



Dear Investors:

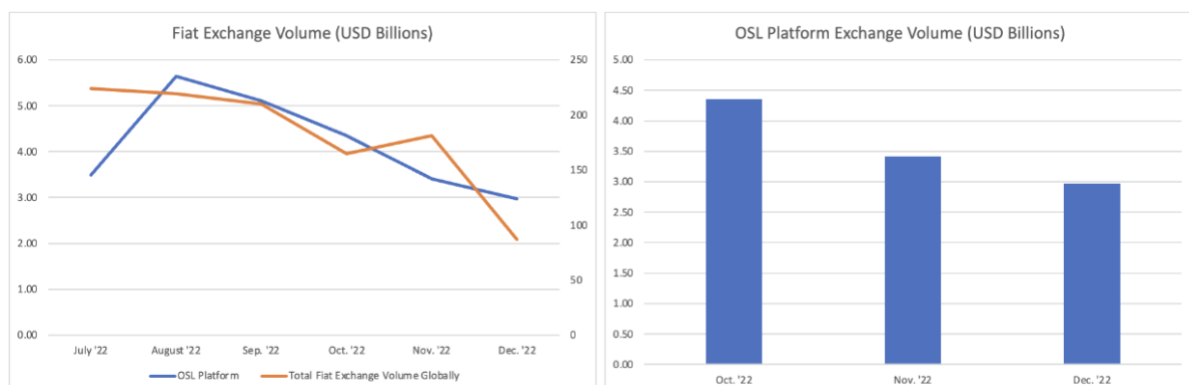
Digital assets have witnessed highs and lows last year, and whilst the bear market is likely to continue in the near to medium term, we are expecting further stability and certainty throughout 2023 in the form of regulation and mainstream adoption. 2022 witnessed a series of black swan events, from the [Luna/Terra crash](#), [collapse of Three Arrows Capital](#), to the eventual [saga and bankruptcy of FTX](#), concluding with the [arrest of SBF in the Bahamas](#) mid-December.

Despite the short-term credibility of the industry being in question, the future remains bright: [comprehensive regulatory frameworks are critical for mainstream adoption and in 2022, we have seen more proposals and actions taken towards it](#). Hence we are proud to reconfirm that we have had no direct exposure to any of these events, as we stand behind our regulatory-first mindset as the first Type 1 and 7 SFC license holder. Shortly after the arrests of SBF, Wayne Trench, CEO of OSL, [featured on Bloomberg Live](#) and stated:

“Regulation and security is now more important than ever. Our unwavering strategy at OSL to focus first and foremost on regulation, compliance, risk and security is now paying dividends. OSL and venues similar are now being leveraged as a flight to safety. Fundamentals haven’t changed and we’re seeing continued demand from the world’s biggest banks and fintech brands, looking to benefit from our regulated institutional service and technology.”

Additionally, Blockchain technology and digital assets aren't going away, corporate engagement and technology development has accelerated and [crypto adoption remains strong, with new use cases and even more industries becoming invested every day](#).

Prior months of trading volume for OSL* can be viewed below:



Business updates

In December, despite slow trading globally, OSL continued to build its platform technologies and expand its service offerings.

BC Group

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

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



In the news

OSL executives and BC Group senior leadership appeared in well-known media and market events in December:

- On 1 December, [OSL Head of North America Jeff Howard took the stage at the Miami Web3 Summit](#) and spoke about the future of digital assets.
- [BC Group won the “Best Overall Investor Relations \(small-cap\)”, “Best in Technology Sector”, and “Best Investor Relations Officer \(small-cap\) at IR Magazine’s Greater China Awards 2022.](#) This award showcased BC Group’s commitment to upholding the highest standard of investor relations and carries the weight of recognition from the investment community.
- On 8 December, BC Group Executive Director and Head of Regulatory Affairs Gary Tiu and Chief Information Officer Ricky Tsang hosted a seminar on Hong Kong’s Crypto Regulation for Hong Kong’s Y. Elite Association.
- On 13 December, [OSL Global Head of SaaS Distribution Mark Hiriati was profiled in an article by Forkast News talking about the recent crypto market implosions and opportunities, stating “it’s a marathon, it’s not a sprint.”](#)
- On 12 December, [Davin Wu, BC Group CFO, and Shaun Lin, OSL Head of Singapore interviewed with MingPao on how we should extend the blockchain technology to a wider utility in a local perspective.](#)
- On 13 December, [Wayne Trench, CEO at OSL, shared his reaction to Former FTX CEO Sam Bankman-Fried's arrest in the Bahamas, and his outlook for the cryptocurrency sector on Bloomberg TV Live.](#)

Additional digital asset market developments

- Hong Kong Amends Finance Law to Incorporate Crypto Firms. [The territory's Legislative Council voted to add virtual asset service providers \(VASP\) to the Anti-Money Laundering and Counter Terrorist Financing Ordinance as of 1 June, 2023, according to a Dec. 5 amendment to the law.](#)
- Earlier in December, [Brazil passed a law legalizing cryptocurrencies as means of payment throughout the country.](#)
- India to pilot retail digital currency on 1 December, [extending the test to evaluate the creation and distribution of the e-rupee in the South Asian market with a closed group of customers and merchants a month after it began evaluating the CBDC for the wholesale segment.](#)
- Telegram CEO Pavel Durov said the company will [build a decentralized exchange \(DEX\) and non-custodial wallets](#) that could reach millions of users.
- OpenAI, an artificial intelligence research lab founded by Elon Musk and Sam Altman (Elon has since left the company) has released [ChatGPT – a simple chat-style UI powered by powerful language-generation AI.](#)
- [Starbucks has opened up Odyssey, its new Web3 rewards platform](#)
- On 13 December, [SBF was arrested by the Bahamian Authorities. He has been charged with wire fraud and conspiracy, securities conspiracy, fraud and money laundering.](#)



- [CSOP launched the first new bitcoin and ether futures exchange-traded funds \(ETF\) that began trading on the Hong Kong Stock Exchange on 16 December, raising nearly \\$79 million.](#)
- [Metamask has announced that users will now be able to fund their wallets with PayPal.](#)
- [FTX co-founder Gary Wang and Alameda's Caroline Ellison plead guilty to criminal charges.](#)
- [On 21 December, SBF was extradited to the USA to face charges. He was released from prison a few days later on a \\$250 million bail.](#)
- [Hong Kong brokers, fund managers get ready for virtual-asset trading as SFC widens access to retail investors.](#)

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

Thank you again for your continued support.

Sincerely,

Dave Chapman
Executive Director
BC Group (863 HK)

* Total platform volume data are an estimated aggregate total of all trading activities on the OSL platforms over the stated period. Such data are unaudited, based on various assumptions and methodologies that are subject to change, and may be subject to subsequent adjustments and corrections which we may later publish. Source: TheBlockCrypto as of 1 January 2023