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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)

PROFIT WARNING

This announcement is made by BC Technology Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group is expected to record a net loss of approximately HK\$554 million for the year ended 31 December 2022 compared to a net loss of approximately HK\$369 million for the year ended 31 December 2021.

The increase in net loss is primarily attributable to (i) the loss arisen from maintaining a position of digital assets for trade facilitation during normal course of its digital asset trading business and (ii) the increase in expenditures related to establishing the corporate and technical infrastructure for the regulated institutional digital asset segment, including technology, legal and compliance and insurance.

The Board considers that the Group’s overall financial position remains sound and solid with sufficient working capital. The Group has also achieved substantial progress in growing its institutional client-base, with the addition of significant institutional investors and partners onto the digital asset trading platform, including Interactive Brokers Hong Kong Limited, Altex and Allaria Technology Services LLC. Moreover, the Group has completed two firm-wide organizational realignment exercises in the second half of 2022 and in the first half of 2023 respectively, an initiative that focused on creating business efficiencies, hence the Group’s operating costs are expected to further decline in the upcoming periods.

The Group maintains a position of digital assets (approximately 97% of the Group’s digital assets are maintained in Bitcoin, Ether and USD Coin) to facilitate client digital asset trading activities and related settlement processes in connection with its digital assets

trading business, and this position is not for general investment purposes. The Group has not held, has not had exposure to, and does not hold or have exposure to, any LUNA, UST and FTT or to any participants who appear to be facing insolvency issues. The Group has not experienced any loss attributed to others impacted by these events or circumstances.

The Company is still in the process of finalizing the annual results of the Group for the year ended 31 December 2022. The information contained in this announcement can only be treated as a preliminary assessment by the Board in accordance with the latest unaudited consolidated management accounts of the Group and the information currently available, which have not been finalised or reviewed by the audit committee of the Company or auditor of the Company and may be subject to changes and adjustments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the year ended 31 December 2022 which is expected to be published by the end of March 2023 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 23 February 2023

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.