



BC TECHNOLOGY GROUP LIMITED
BC 科技集團有限公司
Stock code: 863 HK

2023 INTERIM RESULTS

August 2023



ASIA'S LEADING
DIGITAL ASSET
PLATFORM

DISCLAIMER



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BC科技集團有限公司
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THE TRUSTED
DIGITAL ASSET
PLATFORM

Contact ir@bc.group

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Business Updates and Outlook

A Look Back at 1H2023

BTC Reaches 52 Week High



Positive Sentiment



ARK
INVEST

VanEck®

VALKYRIE



WISDOMTREE®



Invesco

BlackRock®

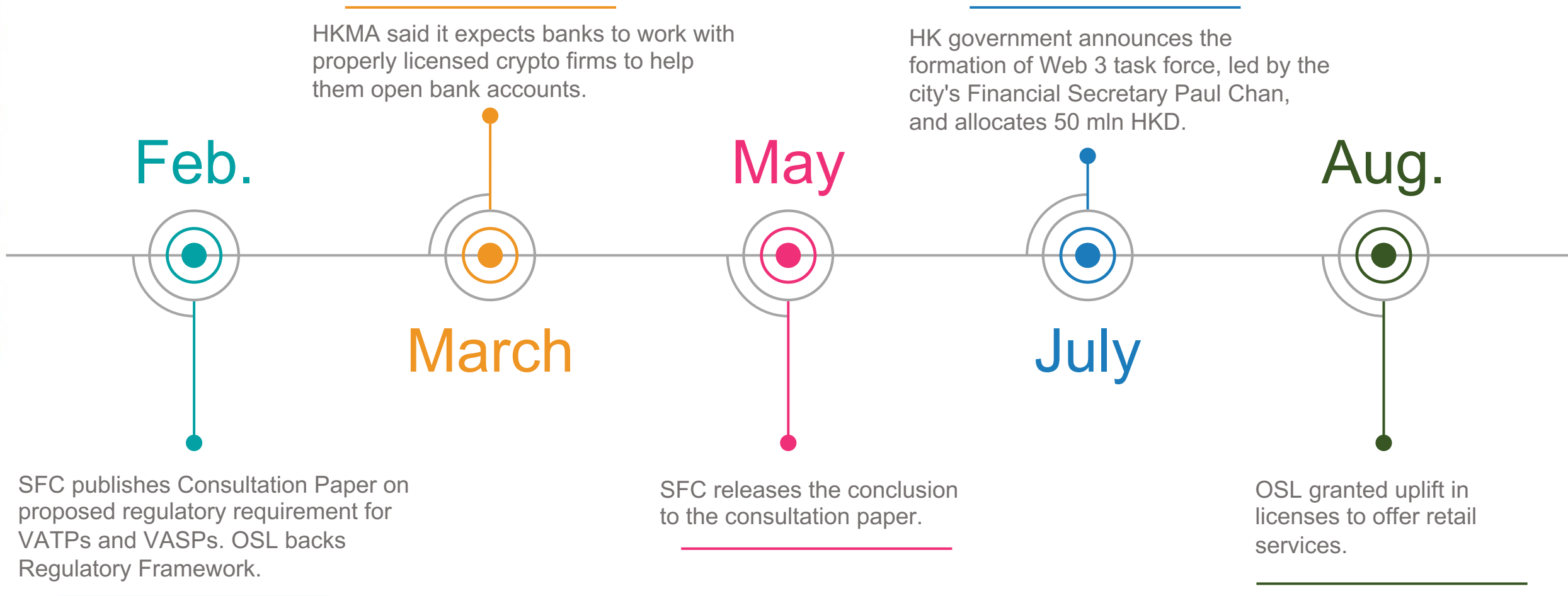


ripple



Fidelity
INVESTMENTS®

HK Progresses as a Hub



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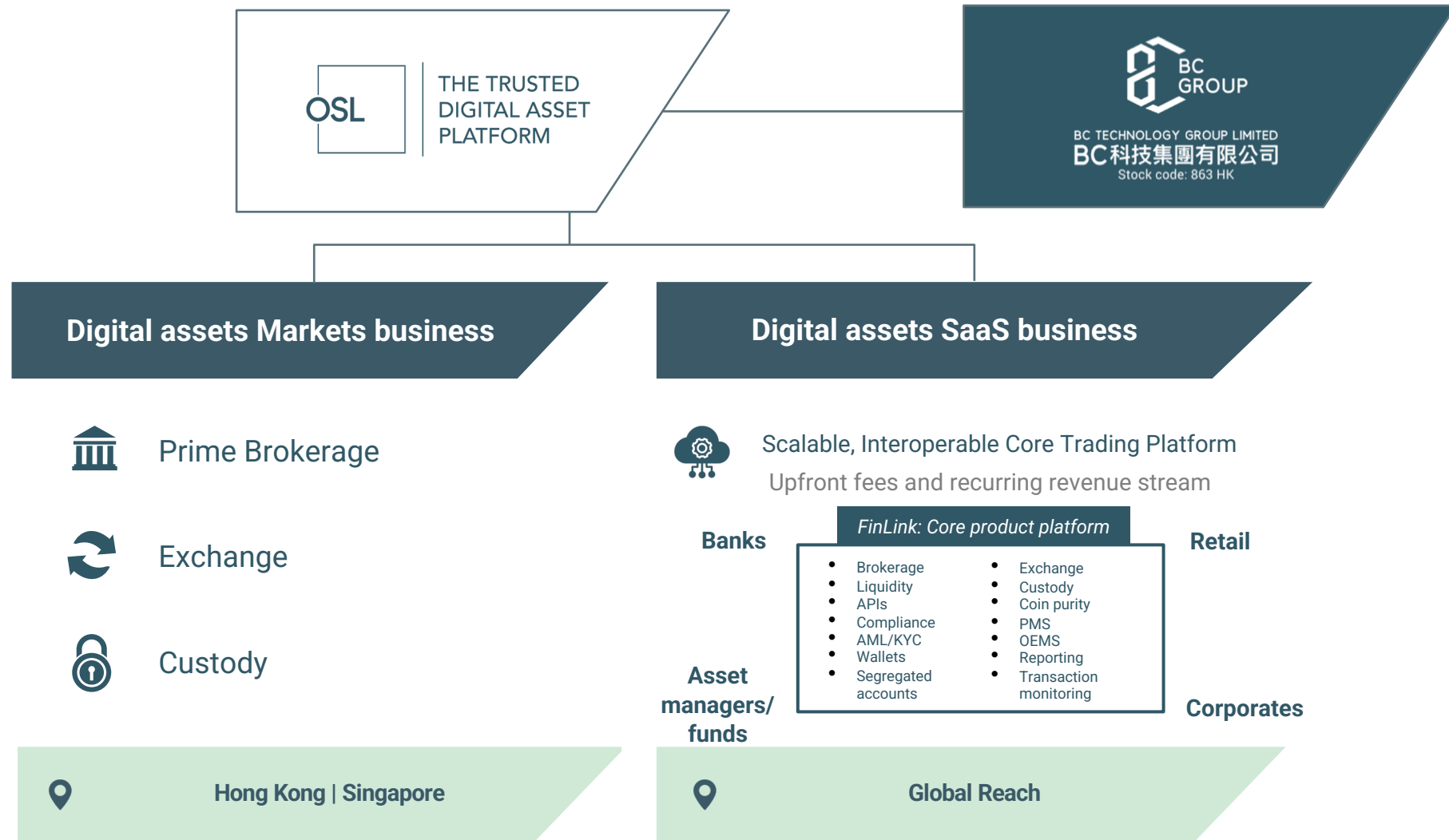
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Business Updates and Outlook

BC Technology Group Business Structure



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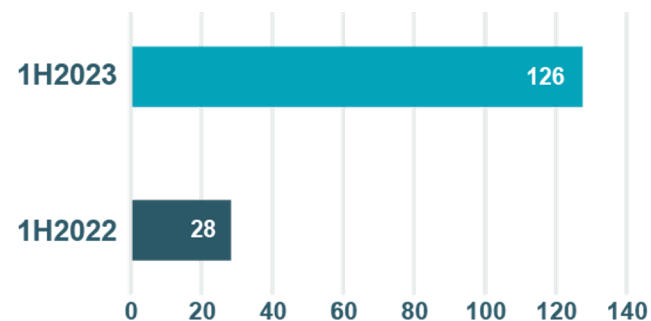
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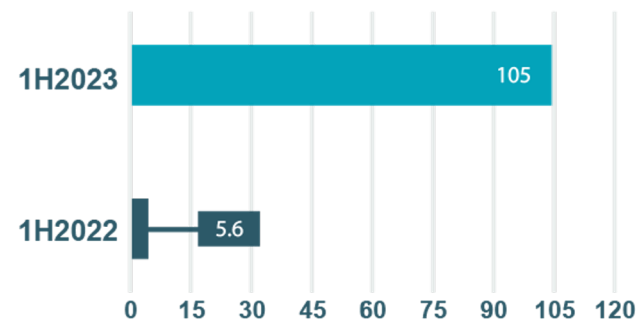
Business Updates and Outlook

Group Financial Highlights

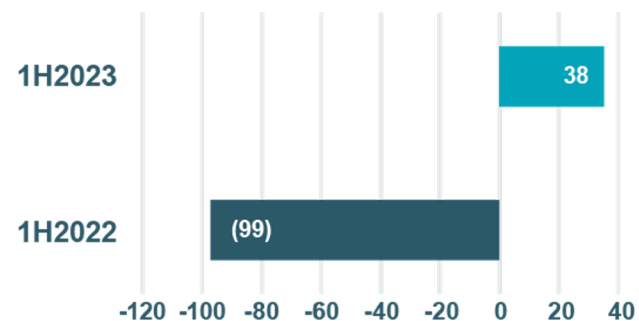
Group Revenue (HKD millions)



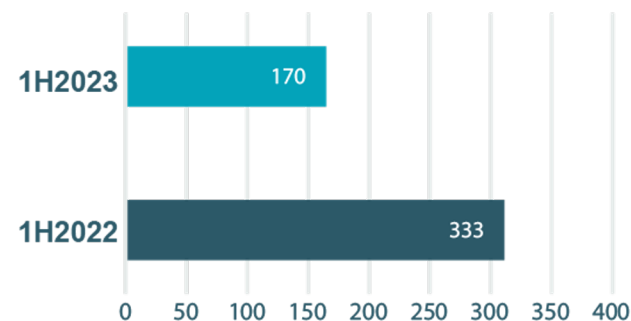
Digital Asset Revenue (HKD millions)



Fair Value Gains/Losses on Digital Assets (HKD millions)

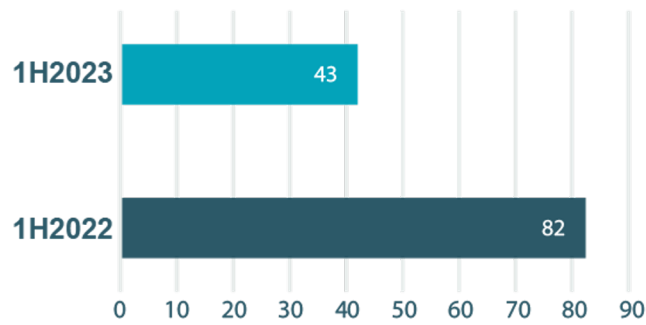


Admin. And Other Operating Expenses (HKD millions)

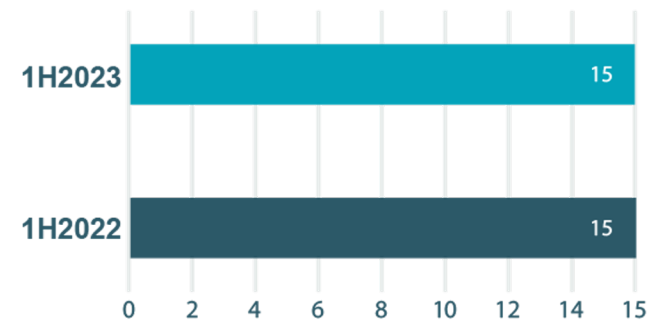


OSL Digital Asset Platform

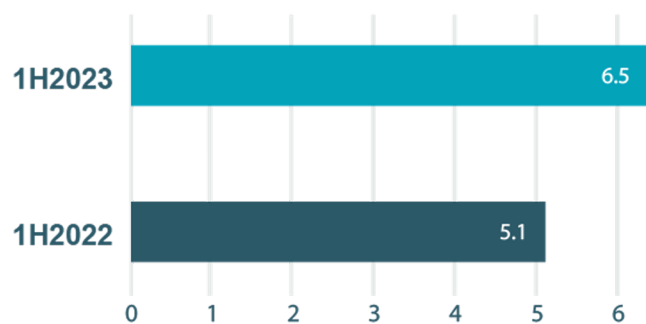
Prime Brokerage Business Revenue
(HKD millions)



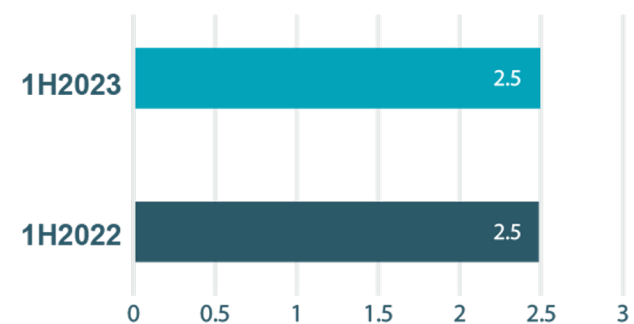
Services Fees From SaaS
(HKD millions)



Exchange Revenue
(HKD millions)



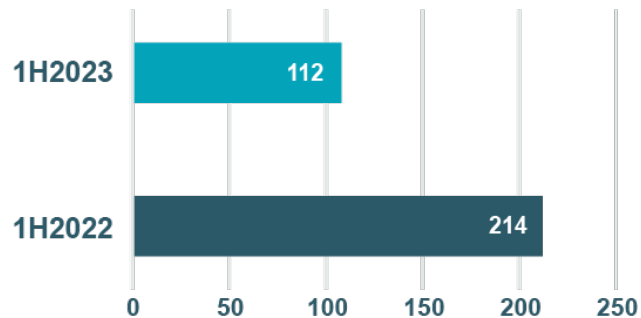
Custody Revenue (HKD millions)



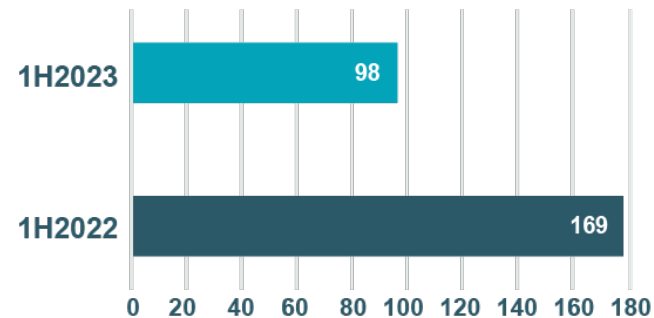
NOTE: Prime brokerage business revenue is reported as adjusted non-IFRS income

Trading Volumes

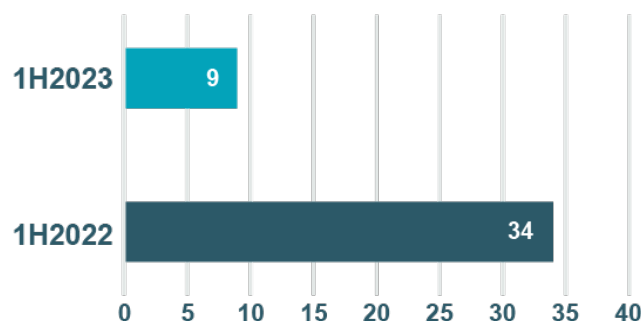
Total Trading Volume
(HKD billions)



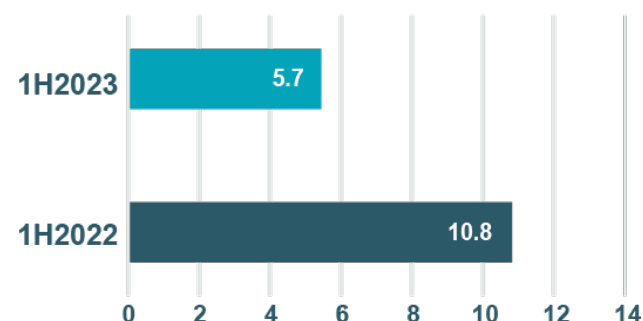
Brokerage Trading Volume
(HKD billions)



Exchange Trading Volume
(HKD billions)



Saas Trading Volume
(HKD billions)



Financial Review (HKD'000)

	1H2023	1H2022
Adjusted non-IFRS income from digital assets and blockchain platform business (“DA business”)	67,142	104,902
Net gain/(loss) of digital assets used in facilitation of prime brokerage business and net fair value loss on digital assets	38,075	(99,265)
IFRS income from DA business	105,217	5,637
Rental income from business park	21,174	22,661
Total Group IFRS income	126,391	28,298
Cost of revenue	(10,530)	(12,161)
Selling expenses	(24,544)	(21,812)
Administrative and other operating expenses	(169,868)	(333,464)
Provision for impairment losses, net and finance costs, net	(6,051)	(11,384)
Share of net loss of an associate	(9,544)	(9,655)
Other income and gains, net	1,745	49,780
Net loss before income tax	(92,401)	(310,398)



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Key Business Updates

OSLDS Granted Uplift in License



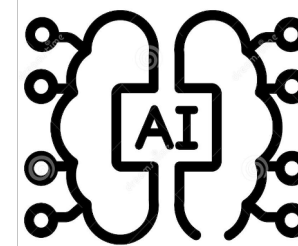
In August, OSL received an uplift to its existing license from the SFC. Effective immediately, OSL can offer retail investors the ability to register on its platform and buy/sell digital asset products, starting with the popular cryptocurrencies Bitcoin and Ethereum.

New omnibus agreements and steady SaaS Rollout



OSL's collaboration with Interactive Broker went live and entered into agreement with Victory Securities, and Arta Techfin, while also seeing growth in its existing SaaS business clientele.

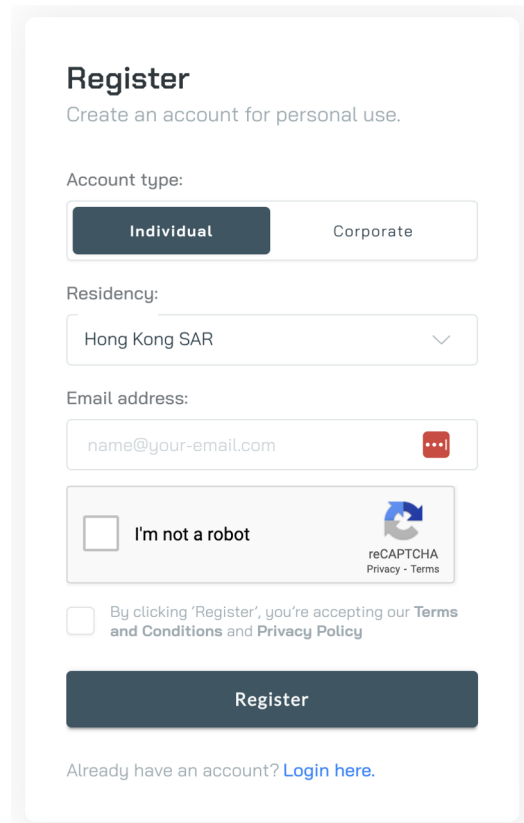
New AI Initiatives



In March, OSL launched its company-wide AI initiative. Staff are mandated to understand and implement the latest AI technologies.

OSL Opens Up To Retail in Hong Kong

Upon receiving uplift in license, OSL has started to onboard retail investors through our new website and user interface:




The image shows a web registration form for OSL. It includes fields for account type (Individual/Corporate), residency (Hong Kong SAR), email address, a reCAPTCHA verification, and a checkbox for accepting terms and conditions. A 'Register' button is at the bottom, with a link to login for existing users.

Register
Create an account for personal use.

Account type:

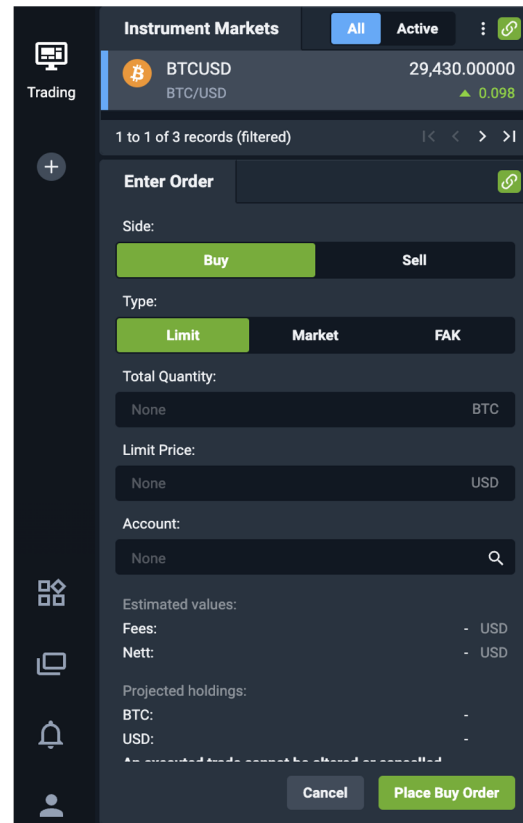
Residency:

Email address:

☐ I'm not a robot 
reCAPTCHA
Privacy - Terms


☐ By clicking 'Register', you're accepting our [Terms and Conditions](#) and [Privacy Policy](#)

Already have an account? [Login here.](#)



The image shows a mobile trading app interface for OSL. It displays the BTCUSD market with a price of 29,430.00000. Below this is an 'Enter Order' screen with options for Side (Buy/Sell), Type (Limit/Market/FAK), Total Quantity, Limit Price, and Account. It also shows estimated fees, net amounts, and projected holdings for BTC and USD. A 'Place Buy Order' button is at the bottom.

Instrument Markets All Active

Trading  BTCUSD 29,430.00000
BTC/USD ▲ 0.098

1 to 1 of 3 records (filtered) ◀ >

Enter Order

Side:

Type:

Total Quantity:
 BTC

Limit Price:
 USD

Account:

Estimated values:
Fees: - USD
Nett: - USD

Projected holdings:
BTC: -
USD: -

- After three years of endeavour, OSL was the first to receive Type 1 and 7 Licenses in HK, and first ones to receive uplift for retail services
- In similar jurisdictions far fewer licenses were released and slower than anticipated
- Currently one of two fully licensed platforms

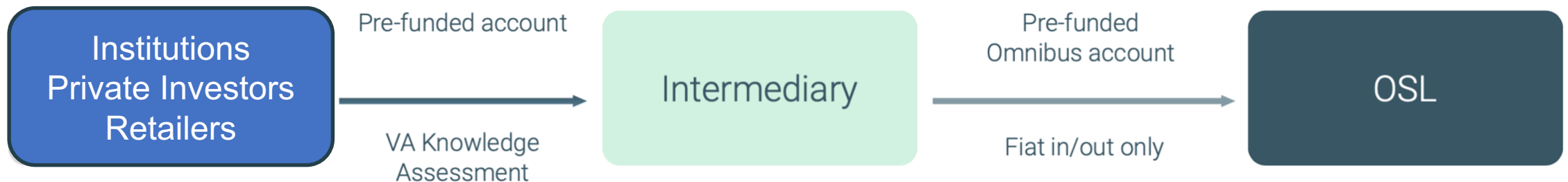
Growing via Omnibus and SaaS Synergies

OSL has a proven history of servicing institutional clients with its SaaS and technology offerings - a collection of (SOC2 certification imminent) proven offerings with white glove service levels, almost unique in the industry.

Its other method of servicing the institutional financial services segment is through its omnibus model - a rich set of API and sub account features on its quality licensed platform, catering to the front to back needs sophisticated institutional operations.

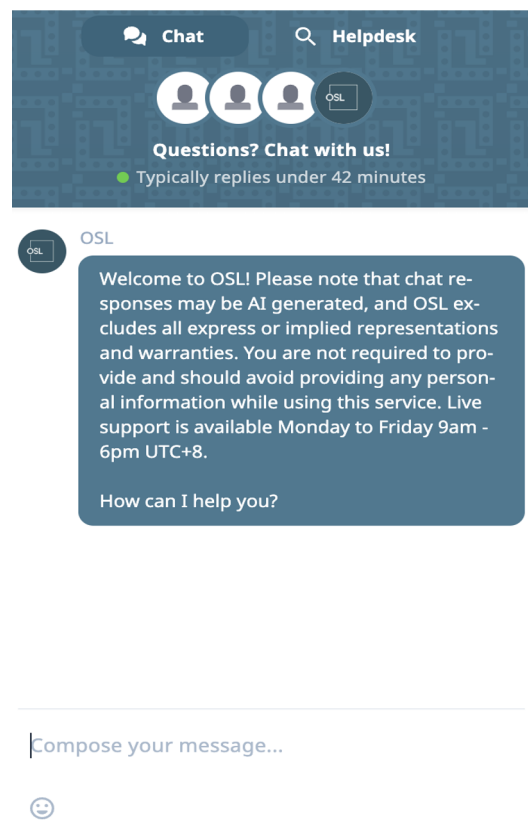
These two offerings have now been combined, with a single team servicing institutional clients, a quality offering to meet their technology and digital asset trading needs.

With Hong Kong's recent opening up to retail investors (and OSLs) subsequent uplift, the opportunity is significantly larger, as OSL's clients gain the ability to service their retail client base, with subsequent trading and custody through OSLs licensed service.



OSL Launches AI Bot

The new AI initiative features machine learning algorithms and large language model (LLM) technology to automate OSL's services, from onboarding to support, compliance, quotations to execution. It also uses historical activity coupled with market events for propensity modelling, to predict and suggest likely actions for customers. The first release, AI support and marketing, is now live.



- > 95% questions answered by bot
- Support popular languages
- Integration to 3rd party applications coming soon

STO Remains a Key Strategic Initiative

“The next generation for markets, the next generation for securities, will be tokenization of [assets]” – Larry Fink, BlackRock CEO

The Potentials of STO's:

Traditional financial institutions:

- Money market funds
- Index funds
- Warrants
- Various structured products

Corporates and Individuals:

- Real estates
- Commodities
- Art

Digital Asset Natives:

- Exchanges
- Start-ups
- Mining companies
- Stablecoin issuers
- DAOs

A regulated offering of securities backed by real assets using blockchain technology

THANK YOU

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