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BLOCKCHAIN GP
區塊鏈集團有限公司

BLOCKCHAIN GROUP COMPANY LIMITED
區塊鏈集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 364)

VOLUNTARY ANNOUNCEMENT
IN RESPECT OF A POSSIBLE JOINT VENTURE

This announcement is made by Blockchain Group Company Limited (the “**Company**”) on a voluntary basis.

The board of directors of the Company (the “**Board**”) is pleased to announce that on 3 April 2018, Blockchain Research Centre Limited (“**BRC**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Edra Korea (“**EDRA**”).

MAJOR TERMS OF THE MOU

Pursuant to the MOU, BRC and EDRA intend to establish a joint venture (“**Joint Venture**”) in Korea for the purposes of operating cryptocurrency calculation data centers globally and operating other blockchain related projects. It is proposed that the Joint Venture will be established with an initial registered capital of KRW2,500,000,000 (equivalent to approximately HK\$18,610,000) which will be fully contributed by BRC. It is intended that the share capital of the Joint Venture will be held as to 85% and 15% by BRC and EDRA respectively. EDRA shall be responsible for the operations of the Joint Venture and shall support the Joint Venture with its technical team and procure the enjoyment by the Joint Venture of EDRA’s rights under the low electricity cost cooperation agreements in Kazakhstan and Belarus (the “**Low Electricity Agreements**”).

The MOU is intended to record the preliminary mutual understanding between the BRC and EDRA and is not intended to be legally binding. Further terms are subject to further negotiation and the signing of a formal agreement by relevant parties.

The MOU shall terminate and be of no further effect if the formal agreement is not entered into by the relevant parties within 2 months of the date of entering into the MOU unless the relevant parties have agreed in writing to extend this deadline.

REASONS FOR ENTERING INTO THE MOU

Currently, although the trading volume of cryptocurrency in Korea is among the upper tier, the scale of cryptocurrency calculation in Korea is rather limited. Among the various reasons are the lack of sizeable cryptocurrency calculation data center and the lack of a reputable corporation for the operation of a data center which contributed to the limited public confidence in the security of the existing data centers.

EDRA is backed by a strong team in the application of blockchain technology, and has substantial experience in cryptocurrency calculation operations and maintains a highly efficient management system for the operation of such. EDRA also developed its mobile application for cryptocurrency calculation . The Board is of the view that the entering into of the MOU could provide an opportunity to the Company to leverage the strength and experience of EDRA in the application of blockchain technology as to develop its global cryptocurrency calculation data center business. The Low Electricity Agreements would allow the Joint Venture to have an efficient access to establishing overseas cryptocurrency calculation data centers.

The expected installation capacity of the cryptocurrency calculation machines in the intended cryptocurrency calculation data centers in Kazakhstan and Belarus shall be approximately 950,000 units in aggregate.

As the Company targets to strengthen its global position of its blockchain technology, products, services, solutions and other related matter, the Board is of the view that it is in the interest of the Company and its shareholders as a whole to enter into the MOU.

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, EDRA and its ultimate beneficial owners are independent third parties who are not connected persons of the Company as at the date of this announcement.

By Order of the Board of
Blockchain Group Company Limited
Cai Yangbo
Executive Director

Hong Kong, 3 April 2018

As at the date of this announcement, the executive Directors are Mr. Cai Zhenrong, Mr. Li Dongfan, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo, Mr. Choi Wing Toon, Mr. Chen Wenfang and Mr. Yan Ximao. The non-executive Director is Mr. Su Yichao. The independent non-executive Directors are Mr. Lawrence Gonzaga, Mr. Chin Hon Siang, Mr. Lin Hann Ruey and Mr. Wang Qidong.

For the purpose of this announcement, an exchange rate of HK\$1.00 = KRW134.34 is used. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.