

Dear Investors:

January was another eventful month for BC Technology Group and the digital asset space. BC Technology Group raised approximately HKD 700m (~USD90 million) in a top-up placement with Morgan Stanley acting as bookrunner, against the backdrop of another consecutive month of record volume on the OSL Exchange.

Also during the month, Bitcoin briefly soared to another new all time high in consecutive months at just over USD40,000, before consolidating amidst [false speculation and news of a 'double spend' that never happened](#), and initially unsettling comments by new US Treasury Secretary appointee Janet Yellen. Ethereum also hit new all-time-highs topping USD1,470 as the ETH 2.0 'hard fork' to proof-of-stake is imminent.

Trump was sent packing and investors are left unpacking what impact the Biden administration will have on digital asset markets.

Business updates

As previously mentioned, [BC Technology Group engaged in a substantial fundraising with Morgan Stanley acting as bookrunner](#). We were very pleased with the response from the institutional investor community, as the placement was well oversubscribed with both existing and new institutional investors participating in the round. [Fidelity International \(FIL\) continued to support our firm by participating in the top-up, adding to its previous position](#).

We believe this fundraising exercise will enable us to capitalize on our first mover advantage with respect to our digital asset specific types 1 and 7 licenses (granted last month by the Securities and Futures Commission of Hong Kong) as we continue to focus on relentlessly executing on our plan to be the premier regulated and institutionally focused digital asset firm in Asia.

BC Technology Group and OSL executives also featured prominently in media and market commentary during the month of January:

- On 4 January, [BC Group Executive Director Dave Chapman was interviewed by Reuters UK on the end of the BTC New Year rally](#)
- The following day, [OSL CEO Wayne Trench appeared on Bloomberg TV to talk about the characteristics of the BTC rally](#)
- On 11 January, [OSL Head of Americas Fernando Martínez spoke to Reuters on the 24/7 nature of crypto trading and how this creates liquidity in the market](#)
- [BC Group CEO Hugh Madden joined Digital.Davos.2021 as a panellist on Jan 20 on "Crypto Token a Hong Kong Perspective"](#)
- [OSL CEO Wayne Trench and Head of Distribution and Prime Matt Long participated on a panel during Asia WealthTech Forum on "Revolution of Digital Assets and Impact on Private Wealth" on Jan 21](#)
- [BC Group Chief Information Officer Usman Ahmad was invited to be a jury member during Asia WealthTech Forum on "Innovation Showcase of WealthTech Solution" on Jan 21](#)
- On 22 January, [Fernando spoke to Bloomberg about market volatility in BTC](#) following the recent boom



- On January 26 OSL's Matt Long was a guest on a [Bloomberg live stream Q&A called "Your Crypto Questions Answered"](#) - [Matt was also quoted in Bloomberg's article on BTC's status as digital gold](#) following the session
- OSL hosted a "Digital Asset Educational Webinar" on Jan 26 and Jan 27. OSL Head of Institutional Sales Ryan Miller was the presenter [in English](#) and OSL VP Sales Trader Jon Yeung presented [in Cantonese](#).
- [BC Group Executive Director & Head of Regulatory Affairs Gary Tiu and OSL VP Sales Trader Jon Yeung interviewed in 《多元資產 Talk》 on InvesTalk by 范巧茹 on Jan 28](#)

Digital asset market developments

Ethereum hit new [all-time highs](#) as investors digested the imminent [Ethereum 2.0 \(not really a\) 'hard fork'](#), while other investors were reminded of Bitcoin's volatility after breaching new records above USD40K, before succumbing to selling pressure on profit taking and jitters around later [qualified comments made by Janet Yellen](#) all the way down to USD30K, before settling at around USD33.5K at the time of writing. Meanwhile, digital asset investors also pondered [Trump's crypto legacy](#) as Coinbase's chief legal officer, Paul Grewel said [he was cautiously optimistic about the Biden administration's plans for crypto](#).

[Ivy league university endowments including Harvard, Yale, Cornell and others reportedly have joined the institutional rush into digital assets](#) through direct exposure to cryptocurrencies and have been buying since 2020.

Listed corporates continue to add Bitcoin onto their balance sheets, as mining firm [Marathon \(MARA\) joined the party with a USD150 million purchase of BTC](#). This, as NASDAQ listed Microstrategy (MSTR) is mulling issuing debt to add even more Bitcoin as part of its treasury strategy. The top 5 publicly listed BTC corporate HODLers (MSTR, GLXY, MARA, SQ, HUT) now collectively own more than USD3.7 billion in BTC as of this writing.

[Morgan Stanley now holds a 10% stake in MicroStrategy, Goldman Sachs announced that it will soon launch a digital asset custody solution, and Aviva and Cantor Fitzgerald are providing UK self-directed pension fund holders access to a bitcoin tracking fund](#).

[Bridgewater's Ray Dalio appeared to reconsider his negative views on Bitcoin](#) but stopped far short of whole heartedly endorsing the dominant digital asset in detailed letter to investors published on his firm's website, [Blackrock filed to add digital assets to its range of investable assets under two different funds](#), while [Bank of Singapore reiterated the increasingly popular view that Bitcoin could replace gold as a store of value](#).

[Coinbase announced it would be going public via direct listing](#) amidst rumors of a USD200 share price and potential valuation of USD50 billion.

On the central bank digital currency front, [China conducted the second phase of its DCEP trials in the Southern metropolis of Shenzhen, giving away nearly RMB20 million digital yuan as virtual red packets](#). Meanwhile, [the Bank of International Settlements \(BIS\) issued a detailed report on digital currencies](#).

Lastly, [Singapore's SGX and sovereign wealth fund Temasek announced plans to develop a blockchain based digital asset trading infrastructure](#).



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Other news items that caught our attention during the month:

- [Federally Chartered Banks and Thrifts May Participate in Independent Node Verification Networks and Use Stablecoins for Payment Activities](#)
- [JPM sees USD146K BTC price as long term target](#)
- [Elon Musk signals potential support for bitcoin after he added "Bitcoin" to his Twitter bio, the price of bitcoin responds with an immediate 15% price increase](#)

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

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)