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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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 31 MARCH 2024**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Global Strategic Group Limited (the “**Company**”) and its subsidiaries, collectively referred to as the “**Group**”) 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 (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.*

The board (the “**Board**”) of directors (the “**Directors**”) of Global Strategic Group Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) announces the unaudited consolidated interim results of the Group for the six months ended 31 March 2024 with comparative unaudited figures for the corresponding period in 2023 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 March 2024

		Six months ended 31 March 2024	Six months ended 31 March 2023
	<i>Notes</i>	HK\$’000 Unaudited	HK\$’000 Unaudited
Revenue	4	109,660	83,551
Cost of sales		<u>(91,607)</u>	<u>(75,305)</u>
Gross profit		18,053	8,246
Other income		19	505
Other gains and losses		150	(5)
Selling and distribution costs		(6,722)	(5,097)
General and administrative expenses		(15,760)	(18,008)
Reversal of trade receivables		51	241
Reversal of allowance on bills receivables		–	149
Reversal of allowance for due from non-controlling shareholders of a subsidiary		50	–
Reversal of allowance on other receivables		<u>244</u>	<u>–</u>
Loss from operations		(3,915)	(13,969)
Finance costs		<u>(3,438)</u>	<u>(1,848)</u>
Loss before tax		(7,353)	(15,817)
Income tax credit	5	<u>331</u>	<u>411</u>
Loss for the period		<u>(7,022)</u>	<u>(15,406)</u>

	Six months ended 31 March 2024	Six months ended 31 March 2023
<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Other comprehensive income, after tax		
<i>Item that may be reclassified to profit or loss:</i>		
Exchange differences arising on translation of financial statements to presentation currency	<u>1,669</u>	<u>994</u>
Other comprehensive income for the period, net of tax	<u>1,669</u>	<u>994</u>
Total comprehensive income for the period	<u><u>(5,353)</u></u>	<u><u>(14,412)</u></u>
(Loss)/profit for the period attributable to:		
Owners of the Company	(7,746)	(12,371)
Non-controlling interests	<u>724</u>	<u>(3,035)</u>
	<u><u>(7,022)</u></u>	<u><u>(15,406)</u></u>
Total comprehensive income for the period attributable to:		
Owners of the Company	(7,626)	(10,784)
Non-controlling interests	<u>2,273</u>	<u>(3,628)</u>
	<u><u>(5,353)</u></u>	<u><u>(14,412)</u></u>
Loss per share	7	
Basic (<i>HK cents per share</i>)	<u><u>(1.70)</u></u>	<u><u>(2.71)</u></u>
Diluted (<i>HK cents per share</i>)	<u><u>(1.70)</u></u>	<u><u>(2.71)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

		At 31 March 2024 <i>HK\$'000</i> Unaudited	At 30 September 2023 <i>HK\$'000</i> Audited
Non-current assets			
Property, plant and equipment		158,923	161,075
Right-of-use assets		6,172	7,908
Intangible assets		89,953	90,771
Investment in a point venture		101	100
		<u>255,149</u>	<u>259,854</u>
Current assets			
Inventories		5,523	565
Trade and bills receivables	8	7,214	8,086
Prepayments, deposits and other receivables		30,530	13,972
Due from related parties		2,037	1,234
Due from non-controlling shareholders of a subsidiary and its related parties		256	3,183
Value-added tax recoverable		2,966	3,059
Bank and cash balances		8,972	9,385
		<u>57,498</u>	<u>39,484</u>
Current liabilities			
Trade payables	9	1,757	3,608
Accruals and other payables		55,347	58,296
Contract liabilities		28,679	16,081
Lease liabilities		6,027	4,615
Due to related parties		6,799	4,579
Due to directors		9,329	8,772
Non-convertible bonds		23,737	19,757
Bank and other borrowings		28,144	16,520
Current tax liabilities		200	–
		<u>160,019</u>	<u>132,228</u>

	At 31 March 2024 HK\$'000 Unaudited	At 30 September 2023 HK\$'000 Audited
Net current liabilities	<u>(102,521)</u>	<u>(92,744)</u>
Total assets less current liabilities	<u>152,628</u>	<u>167,110</u>
Non-current liabilities		
Lease liabilities	913	2,981
Non-convertible bonds	4,000	3,000
Bank and other borrowings	38,790	46,646
Deferred tax liabilities	<u>22,488</u>	<u>22,693</u>
	<u>66,191</u>	<u>75,320</u>
	<u>86,437</u>	<u>91,790</u>
CAPITAL AND RESERVES		
Share capital	4,559	4,559
Reserves	<u>(9,663)</u>	<u>(2,037)</u>
Equity attributable to owners of the Company	(5,104)	2,522
Non-controlling interests (“NCI”)	<u>91,541</u>	<u>89,268</u>
Total equity	<u>86,437</u>	<u>91,790</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 March 2024

1. BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the six months ended 31 March 2024 (“**Financial Information**”) has been prepared by the Directors of the Company in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange.

This Financial Information should be read in conjunction with the 2023 annual report. The accounting policies (including the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of this Financial Information are consistent with those used in the annual financial statements for the year ended 30 September 2023 except as stated below.

The Directors have given careful consideration to the going concern of the Group in light of the fact that the Group incurred a net loss of HK\$7,022,000 the six months ended 31 March 2024, and, as of that date, the Group had net current liabilities of HK\$102,521,000 and taking into account of capital commitments as of that date.

These events and conditions indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern and to realise its assets and discharge its liabilities in the normal course of business.

The Directors have estimated the Group’s cash requirements by preparing a cashflow forecast of the Group for the period ending 31 March 2024. Mr. Wu Guoming (“**Mr. Wu**”), a shareholder and a director of the Company, and Mr. Wang Wenzhou (“**Mr. Wang**”), a director of the Company, have agreed to provide sufficient funds to the Group so that the Group will be able to meet all current obligations as they fall due for the foreseeable future. Mr. Wu and Mr. Wang both agreed to pledge their properties as collaterals, if necessary, to borrow funds to provide financial support to the Group.

The Directors of the Company therefore consider it appropriate to adopt the going concern basis in preparing this Financial Information on the basis that Mr. Wu and Mr. Wang have agreed to provide continuous financial support to the Group. Should the Group be unable to operate as a going concern in the foreseeable future, adjustments would have to be made to write down the carrying value of the Group’s assets to their recoverable amounts, to provide for any further liabilities that might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments have not been reflected in this Financial Information.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 October 2023. They do not have a material effect on the Financial Information.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2023 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended Standards in preparing the Financial Information.

3. SEGMENT INFORMATION

The Group has three (2023: three) operating and reportable segments as follow:

Natural gas operations Including investment in natural gas projects, sales of natural gas, natural gas cooking appliance and accessories and pipeline installation

Sales and Leasing business Including services rendered from leasing of steel support axial force servo system and technology support

Independent financial advisory Including services rendered from independent financial advisory business

The Group’s reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

(a) Information about operating segment profit or loss, assets and liabilities:

	Natural gas operations	Leasing business	Independent financial advisory	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Unaudited
Six months ended 31 March 2024:				
Revenue from external customers	<u>104,470</u>	<u>5,190</u>	<u>–</u>	<u>109,660</u>
Segment profit/(loss)	<u>534</u>	<u>(1,833)</u>	<u>(39)</u>	<u>(1,338)</u>
As at 31 March 2024:				
Segment assets	<u>251,823</u>	<u>49,223</u>	<u>8</u>	<u>301,054</u>
Segment liabilities	<u>(138,720)</u>	<u>(40,950)</u>	<u>(17)</u>	<u>(179,687)</u>
Six months ended 31 March 2023:				
Revenue from external customers	<u>79,981</u>	<u>3,570</u>	<u>–</u>	<u>83,551</u>
Segment loss	<u>(6,496)</u>	<u>(894)</u>	<u>(26)</u>	<u>(7,416)</u>
As at 30 September 2023:				
Segment assets (audited)	<u>234,200</u>	<u>52,336</u>	<u>11</u>	<u>286,547</u>
Segment liabilities (audited)	<u>(121,041)</u>	<u>(42,559)</u>	<u>(10)</u>	<u>(163,610)</u>

(b) Reconciliations of segment profit or loss:

	Six months ended 31 March 2024	Six months ended 31 March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Total profit or loss of reportable segments	<u>(1,338)</u>	<u>(7,416)</u>
Unallocated amounts:		
Other income	<u>160</u>	<u>471</u>
Other gains and losses	<u>–</u>	<u>(14)</u>
General and administrative expenses	<u>(5,366)</u>	<u>(7,997)</u>
Allowance on loan receivables	<u>(4)</u>	<u>–</u>
Finance costs	<u>(805)</u>	<u>(861)</u>
Consolidated loss before tax	<u>(7,353)</u>	<u>(15,817)</u>

4. REVENUE

Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service line for the period is as follows:

	Six months ended 31 March 2024 <i>HK\$'000</i> Unaudited	Six months ended 31 March 2023 <i>HK\$'000</i> Unaudited
Revenue from contracts with customers within the scope of HKFRS 15		
Disaggregated by major products or service lines		
– Sales of natural gas	101,629	76,891
– Sales of construction materials	523	–
– Rendering of services	4,109	3,891
	<u>106,261</u>	<u>80,782</u>
Revenue from other sources		
– Leasing income	3,399	2,769
	<u>109,660</u>	<u>83,551</u>

For the six months ended 31 March	Sales of natural gas		Sales of construction materials		Pipeline installation services		Provision of technology support services		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Primary geographical markets										
- The People's Republic of China ("PRC") except Hong Kong	101,629	76,891	523	-	2,841	3,090	1,268	801	106,261	80,782
- Hong Kong	-	-	-	-	-	-	-	-	-	-
Revenue from external customers	101,629	76,891	523	-	2,841	3,090	1,268	801	106,261	80,782
Timing of revenue recognition										
Products and services transferred at a point in time	-	-	523	-	2,841	3,090	-	-	3,364	3,090
Products and services transferred over time	101,629	76,891	-	-	-	-	1,268	801	102,897	77,692
Total	101,629	76,891	523	-	2,841	3,090	1,268	801	106,261	80,782

5. INCOME TAX CREDIT

	Six months ended 31 March 2024	Six months ended 31 March 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	Unaudited	Unaudited
Current tax		
PRC Enterprises Income Tax	199	13
Deferred tax	(530)	(424)
	(331)	(411)

6. DIVIDENDS

The Directors do not recommend the payment of any dividend for the six months ended 31 March 2024 (2023: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the following:

	Unaudited	
	Six months ended 31 March 2024 HK\$'000	Six months ended 31 March 2023 HK\$'000
Loss for the period		
Loss for the purpose of calculating basic loss per share	<u><u>(7,746)</u></u>	<u><u>(12,371)</u></u>
Number of shares	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u><u>455,860</u></u>	<u><u>455,860</u></u>

(b) Diluted loss per share

No diluted loss per share for the six months ended 31 March 2024 and 2023 are presented as the Company had no potential ordinary shares outstanding.

8. TRADE AND BILLS RECEIVABLES

	At 31 March 2024 <i>HK\$'000</i> Unaudited	At 30 September 2023 <i>HK\$'000</i> Audited
Current		
Trade receivables (<i>note</i>)	13,983	16,032
Bills receivables (<i>note</i>)	<u>1,185</u>	<u>–</u>
	15,168	16,032
<i>Less: impairment losses</i>	<u>(7,954)</u>	<u>(7,946)</u>
	<u><u>7,214</u></u>	<u><u>8,086</u></u>

Note:

Generally there is no credit period for customers of sales of natural gas as the customers need to prepay before the usage of the natural gas. For a few specific customers they can use the gas on credit and the Group allows an average credit period of 60 days (year ended 30 September 2023: 60 days). The Group recognises revenue for natural gas pipeline installation service when the installation is completed and the Group allows an average credit period of 180 days (year ended 30 September 2023: 180 days) upon completion. For leasing business, the Group allows an average credit period of 30 days (year ended 30 September 2023: 30 days) upon recognition. For independent financial advisory, the Group allows an average credit period of 30 days (year ended 30 September 2023: 30 days) upon service rendered.

The ageing analysis of trade and bills receivables at the end of the reporting period based on goods or services delivered is as follows:

	At 31 March 2024 <i>HK\$'000</i> Unaudited	At 30 September 2023 <i>HK\$'000</i> Audited
0 to 90 days	1,151	5,188
91 to 180 days	1,074	850
181 to 365 days	525	1,036
Over 365 days	4,464	1,012
	<u>7,214</u>	<u>8,086</u>

Before accepting any new customer, the Group's finance and sales management team would assess the potential customer's credit quality and defines credit limits by customer. Credit limits attributable to customers are reviewed regularly with reference to past settlement history. The Group's finance and sales management team considers trade receivables that are neither past due nor impaired to be of good credit quality as continuous repayments have been received.

9. TRADE PAYABLES

Generally, there is no credit period for suppliers of natural gas as the Group need to prepay before the purchase of the natural gas. For liquefied natural gas, the credit period granted by supplier to the Group was 30 days. For other business, the credit period granted by supplier to the Group ranged from 60 to 180 days.

The ageing analysis of trade payables, based on date of receipt of goods, is as follows:

	At 31 March 2024 <i>HK\$'000</i> Unaudited	At 30 September 2023 <i>HK\$'000</i> Audited
0 to 90 days	1,461	3,272
91 to 180 days	-	8
181 to 365 days	-	34
Over 365 days	296	294
	<u>1,757</u>	<u>3,608</u>

The trade payables are non-interest bearing and normally settled on 30 to 180 days terms.

10. MATERIAL EVENT

On 26 December 2023, the Company announced that it has come to the attention of the board of directors of the Company that the Group's 25% equity interest in Yichang Biaodian, amounting to RMB14.70 million (the "**Frozen Equity**"), is currently frozen by 山西省長治市監察委員會 (Shanxi Province Changzhi Municipal Supervision Commission, (the "**Commission**")) (the "**Freeze Action**"). The Group has engaged a PRC legal counsel (the "**PRC Legal Counsel**") to provide relevant legal advice to the Group in relation to the Freeze Action and the Frozen Equity.

As advised by the PRC Legal Counsel, the ordinary course of business of Yichang Biaodian will not be restricted or adversely affected by the Freeze Action. During the period of the Freeze Action, however, the Group is unable to undertake any filing related to changes in ownership of the Frozen Equity or the registration of any pledge of the Frozen Equity. The Group is advised by the PRC Legal Counsel that the risk of impacting the Group's entitlement to dividends of Yichang Biaodian is relatively low, given that Yichang Biaodian has not received any notice or notification or other legal documents explicitly freezing the dividends, bonuses and other proceeds to which the Group is entitled. The Board has instructed the PRC Legal Counsel to obtain further information and relevant documents, enquire the reasons for the Freeze Action and to advise on the potential legal consequences for the Group in relation to the Freeze Action.

Up to the date of approval of this Financial Information, there is no further action taken by the Commission on the Frozen Equity.

11. EVENT AFTER REPORTING PERIOD

On 5 March 2024, the Company and a placing agent entered into a placing agreement ("**Placing Agreement**") pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 91,172,000 new ordinary shares of par value of HK\$0.01 each ("**Placing Shares**") to not less than six (6) placees at the placing price of HK\$0.068 and adjusted to HK\$0.077 per Placing Share who and whose ultimate beneficial owners shall be independent third parties. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 14 April 2023. None of the placees will become a substantial shareholder of the Company immediately upon completion of the placing. Details of the placing are disclosed in the Company's announcements dated 5 March 2024, 26 March 2024, 15 April 2024 and 16 April 2024.

On 22 April 2024, the Company announce that due to market conditions, the Company and the placing agent entered into a termination agreement and mutually agreed to terminate the Placing Agreement.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL AND BUSINESS REVIEW

Revenue

The Group's unaudited revenue was increased to approximately HK\$109,660,000 for the six months ended 31 March 2024 from approximately HK\$83,551,000 for the six months ended 31 March 2023. It was mainly generated from the revenue from the segment of natural gas operations of approximately HK\$104,470,000, while revenue generated from sales and leasing business segments contributed approximately HK\$5,190,000 for the six months ended 31 March 2024.

Operating expenses

The Group's total operating expenses, which include selling and distribution costs and general and administrative expenses, for the six months ended 31 March 2024 decreased to approximately HK\$22,482,000 from approximately HK\$23,105,000 for the six months ended 31 March 2023. The decrease was attributable to the decrease in the exchange difference recognised.

Finance costs

Finance cost of the Group was approximately HK\$4,050,000 for the six months ended 31 March 2024 (six months ended 31 March 2023: HK\$1,848,000), which mainly represented interest on bank and other borrowings and non-convertible bonds. The increase was mainly came from increase in interest on bank and other borrowings and non-convertible bonds due to additional loans and non-convertible bonds raised since last year.

Loss for the six months ended 31 March 2024 was approximately HK\$7,022,000, compared with loss of approximately HK\$15,406,000 for the six months ended 31 March 2023.

During the six months ended 31 March 2024, the Company entered the non-legally binding memorandum of understanding (the “**MOU**”) with Hualing Energy Co., Ltd.* (華領能源有限公司)(the “**Potential Partner 1**”), in relation to the potential cooperation for the development of electric vehicle charging station business on 27 December 2023. As at the date of this announcement, no formal agreement has been entered into among the Potential Partner 1. Details of the MOU disclosed in the Company's announcement dated 27 December 2023.

On 9 January 2024, the Company entered into the non-legally binding MOU with Shanghai Paradise Garden Healthy Food Co., Ltd. (上海天萃庭健康食品有限公司) (the “**Potential Partner 2**”), in relation to the potential cooperation in selling meat products to Japan, Korea, or other countries/regions. As at the date of this announcement, no formal agreement has been entered into among the Potential Partner 2. Details of the MOU disclosed the Company's announcement dated 10 January 2024.

* *For reference purposes only, the Chinese names of the PRC entities and terms have been translated into English in this announcement. In the event of any discrepancies between the Chinese names of the PRC entities and terms and their English translation, the Chinese version shall prevail.*

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operations are being financed by internally generated cash flow, bank and other borrowings and external financing. The Group follows a policy of prudence in managing its working capital. The management will continue to closely monitor the financial position of the Group to maintain its financial capacity.

As at 31 March 2024, the Group's total borrowings comprised of (i) bank and other borrowings, (ii) due to directors, (iii) non-convertible bonds, (iv) lease liabilities, and (v) due to related parties totaling approximately HK\$117,739,000 (as at 30 September 2023: HK\$106,870,000).

The Group's total gearing ratio was approximately 126% (as at 30 September 2023: 106%). The gearing ratio was calculated as the Group's total borrowings net of cash available divided by total equity of the Group.

PLEDGE OF ASSETS

The Group pledged (i) natural gas supply exclusive rights amounted to approximately HK\$88,357,000 and property, plant and equipment of approximately HK\$33,824,000 for bank and other borrowings of approximately HK\$65,942,000 (as at 30 September 2023: natural gas supply exclusive rights amounted to approximately HK\$90,771,000 and property, plant and equipment of approximately HK\$40,303,000 for bank borrowings of HK\$62,160,000); and (ii) a property amounted to approximately HK\$1,496,000 (as at 30 September 2023: HK\$1,707,000) to an independent third party for obtaining an advance of RMB100,000 as at 31 March 2024.

PROSPECT

Looking forward, the management believes that the economy will recover in an orderly manner in the coming year, which is expected to have a positive impact on the Group's two core businesses.

Natural gas operations

Industrial customers welcome the supply and demand brought about by the domestic economic recovery, which will lead to an increase in natural gas consumption, and the revenue of this segment will continue to grow.

Sales and leasing business

During the year, the Group acquired certain new equipment to launch new leasing projects. It is believed that the country's booming economy will drive an increase in infrastructure construction and renovation projects, which will lead to increase in leasing business income.

Management will be more cautious and conservative in seeking new potential merger and acquisition, business integration and expansion in order to sustain the growth and profitability of the Group.

MATERIAL EVENT

On 26 December 2023, the Company announced that it has come to the attention of the board of directors of the Company that the Group's 25% equity interest in Yichang Biaodian, amounting to RMB14.70 million (the **"Frozen Equity"**), is currently frozen by 山西省長治市監察委員會 (Shanxi Province Changzhi Municipal Supervision Commission, (the **"Commission"**)) (the **"Freeze Action"**). The Group has engaged a PRC legal counsel (the **"PRC Legal Counsel"**) to provide relevant legal advice to the Group in relation to the Freeze Action and the Frozen Equity.

As advised by the PRC Legal Counsel, the ordinary course of business of Yichang Biaodian will not be restricted or adversely affected by the Freeze Action. During the period of the Freeze Action, however, the Group is unable to undertake any filing related to changes in ownership of the Frozen Equity or the registration of any pledge of the Frozen Equity. The Group is advised by the PRC Legal Counsel that the risk of impacting the Group's entitlement to dividends of Yichang Biaodian is relatively low, given that Yichang Biaodian has not received any notice or notification or other legal documents explicitly freezing the dividends, bonuses and other proceeds to which the Group is entitled. The Board has instructed the PRC Legal Counsel to obtain further information and relevant documents, enquire the reasons for the Freeze Action and to advise on the potential legal consequences for the Group in relation to the Freeze Action.

Up to the date of approval of this Financial Information, there is no further action taken by the Commission on the Frozen Equity.

EVENT AFTER REVIEW PERIOD

On 5 March 2024, the Company and a placing agent entered into a placing agreement (**"Placing Agreement"**) pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 91,172,000 new ordinary shares of par value of HK\$0.01 each (**"Placing Shares"**) to not less than six (6) places at the placing price of HK\$0.068 and adjusted to HK\$0.077 per Placing Share who and whose ultimate beneficial owners shall be independent third parties. The Placing Shares will be allotted and issued pursuant to the general mandate granted to the directors of the Company at the annual general meeting held on 14 April 2023. None of the places will become a substantial shareholder of the Company immediately upon completion of the placing. Details of the placing are disclosed in the Company's announcements dated 5 March 2024, 26 March 2024, 15 April 2024 and 16 April 2024.

On 22 April 2024, the Company announce that due to market conditions, the Company and the placing agent entered into a termination agreement and mutually agreed to terminate the Placing Agreement.

EXPOSURE TO EXCHANGE RATE FLUCTUATIONS

The Group's foreign currency exposure is limited as most of its transactions, assets and liabilities are denominated in Hong Kong dollars and Renminbi (“RMB”).

During the six months ended 31 March 2024, the Group has not entered into any agreement or commit to any financial instruments to hedge on the exchange rate exposure relating to RMB. The Group will continue to monitor its foreign exchange exposure.

HUMAN RESOURCES AND REMUNERATION POLICY OF THE GROUP

As at 31 March 2024, the Group employed 51 staff (as at 31 March 2023: 54 staff) in mainland China and Hong Kong. Remuneration is determined with reference to market terms and the performance, qualifications and experience of the individual employee. Remuneration includes monthly salaries, performance-linked bonuses, retirement benefits schemes and other benefits such as medical scheme and share option scheme. The Group's remuneration policies and packages are reviewed by management on regular basis. The Company has established a Human Resources and Remuneration Committee. The Directors' emoluments are determined with reference to Directors' duties, responsibilities and the operating performance of the Group.

SIGNIFICANT INVESTMENTS HELD

During the six months ended 31 March 2024, there was no significant investment held by the Group.

MATERIAL ACQUISITIONS OR DISPOSALS

The Group did not have any material acquisitions and disposals of subsidiaries during the six months ended 31 March 2024.

CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 March 2024 (as at 30 September 2023: Nil).

CAPITAL COMMITMENTS

As at 31 March 2024, the Group had capital commitments amounting to approximately HK\$4,198,000 (as at 30 September 2023: HK\$4,167,000).

DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 31 March 2024 (six months ended 31 March 2023: Nil).

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 March 2024, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of GEM Listing Rules were as follows:

Interests in the Company

The table below sets out the aggregate long positions in the shares, underlying shares and debentures of the Company held by the Directors and chief executives of the Company:

Directors/chief executive	Corporate Interests	Long (L) or short (S) position	Percentage of interests
Mr. Wu Guoming	18,437,500	L	4.04%
Mr. Wang Wenzhou	8,600,000	L	1.89%

L: Long position

Save as disclosed above, as at 31 March 2024, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2024, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, no person (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme (the “**Share Option Scheme**”) pursuant to an ordinary resolution passed by the shareholders in the extraordinary general meeting on 20 August 2020. During the six months from 1 October 2023 to 31 March 2024, no share option has been granted under the Share Option Scheme since its adoption. Therefore, no share options have been granted, exercised, cancelled or lapsed pursuant to the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months from 1 October 2023 to 31 March 2024.

COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) had any business or interest which competed or might compete with the business of the Group nor had any other conflict of interests with the Group for the six months ended 31 March 2024.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance practices. It met all the code provisions of the Corporate Governance Code (“**CG Code**”) set out in Appendix C1 of GEM Listing Rules in the six months from 1 October 2023 to 31 March 2024 except for the following deviation:

Under code provision C.2.1 of the CG Code, the roles of chairman and the chief executive should be separate and should not be performed by the same individual. The Company has not appointed a chairman and a chief executive since 19 April 2018 and 29 April 2024 respectively. The Board will keep reviewing the current structure from time to time and appoint candidate with suitable knowledge, skill and experience as chairman and chief executive of the Company, if identified.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing set out in rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard**”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Required Standard during the six months from 1 October 2023 to 31 March 2024.

AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company’s annual reports and financial statements, interim reports and risk management and internal control systems and to provide comments thereon to the Board.

The Audit Committee has reviewed the Group’s unaudited condensed consolidated financial statements and this interim report for the six months from 1 October 2023 to 31 March 2024 and has provided comments thereon.

By order of the Board
Global Strategic Group Limited
Wu Chunyao
Executive Director

Hong Kong, 29 May 2024

As at the date of this announcement, the Executive Directors are Mr. Wu Guoming, Mr. Wu Chunyao and Mr. Chan Ting Leuk Arthur; and the Independent Non-executive Directors are Mr. Leung Oh Man, Martin, Dr. Chung Ling Cheong Dicky and Dr. Cheng Chak Ho.

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 for at least seven days from the day of its publication and on the Company’s website at www.globalstrategicgroup.com.hk.