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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 AND CONNECTED TRANSACTION  
LOANS TO SHAREHOLDERS OF SUBSIDIARY**

**THE LOAN AGREEMENTS**

On 18 January 2023, Yichang Biaodian granted to each of Yichang Meiyuan and Yichang Platinum a shareholder's loan in the amount of RMB10 million. As at the date of this announcement, the Loans have been fully repaid.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of each of the Transactions are more than 5% but all of them are less than 25%, each of the Loans constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of the Transactions, Yichang Meiyuan and Yichang Platinum held 24.49% and 19.59% of the total issued share capital of Yichang Biaodian, respectively, which is a subsidiary of the Group. As such, Yichang Meiyuan and Yichang Platinum, being substantial shareholders of Yichang Biaodian, are both connected persons of the Company, and each of the Transactions constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the requirements of reporting, announcement, circular and shareholders' approval under Chapter 20 of the GEM Listing Rules.

Since (i) each of the Transactions was a transaction between the Group and connected persons, i.e. Yichang Meiyuan and Yichang Platinum at the subsidiary level on normal commercial terms or better, (ii) the Board approved the Transactions, and (iii) the independent non-executive Directors of the Company confirmed that the terms of the Transactions were fair and reasonable and were on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, each of the Transactions is exempt from the circular, independent financial advice and shareholders' approval.

## THE LOAN AGREEMENTS

The principal terms of the Yichang Meiyuan Loan Agreement are as follows:

Date:	18 January 2023
Parties:	(i) The lender: Yichang Biaodian (ii) The borrower: Yichang Meiyuan
Principal amount:	RMB10,000,000.00
Interest rate:	5% per annum
Term:	6 months commencing from 18 January 2023 to 17 July 2023
Repayment:	Interest shall be accrued on a monthly basis. Yichang Meiyuan shall repay the principal amount together with the total interest accrued at loan maturity. Yichang Meiyuan may make early repayment of loan before maturity
Purpose of the loan:	Yichang Meiyuan's general working capital purposes

The principal terms of the Yichang Platinum Loan Agreement are as follows:

Date:	18 January 2023
Parties:	(i) The lender: Yichang Biaodian (ii) The borrower: Yichang Platinum
Principal amount:	RMB10,000,000.00
Interest rate:	5% per annum
Term:	6 months commencing from 18 January 2023 to 17 July 2023
Repayment:	Interest shall be accrued on a monthly basis. Yichang Platinum shall repay the principal amount together with the total interest accrued at loan maturity. Yichang Platinum may make early repayment of the loan before maturity
Purpose of the loan:	Yichang Platinum's general working capital purposes

## **BASIS OF DETERMINATION OF THE TERMS OF THE LOAN AGREEMENTS**

The interest rates charged on the Loans were agreed upon by the parties after arm's length negotiations and having regard to, among other things, the prevailing market terms offered by commercial banks for loans with a similar term and principal amount. The Directors also considered the financial conditions and other background of Yichang Meiyang and Yichang Platinum and the expected interest income amount and the Group's cashflow position.

Based on the above, the Directors are of the view that the terms of the Loan Agreements are on normal commercial terms and are fair and reasonable to the Company and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in natural gas operations and sales and leasing business of the steel support axial force servo system. In particular, the business scope of Yichang Biaodian includes (i) gas production, development, sales and maintenance; (ii) construction and operation of natural gas projects; (iii) sales, supply and maintenance of piped natural gas, piped gas stoves and related ancillary equipment; and (iv) natural gas consulting services.

## **INFORMATION OF THE BORROWERS**

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) Yichang Meiyang is a company established in the PRC with limited liability and is principally engaged in sales of gas in towns; (ii) Yichang Platinum is a company established in the PRC with limited liability and is principally engaged in sales of gas in towns and warehousing services; and (iii) each of Yichang Platinum and Yichang Meiyang's are substantial shareholders of Yichang Biaodian and are therefore connected persons of the Group.

The ultimate beneficial owners of Yichang Meiyang are 蔡春蓮 (Cai Chunlian\*) and 牟權術 (Mou Quanshu\*) and the ultimate beneficial owners of Yichang Platinum are 王玲聲 (Wang Lingsheng\*) and 韓炯 (Han Jiong\*).

## **REASONS FOR ENTERING INTO THE TRANSACTIONS**

The Directors considered that the provision of the Loans under the Transactions could facilitate Yichang Meiyang and Yichang Platinum meeting their operation requirements. As illustrated above, Yichang Meiyang and Yichang Platinum both principally engage in sales of gas in towns, which are from the downstream sector of the gas industry. As the Group operates its business at the upstream of the gas industry, the Directors were of the view that stimulating the demands at the downstream would benefit the Group's business. Supporting the operation of Yichang Meiyang and Yichang Platinum therefore creates synergy effects to the Group. Therefore, the provision of the Loans ultimately could serve such purposes and the Directors consider that the provision of the Loans was in the interests of the Company and its shareholders as a whole. The Directors also believe that the terms of the Transactions are fair and reasonable.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of each of the Transactions are more than 5% but all of them are less than 25%, each of the Loans constitutes a discloseable transaction and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

As at the date of the Transactions, Yichang Meiyang and Yichang Platinum held respectively 24.49% and 19.59% of the total issued share capital of Yichang Biaodian, which is a subsidiary of the Group. As such, Yichang Meiyang and Yichang Platinum, being substantial shareholders of Yichang Biaodian, are both connected person of the Company, and each of the Transactions constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and is subject to the requirements of reporting, announcement, circular and shareholders' approval under Chapter 20 of the GEM Listing Rules.

Since (i) each of the Transactions was a transaction between the Group and connected persons, i.e. Yichang Meiyang and Yichang Platinum at the subsidiary level on normal commercial terms or better, (ii) the Board approved the Transactions, and (iii) the independent non-executive directors of the Company confirmed that the terms of the Transactions were fair and reasonable and were on normal commercial terms or better and in the interests of the Company and its shareholders as a whole, each of the Transactions is exempt from the circular, independent financial advice and shareholders' approval.

None of the Directors had any material interest in the Loan Agreements. Therefore, no Director is required to abstain from voting on the resolutions of the Board in approving the Loan Agreements and the transactions contemplated thereunder.

## **BREACH OF THE GEM LISTING RULES**

When entering into the Transactions, the Company was then of the view that the Loans only fell under the ambit of Chapter 17 of the GEM Listing Rules at the time. As the assets ratio in respect of each of the Loans did not exceed 8%, the Company did not see the need to publish any announcement or consider the implications under Chapter 19 of the GEM Listing Rules.

However, upon seeking legal consultation, the Company now understands that the Transactions also fell under the ambit of Chapter 19 of the GEM Listing Rules and that each of the Transactions constituted a discloseable transaction of the Company at the time. The Company regrets its lapse in judgment and is of the view that the shareholder's interest has not been materially affected given the size of the Transactions at the time. The Company also notes that shareholder's approval would not have been needed in respect of the Loans. As at the date of this announcement, the Loans have been fully repaid.

## **REMEDIAL ACTION**

The Company acknowledges that it has failed to publish an announcement in relation to the Transactions at the relevant time. The Company deeply regrets its non-compliance with the GEM Listing Rules but the Company would like to stress that the delay in compliance with the GEM Listing Rules was inadvertent and unintentional. The Company has no intention to withhold any information relating to the Transactions from disclosure to the public.

In the light of the above non-compliance, the Board proposes to take the following remedial actions:

- 1) the Company will appoint an internal control consultant to identify material weaknesses and deficiencies in the Company's internal control and formulate remedial action plans thereafter;
- 2) the Company will engage a compliance adviser to ensure the Company's compliance with the GEM Listing Rules, corporate governance code and all applicable laws, rules, codes and guidelines;
- 3) the Company will prepare detailed guidelines relating to notifiable and connected transactions under the GEM Listing Rules;
- 4) the Company will organise regular training session on notifiable and connected transaction under the GEM Listing rules. In specific, training sessions regarding the compliance requirements of the GEM Listing Rules (in particular, chapters 17, 19 and 20 of the GEM Listing Rules) will be held for the senior management and the Directors on an annual basis;
- 5) the Company will establish an investment committee which shall be delegated with the responsibility of reviewing the Company's transactions, preparing summary reports and reporting to the Board and ensuring the Company's compliance with the GEM Listing Rules;

- 6) the Company will arrange for the internal audit team to closely monitor the effectiveness and adequacy of internal control measures of the Group and report their review results and findings to the Board on a quarterly basis. The Board will examine the report and make recommendations.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there are no other incidents of non-compliance and it is not expected that the Company will enter into any transactions similar to the Transactions before the aforementioned remedial actions have been implemented.

Going forward, the Company will work more closely with its legal advisers and compliance adviser on compliance issues and shall, as and when appropriate and necessary, consult other professional advisers before entering into any potential notifiable or connected transaction. Where necessary, the Company will consult the Stock Exchange on the proper treatment of the proposed transaction.

## **DEFINITIONS**

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

“Board”	the board of Directors;
“Company”	Global Strategic Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM;
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Directors”	the directors 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;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Loans”	the shareholders' loans granted by Yichang Biaodian to each of Yichang Meiyuan and Yichang Platinum pursuant to the Yichang Meiyuan Loan Agreement and the Yichang Platinum Loan Agreement respectively;

“Loan Agreements”	the Yichang Meiyang Loan Agreement and the Yichang Platinum Loan Agreement;
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Shareholders”	holder of share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the provision of the Loans by Yichang Biaodian;
“Yichang Biaodian”	宜昌市標典天然氣利用有限公司 (Yichang Biaodian Natural Gas Utilisation Co., Ltd.*), a company established in the PRC with limited liability, an indirect subsidiary of the Group;
“Yichang Meiyang”	宜昌美岩能源有限公司 (Yichang Meiyang Energy Co., Ltd.*), a company established in the PRC with limited liability;
“Yichang Meiyang Loan Agreement”	the loan agreement entered into between Yichang Biaodian as the lender and Yichang Meiyang as the borrower dated 18 January 2023;
“Yichang Platinum”	宜昌地鉑港能源有限公司 (Yichang Platinum Port Energy Co., Ltd.*), a company established in the PRC with limited liability;
“Yichang Platinum Loan Agreement”	the loan agreement entered into between Yichang Biaodian as the lender and Yichang Platinum as the borrower dated 18 January 2023;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.16 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

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

Hong Kong, 23 July 2023

*As at the date of this announcement, the Executive Directors are Mr. Wang Wenzhou (Chief Executive Officer), Mr. Wu Guoming and Mr. Duan Fanfan; the Non-executive Director is Mr. Chen Long; and the Independent Non-executive Directors are Mr. Leung Oh Man, Martin, Dr. Chung Ling Cheong Dicky and Ms. Lam Yuk Kan Ester.*

*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 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 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](http://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](http://www.globalstrategicgroup.com.hk).*