

22 May 2018

To whom it may concern

FX TRADE FINANCIAL CO., LTD.  
President and Representative Director  
Yasuharu Tsuru

### Notice on Transfer of Management Rights of Affiliated Company and Parent Company

FX Trade Financial Co., Ltd (President and Representative Director: Yasuharu Tsuru) (the “Company” or “FXTF”) hereby notifies that there will be changes in controlling shareholder in its affiliated company BitTrade Co., Ltd.<sup>1</sup> (President and Representative Director: Ryo Uruma) (“Affiliated Company” or “BitTrade”) and its parent company FXTF HOLDINGS PTE (Director: Robert Luke Collick) (the “Parent Company”), a Singapore company. Following the changes, substantial management rights of the Company and Affiliated Company will be as follows.

#### ◆ Transfer of Management Rights

**Date of Transfer (scheduled): Wednesday, 30 May 2018<sup>2</sup>**

#### **Change in Controlling Shareholder of Parent Company FXTF HOLDINGS PTE LTD (Singapore)**

	Before Change	After Change
Name of controlling shareholder and name of representative	<b>FXTrade Pte. Ltd. Singapore</b> Robert Luke Collick	<b>Upper Joyful Limited (British Virgin Island, BVI)<sup>3</sup></b> Cheng Lye Meng Eric
Shareholding Ratio	70%	100% <sup>4</sup>

#### **Change in Controlling Shareholder of Affiliated Company BitTrade Co., Ltd.**

<sup>1</sup> The Company holds 25% of the issued shares of Affiliated Company.

<sup>2</sup> Share transfer between Affiliated Company and Parent Company is scheduled to be on the same day.

<sup>3</sup> Mr Cheng Lye Meng Eric holds all of the beneficiary interests of the company.

<sup>4</sup> All of the shares currently held by the shareholders of Parent Company will be acquired.

	Before Transfer	After Transfer
Name of controlling shareholder and name of representative	<b>Robert Luke Collick</b>	<b>FXTF ASSET INVESTMENTS PRIVATE LIMITED<sup>5</sup></b> Cheng Lye Meng Eric
Shareholding Ratio	74.01%	75% <sup>6</sup>

#### ◆ 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, the Company has been proactively working on new businesses and has reinforced its efforts in new businesses, particularly in the rapidly growing Fintech area, taking the opportunity that Affiliated Company BitTrade was registered as Virtual Currency Exchange Service Provider in September 2017.

Given the circumstances, it is important for FXTF Group to increase the risk tolerance in order to achieve further growth by exhibiting synergies between FX business and cryptocurrency business in the future. To achieve that goal, it is essential for the Company to focus on enhancing sophisticated market risk management and strengthening cybersecurity measures, and to secure the required risk capital.

FXTF Group's new controlling shareholder 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 invest in FXTF Group taking the opportunity of the acquisition of management rights. With his financial support, FXTF Group 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.

Further, with a wide-range of business support from Mr Eric, who has an extensive network of Fintech entrepreneurs in Singapore, Hong Kong and other Asian countries that has been cultivated through his

<sup>5</sup> True Joyful Limited, BVI (Representative: Cheng Lye Meng Eric) holds all of the beneficiary interest.

<sup>6</sup> The shares currently held by Ryo Uruma, the president of Affiliated Company (shareholding ratio: 0.99%) is scheduled to be acquired. The Company will continue to hold the shares of Affiliated Company currently held by the Company (shareholding ratio: 25%).

business, FXTF Group will also be able to accelerate the growth of Fintech business that is being pursued by the Group as a whole.

FXTF is celebrating its 10th anniversary this year and considers the owner change as a necessary measure to take the first step towards further growth in the next 10 years and to promote the Fintech business in the Group as a whole under the stable management structure.

#### ◆ **Management Structure (Composition of Directors and Auditors)**<sup>7</sup>

Although the controlling shareholder of Parent Company will be changed, the current directors and auditors of the Company will remain in their respective offices thus the current management structure will basically be maintained. As for Mr Eric, who will have the substantial ownership, the Company will nominate him as a director at the extraordinary general meeting of shareholders of the Company to be held on 30 May 2018.

##### Management Structure

Representative Director and President: Yasuharu Tsuru<sup>8</sup>

Director: Akihiko Kobayashi<sup>9</sup>

Director: Ryo Uruma<sup>10</sup>

External Director: Cheng Lye Meng Eric<sup>11</sup>

Auditor: Takashi Kasai<sup>12</sup>

#### ◆ **Business Execution Structure**

Although the controlling shareholders of the Parent Company will be changed, the executive members of the Company will remain the same thus the current business execution structure will be maintained. All employees currently employed by the Group will continue to be employed.

##### Execution Structure

President and Representative Director: Yasuharu Tsuru

Executive Vice president: Akihiko Kobayashi (Internal Management)<sup>13</sup>

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<sup>7</sup> The Company is a Company with Board of Directors and a Company without 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). The Company does not plan to change the number of directors.

<sup>8</sup> Concurrently serves as an External Director (part-time) of Affiliated Company BitTrade Co., Ltd.

<sup>9</sup> Concurrently serves as an External Director (part-time) of Affiliated Company BitTrade Co., Ltd.

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

<sup>11</sup> Concurrently serves as an External Director (part-time) of Affiliated Company BitTrade Co., Ltd.

<sup>12</sup> Concurrently serves as an auditor (part-time) of Affiliated Company BitTrade Co., Ltd.

Executive Officer: Ryo Uruma (Planning and Affiliated Companies)<sup>14</sup>

Executive Officer: Masashi Yamada (Systems)<sup>15</sup>

Advisor: Robert Luke Collick<sup>16</sup>

#### ■Future Policy

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

Based on this policy, FXTF Group will maximize its risk management and customer management know-how that it has cultivated in the online FX industry, expand its service lineups in the cryptocurrency area which is expected to grow rapidly through BitTrade, and aims to be able to provide one-stop high quality online transaction services for our customers both in legal currency and cryptocurrency.

To that aim, 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.

#### ■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

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<sup>13</sup> Upon taking the office of External Director of Affiliated Company BitTrade Co., Ltd., he will become Chief Internal Management Officer of the Group.

<sup>14</sup> Concurrently serves as President and Representative Director of Affiliated Company BitTrade Co., Ltd.

<sup>15</sup> Concurrently serves as Group CTO and CISO.

<sup>16</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 become advisor to the Company and Affiliated Company to assist with the transition to new regime.

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

#### ■ Directors' Profile

##### **Yasuharu Tsuru, President and Representative Director**

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]

- External Director of BitTrade Co., Ltd. (scheduled to take office on 30 May 2018)

##### **Akihiko Kobayashi, Executive Vice President (Internal Management)**

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]

- External Director of BitTrade Co., Ltd. (scheduled to take office on 30 May 2018)

**Ryo Uruma, Director and Executive Officer (Planning and Affiliated Companies)**

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]

- President and Representative Director of BitTrade Co., Ltd.

**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]

- Executive Officer of Bit Trade Co., Ltd.

(Contact for inquiries on this matter)

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