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GLOBAL TOKEN LIMITED

環球通証有限公司

(continued in Bermuda with limited liability)

(Stock Code: 8192)

DISCLOSEABLE TRANSACTION – THE DISPOSAL OF 51% EQUITY INTEREST IN THE TARGET

THE DISPOSAL

The Board wishes to announce that on 30 December 2019 (after trading hours), the Vendor and the Purchaser entered into the SP Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Sale Equity Interest, which shall represent 51% of the paid up equity interest of the Target at the consideration of RMB2,800,000 (equivalent to approximately HK\$3,119,000).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements but is exempted from Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

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THE SP AGREEMENT

Major terms of the SP Agreement are set out below.

Date

30 December 2019

Parties

- (a) Vendor: the Vendor
- (b) Purchaser: the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party.

Assets to be disposed of

Pursuant to the SP Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Equity Interest, representing 51% of the paid up equity interest of the Target which is principally engaged in the rental of energy-saving air-conditioners business.

Upon completion of the Disposal, the entire shareholder's loan owing by the Target to the Vendor as at Completion Date would be waived by the Vendor. As at 31 October 2019, the unaudited shareholder's loan amounted to approximately RMB57,486,000 (equivalent to approximately HK\$64,039,000) ("**Shareholder's Loan**").

Consideration

The Consideration is RMB2,800,000 (equivalent to approximately HK\$3,119,000), which shall be settled by the Purchaser in cash in the following manner:

- (1) a first tranche payment in the sum of RMB560,000 (equivalent to approximately HK\$624,000) (the "**First Tranche Payment**") has been paid by the Purchaser to the Vendor on the Completion Date; and
- (2) a sum of RMB2,240,000 (equivalent to approximately HK\$2,495,000), being the remaining balance of the Consideration, shall be paid by the Purchaser to the Vendor within fourteen (14) working days upon completion of the registration of the transfer of the Sale Equity Interest at the relevant government authority.

Basis of Consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to (i) the financial position of the Target; and (ii) preliminary valuation of approximately RMB2,892,000 and RMB2,990,000 (equivalent to approximately HK\$3,222,000 and HK\$3,331,000) representing 51% equity interest in the Target as at 31 October 2019 valued by an independent valuer engaged by the Company adopting the asset approach and the market approach respectively.

Completion

Completion of the SP Agreement took place immediately after the signing of the SP Agreement.

Immediately after Completion, the Target has ceased to be a subsidiary of the Company and the Group has ceased to have any equity interest in the Target. The financial results of the Target will no longer be consolidated into the Group's financial statements.

In addition, the Group has, upon Completion, discontinued to engage in the provision of the rental of energy-saving air-conditioners.

INFORMATION ABOUT THE TARGET

The Target is a company incorporated in the PRC with limited liability and principally engaged in the rental of energy-saving air-conditioners business. The principal assets of the Target are the rented air-conditioners, the segment revenue of the rental of air-conditioners of the Group was approximately HK\$2,071,000 for the nine months ended 30 September 2019 as disclosed in 2019 third quarterly report of the Company. As at the date of this announcement, the Target is owned as to 51% by the Vendor and the remaining 49% is owned by Ms. Wang Ying who is an Independent Third Party.

As at 31 October 2019, the Target had 13 staff. Set out below is a summary of certain audited financial information of the Target (prepared in accordance with generally accepted accounting principles in the PRC) for the years ended 31 December 2017 and 2018 respectively:

	For the year ended 31 December 2017 (audited) <i>RMB'000</i> (approximately)	For the year ended 31 December 2018 (audited) <i>RMB'000</i> (approximately)
Net loss before/after taxation	4,432	12,412

Based on the unaudited management accounts of the Target for the period ended 31 October 2019, the unaudited net liabilities of the Target as at 31 October 2019 was approximately RMB47,437,000. Taking into account the waiver of the Shareholder's Loan as described above and assuming such waiver had taken effect on 31 October 2019, the unaudited net assets of the Target would have been adjusted to approximately RMB10,049,000.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in (i) trading business, (ii) money lending business, (iii) securities trading business and (iv) blockchain technology related business.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS

Throughout this financial year, the Group has reshuffled the portfolio of its investments with a view to maximizing the returns to the Shareholders.

The Directors have been constantly reviewing the performance of the businesses of the Group and aiming to strive for the best interests for the Company and the Shareholders. In this regard, the Directors noted that the Target, which operated the rental of air-conditioners business segment, had been loss-making and was in a net deficit position as at 31 October 2019. The Directors anticipated that the continued operation of such business might require the Group to make further financial contribution to the Target. As such, the Directors do not intend to continue to operate such business segment and would like to dispose of its entire interest in the Target.

The net cash proceeds from the Disposal, after deducting the estimated expenses in relation to the Disposal, will amount to approximately RMB2,700,000 (equivalent to approximately HK\$3,008,000). It is currently intended that the proceeds of the Disposal will be allocated for the Group's general working capital. Although the net cash proceeds of the Disposal were nominal, the Board considers that the Disposal will enable the Company to reallocate its resources to other existing businesses of the Group.

The Group expects to recognise an unaudited accounting loss of approximately RMB7,249,000 (equivalent to approximately HK\$8,075,000) from the Disposal, being the difference between the Consideration and the aggregate of the estimated unaudited net assets of the Target recorded in the Target's unaudited financial statements as at 31 October 2019 taking into account the waiver of the Shareholder's Loan upon Completion. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements but is exempted from Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended with effect from 9:00 a.m. on 25 October 2019 in accordance with Rule 9.04 of the GEM Listing Rules and will remain suspended until further notice.

Shareholders who have queries about the implication of the delisting of the shares of the Company are advised to seek appropriate professional advice.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Global Token Limited (環球通証有限公司) (stock code: 8192), a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement
“Completion Date”	the date of the SP Agreement
“Consideration”	the sum of RMB2,800,000 (equivalent to approximately HK\$3,119,000), being the consideration for the purchase of the Sale Equity Interest payable by the Purchaser to the Vendor for the Disposal
“Directors”	the director(s) of the Company

“Disposal”	the disposal of the Sale Equity Interest by the Vendor to the Purchaser under the SP Agreement
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM made by the Stock Exchange from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company and their respective associates (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China and for the sole purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Mr. Song Haitao, an Independent Third Party
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equity Interest”	registered and paid up capital of RMB10,200,000, representing 51% of the total equity interest of the Target
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“SP Agreement”	the agreement dated 30 December 2019 entered into between the Vendor and the Purchaser in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	深圳市順天運環保科技有限公司 (Shenzhen Shun Tian Yun Environmental Technology Limited*), a company incorporated in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company immediately prior to Completion

“Vendor” 中達博誠能源科技（深圳）有限公司 (Zhong Da Bo Cheng Energy Technology (Shenzhen) Limited*), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, which principally engages in investment holding and trading business in the PRC

“%” per cent.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

For the purpose of this announcement, unless the context otherwise requires or expressly specified, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1.00 to HK\$1.114. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi has been, could have been or may be converted at such or any other rate or at all.

By Order of the Board
Global Token Limited
Ma Jian Ying

Co-Chief Executive Officer and Executive Director

Hong Kong, 30 December 2019

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

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 of The Stock Exchange of Hong Kong Limited 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 in this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.8192.com.hk