



## BC Group Digital Asset Revenues Rise Eightfold in 2019 to RMB72 Million OSL Digital Asset Platform Group's Largest Revenue Driver at 44% of Total

- Active customers up 254% year-on-year for OSL digital assets platform
- Digital asset platform volume surpassed USD1 billion per month in 4Q19
- OSL SaaS product suite launched, now servicing 10 active customers
- Overall Group revenue climbed 14% to RMB165 million year-on-year

Hong Kong – 31 March 2020 – BC Group, Asia's leading listed (stock code: 863 HK) digital asset and fintech company today announced its results for the year ended 31 December 2019, with its wholly owned OSL digital asset platform business continuing its exceptional growth and performance, delivering year-on-year (YoY) revenues of RMB72 million, an increase of 737% on RMB9 million in 2018.

The digital asset platform business – which provides digital asset brokerage, automated trading services, Software-as-a-Service (SaaS) solutions and custody services for institutions and professional investors – was the Group's main revenue driver in 2019, and accounted for 44% of Group revenues (compared to 6% in 2018).

During the year, active customers for the OSL digital asset platform also increased by 254%, spanning more than 50 countries. Overall digital asset trading volumes increased by 654% YoY to RMB46 billion (2018: RMB6 billion) and averaged over USD1 billion in monthly volume in Q4 2019.

The Group also launched a comprehensive OSL SaaS product suite for digital asset trading, now servicing 10 active customers, including a major regional bank.

As a result, Group revenues increased by 14% to RMB165 million (2018: RMB145 million).

“Our strong performance is a testament to our core commitment to security, risk management, compliance and licensing as well as accelerated business development and sales efforts,” said BC Group CEO Hugh Madden. “With the rapid growth of BC Group's OSL digital asset platform, we have become Asia's premier institutional gateway to global digital asset capital markets.”

The Group's PRC-focused advertising and business park management services business declined as a result of macroeconomic headwinds, including the US-Sino trade conflict, with revenue in 2019 at RMB93 million (2018: RMB136 million).

The net loss for the period was RMB245 million (2018: RMB161 million). This was primarily due to a reduction in revenue and gross profit from advertising and business park area management services and an increase in expenditure for the expansion of operations for the digital assets and blockchain platform business which started in the second half of 2018.

### Driving Asia's digital asset capital markets

A major milestone for the year was OSL's November 2019 submission of an application for licenses to conduct Types 1 and 7 regulated activities under the Hong Kong Securities and Futures Commission's new regulatory framework for digital asset trading platforms.

“We view the introduction of licensing for digital assets in Hong Kong in 2020 as an inflection point,” said BC Group CFO Steve Zhang. “This will galvanise institutional participation in the digital asset space and accelerate growth of BC Group and our OSL digital asset platform business as traditional securities continue to digitize.”



With some industry analysts projecting that the size of the digital asset securities market will grow by more than 5000% to USD 11 trillion by 2024, BC Group continued to implement a series of initiatives to best position itself to capture growth.

The Group in 2019 also strengthened its management team; completed a rebrand of the Group and its digital asset product offering; expanded its digital asset services capabilities into complementary strategic markets including opening a new OSL office in Singapore in July; ramped up its SaaS sales efforts to major institutions; launched Asia's leading digital asset custody service and; completed a HKD114 million share placement to fund the Group's continued expansion.

The success of 2019 builds off a strong year in 2018, when the Group made significant investments to establish corporate and technical infrastructure for its digital asset platform business, including incorporating best-in-class risk management, market surveillance and compliance systems for its SaaS and digital asset trading services under the OSL brand. OSL is now the best-in-class digital asset platform in Asia.

### Strategy and outlook

In late January 2020, BC Group issued a USD36 million share placement. After a successful trial period, OSL publicly launched in March 2020 an automated digital asset trading system, OSL Exchange. Its single platform login provides access to automated trading services, brokerage, and custody products and services to institutions and professional investors. The entire platform is also offered as a cloud SaaS offering to institutions.

While the Group is cognisant that global economic conditions are highly uncertain as a result of COVID-19, it believes the financial services ecosystem will continue its evolution to digital assets.

Buoyed by greater global regulatory clarity, the Group's focus for the remainder of 2020 will be to cement its position ahead of the regulatory curve, sharpen its client acquisition focus, including for SaaS, and drive greater institutional flows through the platform.

These actions will support the Group's continued diversification of revenue streams and increase its margins as a result of increased scale.

### About BC Group and the OSL Platform

BC Group (stock code: HK 863) is Asia's leading public fintech and digital asset company. It is the parent company of OSL, the region's most comprehensive digital asset platform. OSL is the region's premier institutional gateway to global digital asset capital markets, and provides Software-as-a-Service, brokerage, exchange and custody services for institutions and professional investors.

In a world first for a listed, digital asset-focused business, BC Group is 'Big-Four'-audited, and fully compliant with industry leading anti-money laundering and know-your-customer standards.

The strategic vision of BC Group and the OSL platform is to drive the next generation of Asia's capital markets with digital assets, setting standards for performance, security and compliance.

For more information: [bc.group](https://bc.group) and [osl.com](https://osl.com).

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