

Dear Investors:

December was a watershed month for BC Technology Group and the digital asset space as a whole. BC Technology Group member and leading digital asset firm [OSL Digital Securities became the first firm to secure a license to conduct Type 1 and Type 7 Virtual Asset regulated activities](#) from the Securities and Futures Commission of Hong Kong. Also during the month, Bitcoin hit new all time highs and Ethereum surged as droves of traditional investors continued to pile into the asset class and a slew of brand name institutions staked their claim on the space.

OSL Exchange posted another consecutive month of record monthly volumes.

Bitcoin (BTC) smashed previous all time highs during December, hitting a new ATH above USD29,000 and Ethereum (ETH) climbed to over USD700 (levels not seen since May 2017) driven by increased institutional adoption as the decoupling of digital assets from traditional financial markets accelerated.

Traditional financial giants Visa, American Express, Standard Chartered, and Northern Trust joined the digital asset 'land grab' announcing initiatives and / or partnerships in the space, while Coinbase filed a confidential S-1 for a US stock exchange listing and [PayPal's digital asset partner Paxos raised USD\\$142 million from Carlyle billionaire David Rubenstein, Paypal Ventures and others.](#)

Meanwhile in the Asia Pacific region, leading [Southeast Asian banking group DBS officially announced the launch of its digital asset exchange.](#)

## Business updates

[OSL became the first firm to be licensed by the Securities and Futures Commission \(SFC\) to conduct dealing in securities / brokerage and automated trading service \(ATS\) / exchange activities](#) for virtual assets and is now the world's first SFC-licensed, publicly-listed, Big-4 audited and insured digital asset trading platform for institutions and professional investors.

Regulatory clarity has arrived - and the formal license confirms the SFC's confidence in our security, compliance, risk management and internal controls, in addition to our commitment to comprehensively address the requirements of institutional and professional investors.

The license enables OSL to offer customers safe, secure and compliant trading and custody access to Bitcoin (BTC), Ethereum (ETH) and other crypto-assets, along with select security token offerings (STOs).

Also during the month, we publicly announced [our provision of SaaS technology services to Singapore-based DBS banking group.](#)

BC Technology Group and OSL executives continue to drive thought leadership, featuring prominently in media and market commentary during the month of December:



- [BC Group General Counsel Melody Ma participated on a panel during the Asia Derivatives Conference on “Are data and technology the new drivers for the business?”](#)
- OSL CEO Wayne Trench was interviewed and cited on top-tier Hong Kong local media outlets including [AppleDaily](#), [Mingpao](#), [Hong Kong Economic Times](#) regarding the licensing announcement
- [OSL CEO Wayne Trench was interviewed by Caixin Global on the SFC licensing news](#)
- [OSL Head of Distribution and Prime Matt Long was quoted in Cointelegraph on OSL licensing](#)
- BC Group Executive Director & Head of Regulatory Affairs Gary Tiu had interviews on Metrofinance radio program about our licensing announcement on [18](#) and [24 December](#)
- [BC Group Executive Director & Head of Regulatory Affairs Gary Tiu was interviewed by Unwire on our licensing announcement](#)
- [OSL Head of Distribution and Prime Matt Long was quoted on Bloomberg after Bitcoin climbed above USD29,000](#)

## Digital asset market developments

Traditional financial players continued to enter the digital asset sector en masse as [Visa announced that it is launching a new credit card that will offer its cardmembers bitcoin rewards instead of points](#) and separately [announced the connection of its payment network with Circle Finance’s Ethereum-based stablecoin USDC](#); payments competitor [American Express’ venture arm announced an investment into cryptocurrency trading platform FalconX](#); [Standard Chartered announced that it would be launching crypto trading for institutional investors](#) as [CEO Bill Winters said that digital currency rollout is inevitable](#) during an interview on [CNBC](#); in a related story [Northern Trust announced that it was partnering with Standard Chartered](#) to launch a digital asset custody service; and finally [Spanish banking giant BBVA announced plans to offer crypto trading and custody services](#).

[Coinbase announced plans to go public in 2021 through a confidential S-1 filing, and Goldman Sachs is reportedly handing the listing](#). Coinbase is speculated by market pundits to carry a valuation somewhere between USD8-28 Billion. In addition, Japanese financial group [SBI announced the acquisition of digital asset trading firm B2C2](#) (financial terms were not disclosed).

In yet another sign of the maturation of the asset class, venerable financial ratings, information and index firm [Standard and Poors announced plans to launch cryptocurrency indices in 2021](#).

In the stablecoin arena, [Libra’s digital currency project was renamed Diem](#) to ‘reinforce its organizational independence’ as launch still appears to be on track for 2021.

As Bitcoin works its way onto corporate balance sheets, [NASDAQ-listed Microstrategy disclosed that it now holds 70,470 BTC after purchases of over USD1bln over the course of 2020](#) at an average price of USD15,964 per BTC (current market value ~USD2bln).

In Europe, [France announced that it will enforce disclosure requirements over privacy concerns](#), citing terrorism funding concerns in its KYC requirements. Meanwhile [increasing regulatory scrutiny appears inevitable in the US](#) as the market capitalization of the digital asset class soars.

Other news items that caught our attention during the month:

- [Southeast Asia's biggest bank launches digital asset exchange](#)
- [Massachusetts based insurer MassMutual announces Bitcoin purchase](#)
- [JPM on the significance of MassMutual's Bitcoin purchase](#)
- [A new Bitcoin whale emerges](#)
- [Former White House advisor Scaramucci launches a new BTC fund](#)
- [Guggenheim's Scott Miner says BTC should be worth USD400,000](#)

Thank you again for your continued support. As always, the team at BC Technology Group and OSL are available to discuss December's updates or to answer any questions you may have. On behalf of all of us at BC Group / OSL, we wish you a prosperous 2021.

Sincerely,

Dave Chapman  
Executive Director  
BC Group (863 HK)