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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)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ISSUE OF BONDS AND CONVERTIBLE BONDS**

This announcement is made by Blockchain Group Company Limited (“**Company**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company would like to announce that after trading hours on 10 September 2018, the Company and Hong Ren Yi Wu Technology Group Limited (“**Subscriber**”) entered a non-legally-binding memorandum of understanding (“**Memorandum of Understanding**”). Pursuant to the Memorandum of Understanding, it is proposed that the Company will issue and the Subscriber will subscribe:

- 100%, 2-year, 8% coupon bonds with an aggregate principal amount of HK\$176,700,000; and
- 100%, 2-year, 4% coupon convertible bonds with an aggregate principal amount of HK\$23,300,000; with the proposed conversion price of HK\$0.10 per share, subject to adjustments as set out in the instrument constituting the convertible bonds

(collectively “**Proposed Subscription**”).

The Subscriber is a company incorporated in the British Virgin Islands on 21 October 2014 and is wholly owned by Mr. Wang Ping. To the knowledge of the Directors, Mr. Wang Ping is a highly and well recognized investor with 20 years of experience in the private equity industry. The Subscriber is part of the Kingwin Group, which was established in 2007. The investments made by the Kingwin Group include capital and equity investments focused in Greater China and overseas markets. The companies invested by the Kingwin Group come from various industries including internet services, environmental protection, bio-technology, new energy and material solutions, and advanced technology manufacturing.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Subscriber and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

The Company and the Subscriber will proceed with further negotiation for the entering into of the formal subscription agreement ("**Formal Agreement**") as soon as possible from the date of the Memorandum of Understanding.

The Memorandum of Understanding does not constitute a legally-binding commitment of the parties to the Memorandum of Understanding in respect of the Proposed Subscription. The Proposed Subscription is subject to the execution of a legally binding Formal Agreement on or before 9 December 2018 (the "**Long Stop Date**"). The Memorandum of Understanding shall cease to have any effect and be terminated automatically upon (i) the Long Stop Date; or (ii) the Company and the Subscriber having entered into a formal agreement(s) in respect of the Proposed Subscription.

## **REASONS FOR THE PROPOSED SUBSCRIPTION**

The Company and its subsidiaries (the "**Group**") is principally engaged in cultivation of tea plants, production and sale of tea products.

The Proposed Subscription, if materialised, offers a good opportunity to strengthen its liquidity resources of the Group and broaden the shareholder's base of the Company. The net proceeds from the Proposed Subscription are expected to be used to repay the Group's indebtedness.

**The Board wishes to emphasise that no legally binding agreement in relation to the Proposed Subscription has been entered into by the Company and the Subscriber as at the date of this announcement. As such, the Proposed Subscription may or may not proceed.**

**Shareholders and the potential investors of the Company are urged to exercise caution when dealing in the shares of the Company. Further announcement in respect of the Proposed Subscription will be made by the Company in the event that any Formal Agreement has been signed.**

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

Hong Kong, 10 September 2018

*As at the date of this announcement, the executive Directors are Mr. Cai Zhenrong, Mr. Su Yichao, Mr. Cai Zhenyao, Mr. Cai Zhenying, Mr. Cai Yangbo, Mr. Choi Wing Toon and Mr. Chen Wenfang. The non-executive Director is Ms. Su Huiling. The independent non-executive Directors are Mr. Lawrence Gonzaga, Mr. Wang Qidong, Mr. Liao Haosheng, Mr. Tham Wan Loong, Jerome, Mr. Lin Xinhong and Dr. Li Mow Ming, Sonny.*