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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 ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

FINANCIAL HIGHLIGHTS

- Revenue from continuing operations of the Group for the Year was approximately HK\$337.3 million, decreased approximately 2.2% from approximately HK\$344.9 million (restated) for the year ended 31 March 2023.
- Loss attributable to the owners of the Company for the Year amounted to approximately HK\$40.3 million, compared to a profit of approximately HK\$43.5 million for the year ended 31 March 2023.
- Basic and diluted loss per share for the Year from continuing operations amounted to approximately HK cents 0.83 (Basic and diluted earnings per share from continuing operations for the year ended 31 March 2023: approximately HK cents 0.94 (restated)).
- Equity attributable to the owners of the Company as at 31 March 2024 amounted to approximately HK\$165.7 million (as at 31 March 2023: approximately HK\$205.6 million).
- The Board does not recommend the declaration of a final dividend for the Year (2023: 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 audited consolidated financial results of the Group for the year ended 31 March 2024 (the “**Year**”), together with comparative figures for the year ended 31 March 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations			
Revenue	4	337,332	344,945
Cost of sales		<u>(271,126)</u>	<u>(190,969)</u>
Gross profit		66,206	153,976
Other income, gains and (losses), net	4	(902)	(922)
Administrative and other operating expenses		(100,032)	(80,756)
Impairment losses on intangible assets		–	(1,646)
Impairment losses on financial assets and contract assets, net		<u>(7,841)</u>	<u>(7,611)</u>
Operating (loss)/profit		(42,569)	63,041
Finance costs		<u>(2,500)</u>	<u>(4,092)</u>
(Loss)/Profit before income tax	5	(45,069)	58,949
Income tax expenses	6	–	<u>(9,673)</u>
(Loss)/Profit for the year from continuing operations		(45,069)	49,276
Discontinued operation			
Profit/(Loss) for the period/year from discontinued operation	7	<u>4,170</u>	<u>(6,956)</u>
(Loss)/Profit for the year		<u>(40,899)</u>	<u>42,320</u>

	2024	2023
Note	<i>HK\$'000</i>	<i>HK\$'000</i> (restated)
Other comprehensive loss		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising from translation of foreign operations	<u>(112)</u>	<u>(348)</u>
Other comprehensive loss for the year, net of tax	<u>(112)</u>	<u>(348)</u>
Total comprehensive (loss)/income for the year	<u>(41,011)</u>	<u>41,972</u>
(Loss)/Profit for the year attributable to owners of the Company		
– From continuing operations	(44,473)	50,447
– From discontinued operation	<u>4,170</u>	<u>(6,956)</u>
(Loss)/Profit for the year attributable to owners of the Company	<u>(40,303)</u>	<u>43,491</u>
Loss for the year attributable to non-controlling interests		
– From continuing operations	<u>(596)</u>	<u>(1,171)</u>
	<u>(40,899)</u>	<u>42,320</u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(40,213)	43,486
Non-controlling interests	<u>(798)</u>	<u>(1,514)</u>
	<u>(41,011)</u>	<u>41,972</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Total comprehensive (loss)/income attributable to owners of the Company:			
– From continuing operations		(44,383)	50,442
– From discontinued operation		4,170	(6,956)
		<u>(40,213)</u>	<u>43,486</u>
		HK cents	HK cents
(Loss)/Earnings per share attributable to owners of the Company			
	<i>8</i>		
From continuing and discontinued operations			
– Basic and diluted		<u>(0.75)</u>	<u>0.81</u>
From continuing operations			
– Basic and diluted		<u>(0.83)</u>	<u>0.94</u>

Details of dividends are disclosed in Note 9 to this announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		4,431	14,357
Right-of-use assets		1,949	5,661
Intangible assets		<u>200</u>	<u>200</u>
		<u>6,580</u>	<u>20,218</u>
Current assets			
Trade and other receivables	<i>10</i>	52,339	54,075
Contract assets		45,957	42,132
Digital assets		1,123,081	649,487
Financial assets at fair value through profit or loss		19,336	14,631
Amounts due from related parties		–	4,972
Tax recoverable		–	2,371
Trust bank balance held on behalf of customers		24,047	226,683
Bank balances and cash		<u>61,954</u>	<u>90,625</u>
		<u>1,326,714</u>	<u>1,084,976</u>
Total assets		<u>1,333,294</u>	<u>1,105,194</u>
EQUITY			
Capital and reserves			
Share capital		26,853	26,853
Reserves		<u>138,832</u>	<u>178,701</u>
Equity attributable to the owners of the Company		165,685	205,554
Non-controlling interests		<u>1,899</u>	<u>3,041</u>
Total equity		<u>167,584</u>	<u>208,595</u>

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		<u>108</u>	<u>1,685</u>
Current liabilities			
Trade and other payables	<i>11</i>	112,630	76,174
Contract liabilities		1,304	59
Liabilities due to customers		24,047	226,683
Amounts due to former subsidiaries		16,942	10,641
Amount due to a related party		18,585	18,087
Loans from related parties		40,400	77,906
Borrowings		940,261	471,560
Lease liabilities		1,892	4,263
Current income tax liabilities		9,541	9,541
		<u>1,165,602</u>	<u>894,914</u>
Total liabilities		<u>1,165,710</u>	<u>896,599</u>
Total equity and liabilities		<u>1,333,294</u>	<u>1,105,194</u>
Net current assets		<u>161,112</u>	<u>190,062</u>
Total assets less current liabilities		<u>167,692</u>	<u>210,280</u>

For the year ended 31 March 2024

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

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 foundation, building construction works and ancillary services, digital assets related businesses, technical services and other businesses. The Group was also engaged in the construction wastes handling services which was discontinued in the current year (see note 7).

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

2 BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which is a collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and related interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments that are measured at fair values and as otherwise stated in the accounting policies.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

3 APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

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

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The directors of the Company anticipate that the application of all amendments to HKFRSs will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

4 REVENUE, OTHER INCOME, GAINS AND (LOSSES), NET AND SEGMENT INFORMATION

Revenue and other income, gains and (losses), net from continuing operations recognised during the Year are as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Revenue		
Foundation, building construction works and ancillary services	266,721	177,378
Technology services	3,144	32,382
Trust and custody services	1,801	4,377
Services income from operation of USDK	–	1,971
	<hr/>	<hr/>
Revenue from contracts with customers	271,666	216,108
Trading in digital assets and net fair value change on digital assets	65,288	130,066
Interest income from lending business	975	531
Fair value change on investments in securities	(597)	(1,760)
	<hr/>	<hr/>
Total revenue	337,332	344,945
	<hr/> <hr/>	<hr/> <hr/>
Other income, gains and losses		
Interest income	495	680
Distribution and interest income from financial assets at fair value through profit or loss	272	133
Loss on disposal of property, plant and equipment – net	(11)	–
Gain on early termination of lease	–	28
Gain on COVID-19 related rent concession from lessor	–	47
Government grants	194	1,846
Loss on change in fair value of financial assets at fair value through profit or loss	(2,124)	(9)
Loss on the amendment and restatement of the warrants	–	(3,994)
Others	272	347
	<hr/>	<hr/>
	(902)	(922)
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Operating segment information

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

During the year ended 31 March 2024, the Group identified its construction wastes handling services as discontinued operation upon disposal of Joint Wealth Global Limited and its subsidiary, Chung Shun Construction Limited, on 22 December 2023. The segment information report below does not include any amounts from the discontinued operation.

Continuing operations:

- (a) Foundation, building construction works and ancillary services: Provision of site formation works, excavation and lateral support, 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;
- (b) Digital assets related businesses: Provision of 1) proprietary trading in digital assets; and 2) trust and custody services;
- (c) Technical services: Provision of the Group’s on-chain anti-money laundering solution (Onchain AML), on-chain monitoring solution (Chaintelligence), API (Application Programming Interface) and other I.T. development services; and;
- (d) Other businesses: 1) investment in securities; and 2) lending business which includes the Group’s money lending business carried out in Hong Kong.

Discontinued operation:

- (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.

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

The CODM assesses the performance of the operating segments based on a measure of segment results. Unallocated income, unallocated corporate expenses, finance costs and income tax expenses/credit are not included in segment results.

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

Segment liabilities mainly consist of current liabilities and non-current liabilities as disclosed in the consolidated statement of financial position except current income tax liabilities, amounts due to former subsidiaries, loans from related parties, amount due to a related party and other unallocated liabilities.

	Continuing operations				Total HK\$'000
	Foundation, building construction works and ancillary services HK\$'000	Digital assets related businesses HK\$'000	Technical services HK\$'000	Other businesses HK\$'000	
Year ended 31 March 2024					
Revenue					
External revenue	266,721	67,089	3,144	378	337,332
Cost of sales	(238,126)	(30,290)	(2,231)	(479)	(271,126)
Impairment losses on financial assets and contract assets, net	4,465	152	(836)	(11,622)	(7,841)
Segment results	<u>33,060</u>	<u>36,951</u>	<u>77</u>	<u>(11,723)</u>	<u>58,365</u>
Unallocated income, gains and (losses), net					(902)
Unallocated corporate expenses					(100,032)
Finance costs					(2,500)
Loss before income tax					(45,069)
Income tax expense					-
Loss for the year					<u>(45,069)</u>
Other profit and loss disclosures:					
Depreciation of property, plant and equipment	1,707	1,700	825	37	4,269
Depreciation of right-of-use assets	573	1,621	352	1,572	4,118
	<u>2,280</u>	<u>3,321</u>	<u>1,177</u>	<u>1,609</u>	<u>8,387</u>
At 31 March 2024					
Segment assets	122,641	1,166,522	33,214	2,680	1,325,057
Unallocated assets					8,237
Total assets					<u>1,333,294</u>
Additions to non-current asset:					
Segment assets	1,004	390	438	30	1,862
Segment liabilities	91,904	982,228	3,746	710	1,078,588
Unallocated liabilities					1,654
Amounts due to former subsidiaries					16,942
Loan from a related party					40,400
Amount due to a related party					18,585
Current income tax liabilities					9,541
Total liabilities					<u>1,165,710</u>

	Continuing operations				
	Foundation, building construction works and ancillary services <i>HK\$'000</i>	Digital assets related businesses <i>HK\$'000</i>	Technical services <i>HK\$'000</i>	Other businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 31 March 2023 (restated)					
Revenue					
External revenue	177,378	134,443	34,353	(1,229)	344,945
Cost of sales	(133,885)	(41,679)	(14,861)	(544)	(190,969)
Impairment losses on intangible assets	-	-	(1,646)	-	(1,646)
Impairment losses on financial assets and contract assets, net	(564)	(152)	(1,423)	(5,472)	(7,611)
Segment results	<u>42,929</u>	<u>92,612</u>	<u>16,423</u>	<u>(7,245)</u>	144,719
Unallocated income, gains and (losses), net					(922)
Unallocated corporate expenses					(80,756)
Finance costs					<u>(4,092)</u>
Profit before income tax					58,949
Income tax expense					<u>(9,673)</u>
Profit for the year					<u>49,276</u>
Other profit and loss disclosures:					
Depreciation of property, plant and equipment	1,663	989	887	33	3,572
Depreciation of right-of-use assets	573	1,621	437	1,572	4,203
Amortisation of intangible assets	-	-	2,791	-	2,791
	<u>2,236</u>	<u>2,610</u>	<u>4,115</u>	<u>1,605</u>	<u>10,566</u>
At 31 March 2023 (restated)					
Segment assets	83,578	930,097	37,797	17,617	1,069,089
Unallocated assets					19,981
Discontinued operation					<u>16,124</u>
Total assets					<u>1,105,194</u>
Additions to non-current asset:					
Segment assets	16	3,990	9	-	<u>4,015</u>
Segment liabilities	44,155	721,944	2,504	2,414	771,017
Unallocated liabilities					2,474
Amount due to a former subsidiary					10,641
Loans from related parties					77,906
Amount due to a related party					18,087
Current income tax liabilities					9,541
Discontinued operation					<u>6,933</u>
Total liabilities					<u>896,599</u>

Geographical information

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations:		
PRC	2,024	20,634
Hong Kong	335,308	324,311
	337,332	344,945

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Continuing operations:		
PRC	925	1,756
Hong Kong	5,655	11,442
	6,580	13,198

5 (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/Profit before income tax from continuing operations is arrived at after charging:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Auditors' remuneration	1,400	1,400
Staff costs including directors' emoluments	86,450	100,166
Depreciation of property, plant and equipment	4,269	3,572
Depreciation of right-of-use assets	4,118	4,203
Amortisation of intangible assets	–	2,791
Expenses relating to short-term leases and other leases	706	992
Exchange loss, net	<u>778</u>	<u>240</u>

6 INCOME TAX EXPENSES

The amounts of income tax expenses from continuing operations in the consolidated statement of profit or loss and other comprehensive income represent:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> (restated)
Hong Kong profits tax:		
– Current income tax	–	9,431
Deferred income tax	<u>–</u>	<u>242</u>
Income tax expenses	<u>–</u>	<u>9,673</u>

7 DISCONTINUED OPERATION

On 22 December 2023, the Group entered into a sale and purchase agreement to dispose of the entire equity interests of Joint Wealth Global Limited (“**Joint Wealth**”), an indirect wholly-owned subsidiary of the Company, and its subsidiary, Chung Shun Construction Limited (collectively, “**Joint Wealth Group**”) which carried out all of the Group’s construction wastes handling services operation. The disposal was effected in order to devote more resources and efforts to focus on other core business segments for the Group’s future development. The disposal was completed on 22 December 2023, on which date control of Joint Wealth passed to the acquirer, Colour Trend Holdings Limited (“**Colour Trend**”), a related company direct wholly-owned by Mr. Chan Wing Chung (“**Mr. Chan**”), a director of certain subsidiaries of the Group then.

The profit for the Year from the discontinued construction wastes handling services operation is set out below. The comparative figures in the consolidated statement of profit or loss and other comprehensive income have been restated to re-present the construction wastes handling services operation as a discontinued operation. With Joint Wealth Group being classified as a discontinued operation, the construction wastes handling services operation is no longer included in the note for operating segment information.

	01/04/2023	01/04/2022
	to	to
	22/12/2023	31/03/2023
	HK\$’000	HK\$’000
Loss of construction wastes handling services operation for the period/year	(8,344)	(6,956)
Gain on disposal of construction wastes handling services operation	12,514	–
Profit/(Loss) for the period/year from discontinued operation	4,170	(6,956)

The results of the construction wastes handling services operation for the period from 1 April 2023 to 22 December 2023 and the year ended 31 March 2023, which have been included in the consolidated statement of profit or loss and other comprehensive income, were as follows:

	01/04/2023	01/04/2022
	to	to
	22/12/2023	31/03/2023
	HK\$'000	HK\$'000
Revenue	100	11,486
Expenses	(7,561)	(17,387)
Finance costs	(883)	(1,512)
	<hr/>	<hr/>
Loss before income tax	(8,344)	(7,413)
Income tax credit	–	457
	<hr/>	<hr/>
Loss for the period/year	<u>(8,344)</u>	<u>(6,956)</u>
 Loss for the period/year from discontinued operation includes the following:		
Depreciation of property, plant and equipment	2,622	3,559
Staff costs	2,987	7,382
	<hr/>	<hr/>

8 (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

From continuing operations

The calculation of the basic (loss)/earnings per share from continuing operations attributable to owners of the Company is based on the following data:

	2024	2023 (restated)
(Loss)/Profit for the year attributable to owners of the Company (<i>HK\$'000</i>)	(40,303)	43,491
(Profit)/Loss for the year from discontinued operation (<i>HK\$'000</i>)	<u>(4,170)</u>	<u>6,956</u>
(Loss)/Earnings for the purpose of basic (loss)/earnings per share from continuing operations (<i>HK\$'000</i>)	<u><u>(44,473)</u></u>	<u><u>50,447</u></u>
Weighted average number of ordinary shares in issue during the year for the purpose of calculating basic (loss)/earnings per share (<i>in thousand</i>)	<u><u>5,370,510</u></u>	<u><u>5,370,510</u></u>
Basic (loss)/earnings per share from continuing operations (<i>HK Cents</i>)	<u><u>(0.83)</u></u>	<u><u>0.94</u></u>

From continuing and discontinued operations

The calculation of the basic (loss)/earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	2024	2023
(Loss)/Profit attributable to owners of the Company from continuing and discontinued operations (<i>HK\$'000</i>)	<u><u>(40,303)</u></u>	<u><u>43,491</u></u>
Weighted average number of ordinary shares in issue during the year for the purpose of calculating basic (loss)/earnings per share (<i>in thousand</i>)	<u><u>5,370,510</u></u>	<u><u>5,370,510</u></u>
Basic (loss)/earnings per share from continuing and discontinued operations (<i>HK Cents</i>)	<u><u>(0.75)</u></u>	<u><u>0.81</u></u>

From discontinued operation

Basic earnings per share for the discontinued operation is HK0.08 cents per share (2023: HK0.13 cents loss per share), based on the profit for the year from the discontinued operation of approximately HK\$4,170,000 (2023: loss of approximately HK\$6,956,000) and the denominators detailed above for basic (loss)/earnings per share.

(b) Diluted (loss)/earnings per share

For the years ended 31 March 2024 and 2023, the diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share as there was no potential dilutive ordinary share.

9 DIVIDENDS

No interim dividend was declared for the Year (2023: Nil).

No final dividend was proposed by the Board for the Year (2023: Nil).

10 TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	28,036	23,120
Less: Provision for impairment losses	<u>(5,685)</u>	<u>(7,711)</u>
	<u>22,351</u>	<u>15,409</u>
Loan receivables	27,915	28,194
Less: Provision for impairment losses	<u>(27,915)</u>	<u>(17,046)</u>
	<u>–</u>	<u>11,148</u>
Other receivables, deposits and prepayments	<u>29,988</u>	<u>27,518</u>
	<u>52,339</u>	<u>54,075</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	16,563	1,903
31–60 days	76	13,573
61–90 days	6,051	15
Over 90 days	5,346	7,629
	<u>28,036</u>	<u>23,120</u>

11 TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	35,271	47,647
Accruals and other payables	77,359	28,527
	<u>112,630</u>	<u>76,174</u>

Payment terms granted by suppliers are generally 15 to 80 days from the invoice date of the relevant purchases.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0 – 30 days	2,313	22,964
31 – 60 days	6,057	864
61 – 90 days	4,588	1,987
Over 90 days	22,313	21,832
	<u>35,271</u>	<u>47,647</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's major sources of revenue were from foundation, building construction works and ancillary services, digital assets related businesses, technical services and other businesses. During the Year, the Group has presented the operations relating to the construction wastes handling services as discontinued operation.

Foundation, Building Construction Works and Ancillary Services

The foundation works of the Group mainly include building construction works, site formation works, excavation and lateral support (“ELS”) works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly include hoarding and demolition works and lease of machinery.

During the Year, revenue from this segment was approximately HK\$266.7 million, representing an increase of approximately 50.3% as compared with approximately HK\$177.4 million (restated) for the year ended 31 March 2023. Such increase was mainly due to the number of new projects awarded increasing during the Year.

Gross profit of this segment during the Year was approximately HK\$28.6 million, which decreased by approximately 34.3% as compared with approximately HK\$43.5 million (restated) for the year ended 31 March 2023. Gross profit margin of this segment for the Year was approximately 10.7%, representing a decrease of approximately 13.8 percentage points from approximately 24.5% (restated) for the year ended 31 March 2023. The decrease is mainly attributable to the increase in subcontracting costs.

New Projects Awarded

During the Year, the Group had been awarded 6 new contracts with total contract value amounted to approximately HK\$642.6 million. The details of the new projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Wong Tai Sin District	Piling Works
Foundation Works and Ancillary Services	Wong Tai Sin District	ELS Works
Foundation Works and Ancillary Services	Yuen Long District	Site Formation Works
Foundation Works and Ancillary Services	Tuen Mun District	Foundation Works
Foundation Works and Ancillary Services	Wan Chai District	Site Formation, Foundation and ELS Works
Foundation Works and Ancillary Services	Eastern District	Foundation and ELS Works

Projects in Progress

As at 31 March 2024, the Group had 5 projects in progress with total contract value amounted to approximately HK\$661.8 million. The details of projects in progress are as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Wong Tai Sin District	Piling Works
Foundation Works and Ancillary Services	Wong Tai Sin District	ELS Works
Foundation Works and Ancillary Services	Wong Tai Sin District	Foundation, Pile Cap and ELS Works
Foundation Works and Ancillary Services	Wong Tai Sin District	Foundation, Pile Cap and ELS Works
Foundation Works and Ancillary Services	Wong Tai Sin District	ELS Works, Soldier Piles and Site Preparation

Completed Projects

During the Year, the Group had completed 3 projects with total contract value amounted to approximately HK\$85.4 million. The details of completed projects are as follows:

Type of Projects	Site Location	Type of Works
Foundation Works and Ancillary Services	Yuen Long District	Site Formation Works
Foundation Works and Ancillary Services	Wong Tai Sin District	Foundation, Pile Cap and ELS Works
Building Construction Works	Yuen Long District	Reinforced Concrete Structure Work

Digital Assets Related Businesses

(i) *Proprietary Trading in Digital Assets*

The revenue of this segment was generated through the Group's trading activities on leading cryptocurrency exchanges (the "Trading Platform"). Revenue from trading in digital assets includes trading net gains arising from trading various digital assets and net gains or losses from remeasurement of the market value of digital assets. As of 31 March 2024, the market value of the Group's digital assets was approximately HK\$1,123.1 million (2023: approximately HK\$649.5 million). The Group also borrowed loans from the Trading Platform in the form of digital assets whose fair value was approximately HK\$869.8 million at the end of the Year (2023: approximately HK\$400.9 million). During the Year, the revenue from trading in digital assets and net fair value changes on digital assets was approximately HK\$65.3 million, which decreased approximately 49.8% compared with approximately HK\$130.1 million for the corresponding period in 2023. The decrease was mainly attributable to the challenging market conditions. Following the turbulence in the digital assets industry in the year ended 31 March 2023, including the collapse of LUNA and the bankruptcy of FTX, the Group witnessed significant market regime changes, with the Bitcoin price rocketed from approximately USD28,000 at the beginning of the Year to an all-time-high of approximately USD74,000 in March 2024. The radical market shocks also introduced huge market liquidity issues and challenged our risk management strategies in such a volatile market. Consequently, the revenue of this segment decreased significantly due to market price distortions and the risk challenges posed by such extreme volatility.

Set out below were significant digital assets held by the Group as of 31 March 2024:

Name of Digital Assets	Number of Digital Assets Held	Market Value as at 31 March 2024 (HK\$'000)	% to the Group's Total Assets as at 31 March 2024
Stablecoins	27,372,358.7	214,196.9	16.1%
Ethereum (ETH)	9,574.5	271,028.8	20.3%
Bitcoin (BTC)	955.0	526,003.4	39.5%

(ii) Trust and Custody Services

The Group's trust and custody services were being carried out through OKLink Trust Limited ("**OKLink Trust**"). OKLink Trust has been registered as a Trust Company under section 78(1) of the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) since 17 June 2020. The trust and custody services provided by the Group typically include the safekeeping, settlement, and other customised services for its clients' assets. The types of assets custodied under this business include digital assets and fiat currencies. At the end of the Year, the total assets held by the Group on behalf of its custody clients were approximately HK\$63.2 million, a decrease of approximately 79.8% compared with approximately HK\$313.5 million as of 31 March 2023. The clients' digital assets constitute trust assets and are not accounted for as assets of the Group and do not give rise to liabilities to the relevant customers.

During the Year, the revenue generated from the provision of trust and custody services was approximately HK\$1.8 million, which decreased approximately 59.1% compared with approximately HK\$4.4 million for the corresponding period in 2023. The decrease was mainly due to the decrease in the transaction volumes and related services provided by the Group.

Gross profit of the Group's digital assets related businesses was approximately HK\$36.8 million, which decreased by approximately HK\$56.0 million or 60.3% as compared with approximately HK\$92.8 million for corresponding period in 2023. The decrease in gross profit was mainly attributable to the decrease in revenue from proprietary trading in digital assets. Gross profit margin of this segment for the Year was approximately 54.8%, representing a decrease of approximately 14.2 percentage points from approximately 69.0% for the year ended 31 March 2023.

Technical Services

The Group's technical services income mainly includes the provision of the Group's on-chain anti-money laundering solution (“**Onchain AML**”), on-chain monitoring solution (“**Chaintelligence**”), Application Programming Interface (“**API**”) and other I.T. development services.

During the Year, revenue from this segment amounted to approximately HK\$3.1 million, which decreased by approximately HK\$31.3 million as compared with approximately HK\$34.4 million for the corresponding period in 2023. The decrease in revenue was mainly due to the Group allocated more resources to the development of its blockchain solutions, such as the API services of its blockchain explorer, which were still at the early stages of business expansion. Gross profit of this segment was approximately HK\$0.9 million, which decreased by approximately HK\$18.6 million as compared with approximately HK\$19.5 million for the corresponding period in 2023.

Other Businesses

During the Year, the Group also maintained other businesses, including investments in securities and lending business, which were not its core businesses. As of 31 March 2024, the Group managed a portfolio of listed securities with a total market value of approximately HK\$0.9 million (31 March 2023: HK\$1.5 million). During the Year, the Group recorded a revenue of approximately HK\$0.4 million for its other businesses, compared with a loss of approximately HK\$1.2 million for the corresponding period in 2023.

FINANCIAL REVIEW

Revenue

The Group recorded a revenue from continuing operations of approximately HK\$337.3 million for the Year, representing a decrease of approximately 2.2% as compared with approximately HK\$344.9 million (restated) for the corresponding period in 2023. The decrease was mainly resulted from the decrease in the revenue from digital assets related business segment caused by the turbulence in the digital asset industry.

Gross Profit and Gross Profit Margin

The gross profit from continuing operations of the Group for the Year amounted to approximately HK\$66.2 million, representing a decrease of approximately 57.0% as compared with approximately HK\$154.0 million (restated) for the corresponding period in 2023. The gross profit margin from continuing operations decreased by 25.1 percentage points to approximately 19.6% for the Year from approximately 44.7% (restated) for the same period in 2023. The decrease was mainly due to the decrease of the revenues from digital assets related businesses which had a higher gross profit margin.

Other Income, Gains and Losses, net

Other income, gains and losses, net from continuing operations of the Group recorded a net loss of approximately HK\$0.9 million, as compared with a net loss of approximately HK\$0.9 million (restated) for the corresponding period in 2023.

Administrative and Other Operating Expenses

The administrative and other operating expenses from continuing operations of the Group for the Year amounted to approximately HK\$100.0 million, representing an increase of approximately 23.8% compared with approximately HK\$80.8 million (restated) for the year ended 31 March 2023. This increase was mainly due to the increase in the development expenses of the Group's on-chain solutions and API services.

Impairment Losses under Expected Credit Loss ("ECL") Model

Impairment losses under the ECL model were derived from trade receivables, loan receivables, other receivables, amounts due from related parties and contract assets of the Group. The Group classified them as in default when there was evidence indicating the assets were credit impaired. The Group recorded an impairment loss of approximately HK\$7.8 million during the Year, an increase of approximately HK\$0.2 million compared with approximately HK\$7.6 million (restated) for the year ended 31 March 2023.

Finance Costs

Finance costs from continuing operations for the Group during the Year amounted to approximately HK\$2.5 million, representing a decrease of approximately 39.0% compared with approximately HK\$4.1 million (restated) for the corresponding period in 2023.

Income Tax Expenses

Income tax expenses from continuing operations for the Group during the Year amounted to HK\$Nil as compared with approximately HK\$9.7 million (restated) for the corresponding period in 2023.

Discontinued Operation

During the Year, the Group disposed of Joint Wealth Group, which was principally engaged in construction wastes handling services. The operation of Joint Wealth Group for the year ended 31 March 2023 and the period from 1 April 2023 to 22 December 2023 were presented as discontinued operation. The Group recorded a profit of approximately HK\$4.2 million from discontinued operation during the period, as compared with a loss of approximately HK\$7.0 million for the year ended 31 March 2023.

(Loss)/Profit for the Year Attributable to the Owners of the Company

The Group recorded a net loss attributable to the owners of the Company of approximately HK\$40.3 million, compared to a profit of approximately HK\$43.5 million for the corresponding period in 2023. The increase in the loss for the Year was mainly due to the decrease in revenue from digital assets related businesses segment.

Capital Structure

The Group's total assets and total liabilities as of 31 March 2024 amounted to approximately HK\$1,333.3 million (31 March 2023: approximately HK\$1,105.2 million) and approximately HK\$1,165.7 million (31 March 2023: approximately HK\$896.6 million), respectively. The Group's debt ratio (expressed as a percentage of total liabilities over total assets) was approximately 87.4% as at 31 March 2024 (31 March 2023: approximately 81.1%).

Liquidity, Financial and Capital Resources

The Group funded its liquidity and capital requirements primarily through capital contributions from the shareholders of the Company (the “**Shareholder(s)**”), borrowings, internally generated cash flow and proceeds received from the placing of the Company’s shares (the “**Shares**”).

As at 31 March 2024, the Group had bank balances and cash of approximately HK\$62.0 million (31 March 2023: approximately HK\$90.6 million), and the Group did not have any pledged bank deposits (31 March 2023: Nil).

Gearing Ratio

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 of 31 March 2024 was approximately 25.3% (as of 31 March 2023: approximately 40.2%). The decrease was mainly due to the decrease of loans from related parties with disposal of subsidiary.

Pledge of Assets

The Group did not have any charge on its assets during the Year.

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.

Risk Disclosures

(i) *Foreign Exchange Risk*

The Group mainly operates in Hong Kong and the People's Republic of China (the "PRC") and most of the operating transactions such as revenue, expenses, monetary assets and liabilities are denominated in Hong Kong dollars, United States Dollar ("USD") 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 Year.

(ii) *Credit Risk*

The Group's credit risk arises mainly from trade and other receivables, contract assets, amounts due from related parties, bank deposits and bank balances. The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the reporting dates in relation to each class of recognised financial assets and contract assets is the carrying amount of those assets as stated in the "Consolidated Statement of Financial Position" in this announcement.

In respect of cash at banks, the credit risk is considered to be low as the counterparties are reputable banks. Therefore, expected credit loss rate of cash at banks are assessed to be close to zero and no provision was made.

In respect of trade and other receivables, contract assets and amounts due from related parties, individual credit evaluations are performed on all customers and counterparties. These evaluations focus on the counterparty's financial position, past history of making payments and take into account information specific to the counterparty as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade and other receivables, contract assets and amounts due from related parties balance at the end of each reporting period to ensure adequate impairment losses are made for irrecoverable amounts. During the Year, an impairment loss of approximately HK\$7.8 million was recorded compared to approximately HK\$7.6 million (restated) for the year ended 31 March 2023.

(iii) Price Risk of Digital Assets

To facilitate the Group's proprietary trading in digital assets, the Group held approximately HK\$1,123.1 million digital assets as of 31 March 2024. The majority of the Group's digital assets were stablecoins and other digital assets with higher liquidity, such as BTC and ETH. As at 31 March 2024, the fair values of the stablecoins, ETH and BTC held by the Group were approximately HK\$214.2 million, HK\$271.0 million and HK\$526.0 million, representing approximately 16.1%, 20.3%, and 39.5% of the Group's total assets, respectively. In addition, the Group also had borrowings of approximately HK\$800.0 million in form of stablecoins and approximately HK\$69.8 million in the form of other digital assets. Consequently, the Group's risk exposures to the price risk of digital assets were limited to the net balance of each digital asset it held.

Price volatility of digital assets may cause significant impacts to the Group's performance. Although the stablecoins are asset-backed and the market price was approximately US\$1 per unit with minimal fluctuation, the volatility and any unpredictability of the price of such stablecoins relative to fiat currencies could also cause significant impact to the Group's financial performance. Furthermore, compared with stablecoins, ETH, BTC and other digital assets are generally with higher volatility.

(iv) Risks Related to Safekeeping of Digital Assets

The Group mainly deposited its digital assets in the cryptocurrency exchanges to facilitate its proprietary trading in digital assets business. In addition, the Group also held approximately HK\$39.1 million digital assets on behalf of its clients as at 31 March 2024, of which approximately 21.3% were deposited with the Trading Platform and third party sub-custodian, and approximately 78.7% were deposited in the Group's own wallets. As the Group did not have any insurance policy for its digital assets under custody, although the Group has implemented a series of risk control and safeguarding protocols, any breakdown or closedown of such cryptocurrency exchanges, potential cyber-attacks or thefts could cause significant losses to the Group.

(v) Investment risk related to trading of digital assets

The Group launched its proprietary trading in digital assets business and adopted quantitative trading strategies (the “**Strategies**”) for its digital assets investment. The investment performance mainly depends on market liquidity, Strategies effectiveness and system reliability. The Group’s Strategies in theory could make profits over time but could also suffer huge losses in black swan events. In addition, there are inherent risks with its trading, including but not limited to errant algorithms, hacking, liquidation from extreme market moves and counterparty risks. Although market liquidity is closely monitored by the Group with the aid of a systematic alerting mechanism, under extreme market condition there may occur huge mark-to-market losses. And such losses may never recover if stop loss risk control mechanism is triggered.

In addition, the Group has a very short operation history in the trading of digital assets, which gives rise to higher unpredictability to its success in this new business. As the Group faces a variety of new risks and uncertainties in its new business, the Group cannot guarantee that this business will continue to be profitable in the future, which may materially and adversely affect its financial performance.

The Group has its own proprietary risk management system that constantly monitors the performance of the Strategies and conduct data analytics to review and modify the Strategies. The trading systems are also constantly monitored by the Group, including but not limited to their memory usage, CPU consumption, network latency, etc., for any anomalies. The system will also stop trading if certain circuit breakers such as profit/loss performance or position limits are hit. The automated system aims to stop trading before material loss and revoke account access if it detects any abnormalities.

(vi) Risks Related to Anti-Money Laundering

Any person who carries on a trust business in Hong Kong has to comply with the relevant requirements of the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong) (“**AMLO**”) and the guideline issued by the Companies Registry of Hong Kong. To mitigate such risks, the Group has implemented policies and procedures for Anti-Money Laundering (“**AML**”) and Know-Your-Client (“**KYC**”) that are initiated during the client onboarding process and are applied by way of continuous monitoring and reporting. In enhancing these policies and procedures, we have also considered industry best practice and the recommendations of the Financial Action Task Force (“**FATF**”).

Laws and regulations governing the digital assets related businesses in Hong Kong are developing and subject to further changes. The amended AMLO which includes a licensing regime for virtual assets service providers took effect on 1 June 2023. During the Year, the Financial Services and the Treasury Bureau of Hong Kong (“FSTB”) issued public consultation on legislative proposals to regulate Over-the-Counter trading of virtual assets. FSTB and the Hong Kong Monetary Authority also jointly issued a public consultation on legislative proposal to implement regulatory regime for stablecoin issuers. As such, the Group may need to apply for new licenses or permits for its businesses, if new laws or regulations are implemented in the future. The Group believes a comprehensive and balanced regulatory framework can protect investors and promote responsible and sustainable industry development.

Capital Commitments

The Group did not have any significant capital commitment as of 31 March 2024 (31 March 2023: Nil).

PROSPECT

In 2024, amidst the backdrop of a globally accelerating soft landing, opportunities and challenges coexist. Although the global economic growth rate is expected to be lower than the average level between 2010 to 2019, we have seen positive signals of economic recovery as governments and international organizations take active measures to address the economic slowdown. Hong Kong’s achievement of moderate economic growth and low unemployment rates provides a favorable external environment for the stable development of the Group.

The complex and volatile economic situation drives technological innovation and transformation. As the global economy undergoes digital transformation, blockchain technology, as a key driver is receiving increasing attention and importance, providing a favorable macro atmosphere for the Group’s business development.

In this environment, the Group actively explores market opportunities, concentrating resources on the development of on-chain data and compliant digital assets related businesses. We firmly believe that on-chain data is the core of blockchain technology and a key driver for the industry's advancement. Currently, OKLink Fintech Limited (“OKLink”) has launched over 40 blockchain explorers, analyzing over 200 main chains and providing more than 2,000 TB of data. This comprehensive information empowers developers, research institutions, and industry professionals, facilitated by robust API capabilities that drive large-scale industry adoption. Moving forward, we will continue to increase our R&D investment in this field, leveraging technological innovation to enhance our products and services to meet market and customer needs. At the same time, the trend of digital asset compliance is unstoppable. From Hong Kong to Europe and the United States, increasingly complete regulatory frameworks are guiding the industry's development. In the future, the Group will also actively respond to regulatory requirements, contributing to the healthy development of the industry through compliant operations.

As a listed company and a pioneer in the blockchain industry, the Group will continue to fulfill its corporate social responsibility by strengthening blockchain education. We believe that the mass adoption and application of blockchain technology require concerted efforts from all sectors of society.

Facing the unpredictable market environment, the Group will continue to operate cautiously in the foundation, building construction works and ancillary services in Hong Kong. In addition, based on the assessment of investment returns, the Group will prudently assess further investments in its construction-related businesses.

Finally, the Group will continue to strengthen the communication and cooperation with Shareholders, customers, and partners, jointly addressing challenges and seizing opportunities to achieve mutual benefits. We believe that as blockchain technology gradually becomes the core of the digital economy, we will leverage policy advantages, continuously optimize our products and services, and actively adjust our strategies and business layouts according to market conditions, and keep innovating to create sustained value for our Shareholders.

EMPLOYEES AND REMUNERATION POLICY

As at 31 March 2024, the Group employed a total of 106 staff (31 March 2023: 107 staff). Total staff costs from continuing operations, including directors' emoluments and share-based payment expenses for the Year, amounted to approximately HK\$86.5 million (31 March 2023: approximately HK\$100.2 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 Joint Wealth Global Limited

On 22 December 2023 (after trading hours), Campbell Chain Limited, a company incorporated in BVI with limited liability and a direct wholly-owned subsidiary of the Company as the vendor (the "**Vendor**"), and Colour Trend Holdings Limited as the purchaser (the "**Purchaser**") entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**"), pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire three (3) ordinary shares of Joint Wealth, being the entire issue share capital of Joint Wealth for the consideration of HK\$45.0 million (the "**Disposal**").

The completion of the Disposal (the "**Completion**") took place upon the execution of the Sale and Purchase Agreement on 22 December 2023. Upon Completion, the Vendor no longer had any interests in Joint Wealth Group and accordingly all of the companies under Joint Wealth Group ceased to be subsidiaries of the Group and the financial results of Joint Wealth Group will no longer be consolidated into the results of the Group.

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 constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements but exempted from the shareholders’ approval requirement under Chapter 14 of the Listing Rules. In addition, as of the date of the Sale and Purchase Agreement, the Purchaser is directly wholly-owned by Mr. Chan, who is the director of each of the members of Joint Wealth Group, hence the Purchaser is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For details of the Disposal, please refer to the announcements of the Company dated 22 December 2023.

Save as disclosed above, the Group did not have any other significant investments held or any material acquisitions or disposals of subsidiaries or associated companies during the Year.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of the date of this announcement, the Company does not have any future plans for material investments or capital assets.

PURCHASE, SALE AND 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 Year.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the Year and up to the date of this announcement, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

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

FINAL DIVIDEND

The Board has resolved not to declare any final dividend for the Year (2023: Nil).

EVENTS AFTER THE REPORTING PERIOD

There is no significant event after the reporting period of the Group up to the date of this announcement.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board is committed to upholding a high standard of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the Shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfill its commitment to excellence in corporate governance.

During the Year, to the best knowledge of the Board, the Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules (the "**CG Code**") contained therein except for the following deviations:

Code Provision C.2.1

Pursuant to the code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. Ren Yunan serves as an executive Director, the chairman of the Board (the “**Chairman**”) as well as the chief executive officer of the Company (the “**Chief Executive Officer**”). 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors’ securities transactions with terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) in Appendix C3 of the Listing Rules. Having made specific enquiries of the Directors, each of the Directors has confirmed that he has complied with the required standard set out in the Model Code during the Year and up to the date of this announcement.

REVIEW BY AUDIT COMMITTEE

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

As at the date of this announcement, the Audit Committee comprises of three independent non-executive Directors, namely Mr. Li Zhouxin (the chairman of the Audit Committee), Mr. Lee Man Chiu and Mr. Jiang Guoliang, with at least one of whom with appropriate professional qualifications or accounting or related financial management expertise as required in the Listing Rules.

The Audit Committee has reviewed the annual results of the Group for the Year with senior management and external auditor of the Company, and confirmed that the preparation of such complied with applicable accounting standards and practices adopted by the Company and the requirements under the Listing Rules and other applicable statutory and regulatory requirements, and adequate disclosures had been made.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by the Group's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the sufficient public float as required under the Listing Rules throughout the financial period under review and up to date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The results announcement has been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.okg.com.hk). The annual report of the Company for the Year containing all information required by the Listing Rules will be despatched to the Shareholders and will be published on the websites of the Stock Exchange and the Company in due course.

APPRECIATION

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 of 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, 27 June 2024

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