

Dear Investors,

March was another exciting month for the team, with [BC Technology Group releasing its audited FY2021 annual results on 29 March](#), marking three years of rapid growth for the OSL platform, and a 63% year-on-year (YoY) increase in overall OSL revenues to HK\$278 million.

OSL remains the Group's best performing business and largest revenue contributor, and comprises 79% of all Group income and revenues, up 9% from the previous year. Driven by OSL's success, overall Group revenues were up in FY2021 by 44% YoY to HK\$352 million, while Group gross profit increased 54% YoY to HK\$303 million.

**FY2021 Group financial and operational highlights:** *OSL growth accelerated YoY*

- OSL digital asset platform volume increased 73% YoY to HK\$306 billion
- OSL Prime brokerage revenue increased 58% YoY to HK\$254.5 million
- Service fees from OSL SaaS increased 104% YoY to HK\$10.1 million
- Assets on platform increased 44% YoY to HK\$4 billion

**FY2021 Group business highlights:** *OSL expanded reach and gained market share*

- The Group completed two share placements for ~HK\$1.24 billion during the year and invested the capital back into the business, enhancing platform efficiency and operational excellence
- This enabled OSL Prime Brokerage and Exchange to expand in terms of geographical reach, product/token suite and client portfolio
- OSL SaaS also rapidly captured global market share, [signing a landmark JV with Standard Chartered's SC ventures to service the UK and Europe](#), and winning tier-1 clients wins in [LatAm](#), [Mongolia](#) and other markets

The Group's successful results were achieved against significant geopolitical shifts and regional and global macro uncertainty in financial securities markets, and have proven the efficacy of its regulatory compliance-first business model and strategic approach to the digital asset market.

OSL is now a household name and is widely regarded as a leader in regulatory compliance, security and transparency.

**Results materials links:**

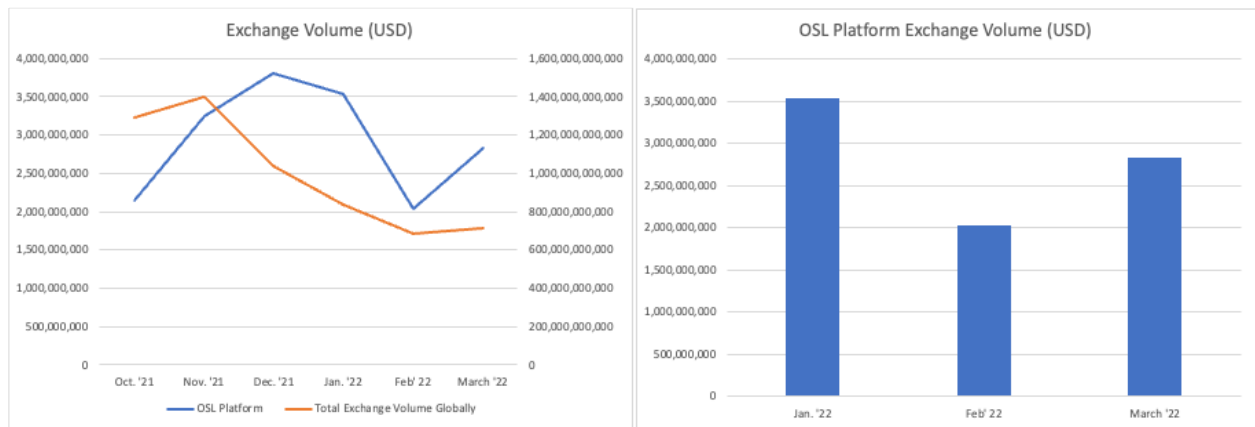
| English   | Simplified Chinese  | Traditional Chinese  |
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| <ul style="list-style-type: none"> <li>● <a href="#">Press release</a></li> <li>● <a href="#">Infographic</a></li> <li>● <a href="#">Presentation deck</a></li> <li>● <a href="#">Investor call replay</a></li> </ul> | <ul style="list-style-type: none"> <li>● <a href="#">Press release</a></li> <li>● <a href="#">Infographic</a></li> <li>● <a href="#">Presentation deck</a></li> <li>● <a href="#">Investor call replay</a></li> </ul> | <ul style="list-style-type: none"> <li>● <a href="#">Press release</a></li> <li>● <a href="#">Presentation deck</a></li> </ul> |

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## Business updates

Below are OSL volumes for the past three months<sup>1</sup>



[Davin Wu was appointed as Group CFO on 9 March](#), and this appointment was reported by several [media outlets](#).

On the following day, [Wayne Trench published an OSL Insights piece on US President Joe Biden's landmark executive order on digital assets](#):

*“OSL welcomes the Biden order as part of the inevitable global regulation of the digital asset ecosystem and the beginning of a new era in digital asset finance. OSL was built with regulatory compliance woven into its DNA, and operating a global, regulated business is the cornerstone of our growth strategy.”*

- OSL CEO Wayne Trench

Further, OSL executives and BC Group senior leadership continued to appear in well-known media and market events throughout the month:

- OSL Head of Institutional Sales North America [Jeff Howard published an op-ed in Alternatives Watch entitled, Defrosting 'Crypto Winter 2.0'](#)
- BC Group Executive Director and Head of Regulatory Affairs Gary Tiu presented to the Hong Kong Securities and Investment Institute on [Virtual Assets: Hong Kong's Evolving Virtual Assets Regulatory Landscape and Impact on Financial Institutions](#) on 11 March
- [BC Group CFO Davin Wu was interviewed on 14 March by CorporateTreasurer](#) on his appointment

<sup>1</sup>**Disclaimer:** Total platform volume data are an estimated aggregate total of all trading activities on the OSL platform 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: Cryptocompare as of 30 March 2022

- Head of OSL Digital Securities Jean-David Péquignot joined a panel on [Institutionalizing the Digital Asset market – First-hand insights from VASPs and allocators](#) at the EmergentX Annual Digital Asset Summit 2022 on 23 March
- On 25 March, [OSL Head of Americas Fernando Martinez was interviewed by CoinDesk TV](#) on the impact of US President Joe Biden’s LNG supply announcement (at the 00:17:00 mark)
- BC Group General Counsel Karen So spoke at [The Rise of Cryptocurrency](#) event organized by the HKIAC on 28 March
- On 30 March, BC Group Deputy Chairman Ken Lo and BC Group Head of Market Development Joe Zhou spoke at thePWMA on [SFC-HKMA Joint Circular on Intermediaries’ Virtual Asset-related Activities](#)
- Head of OSL Digital Securities Jean-David Péquignot and OSL Head of Sales Ryan Miller shared their views with EquitiesFirst in Crypto Institutional Insights with OSL on 31 March

## Digital asset market developments

The Joe Biden executive order on digital assets prompted a [flurry of headlines in the month](#), but it was not the only major regulatory news in March. On 21 March, the [Australian government announced an overhaul of the country’s payments infrastructure](#) with heavy emphasis on digital asset and cryptocurrency regulation. Shortly thereafter, [ANZ bank became the first bank to Mint an Australian dollar stablecoin, the A\\$DC](#). On 23 March, [a Malaysian government minister suggested that his country should make Bitcoin legal tender](#), while [Honduras signaled its intent to do the same](#).

The Ukraine-Russia conflict and its subsequent impact on commodities and equities markets also dominated the news cycle for all of March and digital assets held their own in many respects, continuing to dispel assumptions and preconceived notions on how they would behave in such a scenario. Crypto [was not used to evade sanctions](#) as was predicted by many, and the market cap and price stability of major tokens held firm, [shaking off assertions that crypto is a correlated risk asset](#).

Also of note in the month was one of the sector’s biggest-ever security breaches, which occurred when [hackers stole over USD600 million from video game Axie Infinity’s Ronin network on 29 March](#). The market, however, shrugged off the event, with bitcoin and ether seeing slight gains of approximately 0.75% and 2% respectively on the same day.

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“Traditional” financial institutions, too, have not been deterred from continuing to enter the digital asset space, [with Charles Schwab filing for a crypto index ETF on 3 March](#), [Goldman Sachs becoming the first major US bank to trade OTC crypto](#) in a partnership with Galaxy Digital on 21 March, and hedge fund billionaire [Ken Griffin admitting he’d changed his mind about crypto and said that Citadel might soon be in the digital asset market](#).

On 8 March [Bain Capital Ventures announced that it is launching a USD650 million fund focused exclusively on crypto-related investments](#), while the [Hong Kong Stock Exchange revealed plans in late March that it would launch its “Diamond” project, an ESG-focused trading platform to pilot digital assets later in 2022](#).

With the regulatory progress and mainstream integration of digital assets occurring across the globe, OSL has further solidified its position as one of the most regulated and advanced digital asset firms anywhere in the world.

As always, the team at BC Technology Group and OSL are available to discuss the Group’s annual results, March’s updates or answer any questions.

Thank you again for your continued support.

Sincerely,

Dave Chapman  
Executive Director  
BC Group (863 HK)