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環球戰略集團有限公司

GLOBAL STRATEGIC GROUP LIMITED

環球戰略集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8007)

DISCLOSEABLE TRANSACTION – ACQUISITION OF MACHINERY

THE ACQUISITION

On 3 August 2022 (after trading hours), the Purchaser, an indirect partially-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor for the acquisition of the Machinery at a total contract price of RMB17,890,000.

GEM LISTING RULES IMPLICATIONS

On 29 March 2022, the Purchaser entered into the Previous Acquisition with the Vendor. As the Previous Acquisition and the Acquisition took place within a 12-month period and were entered into with the same party, the Previous Acquisition and the Acquisition shall be aggregated as a single series of transactions pursuant to Rule 19.22 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition when aggregated with the Previous Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION

On 3 August 2022 (after trading hours), the Purchaser, an indirect partially-owned subsidiary of the Company, entered into the Purchase Contract with the Vendor for the acquisition of the Machinery. The principal terms of the Purchase Contract are set out below.

Date: 3 August 2022

Parties: (i) the Purchaser; and

(ii) the Vendor

Assets acquired: The Machinery

Date of delivery or collection: Tentatively to be on 28 August 2022, with the exact date to be confirmed by the parties

Total contract price: RMB17,890,000, inclusive of value-added tax, which shall be paid by the Purchaser to the Vendor in the following manner:

10% of the contract price (equivalent to RMB1,789,000) shall be paid upon signing of the Purchase Contract;

30% of the contract price (equivalent to RMB5,367,000) shall be paid within 10 working days of the delivery date (“**Delivery Date**”) of the Machinery at the designated delivery location;

50% of the contract price (equivalent to RMB8,945,000) shall be paid within 10 working days after 6 months of the Delivery Date;

the remainder 10% of the contract price (equivalent to RMB1,789,000) shall be paid within 10 working days after 12 months of the Delivery Date.

The total contract price was determined after arm’s length negotiations between the parties after considering and comparing the quotations obtained from various manufacturers of comparable machines. The total contract price will be settled by the Group with internal resources and/or other financing.

Liability for breach: In the event of late collection by the Purchaser, the Purchaser shall pay the Vendor liquidated damages at the rate of 0.1% of the total contract price per day of delay. For delay of more than 30 days, the Vendor shall have the right to terminate the Purchase Contract and the prepayment by the Purchaser shall be forfeited.

In the event of late delivery by the Vendor, the Vendor shall pay the Purchaser liquidated damages at the rate of 0.1% of the total contract price. For delay of more than 30 days, the Purchaser shall have the right to terminate the Purchase Contract and be entitled to claim liquidated damages representing double the amount of the prepayment by the Purchaser.

In the event of late payment by the Purchaser, the Purchaser shall pay the Vendor liquidated damages at the rate of 0.1% of the total contract price per day of delay. For delay of more than 60 days, the Vendor shall have the right to terminate the Purchase Contract, demand return of the Machinery and claim liquidated damages at the rate of 20% of the total contract price.

INFORMATION ON THE VENDOR

The Vendor is principally engaged in the manufacturing and selling of construction machinery, hydrology and water well drilling machines, geological exploration equipment, mining machinery and environmental protection machinery and accessories. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is wholly owned by Jielin Technology Shanghai Co., Ltd.* (上海捷林工業科技股份有限公司) (“**Jielin Technology Shanghai**”). Jielin Technology Shanghai is a joint-stock company listed on the National Equities Exchange and Quotations of the PRC (stock code: 835526).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in natural gas operations and leasing business of the steel support axial force servo system. The Acquisition is for conducting the Group's daily leasing activities and grasping the business opportunities in the steel support axial force servo system leasing industry. The Directors consider that the terms of the Purchase Contract are on normal commercial terms and are fair and reasonable and that the Acquisition is in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

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DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Acquisition”	the acquisition of the Machinery pursuant to the Purchase Contract;
“Board”	the board of Directors;
“Company”	Global Strategic Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM of the Stock Exchange (stock code: 8007);
“Director(s)”	the director(s) of the Company from time to time;
“GEM”	GEM operated by the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Parties”	third parties independent of the Company and its connected persons (having the meaning ascribed to it under the GEM Listing Rules);
“Machinery”	a trench cutting re-mixing deep wall method machine;

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Previous Acquisition”	the acquisition of certain machinery by the Purchaser pursuant to the purchase contract dated 29 March 2022 with the Vendor, the details of which are set out in the announcement of the Company dated 29 March 2022;
“Purchase Contract”	the purchase contract dated 3 August 2022 between the Purchaser and the Vendor in respect of the Acquisition;
“Purchaser”	Senchou Environmental Technology (Shanghai) Co., Ltd.* (森籌環境科技(上海)有限公司), a wholly foreign-owned enterprise established in the PRC and an indirect partially owned subsidiary of the Company;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	Shanghai Engineering Machinery Co., Ltd.* (上海工程機械廠有限公司), a limited liability company established in the PRC; and
“%”	per cent.

By order of the Board
Global Strategic Group Limited
Wang Wenzhou
Executive Director and Chief Executive Officer

Hong Kong, 3 August 2022

As at the date of this announcement, the Executive Directors are Mr. Wang Wenzhou (Chief Executive Officer), Mr. Wu Guoming and Mr. Duan Fanfan; and the Independent Non-executive Directors are Mr. Leung Oh Man, Martin and Dr. Chung Ling Cheong Dicky.

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 “Latest Listed Company Information” page of the Stock Exchange’s website at www.hkexnews.hk for at least seven days from the day of its publication and on the Company’s website at www.globalstrategicgroup.com.hk.