



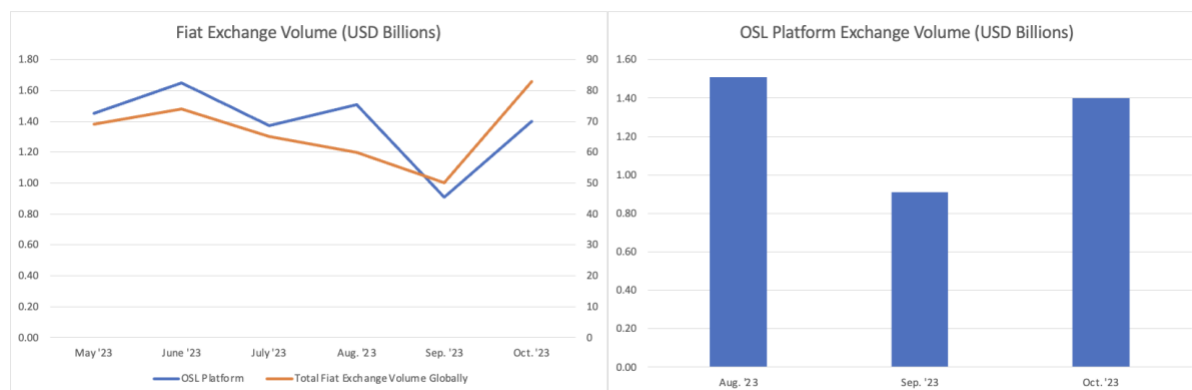
Dear Investors,

In October 2023, the crypto industry experienced some significant events, including a [surge](#) in Bitcoin prices. Bitcoin reached its highest level since May 2022, crossing \$34,000, and then topping \$35,000. This surge was driven by positive sentiment after [Blackrock's BTC ETF appeared on the Depository Trust and Clearing \(DTCC\) list](#), the court's [decision](#) to side with Grayscale over the U.S. SEC in its bid to turn its huge GBTC Bitcoin fund into an ETF, in addition to the ETF filings from other major financial institutions that was mentioned in our previous Monthly Investor Updates.

I want to highlight again that the approval of the spot BTC ETF will represent a monumental shift in the digital asset industry, bridging the gap between traditional financial markets and digital assets. This not only facilitates increased capital inflow but also legitimises digital currency as an asset class, encouraging further innovation, adoption, and development within the industry while attracting a broader investor base, including institutional participants.

Lastly, I refer to a press article which was published on 16 October 2023 by Bloomberg stating that BC Technology is considering selling its OSL business, resulting in unusual movement in the price and trading volume of the shares of BC Technology. On behalf of The Board, I would like to clarify that the contents and statements in the article are factually inaccurate and highly misleading. For more information on our Clarification Announcement, please visit [here](#).

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



Business updates

On 31 October, OSL held an [exclusive evening event with Mastercard](#). The event, "The Future of Digital Finance", celebrated the prospect of a collaborative journey that stands to redefine digital asset solutions. The potential collaboration aims to unite the vanguards of digital asset management and payment solutions, fostering innovation and unparalleled security across the rapidly evolving fintech sector.

Furthermore, I am proud to announce a strategic partnership with the Faculty of Business of The Hong Kong Polytechnic University (PolyU Business School) to



establish the OSL-PolyU Faculty of Business Research Centre for Web 3.0 AI at the “[Navigating the Web3 Frontier](#)” event hosted at PolyU on 25 October 2023. This collaborative initiative will harness the collective expertise of Hong Kong's digital asset industry and academia to spearhead the development of Web 3.0 technologies and Artificial Intelligence (“Web 3.0 AI”).

“OSL will be at the forefront of the blockchain and AI revolution. Tokenisation and AI-driven trading technologies will bring high-quality real-world assets in tokenized forms to global investors, redefining the investment landscape.” said Ken Lo, Deputy Chairman of BC Group.

In the news

- 31 October 2023 - In recent months, OSL and Mastercard have explored the synergy between regulatory expertise and payment innovation. We co-hosted a networking event “[The Future of Digital Finance](#)” to celebrate the prospects of a collaboration that aims to redefine digital asset solutions, uniting leaders in digital asset management and payment solutions for innovation and security in the fintech sector.
- 31 October 2023 - OSL was honoured to participate in The [Bloomberg Global Regulatory Forum 2023](#). Our Executive Director and Head of Regulatory Affairs, Gary Tiu, led a discussion with other industry experts on "Digital Innovation in Financial Services." This platform allowed Gary to delve into the dynamic world of digital assets, financial markets, innovation, and global regulatory considerations.
- 30 October 2023 - OSL was delighted to participate in [DACOMHK](#), where I engaged in a thought-provoking panel discussion on digital asset regulatory strategies. The topic, "Aligning Business and Regulation: Balancing Growth with an Evolving Regulatory Landscape," provided an opportunity to exchange insights with other industry experts.
- 28 October 2023 - OSL extended its sincere gratitude to [Neo Smart Economy](#) and Neo APAC Hackathon for providing such a spectacular event. Our CTO, Henry Chan, was appointed as one of the judges reviewing the Hackathon, and the experience has been truly inspiring. We look forward to the promising innovations these exceptionally talented individuals will bring to the space.
- 26 October 2023 - Gary Tiu and I participated in the [Hong Kong Policy Summit hosted by Ripple & Metaco](#). I had the privilege of providing the keynote address, where I shared my views surrounding the evolution of the Blockchain and Virtual Asset Ecosystems in Hong Kong. Meanwhile, Gary engaged in thought-provoking discussions with senior regulatory experts on the potential of Hong Kong's digital asset compliance framework.
- 25 October 2023 - We marked a new era of innovation as we officially launched our [Web3.0 AI research centre](#) with PolyU Business School. The partnership,



formalised between Ken Lo, Deputy Chairman of BC Group, and Professor Brian Kei of PolyU Business School, signifies a future-focused initiative that will pioneer new frontiers of research and discovery.

- 24 October 2023 - We extended our gratitude to the [FinTech Association of Hong Kong](#) for hosting Gary Tiu, for an insightful panel event. The discussion explored the impact of Hong Kong's new digital assets regulations and licensing considerations on the industry's future.
- 19 October 2023 - A big thank you to [FIX Trading Community Asia Pacific](#) for hosting our Director, Rob Fowler, as a speaker on the Digital Assets Panel during the Australia FIX Conference 2023. The discussion focused on the transformative journey of digital assets trading, highlighting OSL's commitment to advancing the digital finance landscape.
- 19 October 2023 - We were thrilled to announce another pivotal chapter in our mission to create a more secure and trusted digital asset ecosystem. OSL has achieved [SaaS SOC 2 Type 2 certification](#), further reaffirming our commitment to top-tier security and transparency. Responsible regulation is essential for a thriving digital asset market. This report for SaaS is a separate report issued after our earlier announcement about achieving SOC2 Type 2 for OSL's Exchange and Custody services.
- 7 October 2023 - Our CFO, Davin Wu, spoke at the "[Hong Kong Web3 Building Forum](#)", where he emphasised the need to eliminate grey areas in Hong Kong's digital asset landscape, which includes the local activities of OTC shops and overseas unregulated platforms.
- 6 October 2023 - Our team published a video to explore [the rise of Hong Kong as a key player in the digital assets world](#), showcasing OSL's innovative products and services. OSL continues to lead in this transformative industry, from groundbreaking blockchain solutions to our expertise in the digital finance sector.
- 5 October 2023 - I participated in an enlightening discussion at [The Hong Kong Banking Conference by Moody's Investors Service](#), addressing the future of Hong Kong's Digital Finance ecosystem.

Additional digital asset market developments

- Sam Bankman-Fried built 'pyramid of deceit', jurors hear in closing arguments - [link](#)
- Hong Kong regulator updates policy for virtual asset activities - [link](#)
- Grayscale submits new filing to SEC in attempt for spot bitcoin ETF approval following pivotal court ruling - [link](#)
- Hong Kong police, SFC form task force to track suspicious crypto activities amid JPX probes – [link](#)
- UK FCA working on blueprint for fund tokenization due this year - [link](#)



- Ripple obtains digital asset licence from Monetary Authority of Singapore - [link](#)
- Judge Torres rejects the SEC's motion for an interlocutory appeal in Ripple case – [link](#)
- IMF paper proposes framework to assess systemic risk from crypto assets - [link](#)
- Nomura's crypto arm expands to Japan with new office - [link](#)
- Ether futures ETFs from ProShares, VanEck and others go live - [link](#)
- Grayscale moves to convert its Ethereum trust to a spot ether ETF - [link](#)
- China could warm up to crypto through Hong Kong's OTC market: Chainalysis - [link](#)
- GSR secures in-principle approval for Singapore payment institution licence - [link](#)
- UBS taps Ethereum to pilot tokenized money market fund - [link](#)

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