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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 PROPOSED INVESTMENT**

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 4 April 2018, Blockchain Research Centre Limited (區塊鏈研究中心有限公司) (“**BRC**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with GGC Co., Ltd. (“**GGC**”).

**MAJOR TERMS OF THE MOU**

Pursuant to the GGC MOU, BRC plans to invest an aggregate of KRW 2,500,000,000 (equivalent to approximately HK\$18,610,000) in 51% of the share capital of GGC (“**Proposed Investment**”) to set up a new factory and production lines for cryptocurrency blockchain computing equipment on the proposed leased site (the tenancy of which is currently under negotiation) in Gimpo City, Gyeonggi Province, South Korea. The new production lines are dedicated to the production of the cryptocurrency blockchain computing equipment under BRC’s self-owned brand (the “**Computing Equipment**”).

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

The MOU shall terminate and be of no further effect if the relevant 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**

GGC has independently developed and produced the first cryptocurrency blockchain computing equipment certificated by the Korea Testing & Research Institute, and has also maintained a production line for a top grade graphical processor unit (together, the “**Products**”). As such, GGC receives positive support from the South Korean government for being in the encouraged industries under the current policies. The management of GGC are also well experienced and came from renowned corporations of South Korea, and has strong personal connections and has maintained good relationship with the South Korean government.

The proposed leased site was originally the Gimpo Research Institute of Korea Testing & Research Institute (“**KTR**”), the full name of which is 韓國化學融合試驗研究院. It is a business unit under Ministry of Trade, Industry and Energy of Korea, which is a institute specializing in granting KC Certification for commodity inspection and quarantine.

The intended output after the Proposed Investment is approximately 50,000 units per month. The Board is of the view that the entering into of the MOU could provide an opportunity to the Company to expand its range of blockchain-related products range and strengthen its global presence in the blockchain-related products market.

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

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, GGC 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, 4 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.*