



Dear Investors:

March 2023 continued to be an eventful and uneasy month for both the traditional and digital asset markets globally. This month has been characterized by a [banking crisis involving Silvergate, Signature Bank, and Silicon Valley Bank](#), as well as the [historic merger between UBS and Credit Suisse](#). Alongside these developments, macroeconomic uncertainties, such as rate hikes, have contributed to a challenging environment.

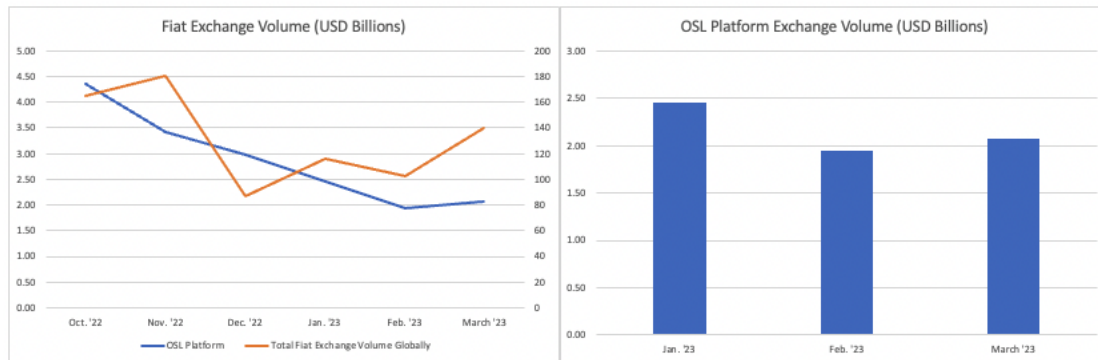
The banking crisis with Silvergate, Signature Bank, and Silicon Valley Bank sent shockwaves through the financial sector, raising concerns about the stability and integrity of these institutions. Our team at OSL has been diligently monitoring the situation and evaluating the potential impact on our operations. We are proud to say that we remained largely unaffected by the ongoing banking crisis, thanks to our strong and diverse global banking relations. By maintaining a well-balanced network of banking partners, we have been able to quickly resume trading activities, ensuring our clients' interests as our top priority. Our ability to navigate through this challenging period is a testament to our proactive risk management strategy and foresight in cultivating a resilient operational infrastructure. We have taken deliberate steps to build a robust foundation that enables us to weather market uncertainties and continue delivering value to our investors.

The current macroeconomic landscape is also marked by uncertainty, particularly regarding to interest rate hikes. Central banks around the world are grappling with the delicate balance between combating inflation and supporting economic growth. [On 22 March, The Federal Reserve enacted a quarter percentage point interest rate increase, the ninth hike since March 2022.](#)

[On 28 March, BC Technology Group announced its 2022 annual results, recording a 49% YoY trading volume growth](#), despite the backdrop of a difficult year filled with macro uncertainties and black swan events. Our Group's non-IFRS income and non-IFRS digital asset income were HKD 228 million and HKD 183 million respectively, successfully maintaining almost the same level of revenue as the last reporting period despite market turmoil. Our SaaS business revenue grew by 200% YoY to HKD 30 million.

A replay of the BC Technology Group investor call recording is available for viewing [here](#), and the investor presentation is available for viewing [here](#).

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



Business updates

I am happy to announce that on [8 March, we entered into a strategic partnership with Victory Securities](#), an SFC-regulated broker serving Hong Kong investors. This partnership aims to expand the availability of regulated digital asset services for Victory Securities' clients. Through this collaboration, Victory Securities will have access to our regulated digital asset dealing services, including trading, custody, and exchange.

Furthermore, on [22 March at the AWS Financial Services Industry Forum, we launched FinLink - a first-of-its-kind, plug-and-play software, and professional services solution that allows financial institutions to rapidly, securely adopt digital assets](#). FinLink enables financial institutions to innovate safely and begin their digital assets journey, offering a secure and reliable sandbox environment, leveraging Amazon Web Services (AWS) infrastructure.

Lastly, I want to provide an important update on our global trading operations. As we've shared historically, OSL has built a business and a brand based around several key pillars including risk management, security and compliance. Licensing in particular has remained at the forefront of our approach as we remain steadfast in our view that the majority of the market will ultimately be dominated by quality, licensed operators. To that end, we've seen strong regulatory progress and frameworks emerge in our home markets in Asia, namely Hong Kong and Singapore. With that in mind, we have made the decision to double down on these markets and we will now service our key and strategic client relationships in the Americas from our Asia-based operations.

In the news

OSL had a busy March 2023, with participation in various industry events, product launches, collaborations, and career fairs, showcasing our commitment to innovation, education, and driving the adoption of digital assets in Hong Kong and beyond:



- 30 Mar 2023 - OSL partnered with esteemed industry leaders to co-host [RESURGENCE](#), a premier networking event exclusively for the fintech and digital finance industries. The event was a success in providing executives from banks, financial institutions, solution providers, and industry associations with valuable connections, innovative solutions, and growth opportunities.
- 30 Mar 2023 - OSL participated in [The Hong Kong Polytechnic University career fair](#), where staff from the project management, engineering, and HR teams shared the latest Odyssey program, an OSL graduate program, with students.
- 30 Mar 2023 - I joined a panel discussion at the [WOW Summit](#) with industry leaders from Fidelity International, Kenetic Capital, and Bullish, to discuss the challenges of the digital asset market from an investor's perspective.
- 29 Mar 2023 - I recently had an opportunity to discuss the digital asset industry's state with [CNBC's](#) Dan Murphy and Hadley Gamble. During the interview, I shared some insights on the regulatory developments in the US, emphasizing the importance of regulation, and the advantages of operating in Hong Kong.
- 23 Mar 2023 - [Hong Kong Economic Journal](#) featured our new launch - FinLink, which enables financial institutions to innovate safely and begin their digital assets journey, offering a secure and reliable sandbox environment.
- 22 Mar 2023 - Mark Hiriart, Global Head of SaaS distribution of OSL, at the Amazon Web Services (AWS) Industry Forum Hong Kong announced a [new SaaS product offering - FinLink](#), a first-of-its-kind, plug-and-play software, and professional services solution.
- 21 Mar 2023 - I attended a [panel discussion](#) organized by the FinTech Association of Hong Kong, the Private Wealth Management Association (PWMA), and 100 Women in FinTech, where I discussed the future of Hong Kong leading as Asia's digital asset hub.
- 16 Mar 2023 - I was at the ["Decoding Virtual Asset Trading: When Technology Meets Regulations"](#) networking event organized by CDOTrends and Red Hat. I participated in the panel discussion "What They Don't Tell You About Crypto" to explore the importance of having the correct infrastructure for crypto.
- 15 Mar 2023 - We were thrilled to attend [the 30th Career Mosaic at The Hong Kong University of Science and Technology](#), where staff from our project management, engineering, and human resources teams, shared their invaluable insights on the digital asset industry with the students.
- 8 Mar 2023 - Kevin Lee, Head of Trading at OSLDS, was interviewed by [To Cheung \(財科暗戰\)](#) to discuss the recent consultation paper proposed by the Securities and Futures Commission (SFC), emphasizing the importance of education and open communication to promote market integrity and investor protection.
- 8 Mar 2023 - [OSLDS and Victory Securities Company Limited](#) announced a collaboration to expand the availability and accessibility of digital assets BTC and ETH in Hong Kong, marking a significant step towards the adoption and integration of digital assets into traditional financial markets.

- 8 Mar 2023 - OSL was invited to the [BASc Green Gown Career Roundtable](#) hosted by The University of Hong Kong, where the company looked forward to contributing to the development of globally-minded thinkers, leaders, and entrepreneurs.
- 6 Mar 2023 - I expressed my optimistic sentiment towards the digital asset market in Hong Kong in an interview with Phillip Lord from [Cointelegraph](#), highlighting the recent collaboration with Interactive Brokers and key brokers in Hong Kong as a crucial step towards mainstream adoption of crypto.

Additional digital asset market developments

- [Bittrex crypto exchange winds down US operations due to regulatory uncertainty.](#)
- [Citi predicts that the tokenized securities market could reach \\$4 trillion by 2030](#), as the industry approaches an inflection point.
- Coinbase execs weigh in on the crypto's future in the US amid regulatory scrutiny. [“Regulators should come up with the rules, tell everybody the rules and we follow them,”](#) CEO Brian Armstrong said during the conversation. [“The current laws are not clear and we would like to get more clarity.”](#) as Coinbase commits to fighting SEC after [receiving Wells Notices from SEC](#).
- [Chinese banks reportedly court crypto firms in Hong Kong after mainland ban.](#)
- [Binance and CEO Changpeng Zhao sued by CFTC over trading and derivative violations.](#)
- [SEC sues Tron founder Justin, Sun, and celebrities, including Lindsay Lohan, Jake Paul and Soulja Boy, for crypto securities violations.](#) The agency alleges Justin Sun promoted tokens without disclosure or registering them as securities.
- [Do Kwon Charged with Fraud by US Prosecutors in New York](#) after his arrest in Montenegro.
- [NYAG sues Kucoin for unregistered securities exchange](#), alleges ETH is a security.
- [Credit Suisse and UBS have entered into a merger agreement](#) following the intervention of the Swiss Federal Department of Finance, the Swiss National Bank and the Swiss Financial Market Supervisory Authority (FINMA).
- [Silvergate Bank, Silicon Valley Bank, and Signature Bank are liquidated.](#) The Fed steps in to ensure depositors are made whole as the crypto ecosystem scrambles for banks.
- [Nasdaq eyes crypto custody launch by end of the second quarter](#), joining a growing pool of traditional financial firms entering the crypto space.
- ConsenSys' MetaMask Institutional starts staking marketplace with Allnodes, Blockdaemon, Kiln. [The new marketplace comes just weeks before Ethereum's much-anticipated Shanghai hard fork that should spur growth in staking services.](#)
- [CME Group opens trading for event contracts on bitcoin futures.](#)



- [BlackRock's Fink says tokenization of asset classes could drive efficiencies in capital markets](#). Larry Fink's annual letter to BlackRock shareholders once again included his thoughts on digital assets, with the chief executive surprisingly optimistic about the space in light of recent events.
- [Visa remains committed to crypto plans](#). US payments giant Visa spoke to Reuters that it remains committed to investing in the crypto sector and supporting the technology.

As always, the team at BC Technology Group and OSL are available to discuss March's updates or answer any questions in regards to our 2022 financials and outlooks.

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 April 2023