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OKG Technology Holdings Limited
歐科雲鏈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1499)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

FINANCIAL HIGHLIGHTS

- Revenue of the Group for the Period was approximately HK\$191.2 million (for the six months ended 30 September 2020: approximately HK\$236.5 million).
- Loss attributable to the owners of the Company for the Period amounted to approximately HK\$28.9 million (Loss attributable to the owners of the Company for the six months ended 30 September 2020: approximately HK\$23.8 million).
- Basic and diluted loss per share for the Period amounted to approximately HK cent 0.54 (Basic and diluted loss per share for the six months ended 30 September 2020: approximately HK cent 0.45).
- The Board does not recommend the payment of any interim dividend for the Period (2020: Nil).

The board (the “**Board**”) of directors (the “**Directors**”) of OKG Technology Holdings Limited (the “**Company**”, together with subsidiaries of the Company, the “**Group**”) is pleased to announce the unaudited consolidated financial results of the Group for the six months ended 30 September 2021 (the “**Period**”), together with comparative figures for the six months ended 30 September 2020 as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

		Six months ended 30 September	
		2021	2020
	<i>Note</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	191,206	236,461
Cost of sales		(181,563)	(210,060)
Gross profit		9,643	26,401
Other income, gains and losses	4	10,798	5,003
Administrative and other operating expenses		(46,299)	(48,966)
Impairment losses on financial assets and contract assets		(279)	(2,314)
Operating loss		(26,137)	(19,876)
Finance costs	5	(3,086)	(4,134)
Loss before income tax	6	(29,223)	(24,010)
Income tax credit	7	247	173
Loss for the period		(28,976)	(23,837)
Other comprehensive loss for the period			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		501	485
Total comprehensive loss for the period		(28,475)	(23,352)
Loss for the period attributable to:			
Owners of the Company		(28,928)	(23,837)
Non-controlling interests		(48)	–
		(28,976)	(23,837)
Total comprehensive loss attributable to:			
Owners of the Company		(28,427)	(23,352)
Non-controlling interests		(48)	–
		(28,475)	(23,352)
Loss per share for loss attributable to the owners of the Company			
Basic and diluted loss per share	8	HK cent (0.54)	HK cent (0.45)

Details of dividends are disclosed in Note 9 to the condensed consolidated interim financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

	Note	At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	10	18,325	34,569
Right-of-use assets	11	7,126	2,784
Intangible assets		7,591	4,456
Prepayment	12	–	318
		<u>33,042</u>	<u>42,127</u>
Current assets			
Trade and other receivables	12	113,372	95,196
Contract assets		55,995	67,029
Inventories		29,209	68,879
Inventories due from counterparties		10,821	12,766
Financial assets at fair value through profit or loss		16,550	28,560
Amount due from a related party		–	1,980
Tax recoverable		2,028	2,741
Trust bank balance held on behalf of customers		67,090	49,128
Bank balances and cash		184,462	236,735
		<u>479,527</u>	<u>563,014</u>
Total assets		<u><u>512,569</u></u>	<u><u>605,141</u></u>
EQUITY			
Capital and reserves			
Share capital	13	26,853	26,853
Reserves		164,293	192,720
		<u>191,146</u>	219,573
Non-controlling interests		4,753	–
Total equity		<u><u>195,899</u></u>	<u><u>219,573</u></u>

		At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Lease liabilities	<i>11</i>	4,167	–
Deferred tax liabilities		<u>1,596</u>	<u>1,929</u>
		<u>5,763</u>	<u>1,929</u>
Current liabilities			
Trade and other payables	<i>14</i>	95,806	99,060
Contract liabilities		214	4,726
Liabilities due to customers		89,775	108,151
Amount due to a former subsidiary		10,641	10,641
Amount due to a related party		13,994	10,244
Loan from related parties	<i>15</i>	97,579	148,500
Lease liabilities	<i>11</i>	<u>2,898</u>	<u>2,317</u>
		<u>310,907</u>	<u>383,639</u>
Total liabilities		<u>316,670</u>	<u>385,568</u>
Total equity and liabilities		<u><u>512,569</u></u>	<u><u>605,141</u></u>
Net current assets		<u><u>168,620</u></u>	<u><u>179,375</u></u>
Total assets less current liabilities		<u><u>201,662</u></u>	<u><u>221,502</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2021

	Attributable to owners of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Share-based payment reserve HK\$'000	Capital reserve HK\$'000 (Note a)	Merger reserve HK\$'000 (Note b)	Translation reserve HK\$'000	Retained earnings/ (accumulated losses) HK\$'000	Sub-total HK\$'000	Non-controlling interest HK\$'000	Total equity HK\$'000
Balance at 1 April 2020 (Audited)	26,629	227,652	7,279	7,922	1	(630)	32,290	301,143	-	301,143
Loss for the period	-	-	-	-	-	-	(23,837)	(23,837)	-	(23,837)
Other comprehensive income for the period	-	-	-	-	-	485	-	485	-	485
Total comprehensive income/(loss) for the period	-	-	-	-	-	485	(23,837)	(23,352)	-	(23,352)
Share-based payment expense	-	-	1,385	-	-	-	-	1,385	-	1,385
Exercise of share options	256	12,476	(2,234)	-	-	-	-	10,498	-	10,498
Balance at 30 September 2020 (Unaudited)	<u>26,885</u>	<u>240,128</u>	<u>6,430</u>	<u>7,922</u>	<u>1</u>	<u>(145)</u>	<u>8,453</u>	<u>289,674</u>	<u>-</u>	<u>289,674</u>
Balance at 1 April 2021 (Audited)	26,853	239,372	-	7,922	1	625	(55,200)	219,573	-	219,573
Loss for the period	-	-	-	-	-	-	(28,928)	(28,928)	(48)	(28,976)
Other comprehensive income for the period	-	-	-	-	-	501	-	501	-	501
Total comprehensive income/(loss) for the period	-	-	-	-	-	501	(28,928)	(28,427)	(48)	(28,475)
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	4,801	4,801
Balance at 30 September 2021 (Unaudited)	<u>26,853</u>	<u>239,372</u>	<u>-</u>	<u>7,922</u>	<u>1</u>	<u>1,126</u>	<u>(84,128)</u>	<u>191,146</u>	<u>4,753</u>	<u>195,899</u>

Notes:

- The capital reserve represents the deemed capital contribution from the Company's shareholder in relation to listing expenses reimbursed to the Company in prior years.
- The merger reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in prior years.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash used in operating activities	<u>(24,255)</u>	<u>(5,965)</u>
Net cash generated from investing activities	<u>12,549</u>	<u>16,043</u>
Net cash used in financing activities	<u>(42,682)</u>	<u>(2,337)</u>
Net (decrease)/increase in cash and cash equivalents	(54,388)	7,741
Effect of foreign exchange rate changes	603	285
Cash and cash equivalents at beginning of the period	<u>236,735</u>	<u>238,071</u>
Cash and cash equivalents at end of the period	<u><u>182,950</u></u>	<u><u>246,097</u></u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 2 September 2015. Its parent company is OKC Holdings Corporation, a company incorporated in the Cayman Islands with limited liability and controlled by Mr. Xu Mingxing. The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of the Company’s principal place of business in Hong Kong is Unit 902-903, 9th Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in provision of construction wastes handling services, foundation, building construction works and ancillary services, technology services, investment in securities, lending business and trust and custody services.

The condensed consolidated interim financial statements are in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company, unless otherwise stated.

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with the Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. The condensed consolidated interim financial statements should be read in conjunction with the Group’s audited annual financial statements for the year ended 31 March 2021 (the “**Annual Financial Statements**”).

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss which are carried at fair value.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards (“**HKFRSs**”), the significant accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those described in the Annual Financial Statements.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated interim financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

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

4. REVENUE, OTHER INCOME, GAINS AND LOSSES AND SEGMENT INFORMATION

Revenue and other income, gains and losses recognised during the period are as follows:

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Revenue		
Construction wastes handling services	81,378	127,299
Foundation, building construction works and ancillary services	103,301	93,008
Technology services	8,487	13,751
Trust and custody services	2,532	–
Services income from operation of USDK	49	108
	<hr/>	<hr/>
Revenue from contracts with customers	195,747	234,166
Interest income from lending business	1,505	2,885
Rental income from lease of machinery	207	594
Fair value change on investments in securities		
– Realised change	–	(28)
– Unrealised change	(6,253)	(1,156)
	<hr/>	<hr/>
	191,206	236,461
	<hr/> <hr/>	<hr/> <hr/>
Other income, gains and losses		
Interest income	73	508
Gain on disposal of property, plant and equipment	797	130
Written off of property, plant and equipment	(5,005)	(49)
Gain on disposal of subsidiaries	15,548	–
Government grants	32	4,353
Net losses on change in fair value of financial assets at fair value through profit or loss	(990)	–
Others	343	61
	<hr/>	<hr/>
	10,798	5,003
	<hr/> <hr/>	<hr/> <hr/>

Disaggregation of revenue from contracts with customers

	Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Type of services		
Construction wastes handling services	81,378	127,299
Foundation, building construction works and ancillary services	103,301	93,008
Technology services	8,487	13,751
Trust and custody services	2,532	–
Services income from operation of USDK	49	108
	<u>195,747</u>	<u>234,166</u>
Timing of revenue recognition		
Over time	<u>195,747</u>	<u>234,166</u>

Segment information

Management has determined the operating segments based on the reports reviewed by the directors, the chief operating decision-maker, that are used to make strategic decisions. The directors consider the business from a product/service perspective. Principal activities of the segments are as follows:

- (a) Construction wastes handling services: Provision of management and operation of public fill reception facilities, including public fill banks and temporary construction waste sorting facilities, for construction and demolition materials;
- (b) Foundation, building construction works and ancillary services: Provision of site formation works, excavation and lateral support works, piling construction, pile caps or footing construction and reinforced concrete structure works, building construction works and ancillary services mainly included hoarding and demolition works and lease of machinery;
- (c) Technology services: Provision of 1) developing the USDK smart contract, managing the USDK smart contract to effect minting and burning of USDK, and 2) technology development and I.T. infrastructure services;
- (d) Investments in securities;
- (e) Lending business which includes the Group's money lending business carried out in Hong Kong and the lending of the Group's digital assets; and
- (f) Trust and custody services.

Segment revenue is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss and other comprehensive income.

The directors assess the performance of the operating segments based on a measure of segment results. Unallocated income, unallocated corporate expenses, finance costs and income tax credit are not included in segment results. In the current period, the presentation of reportable segments of the Group are revised as detailed below as the directors believe the current reportable segments could provide better summary to them in reviewing the Group's operating performance and making decision in resource allocation. Accordingly, the comparative figures of the reportable segments have been re-presented for the purpose of presenting segment information.

Segment assets mainly consist of current assets and non-current assets as disclosed in the interim condensed consolidated statement of financial position except unallocated bank balances and cash and other unallocated assets.

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the interim condensed consolidated statement of financial position except current income tax liabilities, deferred tax liabilities, amount due to a former subsidiary, amount due to a related party, loan from related parties, lease liabilities and other unallocated liabilities.

	Construction wastes handling services <i>HK\$'000</i>	Foundation, building construction works and ancillary services <i>HK\$'000</i>	Technology services <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Trust and custody services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Period ended 30 September 2021							
(Unaudited)							
Revenue							
External revenue	81,378	103,508	8,536	(6,253)	1,505	2,532	191,206
Cost of sales	(75,860)	(97,839)	(6,567)	(23)	(309)	(965)	(181,563)
Impairment losses on financial assets and contract assets	793	(664)	161	-	(569)	-	(279)
Segment results	<u>6,311</u>	<u>5,005</u>	<u>2,130</u>	<u>(6,276)</u>	<u>627</u>	<u>1,567</u>	9,364
Unallocated income							10,798
Unallocated corporate expenses							(46,299)
Finance costs							(3,086)
Loss before income tax							(29,223)
Income tax credit							247
Loss for the period							<u>(28,976)</u>
Included in segment results are:							
Depreciation	3,355	782	509	-	-	-	4,646
Amortisation	-	-	1,467	-	-	-	1,467
	<u>3,355</u>	<u>782</u>	<u>1,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,113</u>

	Construction wastes handling services <i>HK\$'000</i>	Foundation, building construction works and ancillary services <i>HK\$'000</i>	Technology services <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Trust and custody services <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 30 September 2021 (Unaudited)							
Segment assets	47,712	116,932	71,072	28,331	67,761	96,299	428,107
Unallocated assets							<u>84,462</u>
Total assets							<u><u>512,569</u></u>
Segment liabilities	21,422	70,813	2,040	765	39	89,775	184,854
Unallocated liabilities							941
Amount due to a former subsidiary							10,641
Amount due to a related party							13,994
Loan from related parties							97,579
Lease liabilities							7,065
Deferred tax liabilities							<u>1,596</u>
Total liabilities							<u><u>316,670</u></u>

	Construction wastes handling services <i>HK\$'000</i>	Foundation, building construction works and ancillary services <i>HK\$'000</i>	Technology services <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Period ended 30 September 2020						
(Unaudited)						
Revenue						
External revenue	127,299	93,602	13,859	(1,184)	2,885	236,461
Cost of sales	(117,687)	(83,146)	(8,916)	–	(311)	(210,060)
Impairment losses on financial assets and contract assets	(539)	(1,629)	(72)	–	(74)	(2,314)
Segment results	<u>9,073</u>	<u>8,827</u>	<u>4,871</u>	<u>(1,184)</u>	<u>2,500</u>	24,087
Unallocated income						5,003
Unallocated corporate expenses						(48,966)
Finance costs						<u>(4,134)</u>
Loss before income tax						(24,010)
Income tax credit						<u>173</u>
Loss for the period						<u><u>(23,837)</u></u>
Included in segment results are:						
Depreciation	3,597	2,589	2,867	–	–	9,053
Amortisation	–	–	1,467	–	–	1,467
	<u>3,597</u>	<u>2,589</u>	<u>4,334</u>	<u>–</u>	<u>–</u>	<u>10,520</u>

	Construction wastes handling services <i>HK\$'000</i>	Foundation, building construction works and ancillary services <i>HK\$'000</i>	Technology services <i>HK\$'000</i>	Investments in securities <i>HK\$'000</i>	Lending business <i>HK\$'000</i>	Trust and custody services <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 March 2021 (Audited)							
Segment assets	105,923	85,217	78,033	31,872	71,947	108,151	481,143
Unallocated assets							<u>123,998</u>
Total assets							<u><u>605,141</u></u>
Segment liabilities	60,911	33,860	5,872	393	83	108,151	209,270
Unallocated liabilities							2,667
Amount due to a former subsidiary							10,641
Loan from related parties							148,500
Amount due to a related party							10,244
Lease liabilities							2,317
Deferred tax liabilities							<u>1,929</u>
Total liabilities							<u><u>385,568</u></u>

Geographical information

Information about the Group's revenue from external customers is presented based on location of operation is as follows:

	Six months ended 30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Hong Kong	182,719	222,800
The People's Republic of China (The "PRC")	8,487	13,661
	<u>191,206</u>	<u>236,461</u>

Information about the Group's non-current assets is presented based on the geographical location of the assets:

	At	At
	30 September	31 March
	2021	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	26,933	29,497
The PRC	6,109	12,630
	<u>33,042</u>	<u>42,127</u>

5. FINANCE COSTS

	Six months ended 30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on lease liabilities	58	758
Interest on bank overdrafts	–	1
Interest on loan from related parties	3,028	3,375
	<u>3,086</u>	<u>4,134</u>

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging the following:

	Six months ended 30 September	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	7,267	8,867
Depreciation of right-of-use assets	2,544	11,572
Amortisation of intangible assets	1,668	1,467
Leasing expenses	868	1,145
Staff costs, including directors' emoluments		
– salaries and allowances	53,339	48,513
– retirement scheme contributions	1,588	1,136
Impairment losses on financial assets and contract assets	279	2,314
Share-based payment expense	–	1,385
	<u>–</u>	<u>1,385</u>

7. INCOME TAX CREDIT

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit arising in or derived from Hong Kong for both periods.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the period.

	Six months ended 30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong profits tax		
Current income tax	86	1,068
Deferred income tax	(333)	(1,241)
	<u> </u>	<u> </u>
Income tax credit	<u><u>(247)</u></u>	<u><u>(173)</u></u>

8. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$28,928,000 (unaudited) (2020: approximately HK\$23,837,000) and the weighted average of approximately 5,370,510,000 ordinary shares (unaudited) (2020: approximately 5,344,799,000 ordinary shares) in issue during the Period.

(b) Diluted loss per share

For the six months period ended 30 September 2021 and 2020, the diluted loss per share is equal to the basic loss per share. There is no share option as at 30 September 2021 and the share options is not included in the calculation of diluted loss per share as they are anti-dilutive during the six months period ended 30 September 2020.

9. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 September 2021 (2020: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

**Property,
plant and
equipment**
HK\$'000

Six months ended 30 September 2021 (Unaudited)

Net book value

Opening amount at 1 April 2021	34,569
Additions	37
Disposals	(3,853)
Written off	(5,005)
Depreciation	(7,267)
Disposal through disposal of a subsidiary	(292)
Exchange realignment, net	<u>136</u>
Closing amount at 30 September 2021	<u><u>18,325</u></u>

Six months ended 30 September 2020 (Unaudited)

Net book value

Opening amount at 1 April 2020	48,822
Additions	3,389
Disposals	(57)
Written off	(49)
Depreciation	(8,867)
Exchange realignment, net	<u>398</u>
Closing amount at 30 September 2020	<u><u>43,636</u></u>

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

The Group obtains rights to control the use of certain premises for a period of time through lease arrangements. During the period ended 30 September 2021, the addition to right-of-use assets was approximately HK\$7,542,000 (2020: approximately HK\$2,624,000) (unaudited) .

12. TRADE AND OTHER RECEIVABLES

	At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
Trade receivables (<i>Note a</i>)	70,670	60,845
Less: Provision for impairment losses	<u>(5,284)</u>	<u>(6,502)</u>
	<u>65,386</u>	<u>54,343</u>
Loan receivables (<i>Note b</i>)	30,899	28,197
Less: Provision for impairment losses	<u>(9,209)</u>	<u>(8,639)</u>
	<u>21,690</u>	<u>19,558</u>
Other receivables, deposits and prepayment	<u>26,296</u>	<u>21,613</u>
	<u>113,372</u>	<u>95,514</u>
Analysed as:		
Non-current	–	318
Current	<u>113,372</u>	<u>95,196</u>
	<u>113,372</u>	<u>95,514</u>

Notes:

- (a) The ageing analysis of the trade receivables based on the date of payment certificate issued by customers or invoice date is as follows:

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
0-30 days	49,930	47,560
31-60 days	12,557	621
61-90 days	19	22
Over 90 days	8,164	12,642
	<u>70,670</u>	<u>60,845</u>

- (b) The Group's loan receivables arise from the money lending business. The loan receivables are mainly secured by personal guarantee. The loan receivables of approximately HK\$23,114,000 (unaudited) (31 March 2021: approximately HK\$20,422,000) are not pass due based on contractual maturity date as at 30 September 2021.

13. SHARE CAPITAL

	Number of shares	Share capital <i>HK\$'000</i>
Authorised:		
At 1 April 2020, 31 March 2021 and 30 September 2021 (unaudited), ordinary shares of HK\$0.005 each	<u>20,000,000,000</u>	<u>100,000</u>
Issued and fully paid:		
At 1 April 2020	5,325,870,000	26,629
Issue of ordinary shares upon exercise of share options (<i>Note a</i>)	52,710,000	264
Repurchase and cancellation of ordinary shares (<i>Note b</i>)	<u>(8,070,000)</u>	<u>(40)</u>
At 31 March 2021, 1 April 2021 and 30 September 2021 (unaudited)	<u>5,370,510,000</u>	<u>26,853</u>

Note:

- (a) During the year ended 31 March 2021, 52,710,000 share options were exercised at a subscription price of HK\$0.205 per share, resulting in the issue of 52,710,000 new shares at par value of HK\$0.005 each for a total consideration of approximately HK\$10,806,000. Approximately HK\$10,542,000 representing the difference between the subscription price and the par value was added to the share premium. In addition, approximately HK\$2,299,000 representing that portion of the share-based payments reserve in relation to the exercise of the share options during the year ended 31 March 2021, was transferred from the share-based payments reserve to share premium account.
- (b) On 19 October 2020, the Company repurchased a total of 8,070,000 shares on the Stock Exchange at an aggregate consideration (excluded expenses) of HK\$1,161,000, and these shares were cancelled on 1 December 2020. Accordingly, the issued share capital of the Company was reduced by HK\$40,000, representing the nominal value of these shares.

14. TRADE AND OTHER PAYABLES

	At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
Trade payables	77,182	83,246
Accruals and other payables	<u>18,624</u>	<u>15,814</u>
	<u>95,806</u>	<u>99,060</u>

Note:

The ageing analysis of trade payables based on the invoice date is as follows:

	At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
0-30 days	33,093	41,559
31-60 days	7,578	11,870
61-90 days	8,520	7,070
Over 90 days	27,991	22,747
	77,182	83,246

15. LOAN FROM RELATED PARTIES

At 30 September 2021, included in loan from related parties is a principal portion of approximately HK\$93.5 million (unaudited) (31 March 2021: approximately HK\$135.0 million) which was unsecured and interest bearing at 5% per annum and an interest portion of approximately HK\$4.1 million (unaudited) (31 March 2021: approximately HK\$13.5 million). The loan is subject to review at any time and to the lender's overriding right of withdrawal and immediate repayment on demand. The related parties are the companies controlled by the directors of certain subsidiaries of the Company.

16. CONTINGENT LIABILITIES

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major sources of revenue are from construction wastes handling services, foundation, building construction works and ancillary services, technology services, investment in securities, lending business, and trust and custody services.

During the Period, the Group had no material change in its business nature and principal activities.

Construction Wastes Handling Services

The Group's construction wastes handling services mainly include the management and operation of public fill reception facilities, such as public fill banks and temporary construction waste sorting facilities for construction and demolition materials.

For the Period, revenue from this segment amounted to approximately HK\$81.4 million, which decreased approximately HK\$45.9 million or 36.1% as compared with approximately HK\$127.3 million for the corresponding period in 2020. Such decrease was mainly due to the decrease in revenue from on-going projects during the Period.

Gross profit of this segment for the Period was approximately HK\$5.5 million, which decreased approximately 42.7% as compared with approximately HK\$9.6 million for the corresponding period in 2020. Gross profit margin of this segment for the Period was approximately 6.8%, representing a decrease of 0.7 percentage points from approximately 7.5% for the corresponding period in 2020. Such decrease in gross profit was mainly due to the increase in the subcontracting costs.

Foundation, Building Construction Works and Ancillary Services

The foundation works of the Group mainly include site formation works, excavation and lateral support ("ELS") works, piling construction, pile caps or footing construction and reinforced concrete structure works, and ancillary services which mainly include hoarding and demolition works and lease of machinery. According to Section 8A of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong), Progressive Building & Foundation Company Limited (indirect-owned subsidiary of the Company) after being registered as a general building contractor, the Group has participated in some residential development projects and provided the building construction works services during the Period.

During the Period, revenue from this segment was approximately HK\$103.5 million, representing an increase of approximately 10.6% as compared with approximately HK\$93.6 million for the corresponding period in 2020. Such increase was mainly due to the increase in the number of projects undertaken.

Gross profit of this segment for the Period was approximately HK\$5.7 million, which decreased approximately 45.7% as compared with approximately HK\$10.5 million for the corresponding period in 2020. Gross profit margin of this segment for the Period was approximately 5.5%, representing a decrease of 5.7 percentage points from approximately 11.2% for the corresponding period in 2020. Such decrease was mainly attributable to the increase in certain cost of sales items including labour costs and subcontracting costs.

New Projects Awarded

During the Period, the Group had been awarded 2 new contracts with total contract value of approximately HK\$41.4 million. The details of the new projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Tai Po District	Steel Fixing
Foundation Works and Ancillary Services	Southern District	Foundation and ELS Works

Projects in Progress

As at 30 September 2021, the Group had 9 projects in progress with total contract value amounted to approximately HK\$936.9 million. The details of projects in progress are as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Southern District	Foundation, ELS and Pile Cap Works
Foundation Works and Ancillary Services	Tseung Kwan O District	Foundation and ELS Works

Projects in Progress (Continued)

Type of Projects	Site Location	Type of Works
Building Construction Works	Yau Tsim Mong District	Carcass Works
Building Construction Works	Yuen Long District	Construction of Basement and G/F Slab
Foundation Works and Ancillary Services	Islands District	Piling Works
Foundation Works and Ancillary Services	Tuen Mun District	Foundation and ELS Works
Construction Wastes Handling Services	Tuen Mun District	Fill Bank Operation
Foundation Works and Ancillary Services	Tai Po District	Steel Fixing
Foundation Works and Ancillary Services	Southern District	Foundation and ELS Works

Completed Project

During the Period, there is no completed project of the Group.

Technology Services

The Group's technology services income mainly include income generated by (i) developing the USDK smart contract, managing the USDK smart contract to effect minting and burning of USDK; and (ii) providing the technology development and I.T. infrastructure services.

During the Period, revenue from this segment amounted to approximately HK\$8.5 million which was decreased by approximately HK\$5.4 million or 38.8% as compared with approximately HK\$13.9 million for the corresponding period in 2020. The decrease in revenue was mainly attributable from the decrease of income of providing technology development and I.T. infrastructure services. Gross profit of this segment was approximately HK\$2.0 million which decreased by approximately HK\$2.9 million or 59.2% as compared with approximately HK\$4.9 million for corresponding period in 2020.

Investments in Securities

During the Period, the Group maintained the business segment of investments in securities in order to diversify the Group's business. The Group invested in a portfolio of listed securities in Hong Kong and overseas.

The Group has made several investments in the securities of the blockchain industry. As at 30 September 2021, the Group managed a portfolio of listed securities with total market value of approximately HK\$4.1 million (30 September 2020: approximately HK\$3.4 million). During the Period, the Group recorded a loss of approximately HK\$6.3 million on fair value changes in its investment portfolios, compared with a loss of approximately HK\$1.2 million for the corresponding period in 2020. The Group reviewed the performance of its investment portfolio and evaluated the investment potentials of other investment opportunities available to the Group as part of the routine exercise with a view to optimise the expected return and minimise the risks.

Lending Business

During the Period, the Group continued to operate its lending business, which maintains a money lender's licence in Hong Kong, under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

In addition, the Group has also lent its digital assets to the counterparties (the "**Counterparties**") in form of Bitcoin (the "**BTC**") and stablecoins as the loan principal through other parties' platforms (the "**Platforms**") in the Period. For certain loans made in stablecoins, the Counterparties were required to deposit BTC on the Platforms as collaterals.

During the Period, the revenue and gross profit from this segment was approximately HK\$1.5 million (30 September 2020: approximately HK\$2.9 million) and approximately HK\$1.2 million (30 September 2020: approximately HK\$2.5 million), respectively. The Directors believe that the lending business benefits to the Group in exploring opportunities to widen its revenue base and reduce the Group's overall risks, so as to enhance the capital use of the Group as well as the overall interests of the Company and its Shareholders.

Trust and Custody Services

The Group's trust and custody services were being carried out through OKLink Trust Limited which has been registered as a Trust Company under section 78(1) of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) on 17 June 2020. The trust and custody services provided by the Group typically include the safekeeping, settlement and other customised services of its clients' assets. The types of assets custody under this business include digital assets and fiat currencies. At the end of the Period, the total assets of the Group's custody clients were approximately HK\$89.8 million.

During the Period, the revenue and gross profit from the provision of trust and custody services was approximately HK\$2.5 million and approximately HK\$1.6 million, respectively.

FINANCIAL REVIEW

Revenue

The Group recorded a revenue of approximately HK\$191.2 million for the Period, representing a decrease of approximately 19.2% as compared with approximately HK\$236.5 million for the corresponding period in 2020. Such decrease was mainly due to the decrease in the revenues of the Group's construction wastes handling services.

Gross Profit and Gross Profit Margin

The gross profit of the Group for the Period amounted to approximately HK\$9.6 million, representing a decrease of approximately 63.6% as compared with approximately HK\$26.4 million for the corresponding period in 2020. The gross profit margin decreased by 6.2 percentage points to approximately 5.0% for the Period from approximately 11.2% for the same period of last year. Such decrease was mainly due to the Group recorded a unrealised loss on investments in securities.

Other Income, Gains and Losses

Other income, gains and losses of the Group amounted to approximately HK\$10.8 million, representing an increase of approximately 116.0% as compared with approximately HK\$5.0 million for the corresponding period in 2020. Such increase was mainly due to the gain on disposal of subsidiaries.

Administrative and Other Operating Expenses

The administrative and other operating expenses of the Group for the Period amounted to approximately HK\$46.3 million, representing a decrease of approximately 5.5% as compared with approximately HK\$49.0 million for the corresponding period in 2020. Such decrease was mainly due to the decrease in depreciation of right of use assets in respect of the early termination of tenancy agreement.

Finance Costs

Finance costs for the Group during the Period amounted to approximately HK\$3.1 million, representing a decrease of approximately 24.4% compared with approximately HK\$4.1 million for the corresponding period in 2020. Such decrease is mainly attributed to the decrease of interest on lease liabilities.

Income Tax Credit

Income tax credit for the Group during the Period amounted to approximately HK\$247,000, compared to income tax credit of approximately HK\$173,000 for the corresponding period in 2020.

Loss for the Period

The Group recorded a net loss of approximately HK\$28.9 million for the Period, representing an increase of approximately 21.4% compared to a loss for the corresponding period in 2020 of approximately HK\$23.8 million. The increase in the loss for the Period was mainly attributable to the loss in investments in securities as mentioned on the “Gross Profit and Gross Profit Margin” section of this announcement.

Liquidity, Financial and Capital Resources

The Group has funded the liquidity and capital requirements primarily through capital contributions from the Shareholders and other borrowings, internally generated cash flow and proceeds received from the placing of the Company’s shares (the “Share(s)”).

As at 30 September 2021, the Group had bank and cash balance approximately HK\$184.5 million (31 March 2021: approximately HK\$236.7 million). As at 30 September 2021, the interest bearing loans with interest rate ranging from 2.6% to 5.6% (31 March 2021: 2.6% to 5.2%) per annum were approximately HK\$104.6 million (31 March 2021: approximately 150.8 million).

The gearing ratio is calculated based on the amount of total interest-bearing debts divided by total equity. The gearing ratio of the Group as at 30 September 2021 was approximately 52.5% (31 March 2021: approximately 68.7%). Such decrease was mainly due to the Group settled the loan from related parties of approximately HK\$50.9 million during the Period.

Pledge of Assets

The Group’s motor vehicles with an aggregate net book value of approximately HK\$0.2 million and approximately HK\$1.0 million as at 30 September 2021 and 31 March 2021, respectively, were pledged under leases liabilities.

Save as disclosed above, the Group did not have any charge on its assets during the Period.

Foreign Exchange Risk

The Group mainly operates in Hong Kong and PRC and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars, US dollars and Renminbi (“RMB”). The Directors are of the view that the Group’s risk in foreign exchange is insignificant and that the Group should have sufficient resources to meet foreign exchange requirements as and if they arise. Therefore, the Group has not engaged in any derivative contracts to hedge its exposure to foreign exchange risk during the Period.

Capital Commitments

The Group did not have any significant capital commitment as at 30 September 2021 (31 March 2021: Nil).

Contingent Liabilities

The Group, in the ordinary course of its business, is involved in various claims, suits, investigations, and legal proceedings that arise from time to time. Although the Group does not expect that the outcome in any of these legal proceedings, individually or collectively, will have a material adverse effect on its financial position or results of operations, litigation is inherently unpredictable. Therefore, the Group could incur judgements or enter into settlements of claims that could adversely affect its operating results or cash flows in a particular period.

PROSPECTS

During the Period, the global and Hong Kong economy has shown signs of recovery. The gross domestic product (GDP) of Hong Kong in the third quarter grew by approximately 5.4% year-on-year. However, the repeated coronavirus disease (COVID-19) pandemic is lingering longer than expected. The pace of global economic recovery seems to have slowed in recent months due to spread of Delta COVID-19 variant. The business sentiment has also turned cautious due to such external factors. The governments of Hong Kong Special Administrative Region and the People’s Republic of China have implemented several contingency measures to control the pandemic. Therefore, the resulting strict restrictions on border crossing have also slowed down the Group’s business development.

Numerous issues unsolved still surround the construction industry in Hong Kong, such as increasing operating costs and lack of experienced workers. In response to the challenging market environment, the Group is carefully assessing the current situations, prudently carrying out the construction related businesses and also exploring business opportunities related to information technology and financial technology in Hong Kong and overseas to seek sustainable development.

The Group has insights into the needs of the blockchain market and is committed to the research and development and commercialization of blockchain technology. Specifically, the Group has independently innovated and developed blockchain explorer and “Chaintelligence” (鏈上天眼) via oklink.com and other products, which has established industry examples for the multi-dimensional application of blockchain technology, provided asset security and anti-money laundering services to law enforcement as well as regulatory agencies and actively promote the application of blockchain technology in the fields of public security and social governance. In July 2021, the Group officially launched ChainHub (鏈上大師), the first domestic panoramic on-chain data analysis tool. ChainHub provides over 10,000 data indicators and 4 major thematic information, creating an integrated data solution for the majority of users. In the same month, the Group and Nanjing Public Security Research Institute jointly established the Oudun Chaintelligence Security Laboratory (the “**Laboratory**”). The Laboratory will focus on the practical needs of digital cities, social governance and new crime response, promote blockchain-related technological innovation and conceptual innovation and effectively expand the application scenarios of blockchain technology.

On 24 September 2021, at the “Innovation & Leading. 2021 Yangtze River Delta Economic Digital Transformation and Development Forum”, the Group, Shanghai Lingang Holdings Co., Ltd. and Shanghai Academy of Quality Management signed a strategic cooperation agreement and a blockchain technology security service station was unveiled. The Group initiated the first domestic blockchain data service standard to facilitate the development of the industry and promote the digital transformation of the industry.

On 28 October 2021, the Group was awarded the “Deloitte Shenzhen High-Tech High-Growth 20” and became a candidate for Deloitte China’s Top 50 and Asia Pacific Top 500 selections. This award has reflected the industry’s high recognition to the Group’s innovative technological contributions and business growth in the blockchain industry.

During the Period, the Group’s revenue from trust and custody services was approximately HK\$2.5 million, which exceeded the total of approximately HK\$1.4 million for the year ended 31 March 2021. OKLink Trust Limited (“**OKLink Trust**”), an indirect wholly-owned subsidiary of the Company, has also become the exclusive fiat money custodian for OneCash, to provide custody services for its fiat currency assets.

Looking forward, the blockchain industry has become one of the key industries of the digital economy. Relying on favorable policies, the development and application of blockchain technology, the blockchain industry will become the focus of the future industry development. As a leading company in blockchain technology, the Group will continue to optimize and upgrade blockchain-related products and services to facilitate the integrated development of blockchain technology and industry and promote the development of the digital economy. The Group will also focus on deploying big data and security fields to contribute to social governance and new crime response; we will also continue to leverage our blockchain big data capacities to develop trust, custody and associated technology and information services. In addition, the Group will continue to diversify its business developments, prepare to launch proprietary investment business in digital economy on the basis of controlling investment risks, optimize business structure, broaden the source of income and strive for better returns for the Shareholders.

OTHER INFORMATION

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2021, the Group employed a total of 184 staff (31 March 2021: 193 staff). Total staff costs including directors' emoluments for the Period are amounted to approximately HK\$54.9 million (30 September 2020: approximately HK\$49.6 million). The salary and benefit levels of the employees of the Group are competitive, and individual performance is rewarded through the Group's salary and bonus system. The Group provides adequate job training to the employees to equip them with practical knowledge and skills.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

Disposal of the entire issued shares of Jia Jian Global Limited

On 7 May 2021 (after the trading hours), the Board announced that Glory Port International Limited (悅港國際有限公司), a company incorporated in the British Virgin Islands with limited liability, being a wholly-owned subsidiary of the Company, as the vendor (the "**Vendor**"), and Mr. Ip Ying Chau as the purchaser (the "**Purchaser**") entered into the sale and purchase agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire the three (3) ordinary shares of Jia Jian Global Limited (the "**Disposal Company**"), being the entire issue share capital of the Disposal Company (the "**Sale Shares**"), for the consideration of HK\$8.0 million (the "**Disposal**").

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) exceed 5% but all relevant percentage ratios are less than 25%, the Disposal constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements. As at 7 May 2021 (after the trading hours), the Purchaser was a director of the Vendor, Disposal Company and its subsidiary, Bright Access (HK) Limited, (collectively, the "**Disposal Group**") and some other subsidiaries of the Group. Therefore, the Purchaser was a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

On 30 June 2021, the Board announced that the completion of the Disposal had taken place in accordance with the terms and conditions of the sale and purchase agreement. Upon completion, the Company no longer held any equity interest in the Disposal Company and accordingly all of the companies under the Disposal Group ceased to be subsidiaries of the Group and the financial results of the Disposal Group would no longer be consolidated into the financial statements of the Group.

For details of the Disposal and completion of the Disposal, please refer to the announcements of the Company dated 7 May 2021 and 30 June 2021, respectively.

Save as disclosed above, the Group did not have any significant investments held or any material acquisitions or disposals of subsidiaries or associated companies as at 30 September 2021.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2021, the Company did not have any future plans for material investments or capital assets.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Period.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2021, the interests or short positions of the Directors and chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules were as follows:

(a) Long positions in the ordinary shares of the Company

Name of Director	Capacity/ Nature of Interests	Position (Long/Short)	Number of Shares held/ interested	Approximate percentage of the total issued shares
Mr. Xu Mingxing ("Mr. Xu") <i>Note (1)</i>	Interests of a controlled corporation	Long	3,904,925,001	72.71%

(b) Long positions in the shares of associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of Interests	Position (Long/Short)	Number of Shares held in associated corporation	Approximate percentage of interest in associated corporation
Mr. Tang Yue ("Mr. Tang") <i>Note (2)</i>	OKC Holdings Corporation ("OKC") <i>Note (1)</i>	Interest of a controlled corporation	Long	(i) 3,898,103 ordinary shares; (ii) 3,068,409 series seed preferred shares; and (iii) 1,612,142 series A-1 preferred shares of par value of USD0.0001 each	7.39%

Notes:

- (1) An aggregate of 3,904,925,001 shares of the Company, representing approximately 72.71% of the total issued share capital of the Company, are held by OKC. (i) Mr. Xu's wholly-owned company named StarXu Capital Limited ("**StarXu Capital**"), which in turn holds direct interest in OKC of approximately 29.26%; (ii) StarXu Capital has interest of approximately 73.52% in SKY CHASER HOLDINGS LIMITED ("**SKY CHASER**"), whereas SKY CHASER directly holds approximately 1.17% interest in OKC (accordingly, Mr. Xu holds approximately 0.86% indirect interest of OKC through SKY CHASER); and (iii) Mr. Xu's wholly-owned company named OKEM Services Company Limited has direct interest in OKC of approximately 37.81%. Thus, Mr. Xu holds an aggregate interest of approximately 67.93% in OKC and therefore is deemed to be interested in the 3,904,925,001 shares of the Company held by OKC pursuant to the SFO.
- (2) Mr. Tang's wholly-owned company, Purple Mountain Holding Ltd., holds direct interest in 3,898,103 ordinary shares, 3,068,409 series seed preferred shares and 1,612,142 series A-1 preferred shares of par value of USD0.0001 each of OKC, representing approximately 7.39% of the issued shares in OKC. Each of series seed preferred share and series A-1 preferred share could be convertible into one ordinary share.
- (3) As at 30 September 2021, the total number of issued shares of the Company was 5,370,510,000 shares.

Save as disclosed in sub-paragraphs (a) and (b) above, none of the Directors or chief executive of the Company or any of their associates had, or were deemed to hold, any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 September 2021.

SUBSTANTIAL SHAREHOLDERS' AND OTHERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 September 2021, so far as was known to the Directors, the following persons (other than the Directors or chief executive of the Company) held interests in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code), or had interests or short positions in the Shares and underlying Shares which are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

Name of Shareholder	Capacity/ Nature of Interests	Position (Long/ Short)	Number of Shares held/ interested	Approximately percentage of the total issued shares
OKC Holdings Corporation (“OKC”) <i>Note (1) and (2)</i>	Beneficial owner	Long	3,904,925,001	72.71%

Notes:

- (1) An aggregate of 3,904,925,001 shares of the Company, representing approximately 72.71% of the total issued share capital of the Company, are held by OKC. (i) Mr. Xu Mingxing (“**Mr. Xu**”)’s wholly-owned company named StarXu Capital Limited (“**StarXu Capital**”), which in turn holds direct interest in OKC of approximately 29.26%; (ii) StarXu Capital has interest of approximately 73.52% in SKY CHASER HOLDINGS LIMITED (“**SKY CHASER**”), whereas SKY CHASER directly holds approximately 1.17% interest in OKC (accordingly, Mr. Xu holds approximately 0.86% indirect interest of OKC through SKY CHASER); and (iii) Mr. Xu’s wholly-owned company named OKEM Services Company Limited has direct interest in OKC of approximately 37.81%. Thus, Mr. Xu holds an aggregate interest of approximately 67.93% in OKC and therefore is deemed to be interested in the 3,904,925,001 shares of the Company held by OKC pursuant to the SFO.
- (2) As at 30 September 2021, the total number of issued shares of the Company was 5,370,510,000 shares.

Save as disclosed above, no other person (other than the Directors and the chief executive of the Company) held any interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or according to information available to the Company as at 30 September 2021.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

During the Period, the Group did not have any pledge of shares by controlling shareholder.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “**Share Option Scheme**”) on 12 August 2015. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules. The main purpose of the Share Option Scheme is to motivate employees to optimize their performance efficiency for the benefit of the Company.

The Share Option Scheme shall be valid and effective for a period of ten (10) years from the date of adoption unless otherwise terminated in accordance with the terms stipulated therein.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed the maximum number of shares permissible under the Listing Rules, currently being 10% of the total number of shares in issue as at the date of the 12 August 2015 (being 5,262,000,000 ordinary shares).

The maximum entitlement of each participant under the Share Option Scheme must not, during any 12-month period, exceed the maximum number of shares permissible under the Listing Rules (which 1% of the total number of shares in issue as at the date of the 12 August 2015, being 526,200,000 ordinary shares).

The exercise price shall be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant; and (ii) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the date of grant. The exercise period of share option granted under the Share Option Scheme is determined by the Board at its absolute discretion, and shall expire no later than the 10th anniversary of date on which the share option is granted.

During the Period, no option of the Company was granted, exercised, cancelled or lapsed, nor was there any option outstanding at the end of the Period under the Share Option Scheme.

INTERIM DIVIDEND

No interim dividend was declared by the Board during the Period (30 September 2020: Nil).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the Period, the Company continued to comply with the requirements of the provisions contained in the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules on the Stock Exchange except for the following deviations:

- (1) Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should not be separated and should not be performed by the same individual.

Mr. Ren Yunan serves as an executive director, the Chairman and the chief executive officer (the “**Chief Executive Officer**”) of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ren performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. These two roles are performed by Mr. Ren distinctly.

- (2) Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term, subject to re-election. The non-executive Directors and the independent non-executive Directors have not been appointed for any specific terms as they are subject to retirement by rotation and re-election at the Company’s annual general meeting in accordance with the articles of association of the Company.
- (3) Code provision A.6.7 of the CG Code stipulates the independent non-executive Directors and other non-executive Directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders.

In the annual general meeting of the Company held on 25 August 2021, one independent non-executive Director was unable to attend due to his other business engagement.

The Company periodically reviews its corporate governance practices to ensure that they continue to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code of conduct regarding Directors’ securities transactions. The Company has made specific enquiry of all Directors and all those Directors have confirmed that they have complied with the required standard set out in the Model Code during the Period and up to the date of this announcement.

UPDATED INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Directors’ Updated Biographical Details

Save for the changes to a Director’s information as set out below, since the Company’s annual report for the year ended 31 March 2021, there has been no change in the information of the Directors that is required to be disclosed under Rule 13.51B(1) of the Listing Rules:

Mr. Tang Yue has resigned as the director of OKC Holdings Corporation, a substantial shareholder of the Company, with effect from 25 September 2021.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained sufficient public float as required under the Listing Rules during the Period.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) in accordance of among the Listing Rules with terms of reference aligned with the provision of the CG Code as set out in Appendix 14 to the Listing Rules.

The Audit Committee is to serve as a focal point for communication between other Directors, the external auditors, and the management as their duties relate to financial and other reporting, internal controls and the audits; and to assist the Board in fulfilling its responsibilities by providing an independent review of financial reporting, be satisfying themselves as to the effectiveness of the Company's internal controls and as to the efficiency of the audits. The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Zhouxin (the Chairman), Mr. Lee Man Chiu and Mr. Jiang Guoliang.

REVIEW OF INTERIM RESULTS

The Group's unaudited condensed consolidated financial information for the Period have been reviewed and approved by the Audit Committee. The Audit Committee was of the opinion that the preparation of such results complied with the applicable accounting standards, principles and policies and requirements as well as the Listing Rules and other applicable legal requirements and that adequate disclosures have been made.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication and contribution to the Group. In addition, I would like to thank all our Shareholders and investors for their support and our customers for their patronage.

By order of the Board

OKG Technology Holdings Limited

Ren Yunan

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 26 November 2021

As at the date of this announcement, the non-executive Directors are Mr. Xu Mingxing, Mr. Tang Yue and Mr. Pu Xiaojiang; the executive Director is Mr. Ren Yunan, and the independent non-executive Directors are Mr. Li Zhouxin, Mr. Lee Man Chiu and Mr. Jiang Guoliang.