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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)

INSIDE INFORMATION
MEMORANDUM OF UNDERSTANDING
IN RELATION TO PROPOSED COOPERATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 27 September 2018 (after trading hours), the Company (Party A) and Party B entered into the MOU, pursuant to which Party A intends to commence the joint investments and acquisitions business with Party B in the blockchain field. The MOU is not legally binding (save as provisions on due diligence, exclusivity, confidentiality, notices, binding effect, governing laws and jurisdiction and termination). If both parties proceed with the Proposed Cooperation, both parties will enter into a legally binding formal agreement.

THE MOU

The non-legally binding MOU contains, inter alia, the following major terms:

Date: 27 September 2018 (after trading hours)

Party A: The Company

Party B: Huaxian Investment Holdings Limited*

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Party B and each of its ultimate beneficial owner(s) are independent third parties of the Company and its connected person (as defined under the Listing Rules).

Pursuant to the MOU, Party A and Party B will commence the following cooperation: Party A will give priority to the selection of targets for equity interest or asset acquisition in the blockchain enterprise portfolio which Party B has invested. Meanwhile, both parties will jointly seek investment opportunities in the blockchain field to carry out joint investment, including but not limited to joint investment of blockchain funds and joint investment of blockchain innovation enterprises.

The Proposed Cooperation is subject to the execution of a legally binding formal agreement on or before 31 December 2018 (or other date as may be agreed by both parties) (the “**Long Stop Date**”). The specific amount and the form involved in the Proposed Cooperation and other salient terms shall be determined and set out in the legally binding formal agreement.

Pursuant to the terms of the MOU, Party A is entitled to conduct due diligence review on the targets for the potential acquisition before the Long Stop Date.

The MOU shall cease to have any effect and be terminated automatically upon (i) the Long Stop Date; (ii) both parties having entered into a formal agreement(s) in respect of the Proposed Cooperation; (iii) both parties otherwise agree; or (iv) Party A not being satisfied with the due diligence review on the targets for the potential acquisition and serving notice to Party B terminating the MOU.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Company and its subsidiaries are principally engaged in the trading and sale of raw and refined tea and related products in the PRC.

Party B is a leading investment arm in the blockchain field, which its investment in over 40 blockchain enterprises and projects worldwide, including innovation of blockchain underlying technology, and blockchain technology in the internet of things, artificial intelligence and network security solutions. As the main sponsor, it initiated and established the Guangdong-Hong Kong-Macao Blockchain Industry Fund (粵港澳區塊鏈產業基金).

As the Company targets to strengthen its global position of its blockchain technology, products, services, solutions and other related matters, the Directors consider that the Proposed Cooperation, if materializes, provides an opportunity to the Company to expand its range of blockchain-related products and strengthen its global presence in the blockchain-related products market. Hence it is in the interest of the Company and its Shareholders as a whole to enter into the MOU.

LISTING RULES IMPLICATIONS

The Proposed Cooperation, if materializes, may constitute a notifiable transaction of the Company pursuant to the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in accordance with all applicable requirements of the Listing Rules.

GENERAL

The Board wishes to emphasize that the MOU is not legally binding (save for provisions on due diligence, exclusivity, confidentiality, notices, binding effect, governing laws and jurisdiction and termination) and is subject to the entering into of a formal agreement. As such, the Proposed Cooperation may or may not consummate. Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) will be made by the Company as and when appropriate in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the same meanings set out below:

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| “Board” | the board of Directors |
| “Company” | Blockchain Group Company Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of The Stock Exchange of Hong Kong Limited |
| “Directors” | directors of the Company |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “MOU” | the memorandum of understanding dated 27 September 2018 entered into between Party A and Party B in relation to the Proposed Cooperation |
| “Party A” | the Company |
| “PRC” | the People’s Republic of China |
| “Proposed Cooperation” | Party A will give priority to the selection of targets for equity interest or asset acquisition in the blockchain enterprise portfolio which Party B has invested. Meanwhile, both parties will jointly seek investment opportunities in the blockchain field to carry out joint investment, including but not limited to joint investment of blockchain funds and joint investment of blockchain innovation enterprises |

| | |
|----------------|---|
| “Share(s)” | ordinary share(s) of HK\$0.2 each in the share capital of the Company |
| “Shareholders” | holders of Shares |
| “Party B” | Huaxian Investment Holdings Limited* (華賢投資控股有限公司), a company established in the PRC |

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

Hong Kong, 27 September 2018

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

* *For identification purpose only*