

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



GLOBAL TOKEN LIMITED

環球通証有限公司

(continued in Bermuda with limited liability)

(Stock Code: 8192)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2018

Reference is made to the announcement of Global Token Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 April 2019 in relation to the annual results of the Group for the year ended 31 December 2018 (the “**2018 Annual Results Announcement**”) and the annual report of the Group for the year ended 31 December 2018 (the “**2018 Annual Report**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the 2018 Annual Results Announcement and 2018 Annual Report.

DETAILS OF THE MODIFICATIONS AND THEIR POTENTIAL IMPACT

As disclosed in the 2018 Annual Report, the auditors of the Company (the “**Auditors**”) have issued a qualified opinion (the “**2018 Qualified Opinion**”) on the Group’s consolidated financial statements for the year ended 31 December 2018 because the Auditors were unable to obtain sufficient and appropriate audit evidence regarding the validity and occurrence of the commission and service income of approximately HK\$6,123,000 in relation to cryptocurrencies trading platform in Blockchain technology business of the Group. Since the Auditors were unable to carry out effective confirmation procedures in relation to the above revenue for the purpose of audit on the financial statements of the Group for the year ended 31 December 2018 and there was inadequate documentary evidence available for the Auditors to satisfy themselves about the occurrence of the transactions which gave rise to these commission and service income as well as there being no satisfactory alternative audit procedures that the Auditors could perform to satisfy themselves as to whether the above sales revenue were free from material misstatement and whether the activities of the Group from provision of Blockchain technology related business in relation to cryptocurrencies trading platform had given rise to actual or contingent liabilities of the Group in the consolidated financial statements for the year ended 31 December 2018. The 2018 Qualified Opinion was formed.

As disclosed in the 2018 Annual Report, any adjustments of the above commission and service income that might have been found necessary may have a significant effect on the Group's net assets as at 31 December 2018 and its financial performance and cash flows for the year then ended in the consolidated financial statements.

MANAGEMENT'S POSITION

The board (the "**Board**") of directors of the Company (the "**Director**") would like to provide the following supplemental information relating to the 2018 Qualified Opinion:

1. The Company including its finance team kept on assisting the Auditors to communicate with the customers to return the signed confirmation letters to the Auditors during the period from 5 March to 29 March 2019 for their audit confirmation procedures.
2. Due to the low response rate on the return of confirmation letters and the 2 occasionally complaints received by the Company during the audit period, on 29 March 2019, the last date to publish the 2018 Annual Results Announcement, the Auditors suggested the Company to perform an alternative audit procedures to enable them to satisfy their confirmation procedures with additional fee of approximately HKD300,000 to be incurred and borne by the Company.
3. The Board has discussed with the Auditors on the 2018 Qualified Opinion, the audit confirmation procedures and the engagement of independent professional party to perform an alternative audit procedures in relation to the review on internal control in our cryptocurrencies trading platform prior to the publication of the 2018 Annual Results Announcement.
4. The Board noted that there is no specific accounting standards on the cryptocurrencies nor detail guidelines from recognized professional institution in Hong Kong, namely HKICPA, in relation to audit procedures on that industry available for reference to and follow so far.
5. The Board concluded that there was no information and evidence available to demonstrate our online cryptocurrencies trading platform involving in any fraudulent activities as concerned by the Auditors, nor negative comment on the risk management and internal control systems of the Group including financial management policy and risk assessment for the year ended 31 December 2018. The Board resolved not to go for the proposed alternative procedures recommended by the Auditors due to time constraint for publication the 2018 Annual Results Announcement and the 2018 Annual Report, as well as the estimated expenses of HK\$300,000 that will be incurred and borne by the Company.

VIEW OF AUDIT COMMITTEE

The audit committee of the Company confirmed that it had reviewed the facts and information available and provided by the management of the Company and agreed with the management's position based on the reasons above.

PROPOSED PLANS TO ADDRESS THE MODIFICATIONS

The Company is in the progress to review and assess the cost and benefit, financial performance, current and future outlook as well as related company policies in relation to our cryptocurrencies trading platform for the purpose to address the 2018 Qualified Opinion for enhancement of our corporate governance and improvement on our risk management and internal control systems. Further announcement(s) will be made by the Company in compliance with the requirements of the GEM Listing Rules should there be any material information and development of the Company.

By Order of the Board
Global Token Limited
Ma Jian Ying

Co-Chief Executive Officer and Executive Director

Hong Kong, 31 May 2019

As at the date of this announcement, the board of Directors comprises Mr. Chen Ping, Ms. Ma Jian Ying, Ms. Xie Bin, Mr. Tsang Chun Kit Terence and Mr. Wang An Zhong as executive Directors, Mr. Shi Guang Rong as non-executive Director and Mr. Leung Wah, Ms. Wong Mei Ling and Mr. Qin Hui as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company website at www.8192.com.hk.