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**GLOBAL STRATEGIC GROUP LIMITED**  
**環球戰略集團有限公司**

*(formerly known as "DIGITALHONGKONG.COM 數碼香港")*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8007)**

**MAJOR TRANSACTION**  
**IN RELATION TO THE ACQUISITION OF 49% EQUITY INTEREST IN**  
**YICHANG ZHONGYOU NATURAL GAS UTILIZATION CO., LTD.**

**Financial Adviser**



**Bridge Partners Capital Limited**

**MAJOR TRANSACTION**

On 23 April 2015 (after trading hours), the Purchaser, the Vendor and Mr. Xiong entered into the Equity Transfer Agreement, pursuant to which the Purchaser shall acquire from the Vendor the Sale Interests, representing 49% of the equity interest in the Target at the consideration of HK\$100 million subject to the terms and conditions contained therein. On the same day (after trading hours), the Purchaser, the Vendor and Mr. Li entered into the JV Co-operation Agreement which sets out the rights and obligations among the shareholders of the Target.

Upon Completion, the Target will be regarded as being controlled by the Group in accordance with the Group's accounting policies and the Target will become a 49% indirectly-owned subsidiary of the Company.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceed(s) 25% but is/are less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and will be subject to the applicable announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Transaction which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolution(s) in respect of the Agreements and the Transaction to be proposed at the general meeting if the Company was to convene a general meeting for approving the Transaction and the Agreements.

Global Strategic (Holding) Group Limited, the controlling shareholder of the Company holding approximately 56.54% of the issued share capital of the Company as at the date of this announcement, has given its written approval on the Agreements and the Transaction, the written approval of the controlling shareholder will be accepted in lieu of holding a general meeting pursuant to Rule 19.44 of the GEM Listing Rules.

The Circular containing, among other things, details of the Agreements and the Transaction will be despatched to the Shareholders on or before 18 May 2015 (being 15 business days after the publication of this announcement).

## **MAJOR TRANSACTION**

Reference is made to the MOU Announcement in relation to the MOU entered among the Company, the Target, the Vendor and Mr. Xiong on 16 January 2015.

On 23 April 2015 (after trading hours), the Purchaser, the Vendor and Mr. Xiong entered into the Equity Transfer Agreement, pursuant to which the Purchaser shall acquire from the Vendor the Sale Interests, representing 49% of the equity interest in the Target at the consideration of HK\$100 million subject to the terms and conditions contained therein. On the same day (after trading hours), the Purchaser, the Vendor and Mr. Li have entered into the JV Co-operation Agreement which sets out the rights and obligations among the shareholders of the Target.

Set out below are the major terms of the Equity Transfer Agreement and the JV Co-operation Agreement.

## **The Equity Transfer Agreement**

Date: 23 April 2015 (after trading hours)

Parties:

- (i) the Purchaser;
- (ii) the Vendor, an Independent Third Party. The business of the Vendor includes investment in natural gas project, provision of natural gas technology consultation services and sales of natural gas cooking appliance and accessories; and
- (iii) Mr. Xiong, an Independent Third Party, who is the ultimate controlling shareholder of the Vendor.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner, Mr. Xiong, and their respective associates (if applicable) is an Independent Third Party.

### ***Assets to be acquired***

The Sale Interests represent 49% of the equity interest in the Target. The Purchaser shall not be responsible for any undertakings made by the Vendor in respect of the Sale Interests or obligations or limitations imposed on the Sale Interests on or before the Effective Date.

### ***Consideration***

The Consideration of the Equity Transfer is HK\$100 million. The initial payment, representing 50% of the Consideration, shall be payable by the Purchaser within 15 business days from the date of all of the conditions precedent to the Equity Transfer Agreement having been fulfilled (unless otherwise waived by the Purchaser in writing); the interim payment, representing 10% of the Consideration, shall be payable by the Purchaser within 6 months from the date the Target having obtained a new business license (provided that all of the conditions precedent to the Equity Transfer Agreement having been fulfilled or otherwise waived by the Purchaser in writing); and the remaining 40% of the Consideration shall be payable by the Purchaser within 12 months from the date the Target having obtained a new business license (provided that all of the conditions precedent to the Equity Transfer Agreement having been fulfilled or otherwise waived by the Purchaser in writing).

The Directors are of the view that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole. The Company intends to satisfy the Consideration by utilising the internal resources of the Group and external financing.

### ***Basis of Consideration***

The Consideration for the Equity Transfer has been arrived at after arm's length negotiation between the parties to the Equity Transfer Agreement and was determined based on the (i) 49% of the expected Appraisal Value (Please refer to condition No. (14) of the paragraph headed "Conditions precedent" for details) and (ii) the reasons for and benefits of the Equity Transfer as described on the paragraph headed "Reasons for and benefits of the Transaction".

### ***Conditions precedent***

The Completion is subject to the satisfaction or waiver (as the case may be) of, among other things, the following conditions precedent:

- (1) the passing of the relevant shareholders' resolutions by the shareholders of the Target approving the Equity Transfer Agreement and Mr. Li having provided a written confirmation of his unconditional and irrevocable waiver of the first right of refusal in relation to the Sales Interests and any other rights that may affect or restrict the Equity Transfer;
- (2) the Target having obtained the written consent or approval in relation to the Equity Transfer from all the third parties, including but not limited to any creditors, suppliers and/or clients of the Target, in such form and content to the satisfaction of the Purchaser;
- (3) the Target having completed, under its name, all examination and acceptance procedures for the first phase of the Zhijiang Project, including but not limited to matters in respect of environmental protection, safety, planning, measures for prevention of soil erosion, fire safety, etc., and having produced certification documents to the satisfaction of the Purchaser;
- (4) the Target having entered into a gas supply agreement or letter of intent with an upstream natural gas supply company;
- (5) the Target having obtained the Fuel Gas Operating License (燃氣經營許可證);
- (6) the Baiyang Concession Agreement remains legal, valid and enforceable and there being no event of default occurred and the concession rights to operate natural gas business granted thereunder not being or likely to be withdrawn, cancelled or modified;

- (7) the First Wufeng Agreement and the Second Wufeng Agreement remain legal, valid and enforceable and there being no event of default occurred and the concession rights to operate natural gas business granted thereunder not being or likely to be withdrawn, cancelled or modified;
- (8) the Notice 177 remains valid and the Target holds the rights to invest, construct and operate natural gas pipeline projects at the entire area of Zhijiang Yaojiagang Chemical Industrial Zone\* (枝江姚家港化工園), Zhijiang Baiyang Development Industrial Zone\* (枝江白洋裝備工業園) and Gujiadian Town\* (顧家店鎮) with no other operators operating in these areas;
- (9) Mr. Xiong, Mr. Li and the Target having entered into the confidentiality and non-competition agreement in the content satisfactory to the Purchaser;
- (10) Parties to the Equity Transfer Agreement and other relevant parties having signed the agreements and relevant documents as required by the laws in relation to the execution of the Equity Transfer Agreement, including but not limited to the Equity Transfer Agreement, the JV Co-operation Agreement and the JV Articles, and having obtained the approval, attended the registration and/or filing from all competent authority in relation to the Equity Transfer and/or their relevant matters;
- (11) the parties to the Equity Transfer Agreement, Mr. Li and the Target having performed and acted in accordance with its or his obligations, commitments, warranties and agreement under the Equity Transfer Agreement, the JV Co-operation Agreement and the JV Articles, and the undertakings and warranties made under the Equity Transfer Agreement remaining true and accurate without any omission and not misleading, since the date of the Equity Transfer Agreement (and as at the dates of settlement of the initial, interim and/or the final payments of the Consideration);
- (12) up to the dates of settlement of the initial, interim and/or final payments of the Consideration, there being no occurrence of events, changes, or government orders (or reasonably expected to be), of material and adverse effect;
- (13) the Vendor, Mr. Xiong and the Target not being in breach of any requirement of the PRC laws and regulations; and
- (14) the Purchaser having obtained a valuation report issued by a professional business valuer qualified in Hong Kong that the Appraisal Value of the Target is no less than RMB160 million (equivalent to approximately HK\$200 million) as at such reference date which is no later than the Effective Date.

All conditions can only be waived by the Purchaser except for conditions Nos. 1, 5, 6, 7, 8, 10 and 13 which cannot be waived by either party.

## ***Termination***

The Purchaser may terminate the Equity Transfer Agreement (and other relevant or ancillary documents, including but not limited to the JV Co-operation Agreement and the JV Articles), in the event that: (i) the JV Co-operation Agreement and/or the JV Articles being terminated; (ii) in the reasonable opinion of the Purchaser, the occurrence of any material adverse change to the legal or financial position, business or operations of the Target before the full settlement of the Consideration; or (iii) for whatsoever reason within six months from the date of the Equity Transfer Agreement the Target fails to obtain the approval, in respect of the Transaction from the competent government authorities (including but not limited to the government authorities in charge of commerce and development and reform) and completes the registration in respect of the Transaction.

Save as disclosed above, if any party to the Equity Transfer Agreement shall be in breach of its or his obligations, representations, warranties or undertakings, the non-defaulting party may terminate the Equity Transfer Agreement while the defaulting party shall be liable for the damages if the defaulting party fails to rectify it within 30 business days.

## ***Completion***

The Completion shall take place on the date agreed by the parties after the satisfaction or waiver (as the case may be) of, among other things, the conditions precedent to the Equity Transfer Agreement.

## **The JV Co-operation Agreement**

Date: 23 April 2015 (after trading hours)

Parties: (i) the Purchaser;  
(ii) the Vendor; and  
(iii) Mr. Li, an Independent Third Party.

The Purchaser, the Vendor and Mr. Li entered into the JV Co-operation Agreement which sets out the rights and obligations among the said parties in respect of their interests in the Target. The Target will obtain a cooperative joint venture business license upon the approval from the PRC government authority(ies) and will have a term of business of 30 years from the date on which a cooperative joint venture business license is issued. The JV Co-operation Agreement contains, among others, the following principal terms:

### ***(1) Registered Capital***

The registered capital of the Target is RMB30 million, which is already paid-up in full and upon Completion, will be owned as to 49%, 41% and 10% by the Purchaser, the Vendor and Mr. Li respectively.

**(2) *Pre-emption Right and Tag-along Right***

Each party to the JV Co-operation Agreement shall be entitled to a pre-emption right in respect of the equity interests of the other parties in the Target. In the event that any party proposes to sell its/his respective equity interests in the Target to any other party (where the other equity holder(s) of the Target chooses not to exercise its/his/their pre-emption right), such equity holder may exercise its tag-along right to sell (all or part of) its equity interest in the Target to the same party on the same term and conditions as those offered by the selling equity holder(s).

The Vendor and Mr. Li have undertaken to the Purchaser that, without the Purchaser's written consent, each of them will not directly or indirectly transfer (whether by way of gift or other ways of transfer) or create any encumbrance on their respective equity interests in the Target (wholly or partially) to any other party and there will be no change to the shareholders and ultimate beneficial owner of the Vendor and no encumbrance or whatsoever shall be created over the interests in the Vendor.

**(3) *Non-competition Undertaking***

The Vendor and Mr. Li have undertaken that each of them and their respective associates will not directly or indirectly take part, operate or involve in any business which will be the same as or similar to the Target's business.

**(4) *The composition of the Board of Directors and Board of Supervisors of the Target***

The board of directors of the Target shall comprise of four directors whilst the Vendor, Mr. Li and the Purchaser are entitled to nominate one, one and two directors, respectively. The chairman of the board of directors of the Target shall be nominated by the Purchaser and shall be entitled to a second or casting vote in addition to any other vote he may have in the case of an equality of votes. The board of supervisors of the Target shall comprise of three supervisors whilst the Vendor and Mr. Li are jointly entitled to nominate one supervisor, the Purchaser is entitled to nominate one supervisor and the other supervisor will be elected by the employees of the Target through the employee representative assembly on the employees' assembly.

**(5) *Additional Financing***

The deficit between the registered capital and the total investment amount shall be settled by way of onshore or offshore financing or shareholders' loans or any other sources as decided by the board of directors of the Target. The total investment amount of the Target is RMB60 million.

**(6) Increase or decrease in registered capital**

Increase or decrease in registered capital shall be unanimously approved by all members of the board of directors of the Target and shall be subject to the approval by the relevant government authorities. If the board of directors of Target shall approve an increase in the registered capital of target, all shareholders of the Target shall have the first right to contribute to the additional registered capital with respect to their then respective existing shareholdings in the Target on a pro-rata basis.

**(7) Distribution of Profit**

The profit after tax of the Target shall be distributed as to 41% to the Vendor, 49% to the Purchaser and 10% to Mr. Li.

**(8) Breach of the JV Co-operation Agreement**

In case if an event of default occurs, the non-defaulting party may proceed to wind up the Target Company while the defaulting party shall be liable for the damages if the defaulting party fails to rectify within 45 business days.

**Termination of the JV Co-operation Agreement**

The JV Co-operation Agreement will be terminated upon receipt of the notice issued by the Purchaser in the event that (i) the Equity Transfer Agreement and JV Articles being terminated; or (ii) no agreement being reached among the parties of the JV Co-operation Agreement with regards to the material amendments to the JV Co-operation Agreement requested by the relevant government authorities.

**INFORMATION ON THE TARGET**

As at the date of this announcement, the Target is a company established under the PRC law with limited liability on 10 July 2013. It has a registered capital of RMB30 million and is owned as to 90% by the Vendor and 10% by Mr. Li, respectively. The business license of the Target currently has a term of 20 years from the date of issue on 10 July 2013.

Upon Completion, the Target will become a cooperative joint venture and will be owned as to 49% by the Purchaser, 41% by the Vendor and 10% by Mr. Li respectively and will have a term of business of 30 years from the date on which a cooperative joint venture business license is issued upon the approval by the relevant government authorities. Please refer to the section headed “The JV Co-operation Agreement” in this announcement for details.

## **Business of the Target**

The business scope of the Target includes investment in natural gas project, provision of natural gas technology consultation services and sales of natural gas cooking appliance and accessories. The Target has been granted with the approval to operate the first phase of the Zhijiang Project by Hubei Provincial Development and Reform Commission (湖北省發展和改革委員會).

## **The Zhijiang Project**

### *Background of the Zhijiang Project*

The Zhijiang Project is the natural gas pipeline construction project operated by the Target to supply gas around the area of Zhijiang City Baiyang Industrial Zone\* (枝江市白洋工業區) in Zhijiang City, Hubei Province, the PRC, which include the Wufeng Industrial Zone and the Baiyang Industrial Zone etc.

Pursuant to the Notice No. 285 (“Notice 285”) published by Hubei Provincial Development and Reform Commission (湖北省發展和改革委員會) on 10 October 2012, Yichang Kunlun was granted the approval to operate the first phase of the Zhijiang Project. Yichang Kunlun is owned as to 51% and 49% by PetroChina Kunlun Gas Utilization Co. Ltd\* (中石油昆倫燃氣利用有限公司) and the Vendor respectively.

On 27 June 2013, it was agreed at the shareholders’ meeting of Yichang Kunlun that the owner of the first phase of the Zhijiang Project would be changed from Yichang Kunlun to the Vendor or any of its subsidiaries and Yichang Kunlun agreed to assist the Vendor or any of its subsidiaries to obtain necessary approvals on the change of the owner of the first phase of the Zhijiang Project.

On 18 November 2013, Hubei Provincial Development and Reform Commission published a further Notice No. 993 to supplement the Notice 285, namely 省發展改革委關於確認變更枝江市白洋工業園區天然氣利用工程項目業主的通告, which approved the change of the owner of the first phase of the Zhijiang Project to the Target whilst the content of the Notice 285 remained unchanged.

The construction of the first phase of the Zhijiang Project commenced after the change of project owner from Yichang Kunlun to the Target in 2013.

The first phase of the Zhijiang Project includes the construction and operation of high pressure natural gas pipelines and related facilities including a natural gas station at Wufeng Industrial Zone with a capacity of 170 million cubic meters per year. The natural gas operation will supply to the industrial parks and commercial area around Wufeng Industrial Zone and Baiyang Industrial Zone within Zhijiang City, Hubei Province, the PRC. These industrial zones mainly consist of heavy industries such as chemical industry, metallurgy and electric power etc. as well as other economic activities include manufacturing and other light industries.

Other phases of the Zhijiang Project mainly include the construction and operation of intermediate and medium pressure natural gas pipelines for the supply of natural gas to the industrial and commercial area around Zhijiang Yaojiagang Chemical Zone\* (姚家港化工園), Gujiadian Town\* (顧家店鎮) and the whole area of the Baiyang Industrial Zone. Based on the legal advice provided by the PRC legal advisers of the Company, the Target has yet to obtain the approval from Yichang City Development and Reform Commission\* (宜昌市發展和改革委員會) and the registration with Hubei Province Development and Reform Commission (湖北省發展和改革委員會) for the construction and operation of intermediate and medium pressure natural gas pipelines.

### *Operation Rights*

As at the date of this announcement, the Target is granted with the following operation rights to supply natural gas under the Zhijiang Project as detailed below:

#### (A) Exclusive Operation Rights

##### (1) Wufeng Concession Agreements

On 25 October 2011, Yichang Kunlun entered into the First Wufeng Agreement with the State Government of Wufeng Tujia Autonomous County\* (五峰土家族自治縣人民政府), under which Yichang Kunlun was granted the exclusive right to operate natural gas business at the Wufeng Industrial Zone for a period of 30 years commencing from 25 October 2011 to 24 October 2041. In February 2014, the Target, Yichang Kunlun and State Government of Wufeng Tujia Autonomous County entered into the Second Wufeng Agreement, under which the Target succeeded and assumed the rights and obligations of Yichang Kunlun under the First Wufeng Agreement.

##### (2) Baiyang Concession Agreement

On 25 November 2014, the Target entered into the Baiyang Concession Agreement with Yichang New and High Technology Development Zone Management Committee\* (宜昌高新技術產業開發區管理委員會), under which the Target was granted the exclusive right to operate natural gas business in Baiyang Industrial Zone for a period of 30 years commencing from 1 November 2014 to 31 October 2044.

(B) Notice 177

Pursuant to the Notice No. 177, the Target holds the right to invest, construct operate natural gas business for Zhijiang Baiyang Development Industrial Zone\* (枝江白洋裝備工業園), Zhijiang Yaojiagang Chemical Industrial Zone\* (姚家港化工園) and Gujiadian Town\* (顧家店鎮) with no other operators operating in these areas, provided that the Target will be able and continue to fulfill the consumption demand of the above areas. No specific term of the operation right has stipulated under the Notice 177.

As at the date of this announcement, the construction of approximately 70% of natural gas pipelines for the first phase of the Zhijiang Project, which is going to supply natural gas to Wufeng Industrial Zone, Zhijiang Baiyang Development Industrial Zone\* (枝江白洋裝備工業園) as well as part of Baiyang Industrial Zone, has been completed and it is expected that the Target will commence gas supply operation in June 2015 under the above agreements and the Notice 177.

**Assets held by the Target**

On 20 March 2015, the Target obtained the land use right in respect of a parcel of state-owned land (for public facilities use) situated at Wufeng Industrial Zone with a total area of approximately 7,916.6 square meters expiring in December 2063.

**Financial information of the Target**

Set out below summarizes the unaudited financial information of the Target for the financial period ended 31 December 2013 and the financial year ended 31 December 2014:

	<b>For the period from 10 July 2013 (date of incorporation) to 31 December 2013 (unaudited) (RMB million)</b>	<b>Year ended 31 December 2014 (unaudited) (RMB million)</b>
Net losses before and after tax	1.49	1.45

	<b>As at</b> <b>31 December 2013</b> (unaudited) <i>(RMB million)</i>	<b>As at</b> <b>31 December 2014</b> (unaudited) <i>(RMB million)</i>
Net assets	28.52	27.07

Pursuant to the terms of the JV Co-operation Agreement, the Target will be regarded as being controlled by the Group in accordance with the Group's accounting policies. As a result, the Target will become a 49% indirectly-owned subsidiary of the Company and the financial results of the Target will be consolidated into the financial statements of the Group upon Completion.

## **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The Group is principally engaged in the provision of internet & e-commerce enabling solutions, IT consulting & technical services, strategic investments in technologies & applications, investment in life science & health related projects, promotion & trading of cultural products as well as commodities trading.

In view of the weak business sentiments on the Group's IT business, the Directors have been exploring different business opportunities in other sectors in order to broaden the sources of income and to boost the business performance of the Group. As disclosed in the annual report of the Company for the year ended 31 December 2014, the Company has successfully launched its commodities trading business and achieved a turnover of approximately HK\$24.9 million during the year ended 31 December 2014. In addition, the Company began to venture into the natural gas supply industry and entered into the MOU for the possible acquisition of the Target.

Under the PRC government's energy development strategy in the "Twelfth Five-Year" plan to adjust national energy structure and promote growth of clean energy consumption, the industry development of natural gas has enjoyed strong support by the industry policies of the PRC. In addition, the PRC government will gradually implement the decisions approved during the Third Plenary Session to support the economic and social reforms, developing a green, low-carbon society and focusing on sustainable development of a better country.

With such favourable business environment and the growing demand for natural gas consumption arising from the progressing urbanisation in the PRC, the Directors consider that natural gas, as one of the main sources of green energy, will enjoy more rapid growth and extensive development in the foreseeable future.

The Directors are of the view that the Transaction, if materialised, will provide an opportunity for the Company to diversify and expand its business by taking part in the natural gas supply sector in the PRC. In addition, the Target is expected to commence operation of the natural gas business in June 2015 and the Directors consider that the natural gas supply operations will contribute a relative stable income stream to the Group.

The Directors are of the view that the terms of the Agreements are fair and reasonable and the Transaction is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as set out and calculated under Rule 19.07 of the GEM Listing Rules) exceed(s) 25% but is/are less than 100%, the Transaction constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and will be subject to the applicable announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Transaction which is different from other Shareholders, and therefore no Shareholder is required to abstain from voting on the relevant resolution(s) to be proposed at the general meeting in relation to the Transaction if the Company was to convene a general meeting for approving the Agreements and the Transaction.

Global Strategic (Holding) Group Limited, the controlling shareholder of the Company holding approximately 56.54% of the issued share capital of the Company as at the date of this announcement, has given its written approval on the Agreements and the Transaction, the written approval of the controlling shareholder will be accepted in lieu of holding a general meeting pursuant to Rule 19.44 of the GEM Listing Rules.

Global Strategic (Holding) Group Limited 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. Hotex Holdings Limited is wholly-owned by Mr. Weng Lin Lei, an executive Director. Liang Tan Yi Xing International Foundation Company Limited is owned as to 90% by Mr. Wei Yue Tong, an executive Director and as to 10% by Mr. Zheng Zhu Ping, a non-executive Director.

## **GENERAL**

The Circular containing, among other things, details of the Agreements and Transaction, financial information of the Group and the Target, the unaudited pro forma financial information of the Group assuming Completion and other information as required under the GEM Listing Rules will be despatched to the Shareholders on or before 18 May 2015 (being 15 business days after the publication of this announcement).

**As the Completion is conditional upon the fulfillment of the conditions precedent to the Equity Transfer Agreement which may or may not materialise, Shareholders and potential investors should exercise caution when dealing in the Shares of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreements”	means (1) the Equity Transfer Agreement and (2) the JV Co-operation Agreement
“Appraisal Value”	the appraisal value of the Target contained in the valuation report to be issued by a professional valuer in Hong Kong at such reference date which is no later than the Effective Date
“associates”	has the meaning ascribed thereunder the GEM Listing Rules
“Baiyang Industrial Zone”	宜昌高新區白洋公業園 (Yichang New and High (Technology) District Baiyang Industrial Zone)*
“Baiyang Concession Agreement”	the agreement in relation to the natural gas operation at Baiyang Industrial Zone, namely 宜昌高新區白洋工業園天然氣特許經營協議書, entered into between Yichang New and High Technology Development Zone Management Committee* (宜昌高新技術產業開發區管理委員會) and the Target dated 25 November 2014
“Board”	the board of Directors
“Circular”	the circular of the Company containing, among other things, details of the Transaction and the Agreements to be despatched to the Shareholders
“Company”	Global Strategic Group Limited (formerly known as DIGITALHONGKONG.COM), a company incorporated in the Cayman Islands with limited liability, which is principally engaged in the investment holding and whose issued Shares are listed on GEM

“Completion”	completion of the Equity Transfer in accordance with the terms and conditions as set out in the Equity Transfer Agreement
“connected persons”	has the meanings as ascribed thereto under the GEM Listing Rules
“Consideration”	the total consideration of the Equity Transfer
“Director(s)”	director(s) of the Company
“Effective Date”	the effective date of the Equity Transfer Agreement, i.e. the date which the approval in relation to the Equity Transfer Agreement being obtained from the relevant PRC government authorities and the shareholders of the Target
“Equity Transfer”	the transfer of 49% of the equity interests in the Target by the Vendor to the Purchaser pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the Equity Transfer Agreement entered into among the Purchaser, the Vendor and Mr. Xiong dated 23 April 2015 in relation to the Equity Transfer and the transactions contemplated thereunder
“First Wufeng Agreement”	the agreement, namely 五峰民族工業園(枝江白洋)天然氣特許經營協議書, entered into by Yichang Kunlun and the State Government of Wufeng Tujia Autonomous County (五峰土家族自治縣人民政府) dated 25 October 2011
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“JV Articles”	the new constitutional document of the Target effective upon the approval by the relevant PRC government authorities authorities and the shareholders of the Target
“JV Co-operation Agreement”	the JV Co-operation Agreement dated 23 April 2015 entered into among the Purchaser, the Vendor and Mr. Li effective upon the approval by the relevant government authorities and the shareholders of the Target
“MOU”	the non-legally binding memorandum of understanding dated 16 January 2015 entered into between the Company, the Target, the Vendor and Mr. Xiong in relation to the Transaction
“MOU Announcement”	the announcement of the Company dated 16 January 2015, in relation to, among other things, the entering into of the MOU
“Mr. Xiong”	Mr. Xiong Songgan (熊崧淦), who is the ultimate controlling shareholder of the Vendor and the Target
“Mr. Li”	Mr. Li Wanqing (李萬清), an Independent Third Party, who holds 10% of the equity interest in the Target and a party to the JV Co-operation Agreement
“Notice 177”	the explanatory statement in respect of Zhijiang Project issued by the Housing and Urban Development Bureau of Zhijiang* (枝江市住房和城鄉建設局) dated 17 November 2014, namely 市住建局關於同意宜昌中油天然氣利用有限公司在枝江經營管道天然氣情況說明的函
“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

“Purchaser”	Hong Kong Global Billion Access Investments Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	the registered capital of the Target in the amount of RMB14,700,000 contributed by the Vendor, representing 49% of the entire equity interest of the Target
“Second Wufeng Agreement”	the tripartite agreement in relation to the change of subject of the First Wufeng Agreement, namely 有關《五峰民族工業園(枝江白洋)天然氣特許經營協議書》主體變更的三方協議, entered into among the Target, Yichang Kunlun and State Government of Wufeng Tujia Autonomous County in February 2014
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary issued share(s) of HK\$0.005 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	means 宜昌中油天然氣利用有限公司 (Yichang Zhongyou Natural Gas Utilization Co., Ltd.*), a company incorporated in the PRC with limited liability
“Transaction”	the transactions contemplated under the Agreements
“Vendor”	means 湖北標典天然氣有限公司 (Hubei Biadian Natural Gas Co., Ltd.*) (formerly known as 湖北天能天然氣利用有限責任公司 (Hubei Tianneng Natural Gas Utilization Co., Ltd.*)), a company incorporated in the PRC with limited liability, the existing shareholder of the Target which holds 90% equity interest in the Target

“Wufeng Concession Agreements”	means (1) the First Wufeng Agreement and (2) the Second Wufeng Agreement
“Wufeng Industrial Zone”	五峰民族工業園區（枝江白洋）(Wufeng (Tribe) Industrial Zone (Zhijiang Baiyang) District*)
“Yichang Kunlun”	means 宜昌中石油昆侖天然氣有限公司 (Yichang PetroChina Kunlun Natural Gas Co., Ltd.*), the previous owner of the Zhijiang Project and a party to the Wufeng Concession Agreement
“Zhijiang Project”	the natural gas pipeline construction project operated by the Target, details of which are set out in the paragraph headed “Information of the Target – The Zhijiang Project” of this announcement
“%”	per cent.

By Order of the Board  
**Global Strategic Group Limited**  
**Zheng Jian Peng**  
*Executive Director*

Hong Kong, 24 April 2015

\* *The English translation of Chinese names in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official translation of such Chinese names.*

*For illustration purposes only, amounts denominated in Renminbi in this announcement have been translated into Hong Kong dollars at an exchange rate of RMB1 = HK\$1.25.*

*As at the date of this announcement, the executive Directors are Mr. Wei Yue Tong (Chairman), Mr. Weng Lin Lei, Mr. Fan Wei Guo and Mr. Zheng Jian Peng; the non-executive Director is Mr. Zheng Zhu Ping; and the independent non-executive Directors are Mr. Chiu Wai Piu, Ms. Kwan Sin Yee and Mr. Leung Oh Man, Martin.*

*This announcement, for which the directors of the Company 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 7 days from the day of its posting.*