocol limits the total number of Bitcoin that can be generated over time to 21 million. The current reward for miners that successfully validate a block of transactions is 3.125 Bitcoin per mined block. Based on current mining rates, we anticipate the reward will decrease by half to 1.5625 Bitcoin per mined block sometime in 2028. This decrease in mining reward is referred to as a Bitcoin halving, and it occurs after every 210,000 blocks are mined, which has historically occurred approximately every four years.

Modifications to the Bitcoin Protocol

Bitcoin is an open-source network that has no central authority, so no one person can unilaterally make changes to the software that runs the network. However, there is a core group of developers that maintain the code for the Bitcoin protocol, and they can propose changes to the source code and release periodic updates and other changes. Unlike most software that has a central entity that can push updates to users, Bitcoin is a peer-to-peer network in which individual network participants, called nodes, decide whether to upgrade the software and accept the new changes. As a practical matter, a modification becomes part of the Bitcoin protocol only if the proposed changes are accepted by participants collectively having the most processing power, known as hash rate, on the network. If a certain percentage of the nodes reject the changes, then a “fork” takes place and participants can choose the version of the software they want to run.

Bitcoin Industry Participants

The primary Bitcoin industry participants are miners, investors and traders, digital asset exchanges and service providers, including custodians, brokers, payment processors, wallet providers and financial institutions.

Miners. Miners range from Bitcoin enthusiasts to professional mining operations that design and build dedicated mining machines and data centers, including mining pools, which are groups of miners that act cohesively and combine their processing power to mine Bitcoin blocks.

Investors and Traders. Bitcoin investors and traders include individuals and institutional investors who, directly or indirectly, purchase, hold, and sell Bitcoin or Bitcoin-based derivatives. On January 10, 2024, the Securities and Exchange Commission (“SEC”) issued an order approving several applications for the listing and trading of shares of spot Bitcoin exchange-traded products (“ETPs”) on U.S. national securities exchanges. While the SEC had previously approved exchange-traded funds where the underlying assets were Bitcoin futures contracts, this order represents the first time the SEC has approved the listing and trading of ETPs that acquire, hold and sell Bitcoin directly. ETPs can be bought and sold on a stock exchange like traditional stocks, and provide investors with another means of gaining economic exposure to Bitcoin through traditional brokerage accounts.

Digital Asset Exchanges. Digital asset exchanges provide trading venues for purchases and sales of Bitcoin in exchange for fiat or other digital assets. Bitcoin can be exchanged for fiat currencies, such as the U.S. dollar, at rates of exchange determined by market forces on Bitcoin trading platforms, which are not regulated in the same manner as traditional securities exchanges. In addition to these platforms, over-the-counter markets and derivatives markets for Bitcoin also exist. The value of Bitcoin within the market is determined, in part, by the supply of and demand for Bitcoin in the global Bitcoin market, market expectations for the adoption of Bitcoin as a store of value, the number of merchants that accept Bitcoin as a form of payment, and the volume of peer-to-peer transactions, among other factors. For a discussion of risks associated with digital asset exchanges, see “Item 1A. Risk Factors—Risks Related to Our Bitcoin Acquisition Strategy and Holdings—Due to the unregulated nature and lack of transparency surrounding the operations of many Bitcoin trading venues, Bitcoin trading venues may experience greater fraud, security failures or regulatory or operational problems than trading venues for more established asset classes, which may result in a loss of confidence in Bitcoin trading venues and adversely affect the value of our Bitcoin.”

Service providers. Service providers offer a multitude of services to other participants in the Bitcoin industry, including custodial and trade execution services, commercial and retail payment processing, loans secured by Bitcoin collateral, and financial advisory services. If adoption of the Bitcoin network continues to materially increase, we anticipate that service providers may expand the currently available range of services and that additional parties will enter the service sector for the Bitcoin network.

Revenue Model

In the business of providing AI-enabled software development services and solutions, we derive our revenue from AI-software development and technical supporting services.

Competition

The AI-enabled software development market is highly competitive and subject to rapidly changing technology and market conditions. Our ability to compete successfully depends on a number of factors within and outside of our control. Some of these factors include software quality, performance and reliability; the quality of our service and support teams; marketing and prospecting effectiveness; the ability to incorporate artificial intelligence and other technically advanced features; and our ability to differentiate our products. Failure to perform in these or other areas may reduce the demand for our offerings and materially adversely affect our revenue from both existing and prospective customers.

Domain

We have the right to use the following domain registration issued:

Number	Issue Date	Expiration Date	Registration Agency	Domain Name
1	2024/09/01	2026/09/01	Alibaba Cloud Computing Ltd.	nxtttech.com

Our Employees

As of the date hereof and in the fiscal year 2024, we have 6 full-time employees. The following table sets forth the number of our employees by function:

Functional Area	Number of Employees
Operating	1
Technology	2
General and Administrative	1
Financial Department	2
Total	6

We provide employee benefits to each employee in compliance with the legal requirements of their jurisdiction of residence, including statutory pension, medical insurance, unemployment insurance, work injury coverage, maternity protection, and a housing provident fund.

Our employees have not formed any employee union or association. We believe we maintain a good working relationship with our employees and have not experienced any difficulty in recruiting staff for our operations.

Insurance

We maintain certain insurance policies to safeguard us against risks and unexpected events. We do not maintain business interruption insurance or product liability insurance, which are not mandatory under Hong Kong and PRC laws. We do not maintain key man insurance, insurance policies covering damages to our network infrastructures or information technology systems nor any insurance policies for our properties. During the fiscal years 2024 and 2023, we did not make any material insurance claims in relation to our business.

Legal Proceedings

Since mid-September 2023, Mr. Zheng Dai, Mr. Pijun Liu, and certain individuals under their control (the “Unauthorized Persons”) had been falsely and repeatedly holding themselves out as representing and/or authorized to represent the Company. For example, the Unauthorized Persons caused to be filed certain current reports on Forms 8-K dated September 28, 2023 and October 10, 2023, in which they purported to appoint new officers and directors. These filings were false and should be disregarded.

On September 28, 2023, a derivative lawsuit was filed by certain purported shareholders affiliated with the Unauthorized Persons in the United States District Court for the District of Wyoming against certain officers and directors of the Company, seeking control of the Company. This case was dismissed without prejudice on October 18, 2023.

On October 18, 2023, the same individuals who previously filed the above-described derivative suit initiated a direct action against the Company in the Chancery Court of the State of Wyoming (the “Chancery Court”), once again seeking control of the Company. In response, the Company contested to the lawsuit and sought a temporary restraining order to prevent the plaintiff-shareholders and their affiliates (including the Unauthorized Persons) from asserting control over the Company.

On November 7, 2023, the Chancery Court granted a temporary restraining order substantially restraining Mr. Zheng Dai and his affiliates from claiming to act on behalf of the Company.

On November 30, 2023, the Company responded to plaintiffs' allegations, demonstrating that their claims—brought by Mr. Zheng Dai and his affiliates—were largely based upon forged signatures and other fabricated materials. In response, the plaintiffs withdrew their opposition to the Company's request for an injunction.

On January 5, 2024, the Chancery Court issued a preliminary injunction order (attached hereto), which specifically restrained Mr. Zheng Dai and his affiliates from the following conduct:

- (i) acting as or holding themselves out as majority shareholders, directors, executives, or employees of the Company and its affiliates;
- (ii) making any attempts to contact the SEC, Nasdaq, government authorities, or make any filing or press release on behalf of the Company;
- (iii) making any attempts to change the board composition and executive team;
- (iv) disseminating false statements regarding the Company and its leadership;
- (v) making any attempts to contact the Company's service providers, including auditors, stock transfer agents, and filing agents;
- (vi) making any attempts to issue the Company's shares.

The Company remains under the control of its current board of directors, which, as of the reporting date, consists of the following personnel: Lichen Dong (Chairman of the Board), Tian Yang, Mahesh Thapaliya, and Jianbo Sun.

On April 8, 2024, **the Chancery Court dismissed the plaintiffs' case with prejudice**, allowing the Company to reserve its right to seek fees. The Company's counterclaims against plaintiffs were later **dismissed without prejudice** upon stipulation on June 11, 2024.

On September 6, 2024, the same individuals initiated a new lawsuit against the Company in the Wyoming State District Court, with a sole cause of action seeking inspection of certain corporate records.

On October 30, 2024, the Company responded the complaint, denying plaintiffs' allegations and arguing that plaintiffs had failed to satisfy the statutory requirements necessary for corporate records inspection.

On December 9, 2024, one of the plaintiffs, Wenwen Yu, filed a motion for preliminary injunction to enjoin future share issuances by the Company.

On December 27, 2024, the Company opposed Yu's motion, asserting that it was entirely without merit. The motion is currently set for a hearing on April 9, 2025.

Separately, on May 15, 2024, another lawsuit was filed against the Company in the New York County Supreme Court (the "NY Court"), seeking repayment of certain loans allegedly guaranteed by the Company.

On September 9, 2024, the Company moved to dismiss the case on the grounds of *forum non conveniens* and lack of personal jurisdiction, given that the alleged guarantees—signed by Zheng Dai and Pijun Liu—were unauthorized and, therefore, null and void.

As of the reporting date, the Company's motion remains pending before the NY Court.

REGULATIONS

This section sets forth a summary of the principal PRC laws and regulations relevant to our business and operations in China.

Regulations on Overseas Listings

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (the “Trial Measures”), which became effective on March 31, 2023. On the same date, the CSRC circulated Supporting Guidance Rules No. 1 through No. 5, Notes on the Trial Measures, Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and relevant CSRC Answers to Reporter Questions (collectively, the “Guidance Rules and Notice”) on the CSRC’s official website. Pursuant to the Trial Measures, PRC domestic enterprises that have submitted valid applications for overseas offerings and listing but have not obtained the approval from the relevant overseas regulatory authority or overseas stock exchanges shall complete filings with the CSRC prior to their overseas offerings and listings.

According to the Notice on the Administrative Arrangements for the Filing of the Overseas Securities Offering and Listing by Domestic Companies from the CSRC, or “the CSRC Notice”, the domestic companies that have already been listed overseas before the effective date of the Trial Measures (namely, March 31, 2023) shall be deemed as existing issuers (the “Existing Issuers”). Existing Issuers are not required to complete the filing procedures immediately, and they shall be required to file with the CSRC for any subsequent offerings.

On February 24, 2023, the CSRC, together with the MOF, National Administration of State Secrets Protection and National Archives Administration of China, revised the Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing, which were issued by the CSRC and National Administration of State Secrets Protection and National Archives Administration of China in 2009, or the “Provisions.” The revised Provisions were issued under the title the “Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies”, and came into effect on March 31, 2023 together with the Trial Measures. One of the major revisions to the revised Provisions is expanding their application to cover indirect overseas offering and listing, as is consistent with the Trial Measures. The revised Provisions require that, among other things, (a) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any documents and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level; and (b) a domestic company that plans to, either directly or indirectly through its overseas listed entity, publicly disclose or provide to relevant individuals and entities including securities companies, securities service providers and overseas regulators, any other documents and materials that, if leaked, will be detrimental to national security or public interest, shall strictly fulfill relevant procedures stipulated by applicable national regulations.

In August 2006, six PRC regulatory authorities, including the CSRC, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, amended in June 2009. The M&A Rules, among other things, require that if an overseas company established or controlled by PRC companies or individuals, or PRC Citizens, intends to acquire equity interests or assets of any other PRC domestic company affiliated with the PRC Citizens, such acquisition must be submitted to the MOFCOM for approval. The M&A Rules also require that an Overseas SPV formed for overseas listing purposes and controlled directly or indirectly by the PRC Citizens shall obtain the approval of the CSRC prior to overseas listing and trading of such Overseas SPV’s securities on an overseas stock exchange.

Regulations on Internet Information Security and Privacy Protection

In November 2016, the Standing Committee of the National People's Congress, or the SCNPC, promulgated the *Cyber Security Law of the PRC*, or the Cyber Security Law, which became effective on June 1, 2017. The Cyber Security Law requires that a network operator, which includes, among others, internet information services providers, take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to safeguard the safe and stable operation of its networks. We are subject to such requirements as we are operating website and mobile application and providing certain internet services mainly through our mobile application. The Cyber Security Law further requires internet information service providers to formulate contingency plans for network security incidents, report to the competent departments immediately upon the occurrence of any incident endangering cyber security and take corresponding remedial measures.

Internet information service providers are also required to maintain the integrity, confidentiality and availability of network data. The Cyber Security Law reaffirms the basic principles and requirements specified in other existing laws and regulations on personal data protection, such as the requirements on the collection, use, processing, storage and disclosure of personal data, and internet information service providers being required to take technical and other necessary measures to ensure the security of the personal information they have collected and prevent the personal information from being divulged, damaged or lost. Any violation of the Cyber Security Law may subject the internet information service provider to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, shutdown of websites or criminal liabilities.

As of the date hereof, the Company is in compliance with the Cyber Security Law.

PRC Laws and Regulations on Foreign Investment

Investment in the PRC by foreign investors and foreign-invested enterprises shall comply with the Catalogue for the Guidance of Foreign Investment Industries (2020 Revision) (the "Catalogue"), which was last amended and issued by MOFCOM and National Development and Reform Commission (NDRC) on December 27, 2020 and became effective since January 27, 2021, and the Special Management Measures for Foreign Investment Access (2019 version), or the Negative List, which came into effect on July 30, 2019. The Catalogue and the Negative List contains specific provisions guiding market access for foreign capital and stipulates in detail the industry sectors grouped under the categories of encouraged industries, restricted industries and prohibited industries. Any industry not listed on the Negative List is a permitted industry unless otherwise prohibited or restricted by other PRC laws or regulations.

On March 15, 2019, the National People's Congress approved the Foreign Investment Law of the PRC, or the Foreign Investment Law, which came into effect on January 1, 2020, repealing simultaneously the Law of the PRC on Sino-foreign Equity Joint Ventures, the Law of the PRC on Wholly Foreign-owned Enterprises and the Law of the PRC on Sino-foreign Cooperative Joint Ventures. The Foreign Investment Law adopts the management system of pre-establishment national treatment and negative list for foreign investment. Policies in support of enterprises shall apply equally to foreign-funded enterprises according to laws and regulations. Foreign investment enterprises shall be guaranteed that they could equally participate in the setting of standards, and the compulsory standards formulated by the State shall be equally applied. Fair competition for foreign investment enterprises to participate in government procurement activities shall be protected. The Foreign Investment Law also stipulates the protection on intellectual property rights and trade secrets. The State also establishes information reporting system and national security review system according to the Foreign Investment Law.

PRC Laws and Regulations on Wholly Foreign-Owned Enterprises

The establishment, operation and management of corporate entities in China are governed by the PRC Company Law, which was promulgated by the SCNPC on December 29, 1993 and became effective on July 1, 1994. It was last amended on October 26, 2018 and the amendments became effective on October 26, 2018. Under the PRC Company Law, companies are generally classified into two categories, namely, limited liability companies and joint stock limited companies. The PRC Company Law also applies to limited liability companies and joint stock limited companies with foreign investors. Where there are otherwise different provisions in any law on foreign investment, such provisions shall prevail.

The Law of the PRC on Wholly Foreign-invested Enterprises was promulgated and became effective on April 12, 1986, and was last amended and became effective on October 1, 2016. The Implementing Regulations of the PRC Law on Foreign-invested Enterprises were promulgated by the State Council on October 28, 1990. They were last amended on February 19, 2014 and the amendments became effective on March 1, 2014. The Provisional Measures on Administration of Filing for Establishment and Change of Foreign Investment Enterprises were promulgated by MOFCOM and became effective on October 8, 2016, and were last amended on July 20, 2017 with immediate effect. The above-mentioned laws form the legal framework for the PRC Government to regulate Foreign-invested Enterprises. These laws and regulations govern the establishment, modification, including changes to registered capital, shareholders, corporate form, merger and split, dissolution and termination of Foreign-invested Enterprises.

According to the above regulations, a Foreign-invested Enterprise should get approval by MOFCOM before its establishment and operation.

PRC Laws and Regulations on Foreign Exchange

Registration of Foreign Investment Enterprises

Pursuant to the Notice of State Administration of Foreign Exchange on Promulgation of the Provisions on Foreign Exchange Control on Direct Investments in China by Foreign Investors promulgated by the SAFE, or the Notice, upon establishment of a foreign investment enterprise pursuant to the law, registration formalities shall be completed with the foreign exchange bureau. Upon completion of registration formalities by the entities involved in direct investments in China, the entities may open accounts for direct investments in China such as preliminary expense account, capital fund account and asset realization account, etc. with the bank based on the actual needs. Upon completion of such registration formalities, foreign investment enterprises could also conduct settlement when contributing foreign exchange funds, and remit funds overseas in the event of capital reduction, liquidation, advance recovery of investment, profit distribution, etc.

PRC Laws and Regulations on Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include the Foreign-Invested Enterprise Law, that became effective on January 1, 2020, and its implementation rules. Under these laws and regulations, wholly foreign-owned enterprises in China may pay dividends only out of their accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, when a wholly foreign-owned enterprise in China distributes its after-tax profits of a fiscal year, it shall allocate 10% of the profits to the company's statutory common reserve fund. If the accumulated amount of the company's statutory reserve fund is more than 50% of the company's registered capital, the company is no longer required to allocate more funds to the reserve. Wholly foreign-owned companies may, at their discretion, allocate a portion of their after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserves are not distributable as cash dividends.

PRC Laws and Regulations on Taxation

Enterprise Income Tax

The Enterprise Income Tax Law of the People's Republic of China (the "EIT Law") was promulgated by the Standing Committee of the National People's Congress on March 16, 2007 and became effective on January 1, 2008, and was later amended on February 24, 2017 and on December 29, 2018 separately. The Implementation Rules of the EIT Law (the "Implementation Rules") were promulgated by the State Council on December 6, 2007 and became effective on January 1, 2008. According to the EIT Law and the Implementation Rules, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises shall pay enterprise income tax on their incomes obtained in and outside the PRC at the rate of 25%. Non-resident enterprises setting up institutions in the PRC shall pay enterprise income tax on the incomes obtained by such institutions in and outside the PRC at the rate of 25%. Non-resident enterprises with no institutions in the PRC, and non-resident enterprises whose incomes having no substantial connection with their institutions in the PRC, shall pay enterprise income tax on their incomes obtained in the PRC at a reduced rate of 10%.

The Arrangement between the PRC and Hong Kong Special Administrative Region for the Avoidance of Double Taxation the Prevention of Fiscal Evasion with respect to Taxes on Income (the "Arrangement") was promulgated by the State Administration of Taxation ("SAT") on August 21, 2006 and came into effect on December 8, 2006. According to the Arrangement, a company incorporated in Hong Kong will be subject to withholding tax at the lower rate of 5% on dividends it receives from a company incorporated in the PRC if it holds a 25% interest or more in the PRC company. The Notice on the Understanding and Identification of the Beneficial Owners in the Tax Treaty (the "Notice") was promulgated by SAT and became effective on October 27, 2009. According to the Notice, a beneficial ownership analysis will be used based on a substance-over-form principle to determine whether or not to grant tax treaty benefits.

Value-added Tax

Pursuant to the Provisional Regulations on Value-added Tax of the PRC, or the VAT Regulations, which were promulgated by the State Council on December 13, 1993, took effect on January 1, 1994, and were amended on November 10, 2008, February 6, 2016, and November 19, 2017, respectively, and the Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC, which were promulgated by the MOF on December 25, 1993, and were amended on December 15, 2008, and October 28, 2011, respectively, entities and individuals that sell goods or labor services of processing, repair or replacement, sell services, intangible assets, or immovables, or import goods within the territory of the People's Republic of China are taxpayers of value-added tax. The VAT rate is 17% for taxpayers selling goods, labor services, or tangible movable property leasing services or importing goods, except otherwise specified; 11% for taxpayers selling services of transportation, postal, basic telecommunications, construction and lease of immovable, selling immovable, transferring land use rights, selling and importing other specified goods including fertilizers; 6% for taxpayers selling services or intangible assets.

According to the Notice on the Adjustment to the Value-added Tax Rates issued by the SAT and the MOF on April 4, 2018, where taxpayers make VAT taxable sales or import goods, the applicable tax rates shall be adjusted from 17% to 16% and from 11% to 10%, respectively. Subsequently, the Notice on Policies for Deepening Reform of Value-added Tax was issued by the SAT, the MOF and the General Administration of Customs on March 30, 2019 and took effective on April 1, 2019, which further adjusted the applicable tax rate for taxpayers making VAT taxable sales or importing goods. The applicable tax rates shall be adjusted from 16% to 13% and from 10% to 9%, respectively. The VAT rate applicable to the company is currently 6%; the income tax rate applicable to the company is 25%. We are also eligible for receiving tax refund according to certain favorable government policies starting from 2021.

Dividend Withholding Tax

The Enterprise Income Tax Law states that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors that do not have an establishment or place of business in the PRC, or that have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

Pursuant to an Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes (“Double Tax Avoidance Arrangement”) and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Circular on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties (the “SAT Circular 81”) issued on February 20, 2009 by SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Circular on Several Questions regarding the “Beneficial Owner” in Tax Treaties, which was issued on February 3, 2018 by the SAT and took effect on April 1, 2018, when determining the applicant’s status of the “beneficial owner” regarding tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50% of his or her income in twelve months to residents in third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grant tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status of the “beneficial owner” shall submit the relevant documents to the relevant tax bureau according to the Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers’ Enjoyment of the Treatment under Tax Agreements.

We have not commenced the application process for a Hong Kong tax resident certificate from the relevant Hong Kong tax authority, and there is no assurance that we will be granted such a Hong Kong tax resident certificate. We have not filed required forms or materials with the relevant PRC tax authorities to prove that we should enjoy the 5% PRC withholding tax rate.

PRC Laws and Regulations on Employment and Social Welfare

Labor Law of the PRC

Pursuant to the Labor Law of the PRC, which was promulgated by the Standing Committee of the NPC on July 5, 1994 with an effective date of January 1, 1995 and was last amended on August 27, 2009 and the Labor Contract Law of the PRC, which was promulgated on June 29, 2007, became effective on January 1, 2008 and was last amended on December 28, 2012, with the amendments coming into effect on July 1, 2013, enterprises and institutions shall ensure the safety and hygiene of a workplace, strictly comply with applicable rules and standards on workplace safety and hygiene in China, and educate employees on such rules and standards. Furthermore, employers and employees shall enter into written employment contracts to establish their employment relationships. Employers are required to inform their employees about their job responsibilities, working conditions, occupational hazards, remuneration and other matters with which the employees may be concerned. Employers shall pay remuneration to employees on time and in full accordance with the commitments set forth in their employment contracts and with the relevant PRC laws and regulations. We have entered into written employment contracts with all the employees and performed their obligations under the relevant PRC laws and regulations.

Social Insurance and Housing Fund

Pursuant to the Social Insurance Law of the PRC, which was promulgated by the Standing Committee of the NPC on October 28, 2010 and became effective on July 1, 2011, employers in the PRC shall provide their employees with welfare schemes covering basic pension insurance, basic medical insurance, unemployment insurance, maternity insurance, and occupational injury insurance. We have been complying with local regulations regarding social security and employee insurance.

According to the Interim Regulations on the Collection and Payment of Social Insurance Premiums, the Regulations on Work Injury Insurance, the Regulations on Unemployment Insurance and the Trial Measures on Employee Maternity Insurance of Enterprises, enterprises in the PRC shall provide benefit plans for their employees, which include basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance. An enterprise must provide social insurance by processing social insurance registration with local social insurance agencies, and shall pay or withhold relevant social insurance premiums for or on behalf of employees. The Law on Social Insurance of the PRC, which was promulgated by the SCNPC on October 28, 2010, became effective on July 1, 2011, and was most recently updated on December 29, 2018, has consolidated pertinent provisions for basic pension insurance, unemployment insurance, maternity insurance, work injury insurance and basic medical insurance, and has elaborated in detail the legal obligations and liabilities of employers who do not comply with relevant laws and regulations on social insurance. Without force majeure reasons, employers must not suspend or reduce their payment of social insurance for employees, otherwise, competent governmental authorities will have the power to enforce employers to pay up social insurance within a prescribed time limit, and a fine of 0.05% of the unpaid social insurance can be charged on the part of the employers per day commencing from the first day of default. Provided that the employers still fail to make the payment within the prescribed time limit, a fine of over one time and up to three times of the unpaid sum of social insurance can be charged.

According to the Regulations on the Administration of Housing Provident Fund, which was promulgated by the State Council and became effective on April 3, 1999, and was amended on March 24, 2002 and was partially revised on March 24, 2019 by Decision of the State Council on Revising Some Administrative Regulations (Decree No. 710 of the State Council), housing provident fund contributions by an individual employee and housing provident fund contributions by his or her employer shall belong to the individual employee. Registration by PRC companies at the applicable housing provident fund management center is compulsory and a special housing provident fund account for each of the employees shall be opened at an entrusted bank.

The employer shall timely pay up and deposit housing provident fund contributions in full amount and late or insufficient payments shall be prohibited. The employer shall process housing provident fund payment and deposit registrations with the housing provident fund administration center. Under the circumstances where financial difficulties do exist due to which an employer is unable to pay or pay up housing provident funds, permission of labor union of the employer and approval of the local housing provident funds commission must first be obtained before the employer can suspend or reduce their payment of housing provident funds. With respect to companies who violate the above regulations and fail to process housing provident fund payment and deposit registrations or open housing provident fund accounts for their employees, such companies shall be ordered by the housing provident fund administration center to complete such procedures within a designated period. Those who fail to process their registrations within the designated period shall be subject to a fine ranging from RMB10,000 to RMB50,000. When companies breach these regulations and fail to pay up housing provident fund contributions in full amount as due, the housing provident fund administration center shall order such companies to pay up within a designated period, and may further apply to the People's Court for mandatory enforcement against those who still fail to comply after the expiry of such period.

Regulations Related to our Business Operations in Hong Kong

Business registration requirement

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every person carrying on any business to make an application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch, as the case may be. The Company has applied and received business registration certificate in HK and is in compliance with such regulations.

Regulations related to Hong Kong Taxation

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

Under the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), where an employer commences to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment. Where an employer ceases or is about to cease to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than one month before such individual ceases to be employed in Hong Kong.

Capital gains tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of shares.

Profits tax

Trading gains from the sale of shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong, will be subject to Hong Kong profits tax which is imposed at the rates of 8.25% on assessable profits up to HKD 2,000,000 and 16.5% on any part of assessable profits over HKD 2,000,000 on corporations from the year of assessment commencing on or after 1 April 2018. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)

Under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), the Hong Kong stamp duty currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of Hong Kong shares). In addition, a fixed duty of HKD 5 is currently payable on any instrument of transfer of Hong Kong shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

As of the date hereof, the Company is in compliance with the regulations regarding Hong Kong taxation.

ITEM 1A. RISK FACTORS

Not applicable as we are a smaller reporting company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We have established procedures for evaluating, recognizing, and managing significant risks stemming from potential unauthorized events occurring on or through our electronic information systems. These procedures comprise an important part of our overall enterprise risk management system and are aimed at preventing, detecting, or mitigating data breaches, theft, misuse, unauthorized access, or any other security incidents or vulnerabilities affecting digitally stored data. Internally we have an Internet, Email and Computer Use Policy and all of our employees have been trained on the policy and related tools. Additionally, we employ processes to manage and identify risks arising from cybersecurity threats linked to supplier and customer relationships and our utilization of third-party technology and systems.

We adhere to a risk management framework based on applicable laws and regulations to handle cybersecurity risks across our products, services, infrastructure and corporate assets. We regularly conduct risk assessments to gauge the effectiveness of our systems, identifying areas for improvement. These processes enable us to make informed, risk-based decisions and prioritize cybersecurity measures and risk mitigation strategies. Our risk mitigation efforts encompass a range of technical and operational actions. Our cybersecurity risks and related responses are evaluated by senior leadership, including as part of our enterprise risk assessments that are reviewed by our Board of Directors. Our management team supervises efforts to prevent, detect, mitigate and remediate cybersecurity risks and incidents. However, we cannot guarantee that our efforts will prevent any cybersecurity incident from occurring.

As of the date of this report, we have not identified any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents that we believe have, or are likely to, materially affect us, our business strategy, results of operations or financial condition.

ITEM 2. PROPERTIES

Our principal executive office is located at Room 519, 05/F Block T3, Qianhai Premier Finance Centre Unit 2, Guiwan Area, Nanshan District, Shenzhen, People's Republic of China. The office lease term is from January 1, 2023 to December 31, 2025. The rent of Shenzhen office was paid by the shareholders and no lease agreement was signed by the Company.

The following table sets forth the lease term and monthly rent:

Lease Term	Address	Space (square meters)
January 1, 2023 to December 31, 2025	Room 519, 05/F Block T3, Qianhai Premier Finance Centre Unit 2, Guiwan Area, Nanshan District, Shenzhen, People's Republic of China.	200

ITEM 3. LEGAL PROCEEDINGS

Since mid-September 2023, Mr. Zheng Dai, Mr. Pijun Liu, and certain individuals under their control (the “Unauthorized Persons”) had been falsely and repeatedly holding themselves out as representing and/or authorized to represent the Company. For example, the Unauthorized Persons caused to be filed certain current reports on Forms 8-K dated September 28, 2023 and October 10, 2023, in which they purported to appoint new officers and directors. These filings were false and should be disregarded.

On September 28, 2023, a derivative lawsuit was filed by certain purported shareholders affiliated with the Unauthorized Persons in the United States District Court for the District of Wyoming against certain officers and directors of the Company, seeking control of the Company. **This case was dismissed without prejudice on October 18, 2023.**

On October 18, 2023, the same individuals who previously filed the above-described derivative suit initiated a direct action against the Company in the Chancery Court of the State of Wyoming (the “Chancery Court”), once again seeking control of the Company. In response, the Company contested to the lawsuit and sought a temporary restraining order to prevent the plaintiff-shareholders and their affiliates (including the Unauthorized Persons) from asserting control over the Company.

On November 7, 2023, the Chancery Court granted a temporary restraining order substantially restraining Mr. Zheng Dai and his affiliates from claiming to act on behalf of the Company.

On November 30, 2023, the Company responded to plaintiffs’ allegations, demonstrating that their claims—brought by Mr. Zheng Dai and his affiliates—were largely based upon forged signatures and other fabricated materials. In response, the plaintiffs withdrew their opposition to the Company’s request for an injunction.

On January 5, 2024, the Chancery Court issued a preliminary injunction order (attached hereto), which specifically restrained Mr. Zheng Dai and his affiliates from the following conduct:

- (i) acting as or holding themselves out as majority shareholders, directors, executives, or employees of the Company and its affiliates;
- (ii) making any attempts to contact the SEC, Nasdaq, government authorities, or make any filing or press release on behalf of the Company;
- (iii) making any attempts to change the board composition and executive team;
- (iv) disseminating false statements regarding the Company and its leadership;
- (v) making any attempts to contact the Company’s service providers, including auditors, stock transfer agents, and filing agents;
- (vi) making any attempts to issue the Company’s shares.

The Company remains under the control of its current board of directors, which, as of the reporting date, consists of the following personnel: Lichen Dong (Chairman of the Board), Tian Yang, Mahesh Thapaliya, and Jianbo Sun.

On April 8, 2024, **the Chancery Court dismissed the plaintiffs' case with prejudice**, allowing the Company to reserve its right to seek fees. The Company's counterclaims against plaintiffs were later **dismissed without prejudice** upon stipulation on June 11, 2024.

On September 6, 2024, the same individuals initiated a new lawsuit against the Company in the Wyoming State District Court, with a sole cause of action seeking inspection of certain corporate records.

On October 30, 2024, the Company responded the complaint, denying plaintiffs' allegations and arguing that plaintiffs had failed to satisfy the statutory requirements necessary for corporate records inspection.

On December 9, 2024, one of the plaintiffs, Wenwen Yu, filed a motion for preliminary injunction to enjoin future share issuances by the Company.

On December 27, 2024, the Company opposed Yu's motion, asserting that it was entirely without merit. The motion is currently set for a hearing on April 9, 2025.

Separately, on May 15, 2024, another lawsuit was filed against the Company in the New York County Supreme Court (the "NY Court"), seeking repayment of certain loans allegedly guaranteed by the Company.

On September 9, 2024, the Company moved to dismiss the case on the grounds of *forum non conveniens* and lack of personal jurisdiction, given that the alleged guarantees—signed by Zheng Dai and Pijun Liu—were unauthorized and, therefore, null and void.

As of the reporting date, the Company's motion remains pending before the NY Court.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is listed on the Nasdaq Capital Market under the symbol "NXTT".

The last reported sales price for our shares of common stock on the Nasdaq Capital Market as of December 31, 2024 was \$2.44 per share. As of March 27, 2025, we had approximately 358 shareholders recorded on the book for our common stock.

Transfer Agent

The transfer agent for our common stock is **Transshare Corporation**. The transfer agent's telephone number and address are **(303) 662-1112** and **Bayside Center 1,17755 US Highway 19 N, Suite 140, Clearwater FL 33764**.

Holders

As of the close of business on March 27, 2025, there were approximately 358 holders of record of our common stock.

Dividends

We have not declared any cash dividends on our common stock during our two most recent fiscal years. In the near future, we intend to retain any earnings to finance the development and expansion of our business. We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. The declaration and payment of cash dividends by us are subject to the discretion of the Board. Any future determination to pay cash dividends will depend on our results of operations, financial condition, capital requirements, contractual restrictions and other factors deemed relevant at the time by the board of Directors. We are not currently subject to any contractual arrangements that restrict our ability to pay cash dividends.

Securities Authorized for Issuance Under Equity Compensation Plans

As of December 31, 2024, there are no compensation plans under which our equity securities are authorized for issuance.

Recent Sales of Unregistered Securities

2023 Subscriptions

On August 31, 2023, the Company issued to certain investors (i) 105,400 shares of common stock at a per share purchase price of \$5.85, and (ii) warrants to purchase up to 105,400 shares of common stock at an exercise price of \$5.15 per share. The exercise period for each warrant is five (5) years from July 26, 2023. The sale of the securities described herein was made in reliance on the exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), and Rule 506(b) promulgated thereunder.

On September 13, 2023, the Company issued to certain investors 1,465,200 shares of common stock at a per share purchase price of \$8.19. The shares of common stock were offered and sold pursuant to exemptions from the registration requirements of Section 4(a)(2) of the Securities Act and Regulation S promulgated thereunder.

The Future Dao Transaction

On April 17, 2024, the Company issued 3,940,000 shares of common stock with a total valuation of \$13,396,000 to consummate the acquisition of 2,000 ordinary shares of Future Dao Group Holding Limited. The issuance was made in reliance on an exemption from the registration requirements of Section 4(a)(2) of the Securities Act.

Settlement of Professional Fees

In May 2024, the Company issued 411,280 shares of common stock to several professionals as settlement for the outstanding professional fees in the aggregate amount of \$1,974,140 owed by the Company to these professionals. The issuance was conducted pursuant to exemptions from the registration requirements of Section 4(a)(2) of the Securities Act and/or Regulation S promulgated thereunder.

The Amended BTC Transaction

On March 12, 2025 (the “Closing Date”), the Company issued to the BTC Sellers (as defined below) their respective portions of 135,171,078 Shares (as defined below) and Warrants (as defined below) to purchase 294,117,647 shares of common stock pursuant to the terms of the Amended BTC Contract (as defined below). This issuance was made as part of the consummation of the Amended 5,000 BTC Transaction (as defined below). The exercise period for each Warrant is five (5) years from the initial exercise of such Warrant and the exercise price of such Warrant is nil. Concurrently with the issuance of the Warrants, the BTC Sellers indicated to the Company of their intent to immediately exercise the Warrants to purchase all of the 294,117,647 shares of common stock thereunder. Accordingly, the Company issued to each BTC Seller the respective Warrant Shares on the Closing Date.

Pursuant to the Amended BTC Contract, the aggregate purchase price for the 5,000 Bitcoin in the Amended 5,000 BTC is \$150.00 million. The Company applied a previously-made prepayment amount of \$12.13 million toward the purchase price, and shares of the Company’s common stock issued in the Amended 5,000 BTC Transaction were valued at \$1.02 per share. As of the transaction date, the market price is \$0.34 per share and total consideration for acquisition of 5,000 Bitcoin is \$158.08 million.

The offer and sale of the Shares, the Warrants and the Warrant Shares were conducted in reliance on the exemption from registration provided by Regulation D and/or Regulation S of the Securities Act. The issuance is intended to be made in a private transaction that does not involve a public offering. The Shares, the Warrants and the Warrant Shares were issued without the use of any form of general solicitation or advertising.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We did not, nor did anyone on our behalf or any “affiliated purchaser” as defined in Rule 10b-18(a)(3) of the Exchange Act, repurchase any outstanding shares of our common stock during any month of our fiscal year ended December 31, 2024.

ITEM 6. RESERVED

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition and results of operations should be read in conjunction with our financial statements and related notes included elsewhere in this annual report. This discussion contains forward-looking statements that involve risks, uncertainties and assumptions. See "Cautionary Note Regarding Forward-Looking Statements." Our actual results could differ materially from those anticipated in the forward-looking statements as a result of certain factors discussed elsewhere in this annual report.

Overview

Next Technology Holding Inc (Formerly known as "WeTrade Group Inc") was incorporated in the State of Wyoming on March 28, 2019. We currently pursue two corporate strategies. One business strategy is to continue providing software development services, and the other strategy is to acquire and hold Bitcoin.

Software development

We provide AI-enabled software development services to our customers, which include developing, designing, and implementing various SAAS software solutions for businesses of all types, including industrial and other businesses.

Bitcoin Acquisition Strategy

Our Bitcoin acquisition strategy generally involves acquiring Bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase Bitcoin.

We view our Bitcoin holdings as held for trading and expect to continue to accumulating Bitcoin. We have not set any specific target for the amount of Bitcoin we seek to hold, and we will continue to monitor market conditions in determining whether to engage in additional financings to purchase additional Bitcoin.

This overall strategy also contemplates that we may (i) periodically sell Bitcoin for general corporate purposes, including to generate cash for treasury management or in connection with strategies that generate tax benefits in accordance with applicable law, (ii) enter into additional capital raising transactions that are collateralized by our Bitcoin holdings, and (iii) consider pursuing additional strategies to create income streams or otherwise generate funds using our Bitcoin holdings.

We believe that, due to its limited supply, Bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long term.

Change of Officer and Director

On January 31, 2024, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Mr. Liu Wei Hong was appointed as the chief executive officer of the Company, effective January 31, 2024.

On August 12, 2024, Mr. Lim Kian Wee tendered his resignation as a director of the Company and Chair of the Audit Committee, effective August 12, 2024. On the same day, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Mr. Tian Yang was appointed as the director of the Company and Chair of the Audit Committee, effective August 12, 2024.

On October 21, 2024, Mr. Ken Tsang tendered her resignation as a Chief Financial officer of the Company, effective October 21, 2024. On the same day, approved by the Board of Directors, the Nominating Committee and the Compensation Committee, Ms. Eve Chan was appointed as the Chief Financial Officer of the Company, effective October 21, 2024.

As of the end of 2024:

Mr. Lichen Dong is the Chairman of the Board.

The Audit Committee of the Company is composed of all four independent directors (Lichen Dong, Tian Yang, Mahesh Thapaliya and Jianbo Sun) as members, and Tian Yang is the Chair of the Audit Committee.

3. The Nominating Committee of the Company is composed of all four independent directors (Lichen Dong, Tian Yang, Mahesh Thapaliya and Jianbo Sun) as members, and Lichen Dong is the Chair of the Nominating Committee.

4. The Compensation Committee of the Company is composed of all four independent directors (Lichen Dong, Tian Yang, Mahesh Thapaliya and Jianbo Sun) as members, and Jianbo Sun is the Chair of the Compensation Committee.

Each of Lichen Dong, Tian Yang, Mahesh Thapaliya and Jianbo Sun qualifies as an independent director under rules of The Nasdaq Stock Market, and does not have a family relationship with any director or executive officer of the Company, and has not been involved in any transaction with the Company during the past two years that would require disclosure under Item 404(a) of Regulation S-K.

Result of Operations

The following tables provide a comparison of a summary of our results of operations for the fiscal years ended December 31, 2024 and 2023.

Results of Operations for the fiscal years ended December 31, 2024 and 2023

	For the year ended December 31,	
	2024	2023 (Restated*)
Service revenue	\$ 1,800,000	\$ 2,500,000
Cost of revenue	(730,000)	(1,070,864)
Gross Profit	1,070,000	1,429,136
Operating expenses		
General and administrative expenses	(1,086,804)	(2,666,238)
Total operating expenses	(1,086,804)	(2,666,238)
Loss from operations	(16,804)	(1,237,102)
Impairment of long-term investment	(13,396,000)	-
Other income	43,190,557	4,387,976
Income before income taxes	\$ 29,777,753	\$ 3,150,874
Income tax expense	(8,234,503)	(130,415)
Net income from continuing operation	21,543,250	3,020,459

* In July 2024, we dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. We retrospectively adjusted the above comparative consolidated results of operations in prior year.

Revenue from Operations

For the fiscal year ended December 31, 2024 and 2023, total revenue was US\$1.80 million and US\$2.50 million, respectively. The revenue is mainly generated from the AI software development and SAAS software solutions for industrial and other businesses users.

Cost of revenue

Cost of revenue mainly consists of staff payroll, system development costs and outsourcing staff cost for system development, which is in line with the increase in revenue during the period.

General and Administrative Expenses

For the fiscal year ended December 31, 2024, general and administrative expenses was US\$1.09 million, compared to US\$2.67 million for the fiscal year ended December 31, 2023. The notable decrease of US\$1.58 million is primarily attributed to reductions in compliance fees, annual block chain consulting fees, and other professional service fees.

Impairment of long-term investment

In April 2024, there were 3,940,000 shares issued with the total amount of US\$13.40 million for the acquisition of 20% of an associate company.

We have conducted an impairment test on this long-term equity investment in accordance with ASC820 and has fully provided for impairment losses.

Other income

For the fiscal year ended December 31, 2024 and 2023, other income were US\$43.19 million and US\$4.39 million, respectively. The increase in other income is due to Bitcoin value appreciation of US\$43.18 million and US\$10.15 million for the years ended December 31, 2024 and 2023, which offset by waiver of related company loan of US\$5.81 million during the year of 2023.

Income tax expense

For the fiscal year ended December 31, 2024 and 2023, the Company recorded income tax expense of US\$8.23 million and US\$0.13 million in 2024 and 2023, respectively.

Net income from continuing operation

As a result of the factors described above, for the fiscal year ended December 31, 2024 and 2023, there was a net income from continuing operation of US\$21.54 million and US\$3.02 million, respectively. The increase is mainly due to gain in fair value in digital assets and offset by increase in income tax expense and impairment loss of long-term investment.

The following chart provides a summary of our balance sheets for the fiscal years ended December 31, 2024 and 2023. It should be read in conjunction with the financial statements, and notes thereto.

	December 31, 2024	December 31, 2023
		Restated*
Cash and Cash equivalents	\$ 668,387	\$ 668,387
Digital Assets	78,322,430	35,137,576
Receivables	1,800,000	1,000,000
Prepayments	12,125,500	12,125,500
Total assets	\$ 92,916,317	\$ 48,931,463
Accounts payable	730,000	800,000
Amount due to related parties	972,000	1,692,672
Other liabilities	1,351,752	1,730,415
Deferred tax liabilities	8,234,503	-
Total liabilities	\$ 11,288,255	\$ 4,223,087
Total stockholders' equity	\$ 81,628,062	\$ 44,708,376

* In July 2024, we dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. We retrospectively adjusted the above comparative consolidated balance sheets in prior year.

As of December 31, 2024, we had total assets of US\$92.92 million, which mainly consisted of US\$0.67 million in cash, US\$78.32 million in digital assets, and US\$13.93 million in other receivables and prepayments; we had total liabilities of US\$11.29 million which consisted of US\$0.73 million in accounts payable, US\$0.97 million in amount due to related parties, US\$1.35 million in other liabilities and US\$8.24million in deferred tax liabilities; we had total stockholders' equity of US\$81.63million.

As of December 31, 2023, we had total assets of US\$48.93 million, which mainly consisted of US\$0.67 million in cash, US\$35.14 million in digital assets, and US\$13.12 million in other receivables and prepayments; we had total liabilities of US\$4.22million which consisted of US\$0.80 million in accounts payable, US\$1.69 million in amount due to related parties and US\$1.73 million in other liabilities; we had total stockholders' equity of US\$44.71 million.

The following table sets forth a summary of the Company's cash flows for the years indicated:

	For the year ended December 31,	
	2024	2023
		Restated*
Net cash flows used in continued operating activities:	\$ -	\$(12,703,077)
Net cash flows provided by discontinued operating activities:	-	32,909,276
Net cash flows provided by operating activities:	-	20,206,199
Net cash flow used in continued investing activities:	-	(37,115,500)
Net cash flows provided by discontinued investing activities:	-	4,500,000
Net cash flows used in investing activities:	-	(32,615,500)
Net cash provided by continued financing activities	-	13,054,762
Net cash provided by discontinued financing activities:	-	-
Net cash provided by financing activities:	-	13,054,762
Effect of exchange rate changes on cash	-	-
Change in Cash and Cash Equivalents:	-	645,461
Cash and Cash Equivalents, Beginning of Year	668,387	22,926
Cash and Cash Equivalents, End of Year	\$ 668,387	\$ 668,387

* In July 2024, we dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. We retrospectively adjusted the above comparative consolidated cash flows in prior year.

Operating activities

Net cash flows used in continued operating activities was nil in 2024, primarily due to net income from continuing operation of US\$21.54 million, adjusted for (i) fair value gain on digital asset of US\$43.18 million, (ii) impairment of long-term investment of

US\$13.40 million, (iii) deferred tax expense of US\$8.23 million, and (iv) an increase in assets of US\$0.8 million and an decrease in liabilities of US\$0.81 million.

Net cash flows used in continued operating activities was US\$12.70 million in 2023, primarily due to net income from continuing operation of US\$3.02 million and net loss from discontinued operation of US\$12.95 million, adjusted for (i) fair value gain on digital asset of US\$10.15 million, (ii) loss on amount due from a related party of US\$5.81 million, (iii) an increase in assets of US\$0.95 million, and (iv) an increase in liabilities of US\$2.51 million.

Investing activities

Our continuing cash flow used in investing activities was nil for the fiscal year ended December 31, 2024.

Our continuing cash flow used in investing activities was US\$37.12 million for the fiscal year ended December 31, 2023. It was primarily attributable to our acquisition of 833 Bitcoin amounting to US\$24.99 million and prepayment for Bitcoin with the amount of US\$12.13 million during the year.

Financing activities

Cash generated from financing activities was nil for the year ended December 31, 2024.

Cash generated from financing activities was US\$13.05 million for the year ended December 31, 2023, which was primarily attributable to: (i) we received proceeds US\$12.61 million by issuing shares, (ii) we borrowed US\$0.44 million from the former executives.

Inflation

Inflation does not materially affect our business or the results of our operations.

Critical Accounting Policies

We prepare our financial statements in accordance with generally accepted accounting principles of the United States (“GAAP”). GAAP represents a comprehensive set of accounting and disclosure rules and requirements. The preparation of our financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. Our actual results could differ from those estimates. We use historical data to assist in the forecast of our future results. Deviations from our projections are addressed when our financials are reviewed on a monthly basis. This allows us to be proactive in our approach to managing our business. It also allows us to rely on proven data rather than having to make assumptions regarding our estimates.

Revenue recognition

The Company follows the guidance of Accounting Standards Codification (ASC) 606, *Revenue from Contracts*. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Use of Estimate

The preparation of financial statements in conformity with 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 expenses during the reporting periods. Actual results could differ from those estimates.

Accounts receivable

Accounts receivable are presented net of allowance for expected credit loss. The Company uses specific identification in providing for bad debts when facts and circumstances indicate that collection is doubtful and based on factors listed in the following paragraph. If the financial conditions of its customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

The Company maintains an allowance for expected credit loss which reflects its best estimate of amounts that potentially will not be collected. The Company determines the allowance for expected credit loss on general basis taking into consideration various factors including but not limited to the historical collection experience and credit-worthiness of the customers as well as the age of the individual receivables balance. Additionally, the Company makes specific bad debt provisions based on any specific knowledge the Company acquires that might indicate that an account is uncollectible. The facts and circumstances of each account may require the Company to use substantial judgment in assessing its collectability.

Recent Accounting Pronouncements

We have reviewed all the recently issued, but not yet effective, accounting pronouncements and we do not believe any of these pronouncements will have a material impact on the Company financial statements.

Post-Balance Sheet Events

The Company entered into an Amended and Restated BTC Trading Contract (the “Amended BTC Contract”), dated as of September 24, 2024, with an autonomous organization (the “Association Seller”), which supports its members in the sale of Bitcoins. Under the Amended BTC Contract, the Company is entitled to purchase up to 5,167 BTC (the “Total BTC”) from certain members of the Association Seller set forth on Schedule I of the Amended BTC Contract (the “BTC Sellers”) through the Association Seller at a purchase price of US\$30,000 per BTC (subject to an additional purchase price by issuance of warrants to purchase shares of Common Stock at a nominal exercise price as described below) over a 12-month period ending on September 24, 2025. At the time when the Amended BTC Contract was signed, the Company indicated its intent to exercise the option to purchase 5,000 Bitcoin out of the Total BTC pursuant to the Amended BTC Contract (the “Amended 5,000 BTC Transaction”). According to the terms of the Amended BTC Contract, the previously-made prepayment amount of \$12,125,500 will be applied towards the total purchase price for the Amended 5,000 BTC Transaction and the Company will pay the remaining balance through (i) the issuance of 135,171,078 shares of Common Stock (the “Shares”) valued at \$1.02 per share and (ii) the issuance of warrants to purchase 294,117,647 shares of Common Stock at a nominal exercise price (the “Warrants”, and the shares issuable under the Warrants, the “Warrant Shares”). Using the same per share valuation, the Warrants are worth approximately \$300,000,000. The exercise period for each Warrant is five (5) years from the initial exercise of such Warrant.

On March 12, 2025 (the “Closing Date”), the Company consummated the Amended 5,000 BTC Transaction pursuant to which the Company acquired 5,000 Bitcoin and in exchange it issued the Shares and the Warrants. Concurrently with the issuance of the Warrants, the BTC Sellers indicated to the Company of their intent to immediately exercise the Warrants to purchase all of the Warrant Shares thereunder. Accordingly, the Company issued to each BTC Seller the respective Warrant Shares at the Closing Date. The total outstanding shares of the Company increased to 436,265,135 shares on the Closing Date.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a “smaller reporting company” as defined by Item 10(f)(1) of Regulation S-K, and as such are not required to provide the information contained in this item pursuant to Item 305 of Regulation S-K.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our audited financial statements for the years ended December 31, 2024, and 2023 are set forth on pages F-1 to F-23 immediately following the signature page to this annual report. See Item 15 for a list of the financial statements included herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and communicated to our management, as appropriate, to allow timely decisions regarding required disclosure.

Our management has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. Based upon that evaluation, management has concluded that, as of the end of the period covered by this annual report, our disclosure controls and procedures were not effective.

Management Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system is a process designed to provide reasonable assurance to management and to the Board regarding the preparation and fair presentation of published financial statements.

Our internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. generally accepted accounting principles and that receipts and expenditures are being made only in accordance with authorizations of management and our directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2024. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in *Internal Control - Integrated Framework - Guidance for Smaller Public Companies* (the COSO criteria). Based on our assessment, management identified material weaknesses related to: (i) lack of US GAAP expertise in finance team; (ii) lack of US GAAP expertise in finance team; (iii) a lack of segregation of duties within accounting functions; and the lack of multiple levels of review of our accounting data. Based on this evaluation, our management concluded that as of December 31, 2024, we did not maintain effective internal control over financial reporting.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. 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 any policies and procedures may deteriorate. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. To the extent possible, we will implement procedures to assure that the initiation of transactions, the custody of assets and the recording of transactions will be performed by separate individuals. With proper funding we plan on remediating the significant deficiencies identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

A material weakness is a control deficiency (within the meaning of Public Company Accounting Oversight Board Auditing Standard No. 5) or combination of control deficiencies, that results in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that has materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

Directors and Executive Officers

The following table sets forth information regarding each of our current directors and executive officers:

Name:	Age:	Positions with the Company:
Weihong Liu	31	Chief Executive Officer (Principal Executive Officer)
Nan Ding	45	Chief Operating Officer
Eve Chan	41	Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)
Hongliang Liu	37	Chief Technical Officer
Lichen Dong	39	Director, Chairman of the Board, and Chair of Nominating Committee
Tian Yang	28	Director and Chair of Audit Committee
Mahesh Thapaliya	40	Director
Jianbo Sun	39	Director and Chair of Compensation Committee

Background of Directors and Executive Officers

Mr. Weihong Liu, Chief Executive Officer

Mr. Weihong Liu has more than 10 years of investment and research experience in the fields of crypto assets and blockchain technology. Mr. Liu has conducted in-depth analysis and strategic layout of potential investment opportunities in crypto assets. In addition, Mr. Liu has innovative business plans in high-tech and rapidly growing artificial intelligence generated content businesses, and he has a deep understanding of compliance requirements, market insights, and product functionality. Mr. Liu has been equipped with abundant knowledge reserves and strong executive capability in the corporate culture construction field as well as relevant experience in building diverse corporate culture dissemination system. Mr. Liu holds a bachelor's degree in Business Management from University of The West of England.

Mr. Nan Ding, Chief Operating Officer

Mr. Ding has over 24 years of operational management experience in industries such as cross-border investment, supply chain finance, equipment manufacturing, and international trade. From 2012 to 2023, Mr. Ding successively founded Japan Zhaoyuan Trading Co., Ltd. and Japan Toyo Trading Co., Ltd., specializing in cross-border investment and international trade of bulk commodities. From 2007 to 2012, Mr. Ding established Haimeng Tongshang Co., Ltd. and Haimeng New Energy Technology Co., Ltd., mainly engaged in the production and manufacturing of environmental protection industry and new energy equipment. Prior to this, Mr. Ding had 8 years of experience in municipal project engineering services. Mr. Ding holds a bachelor's degree in International Economic Management from University of Science and Technology Beijing.

Ms. Eve Chan, Chief Financial Officer

Ms. Eve Chan is a member of Certified Public Accountants Australia with more than 15 years of experiences in accounting, audit and corporate experiences with several listed and private companies operating in USA, Hong Kong and Singapore. She has experience in a wide variety of industries, including Bitcoin mining, property development, property management, investment companies, general trading and manufacturing. Ms. Chan graduated with a bachelor's degree from University of Sydney in 2005. From August 2018 to October 2022, Ms. Chan served as Assistant Vice President at RHB Investment Bank Limited, and was principally responsible for advising on corporate restructuring for private and public companies in Hong Kong, Singapore, and Malaysia. From November 2022 to September 2024, Ms. Chan served as Financial Controller at X Capital Investment PTE. LTD., responsible for accounting and financial affairs, corporate financing and compliance.

Hongliang Liu, Chief Technical Officer

Dr. Liu, age 37, is a distinguished technical visionary with over a decade of experience in system development and software management. His expertise spans a wide array of cutting-edge fields, with a particular emphasis on SaaS (Software-as-a-Service) and next-generation MaaS (Model-as-a-Service) solutions, leveraging AI/ML models to drive enterprise digital transformation. Dr. Liu most recently served as a Technical Expert in the R&D division of Chint Group Corp. since 2022, where he spearheaded multiple high-priority initiatives and delivered groundbreaking solutions that set new industry benchmarks. Prior to this, from 2017 to 2021, he held the position as a Postdoctoral Researcher and Technical Lead at Ningshui Group, where he drove the development of advanced technologies and led his team to achieve significant breakthroughs. Dr. Liu obtained his Doctor of Philosophy degree (Ph.D.) in Electrical Engineering from the University of Technology of Compiègne, a prestigious member of the Sorbonne University Group in France, in 2017. His academic and professional achievements have earned him multiple patents, and enabled him to play a pivotal role in shaping industry standards through his contributions to standardization committees.

Lichen Dong, Director, Chairman of the Board

Mr. Lichen Dong has 15 years of work experience in the fields of investment, mergers and acquisitions, and finance, including corporate governance, fundraising, financial analysis, mergers and acquisitions, and complex international architecture construction. From 2022 to 2023, Mr. Dong served as a senior consultant for Future Dao Group, covering research and development of blockchain technology, clean energy application strategies, corporate governance, and capital restructuring and listing. Mr. Dong plays an indispensable role in formulating the company's strategic decisions, leveraging his unique business model and business acumen. Mr. Dong worked at a confidential information research center from 2019 to 2021, dedicated to promoting the application of business models that combine digital assets with physical industries. Mr. Dong also worked at Hanergy Holding Group and Jinko Power Group, specializing in the development and management of renewable energy and power generation assets. Mr. Dong has established various innovative investment models in the new energy industry, making outstanding contributions to market expansion and risk control cost control in the company's business management. Mr. Dong holds a bachelor's degree from the School of Automation and Electrical Engineering at Beijing University of Aeronautics and Astronautics, and a master's degree from the School of Electrical and Electronics Engineering at the University of Nottingham.

Tian Yang, Director

Mr. Tian Yang is an experienced and innovative marketing and communication professional, proficient in leveraging internet and AI technologies to create exceptional value in brand marketing, product promotion, and corporate communication. This expertise enables him to drive substantial growth and optimization for businesses in complex and dynamic market environments through his extensive leadership experience. The investment strategy plans he has led have been frequently cited as case studies by renowned business schools, benefiting the business growth and brand expansion of thousands of high-quality companies. Mr. Yang holds a bachelor's degree in communication from Beijing Information Science and Technology University.

Mahesh Thapaliya, Director

Mr. Mahesh Thapaliya has over 12 years of international business work experience. Since 2020, he has served as the Business Director of One World Corporations. The work involves conducting business cooperation around key international projects, including infrastructure, energy, industrial investment, art and culture, trade, investment, and other industries. From 2013 to 2020, Mr. Mahesh works for Banner Electric Co. Ltd. and SINOPAK Electric Co. Ltd. He has extensive leadership experience in corporate technology brand marketing, internal control management, and corporate communication by providing services to multiple multinational corporations. Mr. Mahesh holds Master and Bachelor degree from Beihang University.

Jianbo Sun, Director

Mr. Jianbo Sun is an entrepreneur, venture capitalist, and philanthropist with 16 years of experience in establishing, investing in, and operating the intelligent manufacturing industry. Since February 2012, Mr. Sun has served as the President of Orejia Group Co Limited, responsible for strategic planning, industrial investment, and financial financing. Has successful experience in business trend judgment, enterprise management, and capital operation. Prior to this, Mr. Sun had 3 years of industry research experience at CITIC Securities, with a focus on investment portfolios in energy management, real estate, construction, and agriculture. Mr. Sun attaches great importance to corporate social responsibility in business operations, actively participates in charitable and public welfare activities, has supported thousands of impoverished children, and has donated multiple times in large-scale natural disaster events. Mr. Sun holds a Bachelor's degree in Business Administration from the University of International Business and Economics.

Family Relationships

None of the directors or executive officers at the Company have a family relationship as defined in Item 401 of Regulation S-K.

Election of Officers

Each of our directors is appointed to hold office until the next annual meeting of our shareholders, until his or her respective successor is elected and qualified, or until he or she resigns or is removed in accordance with the applicable provisions of Wyoming law. Our officers are appointed by our board of directors and hold office until removed by our board of directors or until their resignation.

Board of Directors

We currently have a board of directors consisting of four members, all of whom are "independent" as defined in Nasdaq Rule 5605. We expect that all current directors will continue to serve after this offering. The directors will be re-elected at our annual general meeting of shareholders.

A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors. A general notice given to the directors by any director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made. A director may vote in respect of any contract or 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 shall come before the meeting for consideration.

Board Committees

We have established three committees under the board of directors: Audit Committee, Compensation Committee and Nominating Committee. Each committee is governed by a charter approved by our board of directors.

Audit Committee

Our Audit Committee consists of Tian Yang (Chair), Lichen Dong, Jianbo Sun, and Mahesh Thapaliya. Each member of the Audit Committee will satisfy the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market and meet the independence standards under Rule 10A-3 under the Exchange Act. 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:

- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by our independent registered public accounting firm;
- reviewing with our independent registered public accounting firm any audit problems or difficulties and management’s response and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- annually reviewing and reassessing the adequacy of our Audit Committee charter;
- meeting separately and periodically with the management and our independent registered public accounting firm;
- regularly reporting to the full board of directors;
- 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 exposure; and
- such other matters that are specifically delegated to our Audit Committee by our board of directors from time to time.

Compensation Committee

Our Compensation Committee consists of Jianbo Sun, (Chair), Lichen Dong, Tian Yang and Mahesh Thapaliya. Each of the Compensation Committee members satisfies the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. Our Compensation Committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. No officer may be present at any committee meeting during which such officer’s compensation is deliberated upon. The Compensation Committee will be responsible for, among other things:

- reviewing and approving to the board with respect to the total compensation package for our most senior executive officers;
- approving and overseeing the total compensation package for our executives other than the most senior executive officers;
- reviewing and recommending to the board with respect to the compensation of our directors;
- periodically reviewing and approving any long-term incentive compensation or equity plans;
- selecting compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person’s independence from management; and
- programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Nominating Committee

Our Nominating Committee consists of Lichen Dong (Chair), Jianbo Sun, Tian Yang and Mahesh Thapaliya. Each member of the Nominating Committee will satisfy the “independence” requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. The nominating committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The Nominating Committee will be responsible for, among other things:

- selecting and recommending to the board nominees for election by the shareholders or appointment by the board;
- annually reviewing 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.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors and officers has been convicted in a criminal proceeding, excluding traffic violations or similar misdemeanors, nor has been a party to any judicial or administrative proceeding during the past ten (10) years that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, federal or state securities laws, or a finding of any violation of federal or state securities laws, except for matters that were dismissed without sanction or settlement. Except as set forth in our discussion below in “Related Party Transactions,” our directors and officers have not been involved in any transactions with us or any of our affiliates or associates which are required to be disclosed pursuant to the rules and regulations of the SEC.

Code of Business Conduct and Ethics

We have adopted a code of business conduct and ethics applicable to our directors, officers and employees. A copy of such code of conduct and ethics is available on our website at: <http://www.nexttech.com/h-col-120.html>.

Insider Trading Policy

We have adopted an insider trading policy for directors, officers and employees of the Company that govern the purchase, sale and/or other dispositions of the Company’s securities and other securities by our directors, executive officers, employees and any member of his or her immediate family living in his or her household. A copy of such policy is filed hereto as Exhibit 19.1 and is incorporated herein by this reference.

Enforceability

Given that most of our executives officers and current directors are based in the People’s Republic of China and/or Hong Kong, it may be difficult, if not impossible, to acquire jurisdiction over these persons in the event that a lawsuit is initiated against us and/or our officers and directors by a stockholder or group of stockholders in the United States. Also, it may be difficult to enforce judgments obtained in the U.S. courts based on civil liability provisions of the U.S. federal securities laws against us and/or our officers and directors who do not currently reside in the U.S. or have substantial assets in the U.S. In addition, there is uncertainty as to whether the courts of the People’s Republic of China would recognize or enforce judgements of U.S. courts against us, or such officers and directors predicted upon the civil liability provisions of the securities laws of the U.S. or any state.

Board Diversity

The Board of Directors does not have a formal policy with respect to Board nominee diversity. In recommending proposed nominees to the Board of Directors, the Nominating Committee is charged with building and maintaining a board that has an ideal mix of talent and experience to achieve our business objectives in the current environment. In particular, the Nominating Committee is focused on relevant subject matter expertise, depth of knowledge in key areas that are important to us, and diversity of thought, background, perspective and experience so as to facilitate robust debate and broad thinking on strategies and tactics pursued by us.

The following table provides certain information regarding the diversity of our Board of Directors as of the date of this annual report.

Board Diversity Matrix (As of the date of this annual report)

Country of Principal Executive Offices:	China			
Foreign Private Issuer	No			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	4			
	<u>Female</u>	<u>Male</u>	<u>Non-Binary</u>	<u>Did Not Disclose Gender</u>
Part I: Gender Identity				
Directors	0	4	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	—			
LGBTQ+	—			

ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth certain information with respect to compensation for the years ended December 31, 2024 and 2023, earned by or paid to our chief executive officer and principal executive officer, our principal financial officer, and our other most highly compensated executive officers whose total compensation exceeded US\$2,000 (the “named executive officers”).

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Non-Equity Plan Compensation (\$)	Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Weihong Liu	2024	22,000	-	-	-	-	-	22,000 ⁽¹⁾
CEO	2023	-	-	-	-	-	-	-
Hechun Wei ⁽²⁾	2024	-	-	-	-	-	-	-
Former CEO	2023	24,000	-	-	-	-	-	24,000
Eve Chan	2024	4,000	-	-	-	-	-	4,000 ⁽³⁾
CFO and Secretary	2023	-	-	-	-	-	-	-
Ken Tsang	2024	18,000	-	-	-	-	-	18,000 ⁽⁴⁾
Former CFO and Secretary	2023	2,000	-	-	-	-	-	2,000
Annie Huang ⁽⁵⁾	2024	-	-	-	-	-	-	-
Former CFO and Secretary	2023	24,000	-	-	-	-	-	24,000
Nan Ding	2024	24,000	-	-	-	-	-	24,000
COO	2023	-	-	-	-	-	-	-

- (1) Such amounts were accrued based on his appointment date in 2024. Mr. Weihong Liu was appointed as the CEO of the Company on January 31, 2024.
- (2) Mr. Hechun Wei was appointed as the CEO of the Company on December 21, 2022, and resigned from his position on December 28, 2023.
- (3) Such amounts were accrued based on her appointment date in 2024. Ms. Eve Chan was appointed as the CFO of the Company on October 21, 2024.
- (4) Such amounts were accrued based on his appointment date in 2024. Ms. Mr. Ken Tsang was appointed as the CFO of the Company on December 13, 2023, and resigned from his position on October 21, 2024.
- (5) Ms. Annie Huang was appointed as the CFO of the Company on November 29, 2022, and resigned from her position on December 13, 2023.

Employment Agreements

Our employment agreements with our officers generally provide employment for a specific term and set annual salaries, health insurance, pension insurance, paid vacation, and family leave time. The agreement may be terminated by either party as permitted by law.

We have entered into an employment agreement with each of Lichen Dong, our Chairman, Tian Yang, Director, Mahesh Thapaliya, Director and Jianbo Sun, Director.

Director Compensation

The following table sets forth compensation information with respect to our non-executive directors during our fiscal year ended December 31, 2024.

Name	Fees earned or paid in cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-equity incentive plan compensation (\$)	Change in pension value and nonqualified deferred compensation earnings	All Other Compensation (\$)	Total (\$)
Lichen Dong	60,000	-	-	-	-	-	60,000
Tian Yang	10,000	-	-	-	-	-	10,000 ⁽¹⁾
Mahesh Thapaliya	24,000	-	-	-	-	-	24,000
Jianbo Sun	24,000	-	-	-	-	-	24,000

(1) Such amounts were accrued based on his appointment date in 2024. Mr. Tian Yang was appointed as a director of the Company on August 9, 2024.

The initial term on employment agreements shall automatically be extended on a yearly basis unless either party gives written notice to the other party 60 days prior to the expiration of the initial term stating that such party does not wish to extend the agreement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information with respect to beneficial ownership of our common stock as of the date of hereof by:

- Each person who is known by us to beneficially own more than 5% our outstanding common stock;
- Each of our director, director nominees and named executive officers; and
- All directors and named executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of shares of common stock beneficially owned by a person listed below and the percentage ownership of such person, common stock underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the date of this prospectus are deemed outstanding but are not deemed outstanding for computing the percentage ownership of any other person. 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 common stock shown as beneficially owned by them. Unless otherwise indicated in the footnotes, the address for each principal shareholder is in the care of our Company at No. Room 519, 05/f Block T3, Qianhai Premier Finance Centre Unit 2, Guiwan Area, Nanshan District, Shenzhen, People's Republic of China. As of the date hereof, we have approximately 345 shareholders record on the book.

	Amount of Beneficial Ownership of Common Stock ⁽¹⁾	Percentage Ownership of Common Stock ⁽²⁾
Executive Officers and Directors		
Directors and Named Executive Officers:		
Weihong Liu	-	-
Eve Chan	-	-
Nan Ding	-	-
Lichen Dong	-	-
Tian Yang	-	-
Mahesh Thapaliya	-	-
Jianbo Sun	-	-
<i>All executive officers and directors as a group (7 persons)</i>	-	-
5% or Greater Shareholders		
GLORIOUS SKYLINE LIMITED	1,250,950	17.93%

(1) Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to the common stock. All shares represent only common stock held by shareholders as no options are issued or outstanding.

(2) Calculation based on 6,976,410 shares of common stock issued and outstanding as of December 31, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

RELATED PARTY TRANSACTIONS

Transactions with Related Persons

No director, executive officer, shareholder holding at least 5% of shares of our common stock, or any family member thereof, had any material interest, direct or indirect, in any transaction, or proposed transaction during the last two fiscal years in which the amount involved in the transaction exceeded or exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Our auditor for the fiscal year ended December 31, 2024, is JWF Assurance PAC.

The Audit Committee has ratified JWF Assurance PAC, Independent Registered Public Accounting Firm, to audit our books, records and accounting for the year ended December 31, 2024.

The aggregate fees billed for professional services rendered by the principal accountant for the audit of our annual financial statements and review of the financial statements included in our quarterly reports on Form 10-Q and services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements for these fiscal periods were as follows:

Year	Audit Fees	Audit Related Fees	Total Fees
2023	\$170,000	\$57,500	\$227,500
2024	\$249,500	\$22,000	\$271,500

Audit Fees: The aggregate fees billed for professional services rendered by the principal accountant for the audit of our annual financial statements and review of financial statements included in our Form 10-K and other services that are normally provided by the principal accountant in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit-Related Fees: The aggregate fees billed for assurance and related services rendered by the former principal accountant that are reasonably related to the performance of the audit or review of our financial statements and are not reported under the previous item, Audit Fees.

PART IV**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES**

The following documents are filed as part of this annual report:

(1) Financial Statements

- Consolidated Balance Sheets at December 31, 2024 and 2023
- Consolidated Statements of Operations and Comprehensive loss for the year ended December 31, 2024 and 2023
- Consolidated Statements of Stockholders' Equity for the year ended December 31, 2024 and 2023
- Consolidated Statements of Cash Flows for the year ended December 31, 2024 and 2023
- Notes to the Consolidated Financial Statements

(2) Financial Statement Schedules

All schedules are omitted because they are not applicable, or not required, or because the required information is included in the financial statements or notes thereto.

(3) Exhibits

Exhibit No.	Description
3.1	<u>Amended and Restated Articles of Incorporation (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on April 3, 2024)</u>
3.2	<u>Second Amended Bylaws (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on April 3, 2023)</u>
10.1	<u>Employment Agreement by and between the Company and Weihong Liu (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on January 31, 2024)</u>
10.2	<u>Employment Agreement by and between the Company and Eve Chan (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on October 23, 2024)</u>
10.3	<u>Employment Agreement by and between the Company and Nan Ding (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on January 12, 2024)</u>
10.4	<u>Employment Agreement by and between the Company and Hongliang Liu (Incorporated herein by reference to the Company's Current Report on Form 8-K filed with the SEC on March 5, 2025)</u>
10.5*	<u>Employment Agreement by and between the Company and Lichen Dong</u>
10.6*	<u>Employment Agreement by and between the Company and Tian Yang</u>
10.7*	<u>Employment Agreement by and between the Company and Mahesh Thapaliya</u>
10.8*	<u>Employment Agreement by and between the Company and Jianbo Sun</u>
19.1*	<u>Insider Trading Policy</u>
21.1*	<u>List of Subsidiaries</u>

- 31.1* [Certification of Principal Executive Officer filed pursuant to Exchange Act Rules 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 31.2* [Certification of Principal Financial Officer filed pursuant to Exchange Act Rules 13a-14\(a\) and 15d-14\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1* [Certification of Principal Executive Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2* [Certification of Principal Financial Officer furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 97* [Company's Compensation Recovery Policy](#)
- 101 Financial statements of Next Technology Group Inc for the year ended December 31, 2024 and 2023 formatted in XBRL: (i) the Balance Sheet; (ii) the Statement of Income; (iii) Statement of Changes in Stockholders' Equity; (iv) the Statement of Cash Flows; and (v) the Notes to the Financial Statements ***
- 101.INS Inline XBRL Instance Document.*
- 101.SCH Inline XBRL Taxonomy Extension Schema Document.*
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document.*
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document.*
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* Filed herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEXT TECHNOLOGY HOLDING INC

Dated: March 27, 2025

By: /s/ Liu Wei Hong

Liu Wei Hong
Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Dated: March 27, 2025

By: /s/ Eve Chan

Eve Chan
Chief Financial Officer,
(Principal financial officer and
principal accounting officer)

FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors

Next Technology Holding Inc (Formerly known as “WeTrade Group, Inc.”)

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Next Technology Holding Inc. and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive income (loss), consolidated statement of changes in stockholders’ equity, and consolidated statement of cash flows for each of the two years in the period ended December 31, 2024 and 2023, 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 December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2024 and 2023, 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 audit. 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 audit 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 audit, 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 entity’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit 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 audit 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 audit provides a reasonable basis for our opinion.

/S/ JWF Assurance PAC

We have served as the Company’s auditor since 2024.

JWF Assurance PAC
Singapore
March 27, 2025
PCAOB ID Number 7095

NEXT TECHNOLOGY HOLDING INC
CONSOLIDATED BALANCE SHEETS
(All amounts shown in U.S. Dollars)

	As of December 31,	
	2024	2023
		Restated ^(a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 668,387	\$ 668,387
Digital assets	78,322,430	35,137,576
Accounts receivable, net	1,800,000	1,000,000
Prepayments	12,125,500	12,125,500
Total current assets	92,916,317	48,931,463
Non-current assets:		
Investment in associate company	-	-
Total non-current assets	-	-
Total assets	\$ 92,916,317	\$ 48,931,463
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 730,000	\$ 800,000
Amount due to related parties	972,000	1,692,672
Income tax payable	130,415	130,415
Other payable	1,221,337	1,600,000
Total current liabilities	3,053,752	4,223,087
Non-current liabilities:		
Deferred tax liabilities	8,234,503	-
Total non-current liabilities	8,234,503	-
Total liabilities	\$ 11,288,255	\$ 4,223,087
Stockholders' Equity:		
Common stock: no par value; 6,976,410 and 2,625,130 issued and outstanding on December 31, 2024 and 2023, respectively*	71,718,790	56,348,650
Retained earnings/(accumulated deficit)	9,909,272	(11,640,274)
Total Stockholders' Equity	\$ 81,628,062	\$ 44,708,376
Total Liabilities and Stockholders' Equity	\$ 92,916,317	\$ 48,931,463

(a) In July 2024, the Company dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. The Company retrospectively adjusted the above comparative consolidated balance sheets in prior year. (Note 17)

* Share and per share amounts have been retroactively adjusted to reflect the reverse stock split effective from June 9, 2023 and issuance of new shares in September 2023.

The accompanying notes are an integral part of these financial statements.

NEXT TECHNOLOGY HOLDING INC
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

(All amounts in US\$, except share data)

	For the year ended December 31,	
	2024	2023
		Restated ^(a)
Revenue:		
Service revenue (including related party amounting of nil and nil for the fiscal year ended December 31, 2024 and 2023)	\$ 1,800,000	\$ 2,500,000
Cost of revenue (including related party amounting of nil and nil for the fiscal year ended December 31, 2024 and 2023)	(730,000)	(1,070,864)
Gross Profit	1,070,000	1,429,136
Operating expenses		
General and administrative expenses	(1,086,804)	(2,666,238)
Total operating expenses	(1,086,804)	(2,666,238)
Loss from operations	(16,804)	(1,237,102)
Impairment of long-term investment	(13,396,000)	-
Other income, net	43,190,557	4,387,976
Income before income taxes	\$ 29,777,753	\$ 3,150,874
Income tax expense	(8,234,503)	(130,415)
Net income from continuing operation	21,543,250	3,020,459
Net income/(loss) from discontinued operation	6,296	(12,945,875)
Total comprehensive income/(loss)	\$ 21,549,546	\$ (9,925,416)
Net income per share, basic and diluted from continuing operation	3.7	2.0
Net income/(loss) per share, basic and diluted from discontinued operation	-	(8.4)
Weighted average number of shares outstanding*; Basic and diluted	5,775,647	1,541,650

(a) In July 2024, the Company dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. The Company retrospectively adjusted the above comparative consolidated statements of operations and comprehensive income (loss) in prior year. (Note 17)

* Share and per share amounts have been retroactively adjusted to reflect the reverse stock split effective from June 9, 2023 and issuance of new shares in September 2023.

The accompanying notes are an integral part of these financial statements.

NEXT TECHNOLOGY HOLDING INC
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2024 and 2023
(All amounts in US\$, except share data)

	Common Share		(Accumulated Deficits)/ Retained Earnings	Accumulated Other Comprehensive Income	Total Shareholder Equity
	Shares*	Amount			
Balance as of December 31, 2022	1,054,530	\$ 43,732,196	\$ (1,714,858)	\$ (310,576)	\$ 41,706,762
Stock issued during the year	1,570,600	12,616,454	-	-	12,616,454
Foreign currency translation adjustment (restated ^(a))	-	-	-	310,576	310,576
Net income for the year (restated ^(a))	-	-	3,020,459	-	3,020,459
Loss from discontinued operation (restated ^(a))	-	-	(12,945,875)	-	(12,945,875)
Balance as of December 31, 2023 (restated^(a))	2,625,130	\$ 56,348,650	\$ (11,640,274)	\$ -	\$ 44,708,376
Issuance of ordinary shares to advisors and former executives	411,280	1,974,140			1,974,140
Issuance of ordinary shares for the acquisition of an associate company	3,940,000	13,396,000			13,396,000
Net income for the year	-	-	21,543,250	-	21,543,250
Gain from discontinued operation	-	-	6,296	-	6,296
Balance as of December 31, 2024	6,976,410	\$ 71,718,790	\$ 9,909,272	\$ -	\$ 81,628,062

(a) In July 2024, the Company dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. The Company retrospectively adjusted the above comparative statements of change in stockholders' equity in prior year. (Note 17)

* Share and per share amounts have been retroactively adjusted to reflect the reverse stock split effective from June 9, 2023 and issuance of new shares in September 2023.

The accompanying notes are an integral part of these financial statements.

NEXT TECHNOLOGY HOLDING INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in US\$, except share data)

	For the year ended December 31,	
	2024	2023
		Restated ^(a)
Cash Flows from Operating Activities:		
Net income from continuing operation	\$ 21,543,250	\$ 3,020,459
Net income/ (loss) from discontinued operation	6,296	(12,945,875)
Fair value gain on digital asset	(43,184,854)	(10,147,576)
Impairment of long-term investment	13,396,000	-
Deferred tax expenses	8,234,503	-
Loss on amount due from a related party	-	5,805,500
Changes in Operating Assets and Liabilities:		
Accounts receivable	(800,000)	(1,000,000)
Prepaid expenses	-	50,000
Accounts payable	(70,000)	800,000
Tax payable	-	130,415
Director fee payable	168,000	34,000
Other payable	706,805	1,550,000
Net cash flows used in continued operating activities:	-	(12,703,077)
Net cash flows provided by discontinued operating activities:	-	32,909,276
Net cash flows provided by operating activities:	-	20,206,199
Cash flow from Investing activities:		
Prepayment for digital assets	-	(12,125,500)
Acquisition for digital assets	-	(24,990,000)
Net cash flow used in continued investing activities:	-	(37,115,500)
Net cash flows provided by discontinued investing activities:	-	4,500,000
Net cash flows used in investing activities:	-	(32,615,500)
Cash flow from financing activities:		
Proceeds from issuance of common stock	-	12,616,454
Loans from former executives	-	438,308
Net cash provided by continued financing activities	-	13,054,762
Net cash provided by discontinued financing activities:	-	-
Net cash provided by continued financing activities:	-	13,054,762
Change in Cash and Cash Equivalents:	-	645,461
Cash and Cash Equivalents, Beginning of Year	668,387	22,926
Cash and Cash Equivalents, End of Year	\$ 668,387	\$ 668,387
Supplemental Cash Flow Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Supplemental disclosure of non-cash financing activities:		
Repayment of other payable through issuance of common stock	\$ 1,380,000	\$ -
Repayment of former executives through issuance of common stock	\$ 594,140	\$ -
Received of operating assets and repayment of liabilities through former executives	\$ 477,817	\$ 438,308

(a) In July 2024, the Company dissolved its subsidiary, WeTrade Technology (Shanghai) Co., Ltd. in the PRC, which qualified as a discontinued operation under ASC 205-20. The Company retrospectively adjusted the above comparative statements of cash flows in prior year. (Note 17)

The accompanying notes are an integral part of these financial statements.

Next Technology Holding Inc
(Formerly known as WeTrade Group Inc)
Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF BUSINESS

Next Technology Holding Inc (Formerly known as “WeTrade Group, Inc”) (the “Company”) was incorporated in the State of Wyoming on March 28, 2019. As of December 31, 2024, the Company pursue two corporate strategies. One business strategy is to continue providing software development services, and the other strategy is to acquire and hold Bitcoin.

Software development

The Company provides AI-enabled software development services to our customers, which includes developing, designing, and implementing various SAAS software solutions for businesses of all types, including industrial and other businesses.

Bitcoin Acquisition Strategy

The Company’s Bitcoin acquisition strategy generally involves acquiring Bitcoin with our liquid assets that exceed working capital requirements, and from time to time, subject to market conditions, issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase Bitcoin.

The Company views our Bitcoin holdings as held for trading and expect to continue to accumulate Bitcoin, when its price is low and expect to sell when its price is high. The Company has not established any specific targets for the amount of Bitcoin it aims to hold or sell. The Company will continue to monitor market conditions in determining whether to engage in additional financing to purchase additional Bitcoin if the Company expect its price will be continue to rise.

This overall strategy also contemplates that the Company may (i) periodically sell Bitcoin for general corporate purposes, including to generate cash for treasury management or in connection with strategies that generate tax benefits in accordance with applicable law, (ii) enter into additional capital raising transactions that are collateralized by our Bitcoin holdings, and (iii) consider pursuing additional strategies to create income streams or otherwise generate funds using our Bitcoin holdings.

The Company believe that, due to its limited supply, Bitcoin offers the opportunity for appreciation in value if its adoption increases and has the potential to serve as a hedge against inflation in the long-term.

The following table provides a reconciliation of our Bitcoin holdings, along with additional details regarding the Company’s Bitcoin purchases and the fair value changes in digital asset during the year:

	Digital asset original cost basis	Fair value change in digital asset	Digital asset fair value	Number of Bitcoin held
Balance on December 31, 2022	-	-	-	-
Digital asset purchase	\$ 24,990,000	-	\$ 35,137,576	833
Fair value gain on digital asset	-	\$ 10,147,576	-	-
Balance on December 31, 2023	\$ 24,990,000	\$ 10,147,576	\$ 35,137,576	833
Fair value gain on digital asset	-	\$ 43,184,854	\$ 43,184,854	-
Balance on December 31, 2024	\$ 24,990,000	\$ 53,332,430	\$ 78,322,430	833

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***(a) Basis of Presentation***

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant inter-company transactions and balances have been eliminated in consolidation.

(b) Consolidation

The Company’s consolidated financial statements include the financial statements of the Company and its subsidiaries. All transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation.

(c) Use of Estimates and Assumptions

The preparation of financial statements in conformity with US GAAP requires management to make judgement estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Management believes that the estimates used in preparing the financial statements are reasonable and prudent; however, actual results could differ from these estimates. Significant accounting estimates include the allowance for expected credit loss, valuation of deferred tax assets, and certain accrued liabilities such as contingent liabilities.

(d) Fair Value Measurements

The Company follows guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Additionally, the Company adopted guidance for fair value measurement related to nonfinancial items that are recognized and disclosed at fair value in the financial statements on a nonrecurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability. The carrying amounts of financial assets such as cash approximate their fair values because of the short maturity of these instruments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***(e) Functional Currency and Foreign Currency Translation***

The accompanying consolidated financial statements are presented in US\$. The functional currency of the Company and the Company's subsidiaries is the United States dollar ("US\$").

Transactions denominated in other than the functional currencies are re-measured into the functional currency of the entity at the exchange rates prevailing on the transaction dates. Financial assets and liabilities denominated in other than the functional currency are re-measured at the balance sheet date exchange rate. The resulting exchange differences are recorded in the consolidated statements of comprehensive loss as foreign exchange related gain / loss.

(f) Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with a maturity period of three months or less to be cash or cash equivalents. The carrying amounts reported in the accompanying consolidated balance sheets for cash and cash equivalents approximate their fair value. All of the Company's cash that is held in bank accounts in Hong Kong are not protected by Federal Deposit Insurance Corporation ("FDIC") insurance.

(g) Goodwill and Other - Crypto Assets

In December 2023, the FASB issued ASU 2023-08, Intangibles - Goodwill and Other - Crypto Assets (Subtopic 350-60): Accounting for and Disclosure of Crypto Assets, which establishes accounting guidance for crypto assets meeting certain criteria. Bitcoin meets these criteria. The amendments require crypto assets to meet the criteria to be recognized at fair value with changes recognized in net income each reporting period. Upon adoption, a cumulative-effect adjustment is made to the opening balance of retained earnings as of the beginning of the annual reporting period of adoption. ASU 2023-08 is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. Early adoption is permitted. The Company has early applied ASU 2023-08 and measured crypto assets (presented as digital assets) at fair value with changes recognized as "other income" in net income this period.

The following table summarizes the Company's digital assets holdings as of:

	December 31, 2024	December 31, 2023
Approximate number of bitcoins held	833	833
Digital assets carrying value	\$ 78,322,430	\$ 35,137,576
Gain on digital assets during the year	\$ 43,184,854	\$ 10,147,576

As of December 31, 2024, the Company had approximately 833 bitcoins which had a carrying value of approximately \$78.32 million.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***(h) Accounts receivable, net***

Accounts receivable represents those receivables derived in the ordinary course of business, net of an allowance for any potentially uncollectible amounts. The Company makes estimates of expected credit and collectability trends for the allowance for credit losses based upon its assessment of various factors, including historical experience, the age of the accounts receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions that may vary by geography, customer-type, or industry sub-vertical, and other factors that may affect its ability to collect from customers. Expected credit losses are recorded as general and administrative expenses on our consolidated statements of comprehensive loss.

Although the Company has historically not experienced significant credit losses, they may experience increasing credit loss risks from accounts receivable in future periods if its customers are adversely affected by economic pressures or uncertainty associated with local or global economic recessions, or other customer-specific factors, and actual experience in the future may differ from their past experiences or current assessment.

As of December 31, 2024 and 2023, accounts receivable from customers amounted to \$1,800,000 and \$1,000,000 respectively, there is no allowance provided as the receivables has been received as of audit report date.

(i) Investment in associate company

Investment in associate companies, where the company has significant influence but do not control the investee, is accounted for using the equity method. In accordance with ASC Topic 323 (“ASC 323”), “Investments—Equity Method and Joint Ventures,” the Company applies the equity method of accounting to its investment in entities over which it can exercise significant influence but does not hold a majority equity interest or control.

Under this method, the initial investment is recorded at cost, and the carrying amount is subsequently adjusted to recognize the Company’s share of the investee’s net income or loss. Additionally, any dividends received from the associate reduce the carrying amount of the investment. the Company evaluates these investments for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment losses deemed other-than-temporary are recognized in the consolidated financial statements.

Management regularly evaluates the impairment of these investments based on performance and financial position of the investee as well as other evidence of market value. Such evaluation includes, but is not limited to, reviewing the investee’s cash position, recent financing, projected and historical financial performance, cash flow forecasts and financing needs. An impairment loss is recognized in earnings equal to the excess of the investment’s cost over its fair value at the balance sheet date of the reporting period for which the assessment is made. The fair value would then become the new cost basis of investment.

The Company evaluates the equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amount of the investment might not be recoverable. Factors considered by the Company when determining whether an investment has been other than temporarily impaired, includes, but not limited to, the length of the time and the extent to which the market value has been less than cost, the financial performance and near term prospect of the investee, and the Company’s intent and ability to retain the investment until the recovery of its cost. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***(j) Revenue Recognition***

The Company follows the guidance of Accounting Standards Codification (ASC) 606, Revenue from Contracts. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contracts, which includes (1) identifying the contracts or agreements with a customer, (2) identifying our performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied. The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the services it transfers to its clients.

Software development revenue recognition

Revenue recognition for software development are recognized based on the completion method. The Company recognize revenue of software development when software development services are completed and rendered to our customers in an amount that reflect in the contract the Company expect to be entitled to for the software development services.

(k) Software Development Costs

The Company apply ASC 985-20, Software—Costs of Software to Be Sold, Leased, or Marketed, in analyzing our software development costs. ASC 985-20 requires the capitalization of certain software development costs subsequent to the establishment of technological feasibility for a software product in development. Research and development costs associated with establishing technological feasibility are expensed as incurred. Based on our software development process, technological feasibility is established upon the completion of a working model. In addition, the Company apply this to our review of development projects related to software used exclusively for our SaaS subscription offerings. In these reviews, all costs incurred during the preliminary project stages are expensed as incurred. Once the projects have been committed to and it is probable that the projects will meet functional requirements, costs are capitalized.

(l) General and administrative expenses

General and administrative expenses also consist of (i) salary and welfare for general and administrative personnel, (ii) office expense, (iii) professional service fees and others.

(m) Income Tax

Income taxes are determined in accordance with the provisions of ASC Topic 740, “Income Taxes” (“ASC Topic 740”). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company has a subsidiary in Hong Kong and BVI. The Company is subject to tax in Hong Kong and BVI jurisdictions. As a result of its future business activities, the Company will be required to file tax returns that are subject to examination by the Inland Revenue Authority of Hong Kong.

(n) Capital Structure

The Company currently has unlimited authorized shares of \$0.00 par value common stock, with 6,976,410 and 2,625,130 shares issued and outstanding as of December 31, 2024 and 2023.

(o) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or significant influence, such as a family member or relative, shareholder, or a related corporation.

(p) Dividends

Dividends are recognized when declared. No dividends were declared for the years ended December 31, 2024 and 2023, respectively. The Company does not have any present plan to pay any dividends on ordinary shares in the foreseeable future. The Company currently intends to retain the available funds and any future earnings to operate and expand its business.

(q) Leases

In accordance with ASC Topic 842, Leases (“ASC 842”), the Company, using the modified retrospective transition approach through a cumulative-effect adjustment in the period of adoption rather than retrospectively adjusting prior periods and the package of practical expedients, categorizes leases with contractual terms longer than twelve months as either operating or finance lease. However, the Company has no finance leases for any of the periods presented.

Right-of-use (“ROU”) assets represent the Company’s rights to use underlying assets for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term, reduced by lease incentives received, plus any initial direct costs, using the discount rate for the lease at the commencement date. As the implicit rate in lease is not readily determinable for the Company’s operating leases, the Company generally use the incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. the Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. the Company accounts for lease and non-lease components separately.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***(r) Earning / (loss) Per Share***

Basic net income per share of common stock attributable to common stockholders is calculated by dividing net income attributable to common stockholders by the weighted-average shares of common stock outstanding for the period. Potentially dilutive shares, which are based on the weighted-average shares of common stock underlying outstanding stock-based awards, warrants, options, or convertible debt using the treasury stock method or the if-converted method, as applicable, are included when calculating diluted net income per share of common stock attributable to common stockholders when their effect is dilutive.

(s) Commitments and Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations and shareholder lawsuits. An accrual for a loss contingency is recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. If a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, is disclosed.

(t) Recently Issued and Adopted Financial Accounting Standards

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, requiring public entities to disclose information about their reportable segments' significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. The Company adopted ASU 2023-07 during the year ended December 31, 2024. See Note 14 Segment and Geographic Information in the accompanying notes to the consolidated financial statements for further detail.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2024 and 2023, the Company held cash in bank amounting to \$668,387 which consists of the following:

	December 31, 2024	December 31, 2023
Bank Deposits- Outside USA	<u>\$ 668,387</u>	<u>\$ 668,387</u>

NOTE 4 – DIGITAL ASSETS

As of December 31, 2024 and 2023, digital assets holdings are as follows:

	December 31, 2024	December 31, 2023
Opening balance	<u>\$ 35,137,576</u>	<u>\$ -</u>
Purchase of BTC	-	24,990,000
Fair value gain on digital assets	43,184,854	10,147,576
Ending balance	<u>\$ 78,322,430</u>	<u>\$ 35,137,576</u>

During the year ended December 31, 2023, the Company acquired 833 Bitcoin (BTC) at a total cost of \$24,990,000. For the year ended December 31, 2023 and 2024, the Company recognized unrealized gain of \$10,147,576 and \$43,184,854, respectively, which are recorded under "Other Income" in the consolidated financial statements.

As of December 31, 2024, the Company recognized unrealized gain of \$53,332,430 on digital assets which is included in fair value gain on digital assets. The Company computed gains and losses on BTC based on specific identification measurement, which is based on the difference between the cost of BTC held in end of each reporting period and the lowest bid quoted (unadjusted) prices in end of each reporting period.

Digital assets are available for sales and there is no term of maturity, it will be held for trading and can be sold at any time. The Company expects to continue to accumulate Bitcoin, when its price is low and expect to sell when its price is high.

BTC Trading Contract

As previously disclosed in a Form 8-K filed on September 28, 2023, the Company entered into a BTC Trading Contract (the "BTC Contract") with an autonomous organization (the "Association Seller"), which supports its members in the sale of BTC. While the Association Seller provides services to facilitate the sale of BTC by its members, it does not exert control over them by ownership or contract, nor does it make decisions for its members relating to the sale of BTC. None of the members of the Association Seller hold equity, serve as director or officer, or otherwise have voting power or management rights of the Association Seller.

Under the BTC Contract, the Company has the right to purchase up to 6,000 BTC from the members of the Association Seller (each, a “BTC Seller”) through the Association Seller at a locked price of \$30,000/BTC over a 12-month period commencing on September 25, 2023, with payment to be made in the form of cash or the Company’s shares. Although the BTC Contract states that the Association Seller (Party B) “owns the virtual currency”, to our knowledge, this statement was mistakenly made. As of the date of the BTC Contract, it were the individual members of the Association Seller, not the Association Seller itself, who own the BTC to be sold under the BTC Contract. The Company believe the Association Seller will coordinate with its members to fulfill the Company’s purchase of BTC, however, the Company cannot guarantee that the Company will be able to purchase BTC from the BTC Sellers. The BTC Contract was entered into solely between the Company and the Association Seller and no BTC Sellers owe any legal obligation to the Company in connection with the purchase and sale of BTC.

Following the execution of the BTC Contract, the Company purchased 833 BTC from the BTC Sellers and decided to purchase an additional 1,000 BTC (the “1,000 BTC Purchase”). As of December 31, 2023, the Company made a prepayment to the BTC Sellers through the Association Seller of approximately \$12,125,500 (the “Prepayment Amount”), representing 40% of the total purchase price for 1000 BTC. The prepayment was made to secure favorable pricing and demonstrate the Company’s commitment to completing the 1,000 BTC Purchase. This prepayment is refundable if the 1,000 BTC Purchase is not completed. While negotiating the terms of the 1,000 BTC Purchase with the BTC Sellers, the Company decided to exercise its right under the BTC Contract to purchase 5,000 BTC (the “5,000 BTC Purchase”), which includes the previously planned 1,000 BTC. To reflect the then price increase in BTC and finalize the transaction details of the 5,000 BTC Purchase, the Company and the Association Seller entered into that certain Amendment Agreement (the “Amendment Agreement”) on May 2, 2024, which was previously disclosed in a Form 8-K filed by the Company on May 6, 2024.

According to the Amendment Agreement, the Company agreed to pay the aggregate price for the 5,000 BTC through the issuance of 40,000,000 shares of the Company’s common stock (the “Common Stock”) valued at \$3.75 per share, which was the closing market price of the Common Stock as of May 1, 2024 (the “Then FMV”) and warrants to purchase 80,000,000 shares of the Common Stock with the exercise price of \$2.6 per share (equal to 70% of the Then FMV). In connection with the 5,000 BTC Purchase, on May 8, 2024, the Company filed a Preliminary Information Statement on Schedule 14C (the “Preliminary 14C”). Subsequently, the Company decided to cease pursuing the 5,000 BTC Purchase due to the market fluctuations in BTC and further discussions with the BTC Sellers, which was previously disclosed on a Form 8-K filed by the Company on June 26, 2024.

Amended and Restated BTC Trading Contract

On September 24, 2024, the Company and the Association Seller entered into an Amended and Restated BTC Trading Contract (the “Amended BTC Contract”), which amended and restated the BTC Contract. Under the Amended BTC Contract, the Company is entitled to purchase up to 5,167 BTC (the “Total BTC”) from the BTC sellers set forth on Schedule I to the Amended BTC Contract (the “Schedule I BTC Sellers”) through the Association Seller at a purchase price of US\$30,000 per BTC (subject to an additional purchase price by issuance of warrants to purchase shares of Common Stock at a nominal exercise price as described below) over a 12-month period commencing on the date of the Amended BTC Contract. The purchase price for the Total BTC will be paid by the Company in cash or shares of Common Stock. Although the Amended BTC Contract states that the Association Seller (Party B) “owns the virtual currency”, to our knowledge, this statement was mistakenly made. As of the date of the Amended BTC Contract, it were the Schedule I BTC Sellers who are the individual members of the Association Seller, not the Association Seller itself, who own the BTC to be sold under the Amended BTC Contract.

NOTE 4 – DIGITAL ASSETS (CONTINUED)

To our knowledge, the Association Seller entered into a cooperation agreement with each Schedule I BTC Sellers (the “Cooperation Agreement”) on the same day when the Amended BTC Contract was entered. Under the Cooperation Agreement, each Schedule I BTC Seller agrees to transfer a specified number of BTC (as set forth in the Cooperation Agreement) to a BTC wallet address designated by the Association Seller for the transactions contemplated under the Amended BTC Contract.

Completion of the Acquisition

At the time when the Amended BTC Contract was signed, the Company indicated its intent to exercise the option to purchase 5,000 Bitcoin out of the Total BTC pursuant to the Amended BTC Contract (the “Amended 5,000 BTC Transaction”). According to the terms of the Amended BTC Contract, the previously-made prepayment amount of \$12,125,500 was applied towards the total purchase price for the Amended 5,000 BTC Transaction and the Company paid the remaining balance through (i) the issuance of 135,171,078 shares of Common Stock (the “Shares”) valued at \$1.02 per share and (ii) the issuance of warrants to purchase 294,117,647 shares of Common Stock at a nominal exercise price of nil (the “Warrants”, and the shares issuable under the Warrants, the “Warrant Shares”). Using the same per share valuation, the Warrants were worth approximately \$300,000,000. The exercise period for each Warrant is five (5) years from the initial exercise of such Warrant.

On March 12, 2025, the Company consummated the Amended 5,000 BTC Transaction pursuant to which the Company acquired 5,000 Bitcoin and in exchange it issued the Shares and the Warrants. Concurrently with the issuance of the Warrants, the Schedule I BTC Sellers indicated to the Company of their intent to immediately exercise the Warrants to purchase all of the Warrant Shares thereunder. Accordingly, the Company issued to each Schedule I BTC Seller the respective Warrant Shares at the Closing Date. The total outstanding shares of the Company increased to 436,265,135 shares on the same date.

As of the transaction date, the market price is \$0.34 per share and total consideration for acquisition of 5,000 Bitcoin is \$158.08 million.

As of the completion date of this acquisition, the market price of Bitcoin had increased to \$83,085 per BTC. Consequently, the total value of the Company’s Bitcoin holdings reached to \$415.43 million. The acquisition represents a significant step in the Company’s digital asset strategy.

NOTE 5 – PREPAYMENTS

As of December 31, 2024 and 2023, prepayments consist of the following:

	December 31, 2024	December 31, 2023
Prepayment for digital assets	<u>\$ 12,125,500</u>	<u>\$ 12,125,500</u>

As of December 31, 2024, a prepayment of approximately \$12,125,500, representing 40% of the total purchase price for 1000 BTC, has been made. For details, please refer to “NOTE 4 – DIGITAL ASSETS–BTC Trading Contract”.

NOTE 6 – ACCOUNTS RECEIVABLE, NET

As of December 31, 2024 and 2023, accounts receivable are related to the services fee receivable from customers as follows:

	December 31, 2024	December 31, 2023
		Restated
Accounts Receivable	\$ 1,800,000	\$ 1,000,000
Less: Allowance for credit loss	-	-
Accounts Receivable, net	<u>\$ 1,800,000</u>	<u>\$ 1,000,000</u>

The Company does not require collateral for accounts receivable. The Company maintains an allowance for its doubtful accounts receivable due to estimated credit losses. The Company records the allowance against expected credit loss expense through the consolidated statements of operations, included in general and administrative expenses, up to the amount of revenues recognized to date. Receivables are written off and charged against the recorded allowance when the Company has exhausted collection efforts without success.

NOTE 7 – INVESTMENT

As of December 31, 2024, investment consist of the following:

	December 31, 2024	December 31, 2023
Investment in an associate company	\$ 13,396,000	\$ -
Impairment of the investment	(13,396,000)	-
	<u>\$ -</u>	<u>\$ -</u>

In April 2024, there are 3,940,000 shares issued with the total amount of \$13,396,000 for the acquisition of 20% of associate company. The officers, directors and selling shareholders of associate company are not related party and independent with each other, which are not acting in concert with others.

Investment in associate company that the Company has significant influence but do not have control over the investee are accounted for under the equity method. The Company periodically review the investment for impairment. The initial measurement and periodic subsequent adjustments of the investment are calculated by applying the ownership percentage to the net assets or equity of the partially owed entity under ASC 323.

The Company has conducted an impairment test on this long-term equity investment in accordance with ASC323 and has fully provided for impairment losses.

NOTE 8 – AMOUNT DUE TO RELATED PARTIES

	December 31, 2024	December 31, 2023
		Restated
Director fee payable	\$ 972,000	\$ 804,000
Amount due to former executives	-	606,137
Related parties payable	-	282,535
Total	<u>\$ 972,000</u>	<u>\$ 1,692,672</u>

As of December 31, 2024 and 2023, the director fee payable of \$972,000 and \$804,000 represented the accrual of director fees from the appointment date to December 31, 2024.

As of December 31, 2024 and 2023, the amount due to former executives of nil and \$606,137 represented advances and professional expenses paid on behalf by former executives, which consist of audit fees, lawyers' fee and other professional expenses.

As of December 31, 2024 and 2023, the amount due to related parties is nil and \$282,535, respectively.

The amount due to related parties are interest-free and have no fixed terms of repayment.

On April 10, 2024, the Company settled \$594,140 of other payables owed to former executives by issuing 123,780 shares. An additional \$11,997 was waived as part of the settlement.

NOTE 9 – OTHER PAYABLES

As of December 31, 2024 and 2023, other payable consist of unpaid professional fee as follow:

	December 31, 2024	December 31, 2023
Professional fees and operating expenses ⁽¹⁾	\$ 460,985	\$ 1,600,000
Short term loans ⁽²⁾	760,352	-
Total	<u>\$ 1,221,337</u>	<u>\$ 1,600,000</u>

(1): The professional fees balance of \$460,985 and \$1,600,000 as of December 31, 2024 and 2023 included outstanding legal fees in relation to shareholders' litigation, BTC consultant fee, audit fee, listing compliance fee owing to professional parties and operating expenses.

(2): The Company borrowed funds from former executives and a third party to cover daily operational expenses. The payable is unsecured, interest-free, and is expected to be repaid either in cash or through the issuance of the Company's common stock, subject to mutual agreement between the parties. Repayment is anticipated to occur once the bank accounts are restored to normal operating status.

NOTE 10 – SHAREHOLDERS' EQUITY

The Company has an unlimited number of authorized ordinary shares and has issued 6,976,410 shares with no par value as of December 31, 2024.

On March 29, 2019, the Company issued 100,000,000 shares with no par value to thirty-three founders. On September 3, 2019, the Company issued a total 74,000 shares at \$3 each to 5 non-US shareholders. The total outstanding shares has increased to 100,074,000 shares as of December 31, 2019.

In February 2020, 1,666,666 shares were issued at \$3 per share to 2 new shareholders. On July 10, 2020, the Company issued another 26,000 shares at \$3 per share to 2 new shareholders and the total outstanding shares has increased to 101,766,666 shares.

On September 15, 2020, the Wyoming Secretary of State approved the Company's certificate of amendment to amend its Articles of Incorporation to effect 3 for 1 forward stock split. The total issued and outstanding shares of the Company's common stock has been increased from 101,766,666 to 305,299,998 shares, with the par value unchanged at zero.

On September 21, 2020, there are 151,500 shares issued at \$5 per share to 303 new shareholders, the Company's common stock issued has been increased to 305,451,498 shares as of December 31, 2020.

On April 13, 2022, the Company and 15 shareholders entered into that certain Share Exchange Agreement (the "Share Exchange Agreement"), pursuant to which Company and the 15 Shareholders have cancelled 120,418,995 shares of Common Stock ("Cancellation Shares"). Upon completion of the transaction, the outstanding shares of the Company's Common Stock has been decreased from 305,451,498 shares to 185,032,503 shares as of June 30, 2022.

On July 21, 2022, the Company completed uplisting of its common stock to the Nasdaq Capital Market, and the closing of its public offering of 10,000,000 shares of common stock with the gross proceeds of \$40,000,000 and net proceeds of \$37,057,176 after deducting the total offering cost of \$2,942,824. The shares were priced at \$4.00 per share, and the offering was conducted on a firm commitment basis. The shares continue to trade under the stock symbol "WETG." The Company's total issued and outstanding common stock has been increased to 195,032,503 shares after the offering.

On July 22, 2022, the Company issued 25,000 shares of common stock to certain service providers for services in connection with the public offering, the fair value of the share was \$477,500. The Company's total issued and outstanding common stock has been increased to 195,057,503 shares in 2022.

On June 9, 2023, the Wyoming Secretary of State approved the Company's certificate of amendment to amend its Articles of Incorporation to effect 1 for 185 reverse stock split ("Reverse Stock Split"). The total issued and outstanding shares of the Company's common stock decreased from 195,057,503 to 1,054,530 shares, with the par value unchanged at zero.

In September 2023, there were 1,570,600 shares issued with the total amount of \$12,616,454, and the Company's common stock issued has been increased to 2,625,130 shares as of December 31, 2023.

In April 2024, there are 3,940,000 shares issued with the total amount of \$13,396,000 for the acquisition of 20% of associate company.

NOTE 10 – SHAREHOLDERS’ EQUITY (CONTINUED)

On April 9, 2024, an addition of 411,280 shares were converted to equity from loan and outstanding professional fee with the amount of \$1,974,140 at the conversion price of \$4.80 per share based on average price of last 10 trading days. These loans are related to the long outstanding salaries, professional fee, litigation lawyer fees and BTC consultant fee paid by former executives on behalf of the Company. The amount due to related parties is interest free, unsecured and has no fixed repayment period. Prior to the loan conversion to equity, the amount of \$1,974,140 is recorded as current liabilities. Subsequent to loan to equity conversion, the amount of \$1,974,140 was converted to 411,280 shares and recorded in stockholders’ equity as follows:

Nature of loan:	Amount:	Conversion price:	Number of shares converted:	Financial impact of conversion:
Advance from shareholders to pay outstanding legal fee, salaries, Edgar filing fee, audit fee, which accumulated from January 2023 to March 2024.	\$ 594,140	\$ 4.80	123,780 shares	Reclassification from amount due to related parties to equity
Accounting and compliance fee, which accumulated from January 2023 to March 2024.	\$ 420,000	\$ 4.80	87,500 shares	Reclassification from other payables to equity
Legal advisory fee in relation to BTC transaction which accumulated from January 2023 to March 2024.	\$ 480,000	\$ 4.80	100,000 shares	Reclassification from other payables to equity
BTC Consultant fee, which accumulated from January 2023 to March 2024.	\$ 480,000	\$ 4.80	100,000 shares	Reclassification from other payables to equity
Total	\$ 1,974,140		411,280 shares	

As of December 31, 2024, the Company’s common stock issued has been increased to 6,976,410 shares.

In March 2025, there are 135,171,078 shares and 294,117,647 warrants issued with the total amount of \$158.08 million for acquisition of 5,000 Bitcoin.

Concurrently with the issuance of the Warrants, the Schedule I BTC Sellers indicated to the Company of their intent to immediately exercise the Warrants to purchase all of the Warrant Shares thereunder. Accordingly, the Company issued to each Schedule I BTC Seller the respective Warrant Shares at the Closing Date.

On March 12, 2025, the total outstanding shares of the Company increased to 436,265,135 shares.

NOTE 11. REVENUE

The Company is in the business of providing AI-enabled software development services for industrial and other customers.

As of December 31, 2024 and 2023, the Company generated revenue from software development services amounting to \$1,800,000 and \$2,500,000 as follow:

	For the year ended December 31,	
	2024	2023
		Restated
AI Software development and industrial SAAS business	\$ 1,800,000	\$ 2,500,000

NOTE 12 – INCOME TAXES

The Company is subject to U.S. Federal tax laws at a tax rate of 21%.

There is one subsidiary incorporated in Hong Kong and are subject to Hong Kong profits tax at a tax rate of 16.5%.

The Company owns a subsidiary incorporated in the British Virgin Islands (BVI). Under the current tax laws of BVI, the subsidiary is not subject to income.

The following table reconciles the statutory rate to the Company's effective tax rate:

	For the year ended December 31,	
	2024	2023
US Statutory income tax rates	21.0%	21.0%
Changes in valuation allowance	6.7%	(16.9)%
	<u>27.7%</u>	<u>4.1%</u>

Composition of income tax expense

The current and deferred portions of income tax expense included in the consolidated statements of comprehensive loss are as follows:

	For the year ended December 31,	
	2024	2023
Current income tax expense	\$ -	\$ 130,415
Deferred income tax expense	8,234,503	-
Total	<u>\$ 8,234,503</u>	<u>\$ 130,415</u>

Note 13 – BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

Basic loss per share and diluted loss per share have been calculated in accordance with ASC 260 on computation of earnings per share for the years ended December 31, 2024 and 2023 as follows:

Potential dilutive securities are excluded from the calculation of diluted EPS in loss periods as their effect would be anti-dilutive.

	For the year ended December 31,	
	2024	2023
		Restated
Statement of Operations Summary Information:		
Net income from continued operation	\$ 21,543,250	\$ 3,020,459
Weighted-average common shares outstanding - basic and diluted	5,775,647	1,541,650
Net income per share, basic and diluted from continued operation	\$ 3.7	\$ 2.0
Net income/(loss) from discontinued operation	\$ 6,296	\$(12,945,875)
Weighted-average common shares outstanding - basic and diluted	5,775,647	1,541,650
Net income/(loss) per share, basic and diluted from discontinued operation	\$ -	\$ (8.4)

As of December 31, 2024 and 2023, there were no potentially dilutive shares.

NOTE 14- SEGMENT INFORMATION

The Company operates as one operating segment. The Company's chief operating decision maker ("CODM") is its co-chief executive officers, who review financial information presented on a consolidated basis. The CODM uses consolidated net income to assess financial performance and allocate resources. These financial metrics are used by the CODM to make key operating decisions, such as the determination of the rate at which the Company seeks to grow net income and the allocation of budget between cost of revenues and general and administrative expenses.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

The Company did not have any significant capital or other commitments or guarantees or contingencies as of December 31, 2024 and 2023.

NOTE 16– SUBSEQUENT EVENTS

On March 12, 2025, the Company issued to the Schedule I BTC Sellers their respective portions of 135,171,078 Shares and Warrants to purchase 294,117,647 shares of common stock pursuant to the terms of the Amended BTC Contract. This issuance was made as part of the consummation of the Amended 5,000 BTC Transaction. The exercise period for each Warrant is five (5) years from the initial exercise of such Warrant and the exercise price of such Warrant is nil. Concurrently with the issuance of the Warrants, the Schedule I BTC Sellers indicated to the Company of their intent to immediately exercise the Warrants to purchase all of the 294,117,647 shares of common stock thereunder. Accordingly, the Company issued to each Schedule I BTC Seller the respective Warrant Shares on the same date.

Pursuant to the Amended BTC Contract, the aggregate purchase price for the 5,000 Bitcoin in the Amended 5,000 BTC is \$150.00 million. The Company applied a previously-made prepayment amount of \$12,125,500 toward the purchase price, and shares of the Company's common stock issued in the Amended 5,000 BTC Transaction were valued at \$1.02 per share. As of the transaction date, the market price is \$0.34 per share and total consideration for acquisition of 5,000 Bitcoin is \$158.08 million.

As of the completion date of this acquisition, the market price of Bitcoin had increased to \$83,085 per BTC. Consequently, the total value of the Company's Bitcoin holdings reached to \$415.43 million. The acquisition represents a significant step in the Company's digital asset strategy.

NOTE 17 – DISCONTINUED OPERATIONS

On September 29, 2023, the Company's Board of Directors passed a resolution to dispose "WeTrade Information System Limited" and its wholly owned subsidiaries for total consideration of \$4,500,000. The consideration for disposal of subsidiaries is based on its net asset value ("NAV") and due to deterioration of SAAS business and high turnover rate of accounts receivable in PRC operation.

Loss from discontinued operations for the year ended December 31, 2023 were as follows:

	For the year ended December 31, 2023
Service revenue	\$ 593,808
Cost of revenue	(989,206)
Gross loss	(395,398)
Operating expenses:	
General and Administrative	(11,992,740)
Operations Loss	(12,388,138)
Other expenses	(92,458)
Loss from discontinued operations before income tax	(12,480,596)
Income tax expense	(31,733)
Loss from discontinued operation after tax	(12,512,329)
Loss from discontinued operation	\$ (12,512,329)

The following tables provides information for loss on disposal of discontinued operation for the year ended December 31, 2023. These amounts reflect the closing balance sheet of the discontinued operation upon the closing of the sale in September 2023.

	September 29, 2023
Total consideration, net of transaction costs	\$ 4,500,000
Total net assets value of discontinued business	(4,933,548)
Disposal of discontinued operation	\$ (433,548)

On June 21, 2024, the Company's board of directors passed a resolution to approve the termination of all operations in the PRC. In July 2024, the Company proceeded to dissolve its subsidiary "WeTrade Technology (Shanghai) Co., Ltd.", in the PRC. Net income from discontinued operations for the year ended December 31, 2024 is nil.

The transaction qualified as a discontinued operation under ASC 205-20. The Company retrospectively adjusted the above comparative consolidated financial statements in prior year.

The following tables provides information for loss on disposal of discontinued operation for the year ended December 31, 2024. These amounts reflect the closing balance sheet of the discontinued operation upon the closing of the sale in July 2024.

	July 18, 2024
Total consideration, net of transaction costs	\$ -
Total net assets value of discontinued business	(6,296)
Disposal of discontinued operation	\$ 6,296

