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)

RESULTS ANNOUNCEMENT FOR THE PERIOD FROM 1 JULY 2014 TO 31 DECEMBER 2014

The board of directors (the "**Board**") of Global Strategic Group Limited (the "**Company**") is pleased to present the audited consolidated results of the Company and its subsidiaries (together the "**Group**") for the period from 1 July 2014 to 31 December 2014 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 July 2014 to 31 December 2014

	Notes	**1.7.2014 to 31.12.2014 *HK$'000***	1.7.2013 to 30.6.2014 *HK$'000*
Turnover	*(2)*	**25,865**	3,792
Cost of sales		**(24,887)**	–
Gross profit		**978**	3,792
Other income		**26**	42
General and administrative expenses		**(4,559)**	(2,240)
Marketing and promotion expenses		**(92)**	(210)
Staff costs		**(6,924)**	(3,439)
Loss before taxation		**(10,571)**	(2,055)
Taxation	*(3)*	**–**	–
Loss and total comprehensive expense for the period/year attributable to owners of the Company	*(4)*	**(10,571)**	(2,055)
Loss per share – basic	*(5)*	**HK(6.70) cents**	HK(1.37) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2014

	Note	**31.12.2014**	30.6.2014
		HK$'000	*HK$'000*
Non-current assets			
Property, plant and equipment		**1,926**	–
Deposit paid for acquisition of a non-current asset		**1,520**	–
		3,446	–
Current assets			
Trade and other receivables	*(6)*	**2,283**	1,857
Bank balances and cash		**32,475**	2,860
		34,758	4,717
Current liabilities			
Other payables		**1,063**	1,105
Net current assets		**33,695**	3,612
Net assets		**37,141**	3,612
Capital and reserves			
Share capital		**18,000**	15,000
Reserves		**19,141**	(11,388)
Equity attributable to owners of the Company		**37,141**	3,612

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 July 2014 to 31 December 2014

	Attributable to owners of the Company				
	Share capital	**Capital reserve**	**Share premium**	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2013	15,000	7,540	8,461	(25,334)	5,667
Loss and total comprehensive expense for the year	–	–	–	(2,055)	(2,055)
At 30 June 2014	15,000	7,540	8,461	(27,389)	3,612
Issue of ordinary shares	3,000	–	41,100	–	44,100
Loss and total comprehensive expense for the period	–	–	–	(10,571)	(10,571)
At 31 December 2014	**18,000**	**7,540**	**49,561**	**(37,960)**	**37,141**

1. Basis of preparation and application of new and revised Hong Kong Financial Reporting Standards

The consolidated financial statements have been prepared on the historical cost basis and in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Historical cost is generally based on the fair value of the consideration given in exchange for goods. In addition, the consolidated financial statements 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 "**GEM Listing Rules**") and the Hong Kong Companies Ordinance.

The Group has applied a number of amendments to HKFRSs and a new interpretation for the first time in the current reporting period.

The application of these amendments and interpretation has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

2. Turnover and segment information

Turnover

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

The turnover of the Group comprises the following:

	1.7.2014 to 31.12.2014	1.7.2013 to 30.6.2014
	HK$'000	*HK$'000*
Commodity trading	**24,898**	–
IT solution services	**967**	3,792
	25,865	3,792

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. During the period, the Group newly commenced the commodity trading business and 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:

	Commodity trading	**IT solution services**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
For the period from 1 July 2014 to 31 December 2014			
TURNOVER			
External and total revenue	**24,898**	**967**	**25,865**
RESULTS			
Segment result	**(19)**	**(488)**	**(507)**
Unallocated expenses, net			**(10,064)**
Loss before taxation			**(10,571)**
Year ended 30 June 2014			
TURNOVER			
External and total revenue	–	3,792	3,792
RESULTS			
Segment result	–	(107)	(107)
Unallocated expenses, net			(1,948)
Loss before taxation			(2,055)

	Commodity trading HK$'000	IT solution services HK$'000	Unallocated HK$'000	Consolidated HK$'000
For the period from 1 July 2014 to 31 December 2014				
Amounts included in the measure of segment profit or loss:				
Depreciation	**–**	**3**	**30**	**33**
Year ended 30 June 2014				
Amounts included in the measure of segment profit or loss:				
Depreciation	–	–	–	–

No assets and liabilities are included in segment reporting as they are not regularly reviewed by the executive directors of the Company.

Geographical information

The following table provides an analysis of the Group's revenue and non-current assets by location of customers and by location of assets respectively:

	Revenue		**Non-current assets**	
	1.7.2014 to 31.12.2014	1.7.2013 to 30.6.2014	**31.12.2014**	30.6.2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China (the "PRC"), including Hong Kong and Macau	**25,865**	3,792	**3,446**	–
	25,865	3,792	**3,446**	–

3. Taxation

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group incurred a tax loss.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements for prior year since the Group incurred a tax loss and the assessable profit in prior year was wholly absorbed by tax losses brought forward for certain subsidiaries.

The taxation for the period/year can be reconciled to the loss per the consolidated statement of profit or loss and other comprehensive income as follows:

	1.7.2014 to 31.12.2014	1.7.2013 to 30.6.2014
	HK$'000	*HK$'000*
Loss before taxation	**(10,571)**	(2,055)
Tax credit at Hong Kong Profits Tax rate of 16.5% (2013: 16.5%)	**(1,744)**	(339)
Tax effect of expenses not deductible for tax purposes	**177**	45
Tax effect of income not taxable for tax purposes	**(24)**	(83)
Tax effect of tax losses not recognised	**1,591**	524
Utilisation of tax losses previously not recognised	**–**	(147)
Taxation for the period/year	**–**	–

4. Loss for the period/year

	1.7.2014 to 31.12.2014	1.7.2013 to 30.6.2014
	HK$'000	*HK$'000*
Loss for the period/year has been arrived at after charging:		
Auditor's remuneration	**600**	526
Depreciation of property, plant and equipment	**33**	–
Operating lease rentals in respect of rented premises	**219**	98
Research expenditures, including staff costs of HK$610,000 (30 June 2014: HK$1,150,000)	**625**	1,181
and after crediting:		
Gain on disposal of an associate	**–**	31

5. Loss per share

The calculation of the loss per share is based on the loss for the period/year attributable to owners of the Company of HK$10,571,000 (30 June 2014: HK$2,055,000) and on the weighted average number of 157,869,000 (30 June 2014: 150,000,000) shares in issue throughout the period/year.

No diluted loss per share is presented as there were no potential ordinary shares in issue during the period ended 31 December 2014 and the year ended 30 June 2014.

6. Trade and other receivables

	31.12.2014	30.6.2014
	HK$'000	*HK$'000*
Trade receivables *(Note)*	**1,502**	1,705
Other receivables	**781**	152
	2,283	1,857

Note:

The Group allows credit period ranging from 30 days to 180 days for its trade customers of IT business depending on their credit worthiness, nature of services and conditions of the market. For the commodities trading business, deposits are usually required and the remaining balance is usually receivable approximately within 10 days after the customers have received all documents. 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:

	31.12.2014	30.6.2014
	HK$'000	*HK$'000*
0 – 60 days	**1,502**	930
61 – 120 days	**–**	775
	1,502	1,705

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the six months ended 31 December 2014 (30 June 2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

With the change of financial year end date from 30 June to 31 December as announced on 22 December 2014, we are pleased to present the Group's audited results for the six months ended 31 December 2014.

During the six months ended 31 December 2014, the Group reported substantial increase in its revenue to approximately HK$25.9 million, of which approximately HK$24.9 million was generated from the new commodities trading business (i.e. commenced in December 2014) and the remaining HK$1.0 million was from the IT business. Turnover of approximately HK$3.8 million for the year ended 30 June 2014 was wholly contributed by the IT business. Analysis on the performance of the Group including revenue and results of commodities trading business and IT business before allocation of the corporate overheads is set out in note 2 "Turnover and Segment information" to the consolidated financial statements. Total operating costs for the period under review were approximately HK$11.6 million as compared to approximately HK$5.9 million for the year ended 30 June 2014, of which general and administrative expenses for the six months ended 31 December 2014 were approximately HK$4.6 million, while staff costs were approximately HK$6.9 million. Loss for the six months ended 31 December 2014 was HK$10.6 million while loss of approximately HK$2.1 million was reported for the year ended 30 June 2014. The increase in loss was mainly attributable to the increase in staff costs including directors' emoluments as a result of the increase in headcounts for the development of the Group's commodities trading business.

REVIEW OF OPERATIONS

Commodities Trading Business

We have been exploring suitable business opportunities to broaden the revenue base and to diversify the business scope of the Group. As announced by the Company on both 7 November 2014 and 22 December 2014, we are pleased to report that the Group has successfully launched the commodities trading business in December 2014.

Performance for the commodities trading business was satisfactory since its commencement in December 2014. It achieved turnover of HK$24.9 million from trading of copper.

IT Business

Service fee derived from the Group's enabling solutions and technical consultation on e-commerce integration and application customisation ("**IT Solution Services**") was the principal source of income for the IT business. For the six months ended 31 December 2014, lower demand on the Group's IT Solution Services was reported and turnover of the IT business was approximately HK$1.0 million.

CHANGE OF COMPANY NAME

During the six months ended 31 December 2014, for the purpose of refreshing the Company's corporate identity, the Company has changed its name from "DIGITALHONGKONG.COM 數碼香港" to "Global Strategic Group Limited 環球戰略集團有限公司".

LIQUIDITY AND FINANCIAL RESOURCES

We continue our conservative positioning in managing the Group's working capital and the Group remained debt-free as at 31 December 2014. As at 31 December 2014 and 30 June 2014, the Group's net current assets were approximately HK$33.7 million and HK$3.6 million respectively with cash on hand and at banks amounting to approximately HK$32.5 million and HK$2.9 million respectively.

During the six months ended 31 December 2014, the Group completed placing ("**First Placing**") of 30,000,000 shares of the Company at a price of HK$1.5 each in order to raise funds for the development of commodities trading business and for the Group's general working capital. The gross and net proceeds from the First Placing were approximately HK$45 million and HK$44 million respectively. Upon completion of the First Placing on 13 November 2014, the Company had an aggregate of 180,000,000 shares of HK$0.10 each in issue. As discussed in below section "Events after reporting period", the Group completed the Second Placing on 30 January 2015 in order to raise additional funds for the Possible Acquisition (as defined below), the commodities trading business as well as for the Group's general working capital.

As always, the Group implements tight control on its credit and collection policies and the Group has not experienced any significant bad debts in the past. The Group allows credit period ranging from 30 days to 180 days for its trade customers of IT business. For the commodities trading business, deposits are usually required and the remaining balance is usually receivable within 10 days after the customers have received all documents. There was HK$1.2 million outstanding trade receivables but no outstanding trade payables from the commodity trading business as at 31 December 2014.

PROSPECT

The Group is facing severe challenges on its IT business in light of the contraction in demand on the Group's IT Solution Services. The Group is not optimistic that its existing IT business will turnaround in the coming year. However, the Group may explore other IT business or investment opportunities which has earning potential. Given the challenging IT business environment, the Group endeavors to grow the commodities trading business by expanding its network of suppliers to ensure a stable supply of quality commodities, including but not limited to copper and nickel and developing its customer base with a view to achieve a sustainable long term growth in both financial and operating performance of the Group.

Looking ahead, the Group will continue to review its strategic directions and operations in order to chart its long term corporate strategy and growth and to explore other business or investment opportunities, including the Possible Acquisition as discussed in the below section "Events after reporting period" with a view to enhance the Group's future development.

EVENTS AFTER REPORTING PERIOD

Shares Subdivision

As disclosed in the Company's announcement and circular dated 16 December 2014 and 22 December 2014 respectively, the Company proposed to subdivide each existing issued and unissued share of the Company ("**Share(s)**") of HK$0.1 into 20 subdivided shares ("**Subdivided Share(s)**") of the Company of HK$0.005 each (the "**Share Subdivision**"). Upon the effective date of the Share Subdivision, the authorised share capital of the Company has become HK$80 million divided into 16,000,000,000 Subdivided Shares, of which 3,600,000,000 Subdivided Shares are in issue and fully paid or credited as fully paid. The board lot size of the Subdivided Shares for trading on the Stock Exchange has changed from 2,000 Shares to 10,000 Subdivided Shares. The Share Subdivision was approved by the shareholders of the Company at the Company's extraordinary general meeting held on 9 January 2015 and became effective on 12 January 2015.

Possible Acquisition

On 16 January 2015, the Company entered into the memorandum of understanding (the "**MOU**") with 宜昌中油天然氣利用有限公司 (Yichang Zhongyou Natural Gas Utilization Co., Ltd.) (the "**Target**"), 湖北天能天然氣利用有限責任公司 (Hubei Tianneng Natural Gas Utilization Co., Ltd.) (the "**Vendor**") and Mr. Xiong Songgan（熊崧淦）, the ultimate controlling shareholder of both the Target and the Vendor regarding the Company's intention to (i) acquire certain equity interests in the Target from the Vendor, being the holder of 80% equity interest in the Target; or (ii) establish a new entity in the People's Republic of China (the "**PRC**") with the Target or other PRC entities nominated by the Target (the "**Possible Acquisition**").

The Target is principally engaged in the investments in natural gas projects in Yichang City, Hubei Province, the PRC and holds certain natural gas supply projects relating to industrial parks in Yichang City. Both the Target and the Vendor are companies established in the PRC with limited liability.

Due diligence on the Target is in progress and details on the MOU and the Possible Acquisition were disclosed in the Company's announcement dated 16 January 2015. Further announcement in respect of the Possible Acquisition will be made by the Company as and when appropriate.

Second Placing

On 16 January 2015, the Company announced that it entered into a placing agreement with a placing agent, pursuant to which the Company has conditionally agreed to place, through the placing agent, on a best effort basis, of up to 360,000,000 new shares of the Company at a price of HK$0.354 each (the "**Second Placing**"). The Second Placing was completed on 30 January 2015 and the gross proceeds and net proceeds from the Second Placing were approximately HK$127.4 million and approximately HK$124.8 million respectively. The Board considers that the Second Placing represents an opportunity to raise additional funds for the Company for the Possible Acquisition and to further develop its commodities trading business. Following the effective date of the Share Subdivision on 12 January 2015 and the completion of the Second 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, Macau Pataca and United States dollars.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2014, the Group employed 20 staff members. 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. In recommending the remuneration of the directors, the committee will consider 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.

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

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE CODE

During the period, the Company complied with the code provisions of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and the above audited annual results of the Group for the period ended 31 December 2014.

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

Hong Kong, 16 February 2015

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, Mr. Leung Oh Man, Martin and Ms. Kwan Sin Yee.

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 and the Company's website at www.globalstrategicgroup.com.hk.