



Dear Investors,

We began the month of June with the [application for an uplift to our existing license with the Securities and Futures Commission \(SFC\)](#) of Hong Kong to facilitate retail trading, in line with the new regulatory requirements effective from June 1, 2023.

I am happy to share that the application was well received, and we are optimistic that we should be granted approval in the coming weeks, becoming not only a significant milestone for the company in our pursuit to make digital assets more accessible to a broader range of individuals, but also a historical milestone in the industry that will position us at the forefront of the transition to mainstream digital asset investment in Hong Kong.

Globally we have seen mixed news in the digital asset industry, underpinned by [Blackrock's filing for a prospective spot bitcoin ETF](#) on June 15, undeterred by the SEC's past record of rejecting every such application. The news helped bitcoin bounce out of the doldrums and [snap two consecutive weeks of losses to reach USD \\$30,000](#). The filing has led to a flurry of similar applications from other firms, including [Fidelity, WisdomTree, Invesco, VanEck, etc.](#) If successful, it would offer investors exposure to spot bitcoin on a regulated U.S. stock exchange without the hassle of custody. On June 30, the SEC responded by stating that the applications "[aren't sufficiently clear and comprehensive](#)" enough. However, [Fidelity led a handful of firms that immediately refiled their applications](#) in response to such. [BTC price remained resilient above \\$30,000](#).

Furthermore, the SEC continued its crackdown on digital assets in June by suing major names in the industry. On June 6, the [SEC sued Coinbase](#), alleging that the company operated its crypto asset trading platform as an unregistered national securities exchange and broker. The SEC also alleges that at least 13 crypto assets that Coinbase made available to customers, including Solana and Cardano's tokens, qualify as "crypto asset securities". Coinbase's staking program, which the regulator describes as a way for crypto investors "to earn financial returns through Coinbase's managerial efforts," counts as an investment contract and unregistered security, according to the SEC.

Moreover, the [SEC has sued Binance, Binance.US, and CZ](#) on allegations of violating federal securities laws. The lawsuit alleges that Binance, Binance.US, and CZ offered unregistered securities to the general public in the form of the BNB token and Binance-linked BUSD stablecoin, and that Binance's staking service violated securities law.

We at BC Technology and OSL fully acknowledge the increased scrutiny that the cryptocurrency market is facing worldwide. These events underscore the need for a vigilant and proactive regulatory approach and serve as a reminder that we operate in a highly dynamic industry where regulations evolve with the technology.

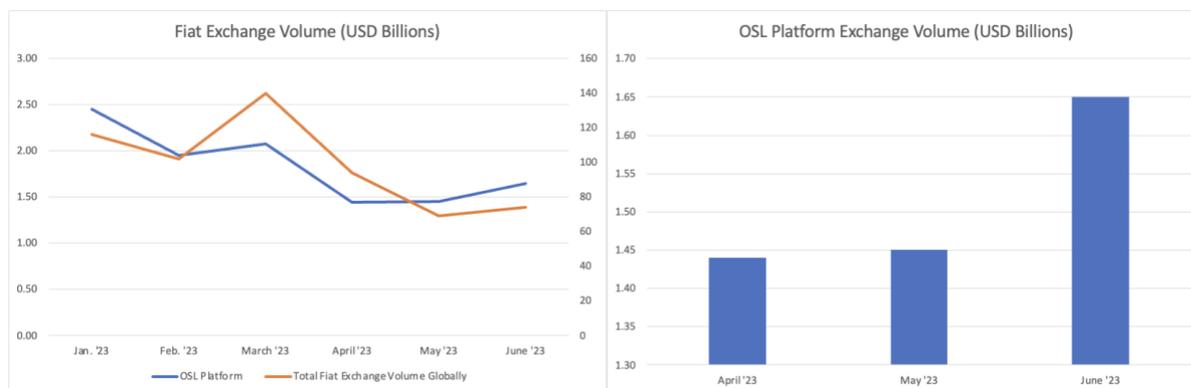
We wish to affirm that our strategy at OSL remains rooted in a regulatory-first mindset. We have been diligent in our approach to compliance from the very



beginning and are prepared to meet and exceed the expectations of regulatory bodies.

Looking ahead, we continue to view Asia as an area of immense growth potential. We are deeply invested in this region and remain optimistic about its future. Asia has been leading the charge in many aspects of digital innovation, and we believe that its embrace of digital assets and blockchain technology will only grow in the years to come.

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



## Business updates

On June 27, RD Technologies Group (“RD Technologies”) and OSL jointly announced that they entered into a collaboration agreement. The two companies will explore the use of RD Technologies Group’s digital Corporate ID solution, RD ezLink, to enhance customer due diligence efficiency and customer experience for OSL’s corporate and future retail customers.

On June 14, OSL, and Hundsun Ayers Technologies Limited (“Hundsun Ayers”) announced the signing of a Memorandum of Understanding (“MOU”) to explore strategic cooperation in the field of digital assets and financial services. The strategic cooperation will revolve around trading connectivity and market data distribution.

## In the news

- June 27, 2023 - OSL announced a strategic collaboration with [RD Technologies](#) to explore the integration of RD Technologies' innovative solutions to streamline user onboarding and enhance the overall customer experience on our digital asset trading platform. This collaboration has already garnered attention from local media outlets, such as [Hong Kong Economic Journal](#) and [Ming Pao Daily](#).
- June 15, 2023 - OSL had the privilege of hosting the [Hong Kong Securities and Investment Institute Case Competition Award Ceremony](#). I am proud to announce that our sponsored project achieved an outstanding feat by



securing the 1st runner-up position. This achievement underscores OSL's commitment to nurturing talent and driving innovation within the industry.

- June 15, 2023 - Ken Lo, Deputy Chairman of BC Group & OSL, participated in a distinguished panel at the [Greenwich Economic Forum Hong Kong 2023](#). The panel discussion centered around the crucial role of regulatory technology (RegTech) in the rapidly evolving regulatory landscape for digital assets and Web3. Alongside industry experts, the panel explored how blockchain's transparent and accessible nature aids in verifying transactions and mitigating fraud risks. OSL remains at the forefront of the digital asset space, ensuring our users stay ahead in this dynamic industry.
- June 14, 2023 - We announced our strategic partnership with [Hundsun Ayers Technologies Limited](#). This collaboration aims to revolutionize the digital asset space by enhancing trading connectivity and market data distribution. Together, we will unlock new opportunities for our users and clients, reshaping the digital asset market.
- June 12, 2023 - OSL received significant recognition on TVB Pearl's "[Pearl Magazine](#)." Gary Tiu, shared insightful perspectives on the transformative impact of regulatory measures on Hong Kong's digital asset landscape. Operating as a licensed platform, OSL offers enhanced security and insurance, mitigating risks prevalent in the industry.
- June 10, 2023 - We sponsored the exclusive [Web3 gathering organized by Jiemian News](#). This remarkable event featured enlightening keynote speeches by King Leung from Invest Hong Kong, providing invaluable insights into the future of the digital asset landscape in Hong Kong. Additionally, our CFO, Davin Wu, actively participated in a dynamic panel discussion alongside industry experts Junfei Ren from Pando Finance and Lily Z. King from Cobo, moderated by Jiemian News. Such engagements underline OSL's commitment to driving progress and knowledge sharing within the digital asset community.
- June 8, 2023 - We were featured on [Radio Television Hong Kong \(RTHK\) - Hong Kong Connection](#), where Ken Lo, delved into the captivating world of digital assets in Hong Kong. This interview offers an exploration of the latest trends, challenges, and opportunities that shape this dynamic landscape, providing a glimpse into the future of finance.
- June 8, 2023, I had an insightful interview with [Crypto Banter](#) on YouTube, alongside Yat Siu from Animoca Brands and Ciara Sun from C<sup>2</sup> Ventures. Hosted by Ran Neuner, the interview highlighted the importance of prioritizing investor protection and security within the digital asset ecosystem. We emphasized OSL's unwavering support for Hong Kong's digital asset landscape, underlining the significance of regulated platforms that safeguard the interests of both professional and retail participants.



- June 3, 2023 - In a recent feature by [Forkast.News](#), Gary Tiu, shared his insights on the new trading rules for retail investors. Gary emphasized their significance as a reference for other markets to study. OSL, as one of the few licensed digital asset trading platforms in Hong Kong catering to professional investors, remains at the forefront of these developments.
- June 1, 2023 - [Radio Television Hong Kong \(RTHK\)](#) conducted an interview with Ken Lo, Deputy Chairman of BC Group & OSL. During the interview, Ken emphasized OSL's support for the new regulatory framework for digital asset trading introduced by the SFC;
- June 1, 2023 - OSL was featured in [Capital Magazine](#). In the interview, Gary Tiu, discussed how OSL leverages its security token issuance and distribution experience to develop and offer tokenized financial products to retail investors in Hong Kong.

### Additional digital asset market developments

- [BlackRock files application for spot bitcoin ETF.](#)
- [Fidelity joins the rush and reapplies for bitcoin spot ETF.](#)
- [WisdomTree, Invesco Follow BlackRock with Spot Bitcoin ETF Applications.](#)
- [HSBC Hong Kong now lets customers trade bitcoin and ether ETFs.](#)
- [MicroStrategy buys another 12,333 bitcoins for \\$347 million.](#)
- [New crypto exchange, EDX, backed by Citadel, Fidelity stirs optimism.](#)
- [SEC Clampdown Spurs \\$4B Deposit Flight From Binance, Coinbase and Binance.US.](#)
- [Bank of China's BOCI issues first tokenized security in Hong Kong on Ethereum.](#)
- [18 Italian banks trial wholesale CBDC in sandbox.](#)
- [Asian Development Bank completes blockchain trial for cross border bond settlement.](#)
- [Hong Kong Doubles Effort to Help Crypto Firms Get Legit Banking.](#)
- [Coinbase disputes SEC lawsuit and claims SEC 'lacks authority' to bring lawsuit.](#)
- [Binance Fights Back Against SEC Lawsuit Over Alleged Securities Violations.](#)
- [SEC Says It May Make a Recommendation on Coinbase Petition Within 4 Months.](#)
- [Deutsche Bank Applies for Digital Asset License Amid Growth Push.](#)
- [Japan's Biggest Bank MUFG Is in Talks to Issue Global Stablecoins.](#)
- [Singapore's MAS Proposes Standards for Digital Money.](#)
- [Soros Fund Management CEO says crypto is ripe for TradFi takeover.](#)
- [Zodia Custody to Offer Staking to Institutional Clients Through Blockdaemon.](#)  
The firm said it is the first bank-owned custodian to offer staking services to institutional clients.
- [Circle obtains Major Payment Institution license in Singapore, and sets sights on Hong Kong, sees 'enormous demand for digital dollars'.](#)



THE TRUSTED  
DIGITAL ASSET  
PLATFORM



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