

22 May 2018

To whom it may concern

BitTrade Co., Ltd.  
Ryo Uruma,  
President and Representative Director

### Notice on Transfer of Management Rights

BitTrade Co., Ltd. (President and Representative Director: Ryo Uruma) (the “Company”) hereby notifies that, at the meeting of the Board of Directors held today, the decision was made to change the shareholder of the Company and to transfer the management rights of the Company as described below, subject to the passing of a resolution approving the transfer of management rights at the extraordinary general meeting of shareholders scheduled to be held on 30 May 2018.

#### ◆ Transfer of Management Rights

**Date of Transfer (scheduled): Tuesday, 30 May 2018<sup>1</sup>**

#### Change in Shareholder<sup>2</sup>

	Before Transfer	After Transfer
<b>Name of shareholder and name of representative</b>	<b>Robert Luke Collick</b> <b>74.01%</b>	<b>FXTF ASSET INVESTMENTS PRIVATE LIMITED<sup>3</sup></b>
<b>Shareholding Ratio</b>	<b>Ryo Uruma</b> <b>0.99%</b>	Cheng Lye Meng Eric <b>75%</b>

<sup>1</sup> The share transfer shall be approved by a resolution of the extraordinary general shareholders' meeting.

<sup>2</sup> There are no changes in the shareholding of FX Trade Financial Co., Ltd. (25%).

<sup>3</sup> True Joyful Limited, BVI (Representative: Cheng Lye Meng Eric) holds all of the beneficiary interest in the company.

## ◆ Background and Purpose

Amid the significantly changing environment of the FX industry and cryptocurrency industry, FXTF Group is developing an internal control system that focuses on the sophisticated risk management in anticipation of unforeseen events, such as a sudden change in the market situation or cyberattack, to provide secure trading environment for customers. Meanwhile, in order to lay the foundations for future development, we have been proactively working on new businesses and have reinforced our efforts in new businesses, particularly in the rapidly growing Fintech area.

Given the circumstances, the Company was registered as Virtual Currency Exchange Service Provider in September 2017 and has started providing exchange services as an authorized registered service provider mainly for cryptocurrency spot transactions. In order for the Company to achieve further growth by exhibiting synergies between the FX business and the cryptocurrency business in the future, it is essential for the Company to strengthen internal management system by utilizing its risk management and customer management know-how that have been cultivated through the operation of FX business, as well as to secure risk capital in anticipation of risks involved in cryptocurrency business which is considered to be higher than that of FX business.

At present, although cryptocurrency business is facing various risks inherent to “cryptocurrencies” in addition to volatile price movements and lack of liquidity, the cryptocurrency market has been growing at an incredible speed, showing high market potential. Therefore, the Company considers cryptocurrency business as an extremely attractive business to invest that commensurate with the risk burden.

Meanwhile, in order to fully develop the cryptocurrency business in the future, it is vital for the Company to further strengthen its internal management and compliance system, and to secure the required risk capital. Moreover, it is necessary for the Company to enhance the service quality of cryptocurrency online transactions by accumulating know-how and experience for Fintech technology and by developing high-quality cryptocurrency instruments that our customers can trade securely.

The Company’s new owner Mr Cheng Lye Meng Eric ("Mr Eric") has made remarkable business achievements as an entrepreneur and has financial strength supported by his past track record. Mr Eric is to promptly invest in the Company, and with his financial support, the Company will be able to not only enhance management stability, but also be able to secure a strong source of risk capital for future business expansion and to establish a solid compliance system.

The Company will also be able to accelerate the growth of its business by gaining wide-ranging business support from Mr Eric who has an extensive network of entrepreneurs in Singapore, Hong Kong and other Asian countries which have been cultivated through his business.

The owner change was decided to keep up with the accelerated growth of the cryptocurrency market and take the step forward into further growth of cryptocurrency business of the Company as well as to further promote its cryptocurrency business under the stable management structure.

#### ◆ Management Structure (Composition of Directors and Corporate Auditors)<sup>4</sup>

Although the Company's management rights will be transferred from Robert Luke Collick to FXTF ASSET INVESTMENTS PRIVATE LIMITED (Representative: Cheng Lye Meng Eric), the Company will continue to maintain and strengthen the alliance with FX Trade Financial Co., Ltd. ("Affiliated Company" or "FXTF") which continue to hold 25% shares of the Company. In order to establish a group-wide governance structure, the Company will have the following management structure based on the management structure of FXTF.

Specifically, at the extraordinary general meeting of shareholders of the Company to be held on 29 May 2018, two current directors, Robert Luke Collick and Robert Ian Cohen will resign from their offices and three new directors will be appointed: Yasuharu Tsuru (currently advisor to the Company and President and CEO of FX Trade Financial Co., Ltd.), Akihiko Kobayashi (currently advisor to the Company and Executive Vice President of FX Trade Financial Co., Ltd.), and Cheng Lye Meng Eric. The current auditor Takashi Kasai will remain in his office.

#### (Management Structure)

President and Representative Director: Ryo Uruma<sup>5</sup>

External Director: Yasuharu Tsuru<sup>6</sup>

External Director: Akihiko Kobayashi<sup>7</sup>

External Director: Cheng Lye Meng Eric<sup>8</sup>

Auditor: Takashi Kasai<sup>9</sup>

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<sup>4</sup> The Company is a company with the Board of Directors and a company without the Board of Auditors. The Articles of Incorporation of the Company provides that the number of directors shall not exceed five (5) and the number of auditors shall not exceed three (3); however, the Company has no plan to change the number of directors.

<sup>5</sup> Concurrently serves as director (Executive Officer in charge of Planning and Affiliated Companies) of FX Trade Financial Co., Ltd.

<sup>6</sup> Concurrently serves as President and Representative Director of FX Trade Financial Co., Ltd.

<sup>7</sup> Concurrently serves as Executive Vice President of FX Trade Financial Co., Ltd.

<sup>8</sup> Concurrently serves as an External Director (part-time) of FX Trade Financial Co., Ltd.

<sup>9</sup> Concurrently serves as an Auditor (part-time) of FX Trade Financial Co., Ltd.

## ◆ Business Execution Structure

Although the management rights of the Company will be transferred, the current business execution structure will be maintained. The former owner, Robert Luke Collick, will become an advisor to the Company under the new structure for Japanese business and financial business expertise to support smooth transition to new regime.

(Execution Structure)

President and Representative Director: Ryo Uruma (Business Management Officer)<sup>10</sup>

Executive Officer: Gento Nishi (Internal Management Officer)

Executive Officer: Masashi Yamada (CTO and CISO)<sup>11</sup>

Advisor: Robert Luke Collick<sup>12</sup>

## ■Future Policy

Under the new structure, the Company will not change basic business framework and will continue to provide the current services. The Company will also continue to maintain good relationships with its suppliers.

Based on this policy and by putting the customer first, the Company endeavors to improve its internal management structure by maximizing its risk management and customer management know-how that has been cultivated through its business operation in the FX industry. Further, the Company aims to be able to provide high-quality online transaction services by focusing on providing the secure trading environment for customers and expanding its cryptocurrency service lineups.

To that end, and in order to increase risk capital of the Group as a whole, the Company plans to increase its capital by the total of JPY 300 million equivalent for the whole Group by the end of this year. Details of the capital increase will be determined under the new structure.

We will continue to strive for ensuring secure environment for our customers using our services and would like to thank you for your continuous support.

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<sup>10</sup> Concurrently serves as President and Representative Director of Affiliated Company, Bit Trade Co., Ltd.,

<sup>11</sup> Appointed to Group CTO and CISO.

<sup>12</sup> He is a substantial owner of FXTF since its incorporation in 2008. He will resign from director of Affiliated Company BitTrade following the transfer of management rights, and take the position of advisor to the Company and Affiliated Company to assist with the transition to the new structure.

■New Owner's Profile

**Cheng Lye Meng Eric**

Born in 1975. In 2002, Mr Eric established SEVENS GROUP in Singapore and became CEO of the group. Mr Eric began his successful entrepreneurial career in real estates and has led a number of major projects to success. SEVENS GROUP is a group of companies with myriad business classified into three core business groups - Property Development and Services, Automobiles and Investment. He was entered into the Singapore Book of Records as the "Fastest Growing Real Estate Agency in Singapore". He has received numerous awards, most notably the Young Entrepreneur Award in 2008, the Entrepreneur of the Year Award 2010, the Singapore Prestige Brand Award 2010, the Young Outstanding Singaporeans Award 2010 and the APEA Young Entrepreneur of the Year Award 2011.

[Significant Concurrent Position]

- CEO of SEVENS GROUP PTE LTD and its group companies

■Director's Profile

**Ryo Uruma, Representative Director (Business Management Officer)**

Born in 1978. After graduating from Saitama University in 2001, he further pursued his study in New Zealand. After returning to Japan, he joined the Company in April 2010 after having worked as IPO support consultant and worked for a commerce-related venture company. After serving for the Marketing, Treasury, Legal and Planning Departments, he was appointed to Manager of General Management Group in May 2012, and then to Head of General Planning Office in May 2015. He was appointed to Executive Officer of the Company in October 2015 and then to director in June 2016. In June 2017, he was appointed to President and Representative Director of BitTrade Co., Ltd.

In April 2013, he was registered as SME Management Consultant and certified as an administrative scrivener.

[Significant Concurrent Position]

- Director and Executive Officer for Planning and Associated Companies of FX Trade Financial Co., Ltd.

**Yasuharu Tsuru, Director (part-time)**

Born in 1962. After graduating from Keio University in 1986, he joined Mitsubishi Trust and Banking Corporation (now Mitsubishi UFJ Trust and Banking Corporation). From 1988, he engaged in dealing of financial instruments in the Security and Foreign Exchange Department at the head office. From 1990, he served as USD/JPY Chief Dealer of Foreign Exchange Group and then worked at Los Angeles

Branch from 1992 and at New York Branch from 1996. From 1998, he held Foreign Exchange Group Manager's position in the Security and Foreign Exchange Department at the head office. After serving as Chief Fund Manager of Pension Fund Management Department from 2002, he became Dealing Room Director at an overseas affiliated securities company in London in 2005. Throughout those 20 years, he has engaged in foreign currency dealings focusing on foreign exchange, while during that time concurrently served as a committee member of the Japan Forex Club. After having worked in three major markets in the world, Tokyo, London and New York, he retired from the Company at the end of July 2008. Then from 1 August the same year, he took the office of President and Representative Director of the Company, which he continues to this day.

[Significant Concurrent Position]

- President and Representative Director of FX Trade Financial Co., Ltd.

**Akihiko Kobayashi, Director (part-time)**

Born in 1962. After graduating from Keio University in 1986, he joined Japan Kakumaru Securities Co., Ltd. (now Mizuho Securities). Throughout the years from 1987 to 1998, he had involved with the financing of listed companies in Japan and abroad in Corporate Underwriting Department. Prior to his retirement from the company in October 1998, he served as Head of Underwriting Department in an overseas affiliated company in the U.K. from 1994, then in Swiss from 1994. Thereafter, he worked at the Japan Desk of Deutsche Daiichi Kangyo Bank (now Mizuho Bank) from March 1999, and then set up his own business in Germany as a management consultant. In 2008, after returning from Germany, he joined the FXTF establishment team and then took an office of director of the Company in June. In May 2012, he was promoted to Managing Director and then to Vice President in July 2013, which he continues to date.

[Significant Concurrent Position]

- Vice President and Director for Internal Management of FX Trade Financial Co., Ltd.

**Cheng Lye Meng Eric, Director (part-time)**

Omitted\*

\* See "New Owner's Profile" above.

■Managements' (Executives) Profile

**Ryo Uruma, President (Business Management Officer)**

Omitted\*

\*See "Director's Profile" above.

**Masashi Yamada, Executive Officer (CTO and CISO)**

Born in 1976. After graduating from the University of Texas (San Antonio) in 2000, he joined a local IT-venture company in the U.S. as an engineer. After returning to Japan in 2005, he served an IT-venture company and foreign consulting firm where he was involved in large-scale IT projects and business reforms for financial and manufacturing industries and government ministries and agencies. Thereafter, he has led IT strategic planning, global projects, M&A transactions and PMI at Rakuten, where he supported Global CTO/CIO. He joined the Company as an Executive Officer in charge of information systems in February 2018. He was appointed to CTO and CISO of FXTF Group in April 2018.

[Significant Concurrent Position]

- CTO and CISO of FX Trade Financial Co., Ltd.

**Gento Nishi, Executive Officer (Internal Management Officer)**

Born in 1973. After graduating from Tokyo University of Science in 2001, he worked for an IT company before joining FX prime (now FX prime by GMO) in 2004. After gaining experience in Information Systems Division, he was transferred to Compliance Department in 2014 and promoted to the Manager of the Legal and Compliance Department in 2017 where led the compliance function of the company. After resigned the company at the end of April 2018, he joined the Company in May 2018. He was appointed to Executive Officer for General Affairs and Planning (Internal Management Officer) which he continues to this day.

[Significant Concurrent Position]

Not applicable.

(Contact for inquiries on this matter)

Gento Nishi

Executive Officer, General Affairs and Planning

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