



**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 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.

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This report, for which the directors (the “Directors”) of Global Strategic Group Limited (the “Company”) 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 consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 with comparative unaudited figures for the corresponding period in 2014 as follows:

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

For the six months ended 30 June 2015

	Notes	Three months ended 30 June		Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Turnover	3	47,907	949	135,846	1,923
Cost of sales		(47,824)	-	(135,634)	-
Gross profit		83	949	212	1,923
Other income		52	4	257	5
General and administrative expenses		(12,769)	(582)	(18,009)	(1,103)
Marketing and promotion expenses		(750)	(45)	(1,987)	(90)
Staff costs		(3,280)	(927)	(40,642)	(1,673)
Loss before taxation		(16,664)	(601)	(60,169)	(938)
Taxation	4	-	-	-	-
Loss for the period	5	(16,664)	(601)	(60,169)	(938)
Other comprehensive expense					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of foreign operation		(12)	-	(12)	-
Total comprehensive expense for the period		(16,676)	(601)	(60,181)	(938)
Loss per share – basic	6	HK(0.420) cents	HK(0.020) cents	HK(1.540) cents	HK(0.031) cents

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

		<b>As at 30 June 2015 HK\$'000 (Unaudited)</b>	As at 31 December 2014 HK\$'000 (audited)
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>7,720</b>	1,926
Intangible asset	8	<b>1,520</b>	–
Deposit paid for acquisition of a non-current asset	9	<b>–</b>	1,520
		<b><u>9,240</u></b>	<u>3,446</u>
<b>Current assets</b>			
Trade and other receivables	10	<b>3,712</b>	2,283
Bank balances and cash		<b>90,802</b>	32,475
		<b><u>94,514</u></b>	<u>34,758</u>
<b>Current liabilities</b>			
Other payables		<b>1,903</b>	1,063
Net current assets		<b><u>92,611</u></b>	<u>33,695</u>
Net assets		<b><u>101,851</u></b>	<u>37,141</u>
<b>Capital and reserves</b>			
Share capital	11	<b>19,800</b>	18,000
Reserves		<b>82,051</b>	19,141
Equity attributable to owners of the Company		<b><u>101,851</u></b>	<u>37,141</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 June 2015

	Attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2014 (unaudited)	15,000	8,461	7,540	–	(26,451)	4,550
Loss and total comprehensive expense for the period	–	–	–	–	(938)	(938)
At 30 June 2014 (audited)	15,000	8,461	7,540	–	(27,389)	3,612
At 1 January 2015 (audited)	18,000	49,561	7,540	–	(37,960)	37,141
Exchange difference arising on translation of foreign operation	–	–	–	(12)	–	(12)
Loss for the period	–	–	–	–	(60,169)	(60,169)
Total comprehensive expense for the period	–	–	–	(12)	(60,169)	(60,181)
Issue of ordinary shares	1,800	123,091	–	–	–	124,891
<b>At 30 June 2015 (unaudited)</b>	<b>19,800</b>	<b>172,652</b>	<b>7,540</b>	<b>(12)</b>	<b>(98,129)</b>	<b>101,851</b>

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.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 June 2015

	Six months ended	
	30 June	
	2015	2014
	HK\$'000	HK\$'000
Net cash used in operating activities	<b>(60,058)</b>	(2,322)
Net cash used in investing activities	<b>(6,494)</b>	–
Net cash from financing activities	<b>124,891</b>	–
	<hr/>	<hr/>
Net increase (decrease) in cash and cash equivalents	<b>58,339</b>	(2,322)
Cash and cash equivalents at the beginning of the period	<b>32,475</b>	5,182
Effect of foreign exchange rate changes	<b>(12)</b>	–
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period, represented by bank balances and cash	<b>90,802</b>	2,860
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*Notes to the Condensed Consolidated Financial Statements:***1. BASIS OF PREPARATION**

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) as well as 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.

**2. PRINCIPAL ACCOUNTING POLICIES**

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

The accounting policies used in the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s audited consolidated financial statements for the period from 1 July 2014 to 31 December 2014.

In the current interim period, the Group has applied, for the first time, certain amendments to the Hong Kong Financial Reporting Standards (“HKFRSs”) that are mandatorily effective for the current interim period. The application of the new and revised HKFRSs in the current interim period has had no material impact on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

**3. TURNOVER AND SEGMENT INFORMATION****Turnover**

Turnover represents the amounts received and receivable for goods sold in respect of its commodity trading business and services rendered in establishing and providing secure electronic payment processing platform.

The turnover of the Group comprises the following:

	<b>1.1.2015 to</b>	1.1.2014 to
	<b>30.6.2015</b>	30.6.2014
	<b>HK\$’000</b>	HK\$’000
Commodity trading	<b>135,702</b>	–
IT solution services	<b>144</b>	1,923
	<b><u>135,846</u></b>	<u>1,923</u>

### Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, that are regularly reviewed by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. The two operating and reportable segments under HKFRS 8 "Operating Segments" are identified as follows:

- Commodity trading – includes income from trading of copper
- IT solution services – including services rendered in establishing and providing secure electronic payment processing platform

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies. Segment results represent the loss before taxation earned by each segment, excluding unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the executive directors of the Company, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

	<b>Commodity trading HK\$'000</b>	<b>IT solution services HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>For the period from 1 January 2015 to 30 June 2015</b>			
<b>TURNOVER</b>			
External and total revenue	<u>135,702</u>	<u>144</u>	<u>135,846</u>
<b>RESULTS</b>			
Segment result	243	(809)	(566)
Unallocated expenses, net			<u>(59,603)</u>
Loss before taxation			<u>(60,169)</u>



	Commodity trading <i>HK\$'000</i>	IT solution services <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
For the period from <u>1 January 2014 to 30 June 2014</u>			
<b>TURNOVER</b>			
External and total revenue	—	1,923	1,923
<b>RESULTS</b>			
Segment result	—	570	570
Unallocated expenses, net			(1,508)
Loss before taxation			(938)

#### 4. TAXATION

No provision for Hong Kong Profits Tax has been made since the Company and its subsidiaries have no assessable profits for both periods.

#### 5. LOSS FOR THE PERIOD

	<b>1.1.2015 to 30.6.2015 <i>HK\$'000</i></b>	1.1.2014 to 30.6.2014 <i>HK\$'000</i>
Loss for the period has been arrived at after charging:		
Auditor's remuneration	<b>300</b>	270
Depreciation of property, plant and equipment	<b>734</b>	—
Operating lease rentals in respect of rented premises	<b>1,762</b>	50
Research expenditures, including staff costs of HK\$436,000 (30 June 2014: HK\$550,000)	<b>451</b>	566
and after crediting:		
Interest income	<b>34</b>	—

## 6. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the period attributable to owners of the Company of HK\$60,169,000 (six months ended 30 June 2014: HK\$938,000) and on the weighted average number of 3,960,000,000 (six months ended 30 June 2014: 3,000,000,000) shares in issue throughout the period. The loss per share for the six months ended 30 June 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.

## 7. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group incurred expenditure of HK\$6,528,000 (2014: nil) to acquire property, plant and equipment for its operation.

## 8. INTANGIBLE ASSET

The amount represented the license for Guangzhou/Hong Kong cross-boundary private car.

## 9. DEPOSIT PAID FOR ACQUISITION OF A NON-CURRENT ASSET

The amount represented the deposit paid to acquire the license for Guangzhou/Hong Kong cross-boundary private car.

## 10. TRADE AND OTHER RECEIVABLES

	<b>30.6.2015</b> <i>HK\$'000</i>	31.12.2014 <i>HK\$'000</i>
Trade receivables ( <i>Note</i> )	<b>70</b>	1,502
Prepayment, deposits and other receivables	<b>3,642</b>	781
	<b>3,712</b>	2,283

*Note:*

The Group allows credit period ranging from 30 days to 180 days for its trade customers depending on their credit worthiness, nature of services and conditions of the market. The aging analysis of trade receivables based on the invoice date which approximate the revenue recognition date, at the end of the reporting period is as follows:

	<b>30.6.2015</b> <b>HK\$'000</b>	31.12.2014 <i>HK\$'000</i>
0 – 60 days	<u>70</u>	<u>1,502</u>

## 11. SHARE CAPITAL

	Number of shares		Amount	
	<b>30.6.2015</b> <b>'000</b>	31.12.2014 <i>'000</i>	<b>30.6.2015</b> <b>HK\$'000</b>	31.12.2014 <i>HK\$'000</i>
<i>Authorised:</i>				
Ordinary shares of HK\$0.005 (31.12.2014: HK\$0.10) each	<u>16,000,000</u>	<u>800,000</u>	<u>80,000</u>	<u>80,000</u>
<i>Issued and fully paid:</i>				
At beginning of year	180,000	150,000	18,000	15,000
Effect of subdivision of shares ( <i>Note a</i> )	3,420,000	–	–	–
Issue of ordinary shares ( <i>Note b</i> )	<u>360,000</u>	<u>30,000</u>	<u>1,800</u>	<u>3,000</u>
At end of period	<u>3,960,000</u>	<u>180,000</u>	<u>19,800</u>	<u>18,000</u>

*Notes:*

- (a) Effective from 12 January 2015, the ordinary shares of the Company HK\$0.1 each were subdivided into 20 ordinary shares of HK\$0.005 each.
- (b) During the period, an aggregate of 360,000,000 (2014: 30,000,000) ordinary shares of the Company have been placed to independent third parties at the placing price of HK\$0.354 (2014: HK\$1.50) per placing share. The placing shares shall rank *pari passu* in all respects among themselves and with the existing issued shares. The net proceeds from the placing were intended to apply for financing a possible acquisition of natural gas projects in the PRC, the Group's commodity trading business and the remaining amount as general working capital of the Group.

## 12. CAPITAL COMMITMENTS

	<b>1.1.2015 to 30.6.2015</b>	1.1.2014 to 30.6.2014
	<b>HK\$'000</b>	HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment, development of systems and networks authorised but not contracted for	<b>500</b>	500

## 13. EVENT AFTER THE REPORTING PERIOD

On 23 April 2015, Hong Kong Global Billion Access Investments Limited ("the Purchaser"), an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Hubei Biaodian Natural Gas Co., Ltd. (the "Vendor") and Mr. Xiong Songgan, the ultimate controlling shareholder of the Vendor, both are independent third parties, to acquire 49% of the equity interest in Yichang Zhongyou Natural Gas Utilization Co., Ltd., ("Yichang Zhongyou") from the Vendor at the consideration of HK\$100 million subject to the terms and conditions contained therein. On the same day, the Purchaser, the Vendor and Mr. Li Wanqing, the existing 10% shareholder of Yichang Zhongyou, entered into the JV Co-operation Agreement which sets out the rights and obligations among the shareholders of the Yichang Zhongyou. Further details of the transaction have been set out in the Company's circular dated 12 June 2015.

## DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

## FINANCIAL AND BUSINESS REVIEW

The Group recorded an unaudited turnover of approximately HK\$135,846,000 for the six months ended 30 June 2015 as compared to HK\$1,923,000 for the corresponding period of the previous year. Such increase in revenue was generated from the trading of commodities.

During the period, the unaudited operating expenses increased to approximately HK\$60,638,000 from approximately HK\$2,866,000 for the last corresponding period, which was mainly attributable to the legal and professional fees of approximately HK\$4,903,000 incurred for the Acquisition (as defined below) as well as the increase in staff costs from the last corresponding period of approximately HK\$1,673,000 to approximately HK\$40,642,000 this period.

The unaudited net loss with other comprehensive expenses of the Group for the six months ended 30 June 2015 was approximately HK\$60,181,000, compared with loss of approximately HK\$938,000 for the last corresponding period.

The Group follows a policy of prudence in managing its working capital. The Group did not have any bank borrowings as at 30 June 2015. Operation was primarily financed by internally generated cashflows and external financing.

During the period, the Group had no material contingent liabilities as at 30 June 2015.

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

On 16 January 2015, the Company entered into a memorandum of understanding with 宜昌中油天然氣利用有限公司 (Yichang Zhongyou Natural Gas Utilization Co., Ltd.) ("Yichang Zhongyou"), 湖北標典天然氣有限公司 (Hubei Biaodian Natural Gas Co., Ltd.) ("Hubei Biaodian" 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 Biaodian 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 Biaodian and Mr. Xiong, pursuant to which the Purchaser shall acquire from Hubei Biaodian 49% of the equity interest in Yichang Zhongyou at the consideration of HK\$100 million.

On 12 June 2015, the Company issued a circular relating to the Acquisition (the “Circular”). Global Strategic (Holding) Group Limited, the controlling shareholder of the Company has given written approval on the agreement and the Acquisition. The written approval has been accepted in lieu of holding a general meeting pursuant to Rule 19.44 of the GEM Listing Rules.

The business scope of 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 construct and operate the first phase of a natural gas project in Zhijiang City, Hubei Province, the People’s Republic of China (the “PRC”) 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.

Further details of the business and financial information of Yichang Zhongyou have been set out in the Circular.

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 the 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.

## 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.

## HUMAN RESOURCES AND REMUNERATION POLICY OF THE GROUP

As at 30 June 2015, the Group had employed 19 staff, including 16 staff in Hong Kong and 3 staff in Macau. 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. The Company has established a Human Resources and Remuneration Committee, which considers factors such as the Company's operating results, individual performance, salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

## PROSPECT

The Group is not optimistic on the recovery of its IT business given the current challenging IT business environment. Apart from the commodity trading business and the Acquisition, the Board will continue to explore IT and other investment opportunities in order to strengthen and broaden the revenue stream of the Group and enhance its long-term growth.

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 30 June 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	Number of shares held, capacity and nature of interest		Total	Approximate percentage of the issued share capital
	Directly beneficially owned	Through controlled corporation		
Mr. WEI Yue Tong	135,000,000	2,160,429,580 <i>(Note)</i>	2,295,429,580	57.97%
Mr. WENG Lin Lei	–	2,160,429,580 <i>(Note)</i>	2,160,429,580	54.56%

*Note:*

As at 30 June 2015, 2,160,429,580 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 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.



## 2. Interest in an 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	Beneficial owner	11,666,667	10%

Save as disclosed above, as at 30 June 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 30 June 2015, other than the interests and short positions of the Directors disclosed above, the following person (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	Capacity	Number of shares	Percentage of the issued share capital
Global Strategic (Holding) Group Limited	Beneficial owner	2,160,429,580 <i>(Note)</i>	54.56%
Global Strategic Fund Holdings Limited	Interest in controlled corporation	2,160,429,580 <i>(Note)</i>	54.56%
Hotex Holdings Limited	Interest in controlled corporation	2,160,429,580 <i>(Note)</i>	54.56%
Liang Tan Yi Xing Foundation	Interest in controlled corporation	2,160,429,580 <i>(Note)</i>	54.56%

*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 Foundation. 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 Foundation are deemed to be interested in the 2,160,429,580 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 30 June 2015.

## CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2015, the Company complied with the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

## COMPLIANCE WITH RULES 5.48 TO 5.67 OF THE GEM LISTING RULES

The Company has adopted a code of conduct regarding directors' securities transactions on terms as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company has made specific enquiry of all directors of the Company, result of which indicates that the directors had complied with such code of conduct throughout the six months ended 30 June 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 six months ended 30 June 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 interim results of the Group for the six months ended 30 June 2015.

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

Hong Kong, 3 August 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.*