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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 IN RELATION TO ASSIGNMENT OF CREDITOR'S RIGHTS

Reference is made to the Company's announcements dated 23 September 2020 and 6 September 2019 (the "**Announcements**") in relation to the default of loan in relation to the Fourth Extension Agreement and extension of loan repayment date of the loan in a principal amount of HK\$10,000,000, respectively.

THE ASSIGNMENT OF CREDITOR'S RIGHTS

On 25 September 2020, the Assignor entered into the Agreement with the Assignee, pursuant to which the Assignor agreed to sell and assign, and the Assignee agreed to purchase and be assigned the Creditor's Rights at the Consideration of HK\$7,000,000.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the GEM Listing Rules in respect of the Assignment of Creditor's Rights exceeded 5% but are less than 25%, the Assignment of Creditor's Rights constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

Reference is made to the Company's announcements dated 23 September 2020 and 6 September 2019 (the "**Announcements**") in relation to the default of loan in relation to Fourth Extension Agreement and extension of loan repayment date of the loan in a principal amount of HK\$10,000,000, respectively. Unless otherwise defined, capitalised terms used in this announcement shall have the meanings as those defined in the Announcements.

BACKGROUNDS

Pursuant to the Original Loan Agreement, the Assignor (which is an indirect wholly-owned subsidiary of the Company) advanced a loan in the principal amount of HK\$10,000,000 bearing interest at a rate of 15% per annum to the Borrower. The Borrower has paid all interest accrued on the Loan from the date of the Original Loan Agreement to the Second Extended Maturity Date (i.e. 8 March 2019) and pursuant to the Fourth Extension Agreement, among other matters, the parties agreed that the Borrower shall pay the accrued outstanding interest due from the Third Extended Maturity Date (i.e. 8 September 2019) in the amount of HK\$750,000 to the Fourth Extended Maturity Date (i.e. 8 September 2020).

Pursuant to the Fourth Extension Agreement, the principal amount of the Loan and the interest accrued on the Loan from the date of the Second Extended Maturity Date to the date of the Fourth Extended Maturity Date shall be repaid to the Assignor on Fourth Extended Maturity Date. On 23 September 2020, the Assignor received a written notice from the bank that the repayment cheques received from the Borrower were bounced, which the Borrower failed to repay the Loan and the outstanding interest in total of HK\$12,250,000 on time (the “**Default**”). Demand letters had been issued to the Borrower and the Guarantee demanding repayment of the Debt on the same date.

THE ASSIGNMENT OF CREDITOR’S RIGHTS

On 25 September 2020, the Assignor entered into the Agreement with the Assignee, pursuant to which the Assignor agreed to sell and assign, and the Assignee agreed to purchase and be assigned the Creditor’s Rights at the Consideration of HK\$7,000,000.

The principal terms of the Agreement are summarised as follows:

Date	:	25 September 2020
Assignor	:	United Property Finance Limited, an indirect wholly-owned subsidiary of the Company. The Assignor is a licensed money lender in Hong Kong under the Money Lenders Ordinance
Assignee	:	A company incorporated in British Virgin Islands with limited liability, which the ultimate beneficial owner is Mr. Zhu Weisha, and an Independent Third Party
Creditor’s Rights	:	The Assignor’s rights, titles and benefits of the Debt
Consideration	:	HK\$7,000,000, which shall be paid by the Assignee to the Assignor by cash
Completion	:	The Assignment of Creditor’s Rights shall be taken into effect after the Assignor receiving all the Consideration. Settlement of the Consideration took place immediately after entering into the Agreement.

INFORMATION ABOUT THE GROUP AND THE ASSIGNOR

The Group is principally engaged in (i) trading business; (ii) money lending business and (iii) securities trading business. The Assignor, being an indirect wholly-owned subsidiary of the Company is a holder of a money lender licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

INFORMATION ABOUT THE ASSIGNEE

The Assignee is a company incorporated in British Virgin Islands with limited liability, which the ultimate beneficial owner is Mr. Zhu Weisha.

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

REASONS FOR AND BENEFITS OF THE ASSIGNMENT OF CREDITOR'S RIGHTS

The Assignor has sought legal advice from its legal advisers on possible enforcement proceedings against the Borrower and the Guarantee and the change of success of recovering the Debt from the Borrower and the Guarantee. In view of the economic uncertainties posed by COVID-19, the current market value of the Collateral Security would not be able to sufficiently cover the Debt.

Based on the information available to the Directors as of the date of this announcement, it appeared to the Directors that the Borrower and the Guarantee might not have sufficient means to repay the Debt even if the Assignor eventually succeeds in the enforcement proceedings. Given the uncertainties of the Borrower in the repayment of the Debt, the Assignment of Creditor's Rights will enable the Group to realise cash resources from these non-performing assets. The Directors are of the view that the Assignment of Creditor's Rights represents an opportunity for the Group to monetise the assets, which will make a positive contribution to the cash flow of the Group.

The Consideration was arrived at after arm's length negotiation between the Assignor and the Assignee having considered, among other things, the marketability and the recoverability of the Debt. The Board is of the view that the Assignment of Creditor's Rights is on normal commercial terms, and is fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ASSIGNMENT OF CREDITOR'S RIGHTS

Upon Completion, it's expected to recognise a reversal of allowance on expected credit losses on financial assets at amortised cost of approximately HK\$1,203,000, representing the difference between the Consideration from the Assignment of Creditor's Rights of HK\$7,000,000 and the aggregate book value carrying value of the Debt of approximately HK\$5,797,000. Allowance for expected credit losses of approximately HK\$6,453,000 have been recognised for the Debt during the year ending 31 December 2019.

The Group intends currently to use the proceeds as working capital of its money lending business.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the GEM Listing Rules in respect of the Assignment of Creditor's Rights exceeded 5% but are less than 25%, the Assignment of Creditor's Rights constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Agreement”	the agreement to assign the Creditor's Rights dated 25 September 2020 and entered into between the Assignor and Assignee in respect of the Assignment of Creditor's Rights
“Assignment of Creditor's Rights”	the transaction contemplated under the Agreement
“Assignee”	A company incorporated in British Virgin Islands with limited liability, which the ultimate beneficial owner is Mr. Zhu Weisha and an Independent Third Party
“Assignor”	United Property Finance Limited (統一物業信貸有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors

“Collateral Security”	the securities in the designated securities account registered in the name of the Borrower and where the Assignor has an authority to instruct the securities broker to dispose of the securities in such designated securities account to settle and/or repay the Loan and/or interest accrued on the Loan to the Assignor
“Company”	Global Token Limited (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
“connected persons”	Has the meaning ascribed to it under the Listing Rules
“Consideration”	HK\$7,000,000, being the total consideration payable by the Assignee to the Assignor for the Assignment of Creditor’s Rights
“Creditor’s Rights”	the Assignor’s rights, titles and benefits of the Debt
“Debt”	the Loan and the interest accrued on the Loan from the date of the Second Extended Maturity Date to the date of the Fourth Maturity Date in the total amount of HK\$12,250,000
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“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 Party”	Third party independent of the Company and its connected persons (as defined in the GEM Listing Rules) of the Company and their respective associate (as defined in the GEM Listing Rules)
“Loan”	a loan of HK\$10,000,000 granted by the Assignor to the Borrower pursuant to the Original Loan Agreement
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong

“Shareholder(s)” holder(s) of the share(s) in the share capital of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

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

By Order of the Board
Global Token Limited
Guo Yong
Chairman

Hong Kong, 25 September 2020

As at the date of this announcement, the board of Directors comprises Mr. Guo Yong, 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. Hu Xiaoming as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.