



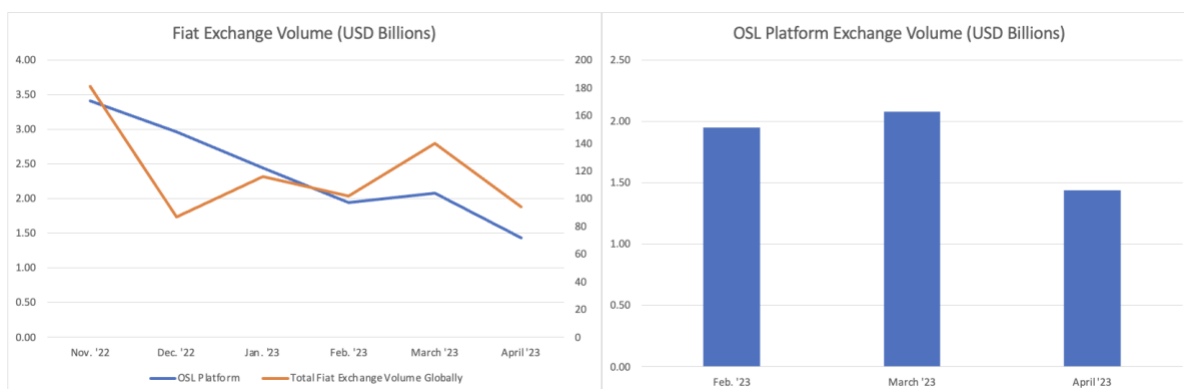
Dear Investors,

April began on a calm note, with major digital currencies like Bitcoin (BTC) and Ethereum (ETH) stabilizing after a period of volatility. This period of relative stability allowed for the completion of several significant milestones in the digital asset space. One of the most notable developments was the [completion of Shapella, the most recent upgrade to the Ethereum blockchain since its Merge upgrade](#). This allowed participants to withdraw their deposited Ether tokens, which they had staked on the blockchain network in exchange for a return. Ethereum first introduced the staking feature in December 2020 and since the Shapella upgrade, there have been net staking outflows of 320,000 Ether tokens.

Additionally in April, [Hong Kong encouraged banks to offer services to licensed virtual asset service providers](#), as the city aims to establish itself as a leading crypto hub. This approach contrasts with the [ongoing regulatory clampdown on the digital asset sector in the United States](#). We expect the crackdown to continue as [Gary Gensler testified to Congress on 18 April, and defended his positioning and the continuous crackdown on digital assets, calling most crypto companies non-compliant. He stated that “we will continue to pursue them as the cop on the beat, and investigate and follow the facts and law”](#).

In late April, the month took a further dramatic turn when [First Republic Bank reported that it was on the verge of bankruptcy](#). This announcement sent shockwaves through the global financial system, and the price of [BTC jumped as the event sparked fresh banking crisis fears](#). [California regulators eventually seized First Republic](#) and put it into FDIC receivership alongside the [sale of its assets to JPMorgan Chase](#), marking the third major U.S. bank failure in two months and the largest since Washington Mutual in 2008.

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



Business updates

OSL was pleased to announce the [launch of our Artificial Intelligence \(AI\) Trader Bot, designed to offer an improved user experience to our clients](#). The new AI



initiative features machine learning algorithms and large language model (LLM) technology to automate OSL's trading services, from support, to quotations to execution. It also uses historical activity combined with market events for propensity modeling to predict and suggest likely actions for customers.

Hugh Madden, CEO of OSL and BC Group, said, "In two to five years, successful companies will have incorporated AI into their operations. Companies that have not will find themselves non-competitive and distressed. I gained this belief through 2022 and set about taking the company through three phases. 1) individual productivity through the use of tooling, 2) API integration and automation of business processes, and 3) deep understanding and development of AI tools for competitive advantage and differentiation." We are now deeply engrossed in step 2, the API integration of AI services and the wholesale automation of business processes.

With this new AI initiative, I am confident that OSL will be at the forefront of innovation and progress in the digital age.

In the news

- April 26, 2023 - Jean-David Péquignot, the Head of Markets and Head of OSL Digital Securities at OSL, participated in a panel discussion at the "[Real-World Assets Get Real](#)" event held at Club DAO Hong Kong, organized by Defactor. The panel focused on the potential of real asset tokenization to revolutionize traditional asset investments.
- April 25, 2023 - I spoke at an EquitiesFirst event, "[Crypto Drinks with Dave Chapman](#)," where I shared my expertise and insights on the digital asset industry.
- April 24, 2023 - I participated in a Bloomberg event, "[Navigating Hong Kong's Digital Asset Landscape](#)," discussing how large institutions can participate in digital markets, hosted at the Bloomberg Hong Kong office.
- April 22, 2023 - OSL was the venue sponsor for the launch event of the [Notifs](#) crypto portfolio app and we expressed gratitude for the opportunity to contribute to its success.
- April 21, 2023 - Gary Tiu, Executive Director at BC Technology Group, discussed the importance of tokenizing financial products to make investment opportunities more accessible in an interview with the [South China Morning Post](#).
- April 18, 2023 - OSL announced [the launch of its AI GPT Trader Bot](#) and a company-wide AI Initiative, aimed at streamlining workflows and enhancing productivity in the digital asset industry. The news has been featured in various mainstream media outlets, such as [DigFin](#), [SCMP](#), [HKEJ](#), [NowTV](#), [etNet](#) and more.
- April 18, 2023 - I participated in a panel discussion organized by the Crypto Asset Federation. The event, titled "[Women in Crypto](#)", brought together women from across the industry to share their experiences and insights on the growing role of women in the crypto space.



- April 17, 2023 - We were fortunate enough to undertake an [interview with Oz Living](#) at the Wow Summit with respect to our recently launched FinLink offering - a plug-and-play solution for digital assets that is taking the industry by storm.
- April 14, 2023 - OSL participated in "[Long Hong Kong, Long Crypto](#)" event organized by Naka Accelerator, Web3CN, TigerVCDAO, and theDesk to explore the latest developments in the web3 space. During the event, Davin Wu, OSL CFO, and Wilson Chan, OSL Director of Asset Management, spoke to the crowd about its recent business development in the Asset Management space.
- April 12, 2023 - Gary Tiu, Executive Director and Head of Regulatory Affairs at BC Group, participated in a panel discussion at the [Web3 Festival](#), discussing the "Frontiers of Digital Finance: Institutionalization of Crypto" alongside John Cahill from Galaxy, Michael Elko from Bloomberg, and Augustine Fan from SignalPlus.
- April 6, 2023 - I joined Medhy Souidi in his podcast series, [What The FinTech!](#), where I expressed, "In every industry on the planet, including crypto, AI is going to disrupt. I am just as, if not more excited about AI as I was when I was introduced to Bitcoin back in 2012."
- April 5, 2023 - Gary Tiu, Executive Director and Head of Regulatory Affairs at OSL, discussed Hong Kong's policy approach to retail investors in an interview with the [Hong Kong Economic Journal](#), emphasizing the importance of clear risk disclosures and opportunities for investors to participate in digital assets.

Additional digital asset market developments

- [Hong Kong, with crypto hub ambitions, urges lenders to support virtual-asset firms with 'their legitimate need for bank accounts.](#)
- [Hong Kong's SFC to issue Crypto Exchange License Guidelines in May.](#)
- [Hong Kong officials reiterate commitment to cryptocurrency, DeFi regulation at Web3 Festival.](#)
- The Ethereum mainnet has completed its [Shapella upgrade](#), allowing validators to finally withdraw their staked Ether on the Beacon chain.
- [First Republic Bank reportedly on verge of collapse.](#)
- [Crypto exchange Coinbase sues SEC over rulemaking petition.](#)
- [EU lawmakers approve world's first comprehensive framework for crypto regulation.](#)
- [Gensler takes on crypto DeFi exchanges with refreshed rule plan.](#)
- [Gensler says securities law is time-tested, crypto just needs to fall in line.](#)
- [Twitter partners with eToro to show real-time stock and crypto information.](#)
- [Singapore and China to pilot digital green bonds and carbon credits.](#)
- [Hong Kong's ZA Bank wants to be the go-to bank for crypto startups](#) as it is now allowed to serve as the settlement bank for regulated web3 companies in the city.
- [FTX bankruptcy fee statements show significant consideration for the exchange restart plan](#), including recovery rights token.



THE TRUSTED
DIGITAL ASSET
PLATFORM



As always, the team at BC Technology Group and OSL are available to discuss April's updates.

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 May 2023