



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)

2017
THIRD
QUARTERLY
REPORT

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

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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This report, 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 report 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 report misleading.

The board (the "Board") of directors (the "Directors") of Global Strategic Group Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine months ended 30 September 2017 with comparative unaudited figures for the corresponding period in 2016 as follows:

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

For the nine months ended 30 September 2017

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	2016 HK\$'000 (Unaudited)
Revenue	3	33,411	960	47,168	29,525
Cost of sales		<u>(32,311)</u>	<u>(601)</u>	<u>(44,903)</u>	<u>(28,890)</u>
Gross profit		1,100	359	2,265	635
Other income		1	6	314	34
Gain on disposal of a subsidiary	7	2,000	–	2,000	–
Other loss		(4)	–	(104)	(216)
Selling and distribution cost		(3,338)	(3,877)	(9,807)	(9,427)
General and administrative expenses		(5,662)	(7,652)	(19,065)	(27,082)
Finance cost		<u>(591)</u>	<u>–</u>	<u>(5,076)</u>	<u>–</u>
Loss before taxation		(6,494)	(11,164)	(29,473)	(36,056)
Income tax credit	4	<u>485</u>	<u>–</u>	<u>1,429</u>	<u>–</u>
Loss for the period		<u>(6,009)</u>	<u>(11,164)</u>	<u>(28,044)</u>	<u>(36,056)</u>

Notes	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive income (expenses) for the period				
Items that will not be reclassified to profit or loss:				
Exchange differences on translation of financial statements to presentation currency	<u>4,798</u>	<u>(3,268)</u>	<u>9,894</u>	<u>(3,316)</u>
Total comprehensive expense for the period	<u>(1,211)</u>	<u>(14,432)</u>	<u>(18,150)</u>	<u>(39,372)</u>
Loss for the period attributable to:				
Owners of the Company	<u>(4,888)</u>	<u>(8,240)</u>	<u>(22,700)</u>	<u>(28,992)</u>
Non-controlling interests	<u>(1,121)</u>	<u>(2,924)</u>	<u>(5,344)</u>	<u>(7,064)</u>
	<u>(6,009)</u>	<u>(11,164)</u>	<u>(28,044)</u>	<u>(36,056)</u>
Total comprehensive (expense) income for the period attributable to:				
Owners of the Company	<u>(2,786)</u>	<u>(9,884)</u>	<u>(18,154)</u>	<u>(30,718)</u>
Non-controlling interests	<u>1,575</u>	<u>(4,548)</u>	<u>4</u>	<u>(8,654)</u>
	<u>(1,211)</u>	<u>(14,432)</u>	<u>(18,150)</u>	<u>(39,372)</u>
Loss per share – basic and diluted	5 <u>HK(0.086) cents</u>	<u>HK(0.146) cents</u>	<u>HK(0.401) cents</u>	<u>HK(0.549) cents</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the nine months ended 30 September 2017

1. BASIS OF PREPARATION

A. General Information

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Chapter 18 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The principal accounting policies applied in preparing these condensed consolidated financial statements are set out in note 2.

In prior years and up to the acquisition of 宜昌中油天然氣利用有限公司 (Yichang Zhongyou Natural Gas Utilization Co., Ltd.*) ("Yichang Zhongyou") in February 2016, the Group's functional currency was Hong Kong Dollars ("HK\$"). The directors (the "Directors") of Global Strategic Group Limited (the "Company") had evaluated the primary economic environment in which the Company and its subsidiaries (the "Group") operates, including the underlying investment activities and strategy of the Group after the acquisition of Yichang Zhongyou in February 2016 and had determined that the functional currency of the Company changed from HK\$ to Renminbi ("RMB"). The effects of the change of the functional currency of the Company had been accounted for prospectively during the period. The condensed consolidated financial statements were continued to be presented in HK\$ which was considered to be more relevant as the shares of the Company were listed in the Stock Exchange.

B. Basis of Preparation

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\$28,044,000 for the nine months period ended 30 September 2017, the Group's current liabilities exceeded its current assets and taking into account the capital commitments as of that date.

* *English name is for identification purpose only.*

As at 30 September 2017, Global Strategic (Holding) Group Limited, the immediate holding company of the Company, has agreed to provide sufficient funds to the Group so that the Group will be able to meet all current obligations as they fall due in the coming twelve months after the nine months period ended 30 September 2017.

Taking into account the above factors, the Directors are of the opinion that, together with the internal financial resources of the Group, the Group has sufficient working capital for its present requirements that is for at least the next twelve months commencing from the date of the condensed consolidated financial statements. Hence, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The amounts included in these condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) applicable to interim periods. In addition, the condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinances. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The unaudited condensed consolidated financial statements have been prepared on the historical basis.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the nine months ended 30 September 2017 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2016 and the Group’s interim financial statements for the six months ended 30 June 2017.



3. REVENUE

Analysis of revenue of the Group for the three months ended and nine months ended 30 September 2017 and 2016 is set forth below:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of goods				
Trading of copper	30,968	–	41,842	27,615
Sales of natural gas	1,609	487	2,969	1,026
	<u>32,577</u>	<u>487</u>	<u>44,811</u>	<u>28,641</u>
Rendering of services				
IT solution service fee	149	473	500	884
Pipeline installation services	685	–	1,857	–
	<u>834</u>	<u>473</u>	<u>2,357</u>	<u>884</u>
Total	<u>33,411</u>	<u>960</u>	<u>47,168</u>	<u>29,525</u>

4. INCOME TAX CREDIT

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax charge:				
Hong Kong Profits Tax	(1)	–	(1)	–
PRC Enterprise Income Tax	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Deferred tax:				
Current period credit	486	–	1,430	–
	<u>486</u>	<u>–</u>	<u>1,430</u>	<u>–</u>
	<u>485</u>	<u>–</u>	<u>1,429</u>	<u>–</u>

No provision for PRC Enterprise Income Tax has been made since the Company's subsidiaries in the PRC have no assessable profits for the periods presented.

Hong Kong Profits Tax was charged at 16.5% on the estimated assessable profits in this period, while there was no provision for Hong Kong Profit Tax in last periods since the Company's subsidiaries in Hong Kong had no assessable profits in last periods.

5. LOSS PER SHARE – BASIC AND DILUTED

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company for the purpose of basic loss per share	<u>(4,888)</u>	<u>(8,240)</u>	<u>(22,700)</u>	<u>(28,992)</u>
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>5,655,000</u>	<u>5,655,000</u>	<u>5,655,000</u>	<u>5,283,832</u>

Diluted loss per share is the same as basic loss per share as there were no potential ordinary shares in issue throughout both periods presented.



6. RESERVES

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Other reserve	Translation reserve	Accumulated losses	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2016 (audited)	19,800	172,652	7,540	-	(60)	(119,415)	80,517	-	80,517
Exchange difference arising on translation of financial statements to presentation currency	-	-	-	-	(1,726)	-	(1,726)	(1,590)	(3,316)
Loss for the period	-	-	-	-	-	(28,992)	(28,992)	(7,064)	(36,056)
Total comprehensive expense for the period	-	-	-	-	(1,726)	(28,992)	(30,718)	(8,654)	(39,372)
Acquisition of Yichang Zhongyou	-	-	-	-	-	-	-	99,340	99,340
Issue of ordinary shares	8,475	50,850	-	-	-	-	59,325	-	59,325
At 30 September 2016 (unaudited)	28,275	223,502	7,540	-	(1,786)	(148,407)	109,124	90,686	199,810
At 1 January 2017 (audited)	28,275	223,502	7,540	16,613	(4,919)	(152,639)	118,372	103,985	222,357
Exchange difference arising on translation of financial statements to presentation currency	-	-	-	-	4,546	-	4,546	5,348	9,894
Loss for the period	-	-	-	-	-	(22,700)	(22,700)	(5,344)	(28,044)
Total comprehensive income (expense) for the period	-	-	-	-	4,546	(22,700)	(18,154)	4	(18,150)
Deemed capital contribution arising from non-current interest free loan from a shareholder of the Company and non-controlling shareholders of a subsidiary and its related parties	-	-	-	5,298	-	-	5,298	2,395	7,693
At 30 September 2017 (unaudited)	28,275	223,502	7,540	21,911	(373)	(175,339)	105,516	106,384	211,900

The capital reserve represents the difference between the nominal value of the share capital issued by the Company and the fair value allocated to the separable net assets of the subsidiaries at the date of acquisition arisen from a group reorganisation in March 2000.

7. ACQUISITIONS, DISPOSAL AND SIGNIFICANT INVESTMENTS

On 7 August 2017, the Group entered into a share transfer agreement with an independent third party, pursuant to which the Group agreed to dispose of its 100% equity interest in Honest (Macau Commercial Offshore) Limited (“Honest MCO”) for a cash consideration of HK\$2,000,000. Honest MCO did not have any assets and liabilities on the date of disposal, and such disposal was completed in this period and resulted in a gain on disposal of a subsidiary of HK\$2,000,000 credited to profit or loss.

The related consideration of HK\$2,000,000 has been received by the Group on 7 August 2017.

There were no other acquisitions, disposal and significant investments made in this period.

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2017 (nine months ended 30 September 2016: nil).

9. EVENT AFTER THE REPORTING PERIOD

On 6 October 2017, 帝航能源(深圳)有限公司 (Dihang Energy (Shenzhen) Company Limited*) (“Dihang Energy” or the “Purchaser”), an indirect wholly-owned subsidiary of the Company, entered into the equity transfer agreement (the “Agreement”) with 上海奢冠國際貿易有限公司 (Shanghai Sheguan International Trading Company Limited*) (“the Vendor”), a related company which was owned as to 61% by and controlled by Mr. Weng Lin Lei, an executive Director and the chairman of the Company, and 深圳安捷能特分布式能源有限公司 (Shenzhen Energynt Co. Ltd.) (the “Target Company”), pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the entire equity interests in the Target Company at a nominal consideration of RMB1. The Target Company and its subsidiaries were principally engaged in design and construction of new energy power generation equipment, energy storage systems and power equipment, technology development, technical services and technology transfer.

Following completion of the agreement, Dihang Energy will hold 100% of the equity interest of the Target Company, and as assessed by the Director, would then become a wholly owned subsidiary of the Group.

As at the date of this report, the proposed acquisition is still incomplete. Further details of the proposed acquisition is published by the management on the website of the Stock Exchange.

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DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 30 September 2017 (nine months ended 30 September 2016: nil).

FINANCIAL AND BUSINESS REVIEW

The Group's unaudited revenue for the nine months ended 30 September 2017 was approximately HK\$47,168,000 (nine months ended 30 September 2016: HK\$29,525,000), mainly due to the increase in revenue from trading of commodities of approximately HK\$14,227,000 during the period as compared to the corresponding period in 2016. During the nine months ended 30 September 2017, revenue of approximately HK\$4,826,000 was generated from the sales of natural gas and pipeline installation services, approximately HK\$500,000 was generated from the Group's IT solution services and approximately HK\$41,842,000 was generated from trading of commodities.

The Group's total operating expenses, which include selling and distribution cost and general and administrative expenses, for the nine months period ended 30 September 2017 decreased to approximately HK\$28,976,000 from approximately HK\$36,725,000 for the last corresponding period, due mainly to the decrease in staff cost.

Finance cost of the Group was approximately HK\$5,076,000 for the nine months period ended 30 September 2017 (nine months ended 30 September 2016: nil), which represented the imputed interest expense on non-current interest free loan from a substantial shareholder of the Company and non-controlling shareholders of a subsidiary.

Loss for the nine months period ended 30 September 2017 was approximately HK\$28,044,000, compared with loss of approximately HK\$36,056,000 for the last corresponding period.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's operation is being financed by internally generated cashflow, bank 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 30 September 2017, the Group's total borrowings comprised (i) amounts due to non-controlling shareholders of a subsidiary and its related parties; (ii) amount due to a shareholder of the Company; and (iii) bank borrowings, totalling approximately HK\$228,564,000.

The Group had no material contingent liabilities as at 30 September 2017.

PROSPECT

The Company will continue to seek for business opportunities in different business territories, including new energy sector in order to broaden its revenue stream and enhance the long-term growth potential of the Group.

DISPOSAL OF A SUBSIDIARY

On 7 August 2017, the Group disposed of its 100% equity interest in Honest (Macau Commercial Offshore) Limited ("Honest MCO") to an independent third party for a cash consideration of HK\$2,000,000.

EVENTS AFTER REPORTING PERIOD

Connected Transaction

As disclosed in the Company's announcement dated 6 October 2017, 帝航能源(深圳)有限公司 (Dihang Energy (Shenzhen) Company Limited*, the "Purchaser"), a wholly-owned subsidiary of the Company, entered into an agreement with 上海奢冠國際貿易有限公司 (Shanghai Sheguan International Trading Company Limited*, the "Anhui Vendor") and 深圳安捷能特分布式能源有限公司 (Shenzhen Energynt Co. Ltd., "Shenzhen Energynt" or the "Target Company") (the "Energynt Agreement"), pursuant to which the Purchaser agreed to acquire the entire equity interests in the Target Company (the "Acquisition of Shenzhen Energynt") at a nominal consideration of RMB1.

The Target Company and its subsidiaries are principally engaged in the design, construction and investment in solar power generation projects, the research and development and sales of solar power generation products and provision of consultancy services.

On 31 October 2017, the Purchaser and the Anhui Vendor entered into a letter of extension pursuant to which they agreed to extend the deadline for fulfillment of the conditions as set out in the Energynt Agreement to a date on or before 30 November 2017 or such later date that may be agreed by the Purchaser and the Anhui Vendor.

The Anhui Vendor is owned as to 61% by Mr. Weng Lin Lei, who is an executive Director and the chairman of the Board and is indirectly interested in approximately 31.88% of issued shares of the Company.

Upon completion of the Acquisition of Shenzhen Energynt, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company will be consolidated into the Company's consolidated financial statements.

As at the date of this report, the parties to the Energynt Agreement are still in the process of fulfilling the conditions precedents.

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, Renminbi, Macau Pataca and United States dollars.

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

As at 30 September 2017, 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 corporations (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 the GEM Listing Rules were as follows:

Interests in the Company

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

Name of Director	Capacity	Number of shares	Approximate percentage of the issued share capital
Mr. Weng Lin Lei	Interest in controlled corporation	1,802,580,000 (L) (Note)	31.88%

L: Long position

Note:

As at 30 September 2017, 1,802,580,000 shares of the Company were held by Global Strategic (Holding) Group Limited, a company incorporated in Samoa with limited liability and is wholly-owned by Global Strategic Fund Holdings Limited, which in turn is owned as to 49% of its issued share capital by Hotex Holdings Limited and as to 51% of its issued share capital by Liang Tan Yi Xing International Foundation Company Limited ("Liang Tan Yi Xing Foundation"). Hotex Holdings Limited is wholly owned by Mr. Weng Lin Lei. Liang Tan Yi Xing Foundation is owned as to approximately 38% of its issued share capital by Mr. Fu Zhan Yong.

Save as disclosed above, as at 30 September 2017, 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 the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2017, other than the interests and short positions of the Directors disclosed above, the following persons (not being a Director or chief executive of the Company) had interests in the share capital of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of shareholder	Number of shares held, capacity and nature of interest			Approximate Percentage of the issued share capital
	Directly beneficially owned	Through controlled corporation	Total	
Global Strategic (Holding) Group Limited	1,802,580,000 (L) <i>(Note 1)</i>	–	1,802,580,000 (L)	31.88%
Global Strategic Fund Holdings Limited	–	1,802,580,000 (L) <i>(Note 1)</i>	1,802,580,000 (L)	31.88%
Hotex Holdings Limited	–	1,802,580,000 (L) <i>(Note 1)</i>	1,802,580,000 (L)	31.88%
Liang Tan Yi Xing Foundation	–	1,802,580,000 (L) <i>(Note 1)</i>	1,802,580,000 (L)	31.88%
Mr. Fu Zhan Yong	–	1,802,580,000 (L) <i>(Note 1)</i>	1,802,580,000 (L)	31.88%
Hong Kong Hao Yue International Trading Co., Limited	1,116,000,000 (L) <i>(Note 2)</i>	–	1,116,000,000 (L)	19.73%
Mr. Zhang Hai Ping	–	1,116,000,000 (L) <i>(Note 2)</i>	1,116,000,000 (L)	19.73%

L: Long position

Note:

- Global Strategic (Holding) Group Limited, a company incorporated in Samoa with limited liability and is wholly-owned by Global Strategic Fund Holdings Limited, which in turn is owned as to 49% of its issued share capital by Hotex Holdings Limited and as to 51% of its issued share capital by Liang Tan Yi Xing Foundation. Hotex Holdings Limited is wholly-owned by Mr. Weng Lin Lei. Liang Tan Yi Xing Foundation is owned as to approximately 38 % of its issued share capital by Mr. Fu Zhan Yong. Accordingly, each of Global Strategic Fund Holdings Limited, Hotex Holdings Limited and Liang Tan Yi Xing Foundation are deemed to be interested in the 1,802,580,000 shares of the Company under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
- Hong Kong Hao Yue International Trading Co., Limited is wholly-owned by Mr. Zhang Hai Ping.

Save as disclosed above, none of the substantial shareholders or other (other than Directors and chief executive of the Company) person had any interest or short position in the shares or underlying shares of the Company according to the register required to be kept by the Company under Section 336 of the SFO as at 30 September 2017.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the nine months ended 30 September 2017.

COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates 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 during the period under review.

CORPORATE GOVERNANCE CODE

Throughout the nine months ended 30 September 2017, the Company complied with the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

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 nine months ended 30 September 2017.

AUDIT COMMITTEE

As at 30 September 2017, the audit committee of the Company (the "Audit Committee") has four members comprising independent non-executive Directors, namely, Ms. Kwan Sin Yee, Mr. Leung Oh Man, Martin, Mr. Sun Zhi Jun and Ms. Huang Yu Jun. The chairman of the Audit Committee is Mr. Leung Oh Man, Martin. The Audit Committee is accountable to the Board and the principal duties of the Audit Committee are, among other things, to assist the Board to review the Group's financial information, its financial and corporate governance reporting process and to supervise the Group's internal controls and risk management matters.

The Audit Committee and the management of the Company have reviewed the internal controls, financial reporting matters, accounting principles and practices adopted by the Group, including the review of the unaudited quarterly results and quarterly report of the Company for the nine months ended 30 September 2017.

PUBLICATION OF THIRD QUARTERLY RESULTS AND THIRD QUARTERLY REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This report is published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.globalstrategicgroup.com.hk. The Company's quarterly report for the nine months ended 30 September 2017 will be published on the above websites in due course.

By Order of the Board
GLOBAL STRATEGIC GROUP LIMITED
Weng Lin Lei
Chairman and Executive Director

Hong Kong, 9 November 2017

As at the date of this report, the executive Directors are Mr. Weng Lin Lei (Chairman) and Mr. Cheung Tuen Ting; and the independent non-executive Directors are Ms. Kwan Sin Yee, Mr. Leung Oh Man, Martin, Mr. Sun Zhi Jun and Ms. Huang Yu Jun.

** For reference purposes only, the Chinese names of the PRC entities and terms have been translated into English in this report. 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.*