



**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)

**First Quarterly Report**

**2015**

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE 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 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.

## QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2015 (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Global Strategic Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the three months ended 31 March 2015 with comparative unaudited figures for the corresponding period in 2014 as follows:

	<i>Notes</i>	Three months ended	
		31 March 2015	2014
		<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> (Unaudited)
Turnover		<b>87,939</b>	974
Cost of sales		<b>(87,810)</b>	–
Gross profit		<b>129</b>	974
Other income		<b>205</b>	1
General and administrative expenses		<b>(5,240)</b>	(521)
Marketing and promotion expenses		<b>(1,237)</b>	(45)
Staff costs		<b>(37,362)</b>	(746)
Loss before taxation		<b>(43,505)</b>	(337)
Taxation	2	–	–
Loss and total comprehensive expense for the period attributable to owners of the Company		<b>(43,505)</b>	(337)
Loss per share – basic	3	<b>HK(1.133) cents</b>	HK(0.011) cents

*Notes:***1. BASIS OF PREPARATION**

The unaudited consolidated results of the Group have been prepared on the historical cost basis and in accordance with the Hong Kong Financial Reporting Standards and the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Historical cost is generally based on the fair value of the consideration given in exchange for goods. In addition, the unaudited consolidated results include applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The Group has not early applied those new and revised standards, amendments and interpretation that have been issued but are not yet effective. The Directors of the Company anticipate that the application of the new and revised standards, amendments and interpretation will have no material impact on the unaudited consolidated results of the Group.

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2014.

**2. TAXATION**

No provision for Hong Kong Profits Tax has been made since the Group has no assessable profits for both periods.

**3. LOSS PER SHARE**

The calculation of the loss per share is based on the unaudited loss for the period attributable to owners of the Company of HK\$43,505,000 (three months ended 31 March 2014: HK\$337,000) and on the weighted average number of 3,840,000,000 (three months ended 31 March 2014: 3,000,000,000) shares in issue throughout the period. The loss per share for the three months ended 31 March 2014 has been restated as each existing issued share of the Company of HK\$0.1 each was subdivided into twenty subdivided shares of the Company of HK\$0.005 each, pursuant to an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company held on 9 January 2015.

No diluted loss per share is presented as there were no potential ordinary shares in issue throughout both periods.

## 4. RESERVES

	Attributable to owners of the Company			
	Capital	Share	Accumulated	Total
	reserve	premium	losses	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 July 2013 (audited)	7,540	8,461	(25,334)	(9,333)
Loss and total comprehensive expense for the period	–	–	(1,117)	(1,117)
At 31 December 2013 and 1 January 2014 (unaudited)	7,540	8,461	(26,451)	(10,450)
Loss and total comprehensive expense for the period	–	–	(337)	(337)
At 31 March 2014 (unaudited)	7,540	8,461	(26,788)	(10,787)
At 1 January 2015 (audited)	7,540	49,561	(37,960)	19,141
Issue of ordinary shares	–	123,091	–	123,091
Loss and total comprehensive expense for the period	–	–	(43,505)	(43,505)
At 31 March 2015 (unaudited)	7,540	172,652	(81,465)	98,727

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2015 (2014: Nil).

## FINANCIAL AND BUSINESS REVIEW

Revenue from trading of commodities was the primary source of income for the Group since its commencement in December 2014. For the three months ended 31 March 2015, the Group's turnover was approximately HK\$87,939,000, of which HK\$87,866,000 and HK\$73,000 were generated from the commodity trading business and the IT business respectively. Turnover of approximately HK\$974,000 for the corresponding period in the last financial year was wholly contributed by the IT business. Loss for the period was HK\$43,505,000, compared with loss of HK\$337,000 for the last corresponding period. The increase in loss was mainly attributable to the increase in staff costs, marketing and advertising expenses and the legal and professional fees incurred for the Acquisition (as defined below). Total operating costs for the period were HK\$43,839,000 compared with HK\$1,312,000 of the previous corresponding period.

The Group follows a policy of prudence in managing its working capital. The Group did not have any bank borrowings as at 31 March 2015. Operation was primarily financed by internally generated cashflows and external financing.

## ACQUISITION OF 49% EQUITY INTEREST IN YICHANG ZHONGYOU ("ACQUISITION")

On 16 January 2015, the Company entered into the MOU with 宜昌中油天然氣利用有限公司 (Yichang Zhongyou Natural Gas Utilization Co., Ltd.) ("Yichang Zhongyou"), 湖北標典天然有限公司 (Hubei Biadian Natural Gas Co., Ltd.) ("Hubei Biadian" and 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.) and Mr. Xiong Songgan ("Mr. Xiong"), the ultimate controlling shareholder of both Hubei Biadian and Yichang Zhongyou in relation to the possible Acquisition.

On 23 April 2015, a formal agreement was entered into among Hong Kong Global Billion Access Investments Limited ("the Purchaser"), an indirect wholly-owned subsidiary of the Company, Hubei Biadian and Mr. Xiong, pursuant to which the Purchaser shall acquire from Hubei Biadian 49% of the equity interest in Yichang Zhongyou at the consideration of HK\$100 million.

The business scope of the Yichang Zhongyou includes investment in natural gas project, provision of natural gas technology consultation services and sales of natural gas cooking appliance and accessories. Yichang Zhongyou has been granted the approval to operate the first phase of a natural gas project in Zhijiang City, Hubei Province, the People's Republic of China by Hubei Provincial Development and Reform Commission (湖北省發展和改革委員會).

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

As at the date of this report, the Acquisition is still in progress and further announcement(s) will be made by the Company in respect of the Acquisition as and when appropriate.

## CAPITAL STRUCTURE

### Share Subdivision

Pursuant to an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company held on 9 January 2015, each existing issued share of the Company of HK\$0.1 each was subdivided into twenty (20) subdivided shares of the Company of HK\$0.005 each ("Share Subdivision").

### Placing of Shares

On 30 January 2015, the Company completed a placing of 360,000,000 shares of the Company at a price of HK\$0.354 each (the "Placing"). The gross and net proceeds from Placing were approximately HK\$127.4 million and approximately HK\$124.8 million respectively.

Following the Share Subdivision became effective on 12 January 2015 and the completion of the Placing on 30 January 2015, the Company had an aggregate of 3,960,000,000 shares of HK\$0.005 each in issue.

## PROSPECT

Given the current challenging IT business environment, the Group is not optimistic on the recovery of its IT business in the short run. In addition to the new commodity trading business and the Acquisition, the Board will continue to explore other IT investment opportunities with earning potential as well as business investments in other sectors in order to broaden the revenue stream of the Group and enhance the Group's profitability.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 March 2015, the interests of the Directors in the shares 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 of Hong Kong Limited (the "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:

### 1. Interests in the Company

The table below sets out the aggregate long positions in the shares and underlying shares 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. WEI Yue Tong	Corporate interest	<i>Note</i>	56.54%
Mr. WENG Lin Lei	Corporate interest	<i>Note</i>	56.54%

*Note:* As at 31 March 2015, 2,238,849,580 shares of the Company were held by Global Strategic (Holding) Group Limited, a company incorporated in Samoa with limited liability 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 International Foundation Company Limited is owned by Mr. WEI Yue Tong, as to 90% of its issued share capital and by Mr. ZHENG Zhu Ping, as to 10% of its issued share capital.



## 2. Interest in a Associated Corporation of the Company

The table below sets out the aggregate long positions in Liang Tan Yi Xing Foundation held by a Director:

Name of Director	Capacity	Number of shares in the associated corporation	Approximate percentage of the issued share capital of the associated corporation
Mr. ZHENG Zhu Ping <i>(Note)</i>	Beneficial owner	11,666,667	10%

Save as disclosed above, as at 31 March 2015, none of the Directors of the Company had any interest or short position 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 Exchange pursuant to the required standard of dealings by the Directors of the Company as referred to in Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS

As at 31 March 2015, the following person (other than the Directors 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	Capacity	Number of shares	Percentage of the issued share capital
Global Strategic (Holding)Group Limited	Beneficial owner	2,238,849,580 <i>(Note)</i>	56.54%
Global Strategic Fund Holdings Limited	Interest in controlled corporation	2,238,849,580 <i>(Note)</i>	56.54%

Name of shareholder	Capacity	Number of shares	Percentage of the issued share capital
Hotex Holdings Limited	Interest in controlled corporation	2,238,849,580 (Note)	56.54%
Liang Tan Yi Xing Foundation	Interest in controlled corporation	2,238,849,580 (Note)	56.54%

*Note:* Global Strategic (Holding) Group Limited, a company incorporated in Samoa with limited liability 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. Liang Tan Yi Xing Foundation is owned by Mr. WEI Yue Tong, as to 90% of its issued share capital and by Mr. ZHENG Zhu Ping, as to 10% of its issued share capital. Accordingly, each of Global Strategic Fund Holdings Limited, Hotex Holdings Limited and Liang Tan Yi Xing International Foundation Company Limited are deemed to be interested in the 2,238,849,580 shares of the Company under the SFO.

Save as disclosed above, no 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 31 March 2015.

## 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.

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

During the three months ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## AUDIT COMMITTEE

The audit committee of the Company has reviewed the above unaudited quarterly results of the Group for the three months ended 31 March 2015.

By Order of the Board  
**GLOBAL STRATEGIC GROUP LIMITED**  
**Zheng Jian Peng**  
*Executive Director*

Hong Kong, 11 May 2015

*As at the date of this report, 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, Mr. LEUNG Oh Man, Martin and Ms. KWAN Sin Yee.*