



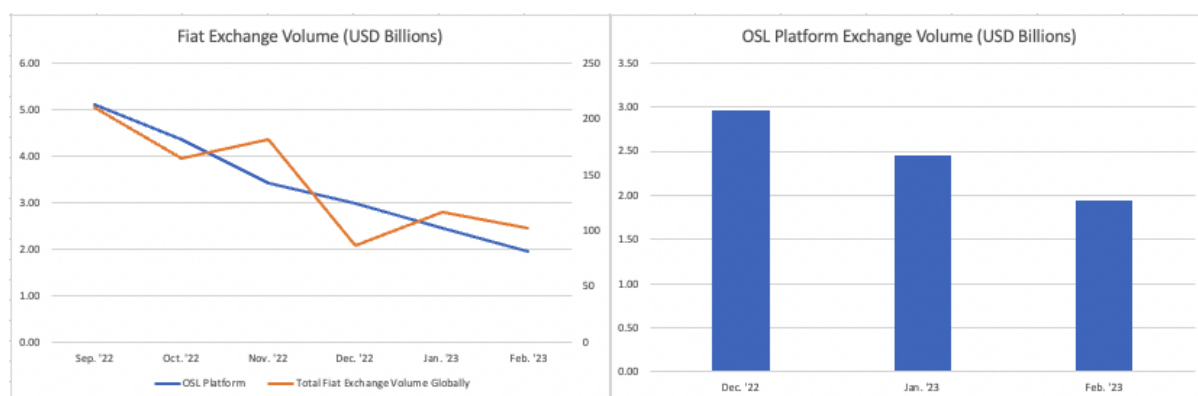
Dear Investors:

February marks a significant milestone in the history of Hong Kong, as [the Securities and Futures Commission \(SFC\) released a consultation paper detailing the regulatory framework for cryptocurrencies and other virtual assets in the city](#), including participation by retail investors. [The 361-page document outlines a range of potential approaches to regulating digital assets, including proposals for licensing and supervising digital asset trading platforms, implementing investor protection measures, and setting standards for disclosure and transparency](#). This represents a major step forward in the development of Hong Kong's digital asset ecosystem, as it underscores the importance of regulatory frameworks to support the safe and secure adoption of digital assets. We believe that this development will help to enhance investor confidence and drive innovation in the digital asset industry, positioning Hong Kong as a leader in this rapidly evolving landscape. We look forward to exploring the opportunities of this consultation paper with our clients and partners in the weeks and months ahead.

From a macroeconomic perspective, the global economic landscape continues to be marked by both opportunities and challenges. We remain optimistic about the global economic landscape. Despite global inflation on the rise in recent months, and consumer prices surging in many regions around the world, [BTC price has stabilized in February in the range of \\$21,500 to \\$25,000](#).

February has also been a momentous month for OSL, as we continue to expand our presence in the digital asset industry. On 13 February 2023, [the OSL powered crypto trading services collaboration with Interactive Brokers \(Nasdaq: IBKR\) launched](#). In addition, on 15 February 2023, [OSL Digital Securities and Arta Techfin Corporation Limited \(“Arta TechFin”\) entered into a strategic partnership to create an end-to-end virtual asset financial service ecosystem](#).

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



Business updates



As mentioned above, [OSL Digital Securities has powered the launch of cryptocurrency trading services by Interactive Brokers \(Nasdaq: IBKR\) in Hong Kong](#). This marks a significant milestone in the regulated digital asset landscape in Hong Kong, as eligible professional investors in Hong Kong can now for the first time trade Bitcoin (BTC) and Ethereum (ETH) alongside other asset classes available on the Interactive Brokers platform. The timing of IB's launch of crypto services could not be more perfect, as the Hong Kong Securities and Futures Commission (SFC) has recently announced its plans to open retail crypto trading on June 1st this year.

Furthermore, [OSL on 15 February announced its strategic partnership with Arta TechFin to create an end-to-end virtual asset financial service ecosystem](#). Subject to obtaining required regulatory approvals, the partnership intends to offer a full spectrum of regulated VA solutions, including origination of asset-backed security tokens, secondary trading of physically-settled and cash-settled VA spot and VA derivatives, and custody of OTC and exchange-traded VA. Riding on the tailwind of the Hong Kong Government's progressive VA policies, our joint effort will continue to support Hong Kong's development as the global VA financial center.

In the news

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

- 22 Feb 2023 - I was featured on [Forkast](#) to discuss the current digital asset situation in Hong Kong in addition to the upcoming regulation that has proposed to allow retail investors to participate in the trading of cryptocurrency.
- 20 Feb 2023 - OSL was mentioned on [Bloomberg news](#) regarding the proposed regulatory framework by the Securities and Futures Commission (SFC). We remain optimistic about the future of the digital asset market in Hong Kong and are committed to working with the SFC to ensure the new licensing regime provides a safe, secure, and compliant environment for retail traders to participate in the market.
- 20 Feb 2023 - OSL hosted its first recruitment talk at The Hong Kong Polytechnic University in Hong Kong. Leadership from various departments shared their invaluable insights and tips for working in the dynamic digital asset space.
- 16 Feb 2023 - Gary Tiu, Executive Director and Head of Regulatory Affairs at OSL was interviewed by the [Hong Kong Economic Journal](#) and mentioned that "limited product range in the digital asset market limits opportunities for investors to deploy capital - leading to more volatile markets."
- 16 Feb 2023 - OSL was featured on [CoinDesk](#) on our initiative with Interactive Brokers which affords cryptocurrency trading to professional investors in Hong Kong.
- 15 Feb 2023 - [Cointelegraph](#) featured OSL's collaboration with Interactive Brokers. The article highlights the launch and details how it is occurring at a critical juncture in light of the current environment in the city.



- 15 Feb 2023 - The [Wall Street Journal](#) also featured our collaboration with Interactive Brokers to launch crypto trading in Hong Kong. The article similarly details how investors are responding to Hong Kong's commitment to developing the digital assets industry in the city.

Additional digital asset market developments

- [Hong Kong Releases Consultation Paper as It Is Ready to Allow Trading of Large Crypto Coins](#) for retail investors.
- Hong Kong [offers inaugural \\$100m tokenized green bond](#). Hong Kong's government successfully issued its first tokenized green bond of 800 million Hong Kong dollars (US\$101 million).
- [U.S. targets crypto staking with Kraken crackdown](#). The platform agreed to shut down its U.S. cryptocurrency staking service and pay \$30 million in penalties to settle charges with the SEC.
- [The UK finally reveals plan to regulate crypto trading and lending](#), by introducing a new crypto regulatory framework via a consultation paper published by the Treasury which includes stricter rules for investing and trading.
- [Tokenise Europe 2025 initiative launched by EU, German banking association](#). It aims to drive the adoption of tokenization to make the European Union a frontrunner in the sector and protect its sovereignty.
- [Coinbase is launching an Ethereum Layer 2 called BASE](#) that offers a secure, low-cost, developer-friendly way for anyone, anywhere, to build decentralized apps.
- [Microsoft and Ankr partner to offer blockchain node infrastructure service](#), enabling web3 projects or developers to deploy smart contracts, relay transactions and read or write blockchain data.
- [BlackRock Starts Metaverse-Themed ETF](#). The ETF focuses primarily on tech companies that are exposed to the metaverse.

As always, the team at BC Technology Group and OSL are available to discuss February'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 February 2023