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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 – DISPOSAL OF CRYPTOCURRENCIES

THE DISPOSAL

The Board wishes to announce that China Glory, an indirect wholly-owned subsidiary of the Company has disposed of an aggregate of 13.458 units of BTC and 1,446 units of Ethereum on the open market for an aggregate consideration of approximately HK\$3,495,000 (before deducting related expenses) at an average price of approximately HK\$69,500 per BTC and approximately HK\$1,770 per Ethereum on 5 March 2020.

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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As the Disposed BTC and Disposed Ethereum were disposed of on the open market, the Company is not aware of the identities of the the counterparties of the Disposed BTC and Disposed Ethereum and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the counterparties of the Disposed BTC and Disposed Ethereum and their ultimate beneficial owners are Independent Third Parties.

Consideration

The aggregate gross proceeds of the Disposal are approximately HK\$3,495,000. The sale price under the relevant disposals represented the prevailing market price of the Disposed BTC and Disposed Ethereum at the time of the relevant transactions.

Completion

Settlement of the Disposal took place immediately after its orders were made.

INFORMATION OF THE DISPOSED BTC AND DISPOSED ETHEREUM

Cryptocurrencies are digital currencies in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds using blockchain technology, operating independently of a central bank. The block chain is a public record of cryptocurrency transactions in chronological order. The block chain is shared between all users in that blockchain. It is used to verify the permanence of transactions and to prevent double spending. Cryptocurrencies are not issued by any central authority, rendering them theoretically immune to government interference or manipulation. Cryptocurrencies make it easier to transfer funds between two parties in a transaction and these transfers are facilitated through the use of public and private keys for security purposes. These fund transfers are done with minimal processing fees, allowing users to avoid the fees charged by most banks and financial institutions for wire transfers.

Set out below is the audited carrying value of the BTC and the Ethereum held by the Group as at 31 December 2017 and 31 December 2018 respectively:

	As at 31 December 2017	As at 31 December 2018
	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(approximately)	(approximately)
BTC	–	1,299
ETH	–	2,944

The unaudited amounts of the BTC and the ETH held by the Group as at 30 June 2019 were approximately HK\$179,000 and approximately HK\$4,539,000 respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND USED OF PROCEEDS

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

Since the recession of the cryptocurrency market, the Company has been actively looking for opportunities to dispose of the cryptocurrency investments held by the Group. Having considered the current cryptocurrency market, the Directors are of the view that it is the appropriate time for the Group to realise its investment in cryptocurrencies. The Directors intend to use the net proceeds from the Disposal as general working capital. The Directors expect to recognise an unaudited profit (before deducting related expenses) of approximately HK\$1.43 million from the Disposal (being the difference between the gross proceeds from the Disposal and the fair value of the Disposed BTC and the Disposal Ethereum as at 31 December 2019). Shareholders should note that the actual amount of profit on the Disposal to be recorded by the Company will be subject to review by the auditors of the Company.

Given that the Disposal was made on the open market, the Directors (including the independent non-executive Directors) consider that all the Disposed BTC and Disposed Ethereum were disposed at the then prevailing market prices and that the terms of the Disposal are on normal commercial terms and are fair and reasonable and the Disposal is in the interest 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

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Board”	the board of Directors
“BTC”	Bitcoin, a cryptocurrency. It is a decentralized digital currency without a central bank or single administrator that can be sent from user to user on the peer-to-peer bitcoin network without the need for intermediaries
“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
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of an aggregate of 13,458 units of BTC and 1,446 units of Ethereum by China Glory on the open market for an aggregate consideration of approximately HK\$3,495,000 (before deducting related expenses) in a series of transactions on 5 March 2020
“Disposed BTC”	the BTC disposed of under the Disposal
“Disposed Ethereum”	the Ethereum disposed of under the Disposal
“Ethereum”	Ethereum, a cryptocurrency whose blockchain is generated by the Ethereum platform. Ethereum is an opensource, public, blockchain-based distributed computing platform and operating system featuring smart contract functionality
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“China Glory”	China Glory International Holdings Limited 中傑國際集團有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“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 People’s Republic of China
“Independent Third Parties”	third party(ies) independent of the Company and connected persons of the Company and their respective associates (as defined in the GEM Listing Rules)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Global Token Limited
Ma Jian Ying
Co-Chief Executive Officer and Executive Director

Hong Kong, 6 March 2020

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 non-executive 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