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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **BC Technology Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) MAJOR TRANSACTION
DISPOSAL OF 90% EQUITY INTEREST
IN SHANGHAI JINGWEI ENTERPRISE DEVELOPMENT CO., LTD
AND
(2) NOTICE OF EGM**

Financial Adviser to the Company



SOMERLEY CAPITAL LIMITED

A letter from the Board is set out from pages 3 to 10 of this circular.

A notice convening the EGM of **BC TECHNOLOGY GROUP LIMITED** (the “**Company**”) to be held at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 17 January 2024, Wednesday, at 10:00 a.m. is set out on pages 20 to 21 of this circular.

A form of proxy is enclosed with this circular. Whether or not you intend to attend and vote at the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not later than 48 hours (i.e. 10:00 a.m. on 15 January 2024, Monday) before the time appointed for the holding of the EGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment or postponement thereof (as the case may be) should you so desire and, in such event, the form of proxy shall be deemed to be revoked.

29 December 2023

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RESPONSIBILITY STATEMENT

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Announcement”	the announcement of the Company dated 13 November 2023 in relation to the Disposal;
“Board”	the board of Directors;
“Business Day(s)”	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in the PRC;
“Company”	BC Technology Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 863);
“Completion”	completion of the Equity Transfer Agreement;
“Condition Precedent”	the condition precedent to the Completion of the Equity Transfer Agreement;
“Consideration”	the total consideration for the Disposal in the sum of RMB23,000,000 (equivalent to approximately HK\$24.6 million);
“Director(s)”	director(s) of the Company;
“Disposal”	the disposal of 90% equity interest in the Target Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 17 January 2024, Wednesday at 10:00 a.m. to approve the Equity Transfer Agreement and the transactions contemplated thereunder;
“Equity Transfer Agreement”	the equity transfer agreement entered into between the Vendor and the Purchaser on 12 November 2023 in relation to the Disposal;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third-Party(ies)”	a third party independent of, and not connected with, the Company and its connected person which has the meaning ascribed to it under the Listing Rules;

DEFINITIONS

“Latest Practicable Date”	22 December 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser”	Shanghai JOSY Enterprise Management Centre* (上海玖熹企業管理中心), a company incorporated in the PRC with limited liability;
“RMB”	Renminbi yuan, the lawful currency of the PRC;
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of ordinary share(s) in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Shanghai Jingwei Enterprise Development Co., Ltd (上海憬威企業發展有限公司), a company established in the PRC with limited liability;
“Vendor”	Shanghai Jingzhi Investment Management Consultancy Company Limited* (上海鯨致投資管理諮詢有限公司), a company incorporated in the PRC and an indirect wholly owned subsidiary of the Company; and
“%”	per cent.

For illustrative purpose of this circular and unless otherwise specified, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 = HK\$1.07.

* for identification purpose only



BC TECHNOLOGY GROUP LIMITED

BC 科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 863)

Executive Directors:

Mr. Lo Ken Bon (*Deputy Chairman*)
Mr. Madden Hugh Douglas (*Chief Executive Officer*)
Mr. Ko Chun Shun, Johnson
Mr. Chapman David James
Mr. Tiu Ka Chun, Gary

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-Executive Directors:

Mr. Chau Shing Yim, David
Mr. Chia Kee Loong, Lawrence
Mr. Tai Benedict

Principal Place of Business

in Hong Kong:
39/F, Lee Garden One,
33 Hysan Avenue,
Causeway Bay,
Hong Kong

29 December 2023

To the Shareholders

Dear Sir/Madam,

**(1) MAJOR TRANSACTION
DISPOSAL OF 90% EQUITY INTEREST
IN SHANGHAI JINGWEI ENTERPRISE DEVELOPMENT CO., LTD
AND
(2) NOTICE OF EGM**

1. INTRODUCTION

The purpose of this circular is to provide you with (i) further details of the Disposal; and (ii) a notice convening the EGM.

LETTER FROM THE BOARD

2. THE EQUITY TRANSFER AGREEMENT

Reference is made to the Announcement. On 12 November 2023, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with the Purchaser, an Independent Third-Party, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 90% equity interest in the Target Company at the Consideration of RMB23,000,000 (equivalent to approximately HK\$24.6 million) subject to the terms of the Equity Transfer Agreement. Upon Completion, the Target Company will cease to be a subsidiary of the Company.

Principal terms of the Equity Transfer Agreement are summarized below:

Date: 12 November 2023

Parties:

- (1) the Vendor (as vendor); and
- (2) the Purchaser (as purchaser)

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third-Parties.

Assets to be disposed of

Pursuant to the Equity Transfer Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, 90% equity interest in the Target Company.

As at the Latest Practicable Date, the Target Company is 90%-owned by the Vendor.

Upon Completion, the Target Company will cease to be a subsidiary of the Company.

The Consideration and payment terms

The Consideration for the Disposal, pursuant to the Equity Transfer Agreement, is RMB23,000,000 (equivalent to approximately HK\$24.6 million), which is to be settled in cash within 15 Business Days from the date of fulfillment of the Condition Precedent.

Basis of the Consideration

The Consideration of RMB23.0 million was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account various factors, including (i) unaudited net tangible asset of the Target Company of approximately RMB25.7 million as at 30 September 2023 (i.e. approximately RMB23.13 million based on 90% interest attributable to the Group); and (ii) prospect of the business of the Target Company and current market conditions.

LETTER FROM THE BOARD

The Target Company recorded an intangible asset of approximately RMB10.03 million as at 30 September 2023, representing the lease agreement signed between the Target Company and its landlords with favourable terms relative to market terms. The intangible asset merely arised as an accounting treatment under the International Financial Reporting Standards to accommodate the Group’s reporting requirement in Hong Kong, therefore, the intangible asset is considered irrelevant in determining the Consideration by the parties.

The Consideration of RMB23.0 million for the Disposal of 90% equity interest of the Target Company represents an immaterial discount of approximately 0.56% to the Target Company’s net tangible assets of approximately RMB23.13 million (based on 90% interest attributable to the Group) as at 30 September 2023.

Further discussions on prospect of the business of the Target Company and current market conditions are set out in the section headed “6. Reasons for and benefits of the Disposal” in this circular.

Condition Precedent

Completion is conditional upon the passing of the requisite resolutions by the Shareholders at the EGM for the approval of the Equity Transfer Agreement and the transactions contemplated thereunder. Pursuant to the Equity Transfer Agreement, the EGM shall be held before 28 February 2024 (or such later date as agreed between the parties). If the Condition Precedent is not satisfied on or before 28 February 2024, the Equity Transfer Agreement will automatically lapse on 1 March 2024 (or such later date as agreed between the parties) without obligations.

Completion

The Vendor shall, within 15 Business Days after receipt of full payment of the Consideration by the Purchaser, coordinate with the Purchaser to handle all necessary procedures in the local administrative department for industry and commerce for the changes in business registration of the Target Company with respect to the equity transfer contemplated under the Equity Transfer Agreement (including but not limited to submission of legal documents including the shareholders’ resolutions, the amended Articles of Association and the application for changes of registration).

3. INFORMATION ON THE TARGET COMPANY

The Target Company is a company with limited liability established in the PRC on 24 December 2014, and is principally engaged in business park management, etc. It currently manages and operates a business park premises in Shanghai, PRC.

LETTER FROM THE BOARD

Set out below is the audited financial information of the Target Company prepared in accordance with accounting principles generally accepted in the PRC for the two financial years ended 31 December 2022 and 2021:

	For the year ended 31 December 2022 RMB'000 (approximately)	For the year ended 31 December 2021 RMB'000 (approximately)
Net profit before taxation	13,039	11,110
Net profit after taxation	9,693	8,271

The unaudited net assets of the Target Company as at 30 September 2023 amounted to approximately RMB35.8 million.

The unaudited net assets of the Target Company, excluding the intangible asset, amounted to approximately RMB25.7 million, as at 30 September 2023.

The intangible asset of the Target Company amounted to approximately RMB10.03 million as at 30 September 2023, representing the lease agreement signed between the Target Company and its landlords with favourable terms relative to market terms. The lease agreement has met the recognition criteria of intangible assets to recognise separately from the goodwill according to the International Financial Reporting Standards 3 — Business Combinations. This intangible asset is amortised over the expected useful life over the lease term.

4. INFORMATION OF THE VENDOR AND THE PURCHASER

The Vendor is a company incorporated in the PRC with limited liability. It is an indirect wholly-owned subsidiary of the Company and an investment holding company.

The Purchaser is a company incorporated in the PRC which is an investment holding company with interests in catering, new media and enterprise management, etc. The Purchaser is wholly-owned by Mr. Li Jiaming (李佳明). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Purchaser and its ultimate beneficial owner are Independent Third-Parties.

5. FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Upon Completion, the Group will cease to hold any equity interest in the Target Company and the Target Company will cease to be a subsidiary of the Company. The financial results of the Target Company will no longer be consolidated in the consolidated financial statements of the Group. Upon Completion, the Group estimates to record a loss attributable to owners of the Company before taxation of approximately RMB18.5 million (equivalent to approximately HK\$19.8 million), based on the Consideration of RMB23.0 million, the 90% unaudited net assets attributable to the Group's equity interest in the Target Company of approximately RMB32.2 million as at 30 September 2023, and the goodwill recognised at the Group level of

LETTER FROM THE BOARD

approximately HK\$10.0 million (equivalent to approximately RMB9.3 million) as at 30 September 2023. The deficit of the Consideration under the unaudited net assets (which includes the intangible asset of approximately RMB10.03 million) of the Target Company of approximately RMB32.2 million (i.e. RMB35.8 million * 0.9) as at 30 September 2023 is approximately RMB9.2 million.

The Directors currently intend to apply the net proceeds of approximately RMB23 million (equivalent to approximately HK\$24.6 million) from the Disposal (after deducting relevant costs and expenses in connection with the Disposal) as general working capital, being operating expenses of the Group including salaries, IT infrastructure maintenance fees, operation support fees, and legal and professional fees.

It is estimated that upon Completion, the total assets of the Group will have a net decrease of approximately HK\$93.7 million. The net decrease is based on the disposal of the total assets of the Target Company, goodwill related to the Target Company recognised at Group level and the net proceeds. The total liabilities of the Group will be decreased by approximately HK\$70.2 million, being the total liabilities of the Target Company as at 30 September 2023.

The above financial impact is shown for illustrative purpose only and the final figure to be recorded by the Group is subject to the Company's status as of Completion date and audited results which will be assessed after Completion.

The Directors expect that the Disposal will not have a material impact on the earnings of the Group. The Group has strategically diversified its portfolio and expanded into the digital asset and blockchain business over the past few years and such business has been outgrowing business park management services and become the major business driver of the Group. For the years ended 31 December 2019 to 2022, the digital asset and blockchain platform business of the Group has been the largest income contributor of the Group, representing approximately 44% to 86% of the total revenue of the relevant financial years. The revenue generated from the digital asset and blockchain business exceeded that generated from the business park management services by approximately 61% to 495% for the relevant financial years. It is expected that the Disposal will free up valuable capital and management resources, allowing for enhanced development of the digital asset and blockchain business.

6. REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the digital assets and blockchain platform business in Hong Kong and Singapore, and the provision for business park management services in Mainland China.

The Target Company currently manages and operates a business park premises in Shanghai, PRC. The Target Company leases such property from the landlord and sub-lets to a single tenant which operates shared workspace under the brand WeWork. The Target Company's existing lease agreement with the lessor of the business park premises and that with its tenant will both expire in December 2025. The Board has considered the market condition and the future prospects of the Target Company in making the decision to dispose the Target Company and in determining a reasonable consideration for the Disposal.

LETTER FROM THE BOARD

According to a research report published by Colliers for the third quarter of 2023 (<https://www.colliers.com/zh-cn/research/e22-20230928shanghaioffice>), the annual supply of office space in Shanghai in 2023 reached a record high of 1.41 million square meters, the highest level in the past five years. However, the recovery of demand for office space in Shanghai was less than expected, and coupled with the impact of future supply, it intensified competition in the office market. In particular, the core areas in Shanghai experienced an increased rate of rent reduction, with a decrease of 2.5% in the third quarter of 2023 compared to the second quarter of 2023. The trend of companies executing cost-savings, including terminating leases and relocating, continued to rise. The oversupply in the market from 2023 to 2024 is expected to continue putting pressure on rents citywide. Under the challenging operating environment especially the oversupply of office space and intensified competition in the office market in Shanghai as mentioned above, the tenant operates in a competitive market, where the tenant's customers would have access to lower rental rate or more flexible lease term offered by other market players, which in turn raised uncertainties about the tenant's ability to attract and retain their customers. This poses uncertainties in whether the tenant will continue to fulfill the obligation of the lease. It is also uncertain as to whether both the landlord and the tenant are willing to enter into a new lease upon the expiry date. The Group no longer considers it justified to devote the necessary resources to the Target Company for managing and operating the business park premises. Despite past profitability, the prospect of future income no longer compensates for the risks involved in identifying replacement tenant and negotiating a new lease, or securing a continuing tenancy on acceptable terms in view of the current market condition and sentiment. The Disposal represents an opportunity for the Group to realize cash proceeds and to redirect and focus its resources and capital towards its digital assets business, enabling it to further develop and innovate in line with the Group's business plan. Further details of the Group's business strategies are set out in the section headed "3. Financial and Trading Prospects of the Group" in Appendix I to this circular.

In 2022, the Group gradually scaled down the operations of its other business to devote more resources to its digital assets and blockchain platform business as a strategic growth priority and core business. The Group's digital assets and blockchain platform business has been the largest income contributor for the Group since 2019. As set out in the Company's 2023 interim report, the Group continued to demonstrate its commitment to driving innovation and advancing the digital asset space by forging strategic partnerships and entering into agreements, aiming not only to propel the Group's growth but also to foster progress and development across the entire industry.

To further develop its digital assets and blockchain platform business, the Company has entered into the subscription agreement (the "**Subscription Agreement**") with BGX Group Holding Limited ("**BGX**") on 13 November 2023. Upon completion of the subscription, BGX will become a substantial shareholder of the Company. Mr. Liu Shuai, the owner of BGX, is a veteran investor in crypto sector. The Company intends to apply the net proceeds from the subscription of approximately HK\$710 million for potential merger and acquisition opportunities of companies engaged in the digital assets and blockchain platform business; developing and enhancing platform technology of digital asset platform business; supporting the capital requirements of the Group's regulated subsidiaries; and general working capital of the Group. Further details are set out in the Company's announcement and circular dated 14 November and 18 December 2023 respectively.

LETTER FROM THE BOARD

In view of the above, the Directors consider the Disposal is in line with the Group's development strategies, and that the terms of the Equity Transfer Agreement (including the Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

7. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under the Equity Transfer Agreement exceeds 25%, but less than 75%, the Disposal constitutes a major transaction of the Company pursuant to Rule 14.06(3) of the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal as contemplated under the Equity Transfer Agreement. Therefore, none of the Shareholders and their associates is required to abstain from voting in the EGM to be convened by the Company for the approval of the Disposal.

8. EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 17 January 2024, Wednesday at 10:00 a.m. is set out on pages 20 to 21 of this circular for the Shareholders to consider and, if thought fit, to approve the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder by way of ordinary resolution. The resolution approving the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder will be conducted by way of a poll at the EGM.

A form of proxy for use by Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours (i.e. 10:00 a.m. on 15 January 2024, Monday) before the time appointed for the holding of the EGM or any adjournment or postponement thereof (as the case may be). Completion and return of the form of proxy will not preclude you from subsequently attending and voting at the EGM or any adjournment or postponement thereof (as the case may be) should you so desire and, in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

9. RECOMMENDATION

The Directors consider that the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole, and, accordingly, the Directors recommend all Shareholders to vote in favour of the resolution to be proposed at the EGM and as set out in the notice of the EGM.

Completion is conditional upon the satisfaction of the condition(s) set out in the Equity Transfer Agreement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

Yours faithfully,
By Order of the Board
BC Technology Group Limited
Lo Ken Bon
Executive Director

1. INDEBTEDNESS STATEMENT

As at the close of business on 31 October 2023, being the latest practicable date for ascertaining certain information relating to the indebtedness statement prior to the printing of this circular, the indebtedness of the Group was as follows:

Lease liabilities

The Group had non-guaranteed lease liabilities of approximately HK\$66,339,000 related to the lease of office premises in Hong Kong and the PRC.

Borrowings

The Group had an unsecured and non-guaranteed borrowing provided by a non-financial institution with principal of approximately HK\$21,196,000.

Pledge of assets

The Group had no pledged assets as of the Latest Practicable Date.

Contingent liabilities

The Group had no material contingent liabilities as of the Latest Practicable Date.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 31 October 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans of other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other contingent liabilities.

Commitment

The Group had a donation payable to Faculty of Business, Hong Kong Polytechnic University of HK\$13,000,000, further details are set out in the Company's announcement dated 21 September 2023.

2. WORKING CAPITAL SUFFICIENCY

After due and careful consideration, the Directors are of the opinion that, in the absence of unforeseen circumstances and taking into account the effects of the Disposal and the Group's internal resources, the Group will have sufficient working capital to satisfy its present requirements for at least twelve months from the date of the circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's OSL digital assets platform comprises two main business segments: a digital assets markets business (prime brokerage, exchange and custody), and a digital assets technology infrastructure business (SaaS), which provides technology to banks, asset managers and financial institutions that enables them to provide digital assets trading services to clients. The Group is well-positioned to capitalize on emerging opportunities in the dynamic digital asset landscape. Despite the challenges faced by the industry in the first half of 2023, the healthy balance sheet and strategic initiatives continue to position the Group as a key player in the market. The Group remains committed to driving innovation, expanding their service offerings, and maintaining the Group's competitive edge.

OSL Digital Securities Limited, a wholly-owned subsidiary of the Company, has received the uplift of license to offer retailer trading services for two of the most prominent cryptocurrencies, BTC and ETH. This significant achievement positions OSL as a leading player in Hong Kong's regulated digital asset market, providing a competitive advantage in the region. The Group has further expanded its services to retail investors through the cooperation between OSL and Victory Securities Company Limited ("**Victory Securities**"), the first regulated broker in Hong Kong obtained consent from the Securities and Futures Commission of Hong Kong ("**SFC**") for the provision of the full spectrum of virtual asset dealing and advisory activities. This enables retail clients of Victory Securities to engage in digital assets trading, including BTC and ETH, through OSL's secure and compliant platform.

Furthermore, the Group has an expansion of OSL services in collaboration with Interactive Brokers Hong Kong ("**Interactive Brokers**"). In a significant development for the local market, Interactive Brokers' retail investors in Hong Kong now have immediate access to digital asset trading through a single unified platform powered by OSL. This expansion marks a pivotal moment in the digital asset space, underscoring OSL's commitment to broadening investor access to digital finance. As OSL expands its product portfolio and continues to build on its reputation as an institutional-grade platform, the Group anticipates accelerated growth in retail participation and increased trading volumes, as well as emerging business opportunities such as security token offerings.

The widely publicized fraud case involving the JPEX digital asset platform heightened the investor community's preference for regulated platforms, a stance strongly supported by the Hong Kong government. These developments have led to growing demand for OSL's services, with key existing customers upgrading their services and a wave of new clients eager to connect with OSL. These developments are likely to have a positive impact on the client base and trading volume in the future.

OSL made significant strides in the digital asset market with the successful launch of the first security token offering ("**STO**") in 2022. The Group recognizes the immense potential of STOs to open up a new service line and income stream for OSL. STOs represent a paradigm shift in the way traditional securities are issued and traded on blockchain technology. The tokenization of assets, such as real estate, equity, and debt, offers increased liquidity, transparency, and accessibility to a global investor base. OSL's expertise in compliance, security, and regulatory matters uniquely positions us to cater to this nascent and promising

market. OSL and Faculty of Business, Hong Kong Polytechnic University, have entered into a strategic partnership to establish the OSL-PolyU Faculty of Business Research Centre for Web 3.0 AI on 21 September 2023. Through this collaboration, both parties will actively explore the applications of tokenized representation for real-world assets in a safe and compliant manner, spanning across token creation, trading, custody, and financing.

On 11 September 2023, OSL and Harvest Global Investments Limited (“**Harvest Global**”), a leading China-themed active research-driven asset manager, have entered into a strategic partnership to explore potential tokenization related opportunities in Hong Kong. OSL and Harvest Global have submitted a proposal to the SFC to explore tokenization of retail fund products (the “**Fund Tokens**”) on 1 November 2023. Subject to authorisation by the SFC, the Fund Tokens are expected to be made available to retail investors in Hong Kong. The Fund Tokens will represent shares in a collective investment scheme under the Harvest-OSL brand, managed by Harvest Global and are expected to be accessible exclusively via OSL.

The Group announced on 15 November 2023, OSL and Solomon JFZ (Asia) Holdings Limited (“**Solomon Securities**”), a wholly-owned subsidiary of Solowin Holdings (Nasdaq: SWIN), have signed a memorandum of understanding to collaborate on expanding the digital asset ecosystem. The Group believes OSL and Solomon Securities are poised to have an outsized impact on the advancement of Hong Kong’s digital asset marketplace.

Moreover, OSL has successfully achieved System and Organization Controls 2 Type 2 certification for its custody and automated trading service offerings. This certification demonstrates OSL’s commitment to digital asset security and compliance, providing assurance to institutions and investors. The Type 2 audit evaluates the suitability and effectiveness of OSL’s controls over time, highlighting their dedication to security, transparency, and responsibility.

The Group’s strategic business segment, OSL Singapore (“**OSLSG**”), has withdrawn its original licensing application with the Monetary Authority of Singapore and prepared a new application. This decision was driven by substantial changes in Singapore’s regulatory landscape since the original licensing application and reflects OSLSG’s proactive approach to align with the rapidly evolving regulations. The Group remains committed to expanding its offerings and regulatory presence in Singapore and other strategic markets, demonstrating its dedication to governance, compliance, and leadership in the digital asset industry.

To further develop its digital assets and blockchain platform business, the Group has entered into the Subscription Agreement with BGX on 13 November 2023. The Company intends to utilize the net proceeds of approximately HK\$710 million for various purposes. These include potential merger and acquisition opportunities in the digital assets and blockchain platform business, as well as the development and enhancement of the technology underlying the digital asset platform.

Looking forward, OSL will also pursue opportunities to enhance the breadth and depth of its offering, expand its expertise in engineering and other functional areas, and reinforce its position as a leader in the digital assets industry. As regulation, resilience, and adoption continue to drive the evolution of the industry, OSL is committed to providing innovative solutions that meet the needs of institutional and retail investors alike, while continuing to deliver value and growth for its stakeholders.

Further, the Group's SaaS offerings have gained significant traction with the existing customer base, and the Group expects this momentum to continue. The launch of "Finlink", a plug-and-play solution that streamlines digital asset integration for financial institutions, is expected to drive new customer acquisitions and generate additional revenue streams.

As at the Latest Practicable Date, save for the Disposal as detailed in this circular, the Company currently has no plan, and has not entered into any memorandum or agreement for the disposal of other existing business of the Company or acquisition of new business.

1. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors adopted by the Company (the "Model Code") to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying Shares of the Company

Name of Director	Number of ordinary Shares held				Number of underlying Shares held				% of the issued Share capital of the Company
	Personal Interest	Family Interest	Corporate Interests	Total	Personal Interests	Family Interests	Total	Grand Total	
Mr. Ko Chun Shun, Johnson	—	—	187,536,194	187,536,194	3,700,000	—	3,700,000	191,236,194	43.62%
			(Note (i))		(Note (iii))				
Mr. Lo Ken Bon	235,500	623,000	—	858,500	3,700,000	160,000	3,860,000	4,718,500	1.08%
		(Note (ii))			(Note (iii))	(Note (iv))			
Mr. Madden Hugh Douglas	—	—	—	—	3,700,000	—	3,700,000	3,700,000	0.84%
					(Note (iii))				
Mr. Chapman David James	360,000	—	—	360,000	3,700,000	—	3,700,000	4,060,000	0.93%
					(Note (iii))				
Mr. Tiu Ka Chun, Gary	250,000	—	—	250,000	850,000	—	850,000	1,100,000	0.25%
					(Note (iii))				
Mr. Chau Shing Yim, David	20,000	—	—	20,000	600,000	—	600,000	620,000	0.14%
					(Note (iii))				
Mr. Chia Kee Loong, Lawrence	300,000	—	—	300,000	500,000	—	500,000	800,000	0.18%
					(Note (iii))				
Mr. Tai Benedict	50,000	—	—	50,000	600,000	—	600,000	650,000	0.15%
					(Note (iii))				

Notes:

- (i) Mr. Ko Chun Shun, Johnson is deemed to be interested in the 187,536,194 ordinary shares of the Company held by East Harvest Global Limited under the SFO by Virtue of his interests in Colour Day Limited.
- (ii) These shares were held by the spouse of Mr. Lo Ken Bon.
- (iii) These represent the share options of the Company granted to the respective Directors under the Company's Share Option Scheme.
- (iv) This represents the share options of the Company granted to the spouse of Mr. Lo Ken Bon under the Company's Share Option Scheme.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to notify to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

2. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, so far as was known to the Directors, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company (i) which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or (ii) which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the Shares

Name of Shareholders	Capacity/nature of interest	Number of Shares/ underlying Shares held	Approximate percentage of shareholdings
East Harvest Global Limited	Beneficial Owner	187,536,194 (L)	42.77%
Wise Aloe Limited	Interest of controlled corporation (<i>Note ii</i>)	187,536,194 (L)	42.77%
Bell Haven Limited	Interest of controlled corporation (<i>Note iii</i>)	187,536,194 (L)	42.77%
Colour Day Limited	Interest of controlled corporation (<i>Note iv</i>)	187,536,194 (L)	42.77%
Mr. Ko Chun Shun, Johnson	Beneficial Owner (<i>Note v</i>) & Interest of controlled corporation (<i>Note vi</i>)	191,236,194 (L)	43.62%
FIL Limited	Interest of controlled corporation	30,639,000 (L)	6.99%

Name of Shareholders	Capacity/nature of interest	Number of Shares/ underlying Shares held	Approximate percentage of shareholdings
Pandanus Partner L.P.	Interest of controlled corporation (<i>Note vii</i>)	30,639,000 (L)	6.99%
Pandanus Associates Inc.	Interest of controlled corporation (<i>Note viii</i>)	30,639,000 (L)	6.99%
Yuen Hoi Po	Beneficial Owner	24,985,333 (L)	5.70%

Notes:

- (i) The letter “L” denotes the person’s long position in the Shares and the letter “LP” denotes the person’s lending pool position in the Shares.
- (ii) Wise Aloe Limited is deemed to be interested in the 187,536,194 ordinary shares of the Company held by East Harvest Global Limited under the SFO by virtue of its interests in East Harvest Global Limited.
- (iii) Bell Haven Limited is deemed to be interested in the 187,536,194 ordinary shares of the Company held by East Harvest Global Limited under the SFO by virtue of its interests in Wise Aloe Limited. Bell Haven Limited is held as to 30.82% by Mr. Lo Ken Bon, and 22.09% by each of Mr. Madden Hugh Douglas and Mr. Chapman David James.
- (iv) Colour Day Limited is deemed to be interested in the 187,536,194 ordinary shares of the Company held by East Harvest Global Limited under the SFO by virtue of its interests in East Harvest Global Limited.
- (v) This represents the share options of the Company granted to Mr. Ko under the Company’s Share Option Scheme.
- (vi) Mr. Ko is deemed to be interested in the 187,536,194 ordinary shares of the Company held by East Harvest Global Limited under the SFO by virtue of its interests in Colour Day Limited.
- (vii) Pandanus Partner L.P. is deemed to be interested in the 30,639,000 ordinary shares of the Company in which FIL Limited has an interest under the SFO by virtue of its interests in FIL Limited.
- (viii) Pandanus Associates Inc. is deemed to be interested in the 30,639,000 ordinary shares of the Company in which Pandanus Partner L.P. has an interest under the SFO by virtue of its interests in Pandanus Partner L.P.

So far as was known to the Directors, none of the Directors or proposed Directors was a director or an employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

3. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND OTHER INTERESTS

(a) Directors' interests in contracts

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Group.

(b) Directors' interests in assets

As at the Latest Practicable Date, none of the Directors or proposed Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) Competing business

As at the Latest Practicable Date, none of Directors and proposed Directors, and their respective close associates were interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors and proposed Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not terminable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, there were no litigation or claims of material importance, known to the Directors, pending or threatened against any member of the Group.

6. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business) had been entered into by members of the Group within the two years before the date of this circular and up to and including the Latest Practicable Date:

- (a) The Subscription Agreement dated 13 November 2023 entered into with BGX, pursuant to which the Company has conditionally agreed to allot and issue, and BGX has conditionally agreed to subscribe for a total of 187,600,000 Shares at the subscription price of HK\$3.80 per subscription share. The gross proceeds from the subscription amount to HK\$712,880,000. Further details of the Subscription Agreement are set out in the Company's announcement and circular dated 14 November and 18 December 2023 respectively; and
- (b) the Equity Transfer Agreement.

7. MISCELLANEOUS

- (i) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The principal place of business in Hong Kong of the Company is situated at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. The principal place of business in the PRC of the Company is situated at Floor 7, No. 659 Fengyang Road, Jingan District, Shanghai, China.
- (iii) The company secretary of the Company is Mr. Wu Chun Pong. Mr. Wu Chun Pong is a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (iv) The authorised representatives of the Company are Mr. Lo Ken Bon and Mr. Wu Chun Pong.
- (v) The Company's principal share registrar and transfer office is Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (vi) This circular has been printed in English and Chinese; in the event of inconsistency, the English version shall prevail.

8. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on (i) the website of the Company (<https://bc.group/>); and (ii) the website of the Stock Exchange (www.hkex.com) during the period of 14 days from the date of this circular:

- (a) the Equity Transfer Agreement; and
- (b) this circular.

NOTICE OF THE EGM



BC TECHNOLOGY GROUP LIMITED

BC 科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 863)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of BC Technology Group Limited (the “**Company**”) will be held at 39/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong on 17 January 2024, Wednesday at 10:00 a.m. to consider and, if thought fit, to pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

1. (a) The Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

(b) Any one Director be and is hereby authorized to sign, execute and deliver or authorize the signing, execution and delivery of all such documents (including affixing the common seal of the Company thereon) and to do all such things as he or she may in his or her absolute discretion consider necessary, expedient or desirable to implement and/or to give effect to or otherwise in connection with the Disposal, the Equity Transfer Agreement and the transactions contemplated thereunder.

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

Hong Kong, 29 December 2023

Notes:

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or (in respect of a member who is the holder of two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A proxy form of the EGM is enclosed. If the appointer is a corporation, the proxy form must be made under its seal or under the hand of an officer or attorney duly authorized on its behalf.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the EGM (or any adjournment thereof), either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF THE EGM

4. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (i.e. 10:00 a.m. on 15 January 2024, Monday) before the time appointed for holding the EGM or any adjournment or postponement thereof.
5. Delivery of an instrument appointing a proxy shall not preclude a Shareholder from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. The resolution at the EGM will be conducted by way of poll.
7. As at the date of this notice, the executive Directors are Mr. Lo Ken Bon, Mr. Ko Chun Shun, Johnson, Mr. Tiu Ka Chun, Gary, Mr. Madden Hugh Douglas and Mr. Chapman David James, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Chia Kee Loong, Lawrence and Mr. Tai Benedict.
8. If tropical cyclone warning signal no. 8 or above, "extreme conditions" caused by super typhoons or a black rainstorm warning is in effect at any time after 7:00 a.m. on 17 January 2024, Wednesday, the meeting will be adjourned and further announcement for details of alternative meeting arrangements will be made. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. You should make your own decision as to whether you would attend the meeting under bad weather conditions and if you should choose to do so, you are advised to exercise care and caution.