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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)**

**UPDATE ON THE WINDING UP PETITIONS**

This announcement is made by Blockchain Group Company Limited (the “**Company**”) on a voluntary basis. Reference is made to the announcements of the Company dated 10 May 2018, 16 May 2018, 18 May 2018, 29 May 2018, 4 June 2018, 7 June 2018, 8 June 2018, 11 July 2018, 13 July 2018, 23 July 2018, 8 August 2018, 5 September 2018, 12 September 2018, 13 September 2018, 19 September 2018 and 26 September 2018 (collectively the “**Announcements**”) in relation to the winding up petitions of the Company. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcements.

The Company would like to update the shareholders and potential investors for the following matters:

## **STATUS AND VALIDITY OF VALIDATION ORDERS OBTAINED FROM THE COURT**

The validation orders obtained/to be obtained by the Company from the Court for each of the existing winding up petition cover/will cover the following:

1. No transfer of the fully paid up shares of the Company shall be avoided by virtue of the provisions of Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
2. No allotment and issuance of the new shares in the Company shall be avoided by virtue of the provisions of Section 182 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The following table summarises the status of the validation orders obtained for each of the existing winding up petition:

<b>Case no.</b>	<b>Petitioner</b>	<b>Status</b>
HCCW 118/2018	Great Vantage (substituted from Ren Zhiqiong)	Obtained
HCCW 189/2018	Ji Jingyang	The Company has filed the joint application with Ji Jingyang for the validation order.
HCCW 264/2018	Asia Equity Value Limited	The Company has instructed its legal advisor to negotiate with Asia Equity Value Limited to make a joint application to the court for the validation order.
HCCW 271/2018	Zhou Shunhua	The Company has instructed its legal advisor to negotiate with Zhou Shunhua to make a joint application to the court for the validation order.

The Company would like to further explain that:

1. The validation orders obtained from the High Court for HCCW 118/2018, which is by way of consent summons filed by the Company and Ren Zhiqiong, shall continue to be valid under HCCW 118/2018, even though the petitioner is substituted from Ren Zhiqiong to Great Vantage, or any other parties be substituted as the petitioner in the future.

2. The validation orders obtained from the High Court for HCCW 118/2018 apply to the winding up order made under HCCW 118/2018 only, but does not apply to the winding up orders made under other winding up petitions. Thus the Company will apply for the validation orders each time when the new winding up petition is received.
3. The Company can apply for validation orders without any consent of the petitioner. However, applying for validation orders without any consent of the petitioner will be substantially time consuming and will incur substantial amount of costs. Thus, the Company will apply for the validation orders by the consent of the relevant petitioner, which is the most cost and time effective approach.

### **FURTHER INFORMATION ON WINDING UP PETITION – HCCW 271/2018**

The claim from Zhou Shunhua is related to the Company's non-repayment of accrued interest to Zhou Shunhua of HK\$600,000 due on 25 June 2018. Accordingly Zhou Shunhua served the statutory demand dated 15 August 2018 for the demand of repayment of totaling HK\$10,600,000, being the accrued interest of HK\$600,000 due on 25 June 2018, plus the principal amount of the debenture of HK\$10,000,000 which is demanded by Zhou Shunhua for immediate repayment, within 21 days from the date of the statutory demand.

The Company has not repaid the amount to Zhou Shunhua as the Company needed to reserve cash for the potential acquisitions of ginseng and blockchain businesses as stated in the Company's announcements dated 30 July 2018 and 27 September 2018.

The Company does not agree with the petition, and will seek further legal advice in order to raise an opposition. The Company will also negotiate with Zhou Shunhua for an amicable disposal of the petition out of the court.

## PENDING LITIGATIONS

At the date of this announcement, the Company had the following pending litigations:

1. HCA 2020/2017, which is related to the claim from Teya Holdings Limited on the Company's outstanding convertible bonds and accrued interest thereof. Details please refer to Note 24(a) to the condensed consolidated financial statements in the 2018 Interim Report published on 27 September 2018.

Up to the date of this announcement, the litigation is in progress and no outcomes and orders are made.

2. HCA 1826/2018, which is related to the claim from Feng Xuehui on the Company's outstanding debenture and accrued interest thereof. Details please refer to Note 24(b) to the condensed consolidated financial statements in the 2018 Interim Report published on 27 September 2018.

Up to the date of this announcement, the litigation is in progress and no outcomes and order are made.

3. HCA 2223/2018: On 26 September 2018, the Company received the writ of summons dated 21 September 2018 filed by Zou Xiaohong. The writ of summons is filed against the Company for failure to settle the sum of HK\$10,400,000, being the accrued interest on debenture of HK\$400,000 due on 13 July 2018, and the principal amount of the debenture HK\$10,000,000 which is demanded by Zou Xiaohong for immediate repayment.

Up to the date of this announcement, the Company is seeking legal advice on the matter.

4. HCA 2224/2018: On 26 September 2018, the Company received the writ of summons dated 21 September 2018 filed by Zou Weiping. The writ of summons is filed against the Company for failure to settle the sum of HK\$10,400,000, being the accrued interest on debenture of HK\$400,000 due on 7 July 2018, and the principal amount of the debenture HK\$10,000,000 which is demanded by Zou Weiping for immediate repayment.

Up to the date of this announcement, the Company is seeking legal advice on the matter.

## OVERDUE INDEBTEDNESS

At the date of this announcement, the Company has the following overdue indebtedness:

### Description of the indebtedness

### Settlement plan and negotiation status

The debenture and accrued interest thereof due to Ji Jingyang in the total claim amount of approximately HK\$10,826,000

As Ji Jingyang has filed a winding up petition against the Company, the parties are negotiating for settlement plans.

The promissory notes due to Asia Equity Value Limited in 2015, and the accrued interest in the total claim amount of approximately HK\$185,918,000

As Asia Equity Value Limited has filed a winding up petition against the Company, the parties are negotiating for settlement plans.

The debenture and accrued interest thereof in the total claim amount of HK\$10,600,000 due to Zhou Shunhua in 2018

As Zhou Shunhua has filed a winding up petition against the Company, the parties will negotiate for settlement plans.

The convertible bond and accrued interest thereof in the total claim amount of approximately HK\$59,958,000 due to Great Vantage

As Great Vantage has filed a winding up petition against the Company, the parties are negotiating for settlement proposal, which is expected to be fully settled by October 2018.

The convertible bond and cash consideration payable due to Teya Holdings Limited in 2015 and 2013 respectively, and the accrued interest thereof up to 8 May 2018, in the total claim amount of approximately HK\$226,534,000

The legal proceedings against the Company are in progress. The parties are still negotiating for the settlement proposal.

## **Description of the indebtedness**

The debenture and accrued interest thereof in the total claim amount of HK\$1,095,000 due to Feng Xuehui in 2017

The debenture and accrued interest thereof in the total claim amount of HK\$10,400,000 due to Zou Xiaohong in 2018

The debenture and accrued interest thereof in the total claim amount of HK\$10,400,000 due to Zou Weiping in 2018

The debenture and accrued interest thereof in the total amount of HK\$10,300,000 due to Liu Yingxia in 2017

The debenture and accrued interest thereof in the total amount of HK\$10,600,000 due to Huang Huizhen in 2017

The debenture and accrued interest thereof in the total amount of HK\$9,989,882 due to Sun Quanhong on 23 April 2018

## **Settlement plan and negotiation status**

The legal proceeding against the Company is in progress. The parties are still negotiating for the settlement proposal.

The legal proceeding against the Company is in progress. The Company is seeking legal advice on the matter. Afterwards, the Company will negotiate with the counterparty for the settlement proposal.

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The parties are negotiating for settlement and expect to be settled by instalments until March 2019.

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The parties are negotiating for settlement and expect to be settled by instalments until December 2018.

## **Description of the indebtedness**

The debenture and accrued interest thereof in the total amount of HK\$1,210,000 due to Yuen Hongqin in 2017

The debenture and accrued interest thereof in the total amount of HK\$8,026,109 due to Wei Xiaofeng on 4 April 2018

The convertible bond and cash consideration payable due to Ample Gold International Limited in 2015 and 2013 respectively, and the accrued interest thereof up to 27 March 2018, in the total amount of approximately HK\$52,751,000

The bond and accrued interest thereof in the total amount of approximately HK\$264,971,000 due to PC Securities Limited in August 2017 and July 2017

The debenture and accrued interest thereof in the total amount of approximately HK\$10,853,000 due to Chen Guoji in 2017

The debenture and accrued interest thereof in the total amount of approximately HK\$10,861,000 due to Chen Wujie in 2017

The debenture and accrued interest thereof in the total amount of HK\$10,800,000 due to Ling Jing in 2017

## **Settlement plan and negotiation status**

The parties are negotiating for settlement and expect to be settled by December 2018.

The parties are negotiating for settlement proposal, which is expected to be settled by December 2018.

The parties are negotiating for the settlement proposal, which is expected to be fully settled by instalments by the end of 2018.

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The parties are negotiating for the settlement proposal, which is expected to be fully settled by December 2018.

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## **Description of the indebtedness**

The debenture and accrued interest thereof in the total amount of HK\$6,480,000 due to Zhang Wenji in 2017

The debenture and accrued interest thereof in the total amount of HK\$8,120,000 due to Zhang Zhi Lai in 2017

The debenture and accrued interest thereof in the total amount of HK\$5,800,000 due to Li Juan in 2017

The debenture and accrued interest thereof in the total amount of HK\$3,240,000 due to Kong Yanhong in 2017

The debenture and accrued interest thereof in the total amount of approximately HK\$1,567,000 due to Liao Jing in 2018

The debenture and accrued interest thereof in the total amount of approximately HK\$3,425,000 due to Sun Guangyue in 2017

The debenture and accrued interest thereof in the total amount of approximately HK\$11,315,000 due to Xu Jinghong in 2017

The Company will also keep its shareholders and investors informed of any significant development of the petitions as and when appropriate.

## **Settlement plan and negotiation status**

The parties are negotiating for the settlement proposal, which is expected to be fully settled by December 2018.

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**Shareholders and potential investors should accordingly exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 8 October 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.*