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## **BC TECHNOLOGY GROUP LIMITED**

### **BC 科技集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 863)**

## **DEREGISTRATION OF MAINLAND CHINA-BASED ADVERTISING BUSINESS SUBSIDIARIES**

The board of directors (the “**Board**”) of BC Technology Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces that two wholly-owned subsidiaries of the Group, Shanghai SumZone Marketing Co, Ltd.\* (上海三眾營銷策劃有限公司) (“**SumZone Marketing**”) and Shanghai SumZone Advertising Co., Ltd.\* (上海三眾廣告有限公司) (“**SumZone Advertising**”) (collectively, the “**Advertising Group**”), will cease to operate and will be deregistered in accordance with the applicable laws and regulations in the People’s Republic of China.

### **INFORMATION OF THE ADVERTISING GROUP**

The Advertising Group is principally engaged in the provision of traditional advertising services, public relations services and event marketing services in Mainland China.

### **REASONS FOR THE DEREGISTRATION**

The Group is principally engaged in (i) the OSL digital asset and blockchain platform business in Hong Kong and Singapore, (ii) the advertising business, and (iii) the provision of business park area management services in Mainland China.

The Group has gradually scaled down the operations of its advertising business as a result of adverse economic conditions related to the COVID-19 pandemic. In previous reporting periods, the Board noted that revenue generated from the advertising business segment had continued to decline principally due to (i) the Group losing a number of major customers as a result of fierce competition from on-line advertising media; and (ii) COVID-19 lockdowns in Shanghai and other areas. Revenue from the advertising business segment decreased from approximately HK\$65.7 million for the year ended 31 December 2019 (“**FY2019**”) to approximately HK\$30.1 million for the year ended 31 December 2020 (“**FY2020**”), and further decreased to approximately HK\$27.7 million for the year ended 31 December 2021 (“**FY2021**”). The advertising business segment recorded reportable segment loss of

approximately HK\$9.9 million in FY2019, reportable segment profit of approximately HK\$3.1 million in FY2020 and reportable segment loss of approximately HK\$9.2 million in FY2021.

The Board considers that the closure of the Advertising Group business will create operational savings, and allow the Group to devote more resources to its OSL digital asset and blockchain platform business as a strategic growth priority.

## **EFFECT OF THE DEREGISTRATION**

After the deregistration, SumZone Marketing and SumZone Advertising will cease to be subsidiaries of the Company and it is expected that the remaining assets (after repaying all outstanding liabilities and expenses) of the Advertising Group will be distributed back to the Group. There will not be any material adverse impact on the Group's financial position and the businesses and operations of the Group will remain normal.

By order of the Board  
**BC Technology Group Limited**  
**Lo Ken Bon**  
*Executive Director*

Hong Kong, 25 October 2022

*As at the date of this announcement, the executive Directors are Mr. Lo Ken Bon, Mr. Ko Chun Shun, Johnson, Mr. Madden Hugh Douglas, Mr. Chapman David James and Mr. Tiu Ka Chun, Gary, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Chia Kee Loong, Lawrence and Mr. Tai Benedict.*

\* *For identification purpose only*