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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 – ACQUISITION OF 51% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The Board announces that on 24 January 2021, the Purchaser and Sellers entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to acquire and the Sellers conditionally agreed to dispose of the 51% equity interest in the Target Company at the Consideration of RMB1,500,000 (equivalent to approximately HK\$1,725,000). Upon completion of the Acquisition, the Target Company will become a non-wholly-owned subsidiary of the Company. The Acquisition will result in control over the Target Company by our Group and in the consolidation of the assets of the Target Company in the financial statements of the Company.

GEM LISTING RULES IMPLICATIONS

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

INTRODUCTION

The Board announces that on 24 January 2021, the Purchaser and Sellers entered into the Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to acquire and the Sellers conditionally agreed to dispose of the 51% equity interest in the Target Company at the Consideration of RMB1,500,000 (equivalent to approximately HK\$1,725,000). Upon completion of the Acquisition, the Target Company will become a non-wholly-owned subsidiary of the Company. The Acquisition will result in control over the Target Company by our Group and in the consolidation of the assets of the Target Company in the financial statements of the Company.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

24 January 2021 (after trading hours)

Parties

- (i) Purchaser : Zhongda Bocheng Energy Technology (Shenzhen) Limited* (中達博誠能源科技(深圳)有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
- (ii) Sellers : Mr. Wu Yunqi and Mr. Cheng Xuanjun, being Independent Third Parties

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Sellers and its associates are Independent Third Parties of the Company.

The Acquisition

The First Seller and the Second Seller own 60% and 40% of the total equity interest in the Target Company, respectively.

Pursuant to the Sale and Purchase Agreement, the Purchaser conditionally agreed to acquire and the Sellers conditionally agreed to dispose of the 51% equity interest in the Target Company at the Consideration of RMB1,500,000 (equivalent to approximately HK\$1,725,000). Among the Sellers, the First Seller agreed to sell 30.6% and the Second Seller agreed to sell 20.4% of the equity interest in the Target Company, respectively.

Following the Acquisition, First Seller and Second Seller will own 29.4% and 19.6% of the total equity interest in the Target Company, respectively.

Consideration

The Consideration of RMB1,500,000 (equivalent to approximately HK\$1,725,000) was determined based on the arm's length negotiation between the Purchaser and Sellers on normal commercial terms with reference to (i) the Target Company's net assets as at 31 December 2018, 2019 and 2020, and (ii) the Target Company's net profit for the years ended 31 December 2018, 2019 and 2020.

The Consideration shall be settled by the Purchaser to the Sellers in cash within 3 calendar months after the signing date of the Sale and Purchase Agreement.

Conditions Precedent

Completion is conditional upon each of the following conditions (the “**Conditions**”) being satisfied or waived in writing by the Purchaser:

- (a) the Purchaser being satisfied in the following aspects:
 - (i) the representations and warranties provided by the Sellers in respect of itself and the Target Company are true, complete and accurate without misleading;
 - (ii) the Sellers hold all the legal and beneficial title of the equity interest in the Target Company without any outstanding or potential litigation claims which may render the Acquisition void or prevent the completion of the Acquisition;
 - (iii) the Target Company has not experienced any material adverse change as stipulated under the Agreement; and
- (b) the Sellers do not violate any warranties or obligations under the Sale and Purchase Agreement from the date of signing the Sale and Purchase Agreement to completion.

Completion

Completion shall take place when the Target Company has completed the relevant business registration to reflect that the Purchaser is the legal and beneficial owner of the Target Company.

Upon completion of the Acquisition, the Target Company will become a non-wholly-owned subsidiary of the Company. The Acquisition will result in control over the Target Company by our Group and in the consolidation of the assets of the Target Company in the financial statements of the Company.

Termination

If the completion of the Acquisition fails to take place due to the default of the Sellers (including but not limited to the satisfaction of the Conditions), the Purchaser shall have the right to terminate the Agreement and demand for the return of all monies paid.

INFORMATION OF THE GROUP AND THE PURCHASER

The Group is principally engaged in (i) trading business; (ii) money lending business; (iii) securities trading business and (iv) leasing and maintenance of supercomputing data centre.

The Purchaser, being an indirect wholly-owned subsidiary of the Company, is a company incorporated in the PRC with limited liability and was principally engaged in trading of electronic components and computer servers in the PRC.

INFORMATION OF THE SELLERS

The First Seller and Second Seller hold 60% and 40% equity interest in the Target Company, respectively. The Sellers are principally engaged in manufacturing electronic products business, who are the ultimate beneficial owners of the Target Company.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Sellers and its associates are Independent Third Parties of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company, being a company incorporated in the PRC with limited liability, is principally engaged in manufacturing of light-emitting diode (“LED”) packaging machines and providing relevant technology solutions to large LED manufacturers in the PRC. Its technical know-how has been recognised by obtaining the Chinese High-tech Enterprise Certification* (中國高新技術企業證書). The manufacturing factory of the Target Company is located in Guangming New District of Shenzhen. The end-product devices of its product line and technical solutions provided are mainly digital devices and lighting fixtures.

Set out below are the financial information of the Target Company (prepared in accordance with generally accepted accounting principles in the PRC) for the years ended 31 December 2018, 2019 and 2020:

	For the year ended 31 December 2018 (audited) <i>RMB'000</i>	For the year ended 31 December 2019 (audited) <i>RMB'000</i>	For the year ended 31 December 2020 (unaudited) <i>RMB'000</i>
Net profit after tax	744	2,283	2,033
	As at 31 December 2018 (audited) <i>RMB'000</i>	As at 31 December 2019 (audited) <i>RMB'000</i>	As at 31 December 2020 (unaudited) <i>RMB'000</i>
Net assets	1,166	4,419	6,393

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group has engaged in the trading business for years and has accumulated extensive network resources in the trading of electronic components, in which the LED circuit and chips are the common products in our portfolio. The success of the trading business has been evidenced by proven track record over the past few years with the Group's network resources. The Directors of the Company has also always dedicated to better the product mix of the trading business and provide customers with a stable source of supply.

The Acquisition will enable the Group to lay a solid foundation for business expansion through its existing network resources. The Target Company has accumulated a strong customer base with a reputation as a LED packaging solution provider in the industry. Its major customers are the large LED light fixtures and electronic product manufacturers, which matches the Group's customer network.

The Company has always committed to exploring business opportunities to expand the operation scale and maintain business sustainability in the long run. Based on the factors as disclosed above, the Directors are of the view that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as defined under the GEM Listing Rules in respect of the Acquisition exceeded 5% but are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to notification and announcement requirements but is exempted from Shareholder's approval requirement 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:

“Acquisition”	the proposed acquisition of the 51% equity interest in the Target Company by the Purchaser
“Board”	the board of Directors
“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 person(s)”	has the meaning ascribed to it under the GEM Listing Rules

“Consideration”	the aggregate consideration of RMB1,500,000 for the Acquisition
“Director(s)”	the director(s) of the Company
“First Seller”	Mr. Wu Yunqi, an Independent Third Party
“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” or “Independent Third Parties”	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)
“PRC”	The People’s Republic of China, which for the purpose of this announcement, will exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Zhongda Bocheng Energy Technology (Shenzhen) Limited* (中達博誠能源科技(深圳)有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchaser Agreement”	the sale and purchase agreement dated 24 January 2021 in respect of the acquisition of 51% equity interest in the Target Company entered between the Purchaser and the Sellers
“Second Seller”	Mr. Cheng Xuanjun, an Independent Third Party
“Sellers”	the First Seller and Second Seller
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” Shenzhen Daneng Intelligent Manufacturing Technology Co., Limited* (深圳市大能智造科技有限公司), in which First Seller holds 60% of its equity interest and Second Seller holds 40% of its equity interest, a company incorporated in the PRC with limited liability and an Independent Third Party

“%” percentage

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\$1.15. 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.

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.

On Behalf of the Board
Global Token Limited
Guo Yong
Chairman

Hong Kong, 24 January 2021

As at the date of this announcement, the board of Directors comprises Mr. Guo Yong, Mr. Tsang Chun Kit Terence, Mr. Wang An Zhong and Mr. Chen Biao 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.

* The English translation of terms or names in Chinese which marked with “*” is for identification purpose only.