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Dear Investors:

June was another banner month for BC Group and OSL as our core brokerage business printed record trading volumes even though most digital assets seemed trapped in a trading band for the bulk of the month. We also continued to capture market share and added an additional white-label SaaS client to our growing portfolio. Investors took notice of our efforts to build our global brand awareness and our ability to execute on our four pillars of business, as BC Group's (863 HK) share price climbed 40% during June while average daily trading volume for the month more than tripled.

Institutional adoption and regulatory certainty for digital assets continued to accelerate over the month with positive news from [JP Morgan](#), [Fidelity Digital Assets](#), [Deutsche Borse](#) and [ING Bank](#) and others all contributing to the asset class' increasing credibility while further validating our institutional business focus.

Key business updates

Our OSL digital asset business again posted its largest-ever 1-month platform volumes and has now set volume records for three of the past four months and for two consecutive months (March-May-June) .

OSL also secured in June its second SaaS client in as many months and we are optimistic the uptick in the number of white-label clients utilizing our platform to offer digital assets to their clients will add additional liquidity to our trading venue.

We were also proud to announce on 16 June that our [OSL Custody Service was selected as the official digital asset custodian for Equities First Holdings LLC \(EFH\)](#), a global investment firm in the United States and early participant in the digital asset financial sector.

On 18 June, we co-hosted a webinar event with US-based digital asset manager Wave Financial entitled [Digital Asset Perspectives: The Future of Asia's Capital Markets](#). The webinar was designed to provide traditional markets investors with unique perspectives on various aspects of the rapidly-growing digital asset ecosystem. Panel topics were: smart money in digital assets, evolving regulations in Asia, and digital asset product innovations such as prime brokerage. This event's roster of speakers included senior executives from CME Group, Bloomberg, Fidelity Digital Assets, PwC, King & Wood Mallesons, Nomura, Jump Trading, TD Ameritrade and others.

Our efforts to secure digital asset licensing in Hong Kong and Singapore also continue at a satisfactory pace without any new hurdles.



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Digital asset market developments

In a global banking first, [ING Bank among others have developed a protocol to assist with the Financial Action Task Force \(FATF\) travel rule](#) for crypto exchanges and firms dealing with crypto assets. BC Group is currently chairing the FATF committee here in Asia and is building on the excellent work by the founders, while enjoying a highly collaborative approach with other members.

On June 24, the FATF met virtually in Paris for its third and final Plenary meeting under current president Xiangmin Liu. The meeting included the publication of a report on the 12-month review of the implementation of its “travel rule” requirements on VASPs as well as the publication of a report to the G20 on stablecoins (which will be made publicly available in early July).

[The travel rule review report's findings cite progress](#) in the past year by the public and private sectors in developing the FATF's standards well as headway in the creation of technological solutions to implement the travel rule for VASPs.

A [Fidelity Investments survey of nearly 800 institutional investors](#) in the US and Europe revealed that nearly 36% of the respondents own digital assets - 27% in the US, including pension funds and others, and 45% in Europe. We surmise that the number of professional investors holding digital assets in the Asia Pacific region is likely even higher.

[Deutsche Borse announced the launch of the world's first centrally cleared Bitcoin Exchange Traded Note \(ETN\).](#)

[JP Morgan strategists continued to publicly support digital assets](#) stating that Bitcoin's survival of the crash in March and subsequent recovery shows it's maturation and longevity as an asset class.

Additional news highlights

- [Bloomberg released its June Crypto report, which was bullish on the price of Bitcoin, suggesting that USD10,000 was again within sight](#)
- [The New York State Department of Financial Services \(NYDFS\) proposed five new licensing rules that would make it easier for companies to operate digital asset businesses across the state](#)
- [The American Bankers Association noted the rising tide of digital assets and central bank digital currencies in its article: Have Virtual Currencies Virtually Arrived?](#)
- [Commodity Futures Trading Commission Chairman Heath Tarbert stated that ETH is a commodity during an interview with Yahoo! Finance](#)



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Thank you again for your continued support. As always, the team at BC Group and OSL are available to discuss June's updates or to answer any questions you may have.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)