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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)

FURTHER INFORMATION
IN RELATION TO THE PLACING OF NEW SHARES
UNDER GENERAL MANDATE

Reference is made to the announcements of the Blockchain Group Company Limited (the “**Company**”, together with its subsidiaries hereinafter referred to as the “**Group**”) dated 6 June 2018 in relation to the placing of new shares under general mandate. Capitalised terms used in this announcement shall have the same meanings as defined in the Company’s announcement dated 6 June 2018.

FURTHER INFORMATION ON THE REASONS FOR THE PLACING

Given that the Group has bank balances of approximately HK\$1,598 million, of which approximately HK\$1,598 million are placed in the bank accounts in the PRC and remittance of cash from the PRC to Hong Kong takes long period of time (approximately 3 months), and the Board of Directors of the Company (the “**Board**”) noted the Company has imminent funding need to settle the operating expenses in Hong Kong office and interest expenses of the indebtedness within a short period of time, the Board considers the Placing can resolve the imminent cashflow need and thus is in the interests of the Company and its shareholders as a whole.

FURTHER INFORMATION ON THE USE OF PROCEEDS

The Company intends to apply the net proceeds from the Placing amounted to approximately HK\$45.88 million for general working capital of Hong Kong office up to 31 December 2018, with the breakdown as set out below:

Categories of expenses	Estimated amount HK\$'000
Staff costs	5,600
Rental of office	740
Professional fees*	3,000
Interest expenses	35,840
Other general working capital	700
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	45,880
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* *Professional fees include lawyers' fees, auditor's remuneration, valuation fees, etc.*

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

Hong Kong, 19 June 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. Wang Qidong, Mr. Liao Haosheng and Mr. Tham Wan Loong, Jerome.