

Dear Investors,

It was another eventful month for BC Technology Group and OSL, with [the Group releasing its 2020 Annual Results](#) on 29 March, extending its track record of growth with a 111% increase in digital asset revenues and posting positive adjusted EBITDA for the year.

OSL continues to be the Group's best performing business and largest revenue contributor, and comprises 70% of all Group income and revenues, up from 44% in FY2019.

Total assets on platform (AOP) for OSL grew 487% YoY to RMB2.6 billion. Active customers for the OSL digital asset platform also increased by 130% compared to the previous year, with overall digital asset platform trading volumes up 228% YoY to RMB149 billion for the Year. Institutions comprised over 93% of trading volume in 2020, up from approximately 90% in 2019.

With our strong results, The Group is well-positioned to continue to capitalize on opportunities arising from the rapid maturation and adoption of digital assets by the financial services ecosystem.

A full replay of [our 30 March 2020 annual results investor presentation can be viewed here](#) in English and Chinese.

Building off our strong financial results and licensing efforts in 2020, the [Group's OSL Digital Securities unit in early March announced its official go-live with the execution of the first customer trades](#) via its licensed trading desk. OSL DS holds a license for Type 1 (dealing in securities) and Type 7 (automated trading service), regulated activities related to digital assets from the Hong Kong Securities and Futures Commission (SFC).

[Our licensed exchange and brokerage are now live trading](#), breaking new ground for financial services in Asia, and allowing counterparts to trade and store digital assets such as Bitcoin, Ethereum and security tokens safely and under the auspices of a world-leading regulator.

Meanwhile, digital assets continued to generate momentum and investment globally, with Bitcoin hitting a fresh all time high of over USD61,000 as more multinationals such as [Visa](#) - which will now allow payments with stablecoins - entered the fray.

Business updates

In addition to the above accomplishments, OSL Prime Brokerage on March 17 [launched its capital introduction service](#) at a first-of-its-kind [Digital Asset Capital Introduction Conference virtually out of Singapore](#), which featured several well known speakers from finance and digital assets, including: MicroStrategy CEO and Bitcoin treasury bull Michael Saylor; CoinShares Chief Strategy Officer Meltem Dimirrors; Bloomberg's Rishaad Salamat and CME Group's Head Global Head of Equity Products Tim McCourt as speakers. The event saw fantastic attendance from over 400 sovereigns, asset managers, family offices, wealth managers and HNW investors.

Earlier in the month in another Hong Kong first, [BC Group and Venture Smart Asia Limited \(VSAL\) entered into an MOU](#), with OSL becoming the preferred brokerage partner - including trade execution and capital introduction services - for VSAL's HK-regulated digital asset funds,

BC Group | OSL

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

Tel: 3504 3200 | Email: contact@bc.group | contact@osl.com

2021 March Monthly Investor Update Published 2021-04-01

the DigiTrackers Bitcoin and Arrano Alpha Fund. OSL and VSAL's blockchain arm, known as Arrano Capital, will also explore opportunities to jointly create digital asset products.

OSL executives and BC Group senior leadership also continued to appear in well-known media and market events throughout the month:

- On 3 March Matt Long and VSAL's Avaneesh Acquilla were featured in [CoinDesk in an interview about the MOU between BC Group and VSAL](#)
- [OSL was featured in The Asset](#) in an article on 5 March about the future of licensed digital assets in Hong Kong
- On 16 March, BC Group Executive Director Dave Chapman conducted a presentation on the evolution of digital assets at Macquarie's Future of Finance virtual conference
- [BC Group CEO Hugh Madden spoke at the Global Digital Finance Conference](#) on 17 March on CBDCs and how to strategically approach regulated digital asset markets
- On 25 March, OSL Head of Distribution and Prime [Matt Long was featured in a Bloomberg article on Bitcoin price movement](#)
- KPMG on 25 March released a [press release](#) on its report: [Investing in Virtual Assets: How Virtual Assets and associated Service Providers have become ready for institutional investment and growth](#) - with both the release and the report featuring quotes and contributions from Hugh, BC Group CIO Usman Ahmed, BC Group CCO Nathan Simmons, OSL CEO Wayne Trench and Matt Long
- [OSL Global Head of Trading Ryan Rabaglia was quoted in the Straits Times](#) on 29 March about the growth of digital assets in Singapore

Digital asset market developments

With the arrival of spring, we again saw more major players from traditional finance commit to digital assets, with [Goldman Sachs stating that it would restart trading Bitcoin futures](#), hedge fund manager [Daniel Loeb saying that he's taking a "deep dive" into crypto](#); and billionaire Tim Draper [predicting that Netflix will be the next major corporate to buy Bitcoin](#).

What's more, Citibank in a 2021 report stated that [BTC is the "North Star" guiding the evolution of the space, and cited OSL's coin purity risk routines as a new standard in compliance enabling institutional adoption](#).

In addition, [the CME announced that it would launch micro Bitcoin futures in May](#), and [Payal said it would allow US customers to use crypto at checkouts](#). Perhaps most interestingly, [US Federal Reserve Chairman Jerome Powell called Bitcoin a “gold substitute,” while the Boston Fed said it was working with MIT on a digital US dollar prototype that may be previewed in July](#).

We expect that the digital asset market will continue to grow throughout the year, with increasing participation by regulated asset managers and financial services firms seeking to service the increased interest from their growing digitally native customer segments.

As always, the team at BC Technology Group and OSL are available to discuss March’s updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)