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華人策略控股有限公司

Chinese Strategic Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 8089)

**(I) FRAMEWORK AGREEMENT IN RELATION TO PROPOSED
SUBSCRIPTION OF CONVERTIBLE NOTES;
AND
(II) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 10 January 2014, 11 February 2014, 27 February 2014 and 3 April 2014 in relation to, among other things, a proposed very substantial acquisition of the Company.

THE FRAMEWORK AGREEMENT

On 9 April 2014, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with Well Target setting out the intention of the parties. Pursuant to the Framework Agreement, Well Target intends to procure NewCo or NewCo's intermediate holding company to issue the Convertible Notes, and the Subscriber intends to subscribe the Convertible Notes, at the CN Consideration of HK\$340,000,000. The Framework Agreement, save for the Exclusivity and the governing law provision thereunder, is not legally binding on Well Target and the Subscriber.

Pursuant to the Framework Agreement, the Subscriber and Well Target reached understanding that the CN Subscription, if proceeds to the entering of the Formal Agreement, shall be subject to, among other things, (a) the Business Restructuring involving (i) the incorporation of NewCo (and intermediate holding company of NewCo, if thought fit) as wholly-owned subsidiary of Well Target and (ii) the procurement by Well Target of HKE to lease, sub-lease and license the Land, all its other assets, interests, rights, authorisations, licenses and other properties to NewCo or NewCo's nominee up to 2051 at the license fee of HK\$1; and (b) the termination of the Leasing Agreement and the Revenue Apportionment Agreement. It is expected that after the Business Restructuring, the Hotel and Casino Business will be carried out by NewCo subject to the obtaining of all necessary consents, licenses and approvals with respect to the Hotel and Casino Business from the relevant authorities.

Assuming full conversion of the Convertible Notes, the Convertible Notes are convertible into 60% of the issued share capital of the Issuer as enlarged by the issue of the Issuer Conversion Shares upon conversion of the Convertible Notes in full.

GENERAL

Further announcement will be made upon execution of the Formal Agreement pursuant to the GEM Listing Rules.

Since the CN Subscription is subject to the entering into of the Formal Agreement, the CN Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares. If the Formal Agreement is entered into based on the terms of the Framework Agreement, Well Target will procure the termination of the Leasing Agreement and of the Revenue Apportionment Agreement. In any event, both the Leasing Agreement and the Revenue Apportionment Agreement will lapse if the conditions precedent to the Leasing Agreement have not been fulfilled by 5:00 p.m. on 30 June 2014.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 2 April 2014, pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 10 April 2014.

INTRODUCTION

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 10 January 2014, 11 February 2014, 27 February 2014 and 3 April 2014 in relation to, among other things, a proposed very substantial acquisition of the Company.

Following the review hearing held on 25 March 2014, the Company received a letter from the GEM Listing Committee on 1 April 2014 (after trading hours) stating that it has decided to uphold the decision of the Listing Division of the Stock Exchange that the proposed Investment would constitute a reverse takeover under Rule 19.06 of the GEM Listing Rules and the Company would be treated as if it were a new listing applicant under Rule 19.54 of the GEM Listing Rules if it proceeds with the proposed Investment.

As disclosed in the announcement of the Company dated 3 April 2014, the Company considered the effect of the outcome of the review on the proposed Investment and was in negotiation with the relevant parties to the proposed Investment. The Company has been evaluating the options available, including the feasibility of proceeding with the Investment under different structures and terms. Trading in the Shares remained suspended pending the release of this announcement.

On 9 April 2014, the Subscriber, a wholly-owned subsidiary of the Company, entered into the Framework Agreement with Well Target setting out the intention of the parties. Pursuant to the Framework Agreement, Well Target intends to procure NewCo or NewCo's intermediate holding company to issue the Convertible Notes, and the Subscriber intends to subscribe the Convertible Notes, at the CN Consideration of HK\$340,000,000. The Framework Agreement, save for the Exclusivity and the governing law provision thereunder, is not legally binding on Well Target and the Subscriber.

THE FRAMEWORK AGREEMENT

Date: 9 April 2014 (after trading hours)

Parties:

Gain Millennia Limited, a company of limited liability incorporated in the British Virgin Islands and is wholly-owned by the Company, as the intended subscriber of the Convertible Notes.

Well Target Limited, a company incorporated in the British Virgin Islands with limited liability, as the intended procuror of the Convertible Notes.

The Framework Agreement sets out the following intended principal terms for the issue and subscription of the Convertible Notes.

The proposed CN Subscription

Pursuant to the Framework Agreement, the Subscriber and Well Target reached understanding that the proposed CN Subscription, if proceeds to the entering of the Formal Agreement, shall be subject to, among other things, (a) the Business Restructuring involving (i) the incorporation of NewCo (and intermediate holding company of NewCo, if thought fit) as wholly-owned subsidiary of Well Target and (ii) the procurement by Well Target of HKE to lease, sub-lease and license the Land, all its other assets, interests, rights, authorisations, licenses and other properties to NewCo or NewCo's nominee up to 2051 at the license fee of HK\$1; and (b) the termination of the Leasing Agreement and the Revenue Apportionment Agreement. It is expected that after the Business Restructuring, the Hotel and Casino Business will be carried out by NewCo subject to the obtaining of all necessary consents, licenses and approvals with respect to the Hotel and Casino Business from the relevant authorities.

Assuming full conversion of the Convertible Notes, the Convertible Notes are convertible into 60% of the issued share capital of the Issuer as enlarged by the issue of the Issuer Conversion Shares upon conversion of the Convertible Notes in full.

The Convertible Notes

Set out below are the intended principal terms of the Convertible Notes:

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| Issuer of the Convertible Notes: | the Issuer |
| Principal amount: | HK\$340,000,000 |
| Maturity Date: | 10 years from the date of (first) issue |
| Coupon rate: | the Convertible Notes shall bear a coupon rate of 3% per annum |
| Issuer Conversion Shares: | Upon full conversion, the Convertible Notes would be converted into shares representing 60% of the enlarged issued share capital of the Issuer |
| Early redemption: | the Subscriber or subsequent holder(s) of the Convertible Notes has the right to request for early redemption of the Convertible Notes |

Option for further subscription of convertible notes:

the Subscriber or subsequent holder(s) of the Convertible Notes shall have option to subscribe at a consideration not more than HK\$225,000,000 another convertible note to be issued by the Issuer which upon full conversion, would be converted into Further Issuer Conversion Shares, in aggregate with the Issuer Conversion Shares which may be issued upon the exercise of the conversion rights attached to the Convertible Notes in full, representing not less than 98% of the entire (enlarged) issued share capital of the Issuer. The option shall be exercisable by the Subscriber or the subsequent holder(s) of the Convertible Notes at its discretion

For the avoidance of the doubt, the exercise of conversion right and/or the option for further subscription of convertible note(s) attaching to the Convertible Notes may only be exercised by the Subscriber or subsequent holder(s) of the Convertible Notes.

Consideration

The Subscriber intends to settle the CN Consideration, in the aggregate sum of HK\$340,000,000, in accordance with the following mode and manner:

- (a) the CN Initial Deposit of HK\$116,638,010 be settled and discharged by Well Target's procuring HKE to transfer the refundable deposit paid to HKE by the Subscriber under the Leasing Agreement without any recourse by or to any parties to the Leasing Agreement;
- (b) the CN Further Deposit of HK\$63,361,990 be settled by the Subscriber in such mode and manner as mutually agreed by the Issuer and the Subscriber within 2 months of the execution of the Framework Agreement or upon execution of the Formal Agreement (whichever shall be the earlier); and
- (c) the balance of the CN Consideration, in the sum of HK\$160,000,000, be settled by the Subscriber in such mode and manner as mutually agreed by the Issuer and the Subscriber at the Completion.

It is intended that the CN Initial Deposit and the CN Further Deposit should be applied towards part payment of the CN Consideration at Completion, but shall be refunded to the Subscriber (i) if any of the conditions precedent set out in the Formal Agreement are not satisfied or fulfilled (or waived, as appropriate) by the Long Stop Date; (ii) if no Completion takes place according to the agreed schedule set out in the Formal Agreement; or (iii) under such other circumstances specified in the Formal Agreement.

Principal conditions precedent

It is intended that Completion should take place on the fifth Business Day following the date when the conditions precedent, including the following principal conditions precedent, are fulfilled (or waived, if applicable) or such other date as agreed by Well Target, the Issuer, the Subscriber and such other relevant parties (if any) in writing:

- (1) the business restructuring of the Well Target Group, that is (i) the incorporation of NewCo (and intermediate holding company of NewCo, if thought fit) as wholly-owned subsidiary of Well Target and (ii) the procurement by Well Target of HKE to transfer the Hotel and Casino Business to NewCo by leasing, sub-leasing and licensing the lands, all its other assets, interests, rights, authorisations, licences and other properties to NewCo or NewCo's nominees up to 2051 at the license fee of HK\$1 ("**Business Restructuring**") having been completed;
- (2) the Subscriber and the Company having obtained all necessary consents and approval with respect to the CN Subscription (including approval by the Shareholders as well as approval of regulatory authorities, if required);
- (3) NewCo having obtained the necessary consents, licences and approvals with respect to the Hotel and Casino Business from the relevant authorities and such consents, licences and approvals not having been revoked, cancelled or suspended;
- (4) the Subscriber being reasonably satisfied with the results of the due diligence review on the legal, financial and other relevant respects of NewCo, those of Well Target and those of such other relevant parties;
- (5) an attorney or a firm of solicitors of each of Hong Kong and CNMI having issued a legal opinion (in form and substance satisfactory to the Subscriber) on (as the case may be) (i) the legality and validity of the issue/subscription of the Convertible Notes; (ii) the legality and validity of the Hotel and Casino Business including the leasing of the same by HKE to NewCo; and (iii) such other matters as the Subscriber deems fit and appropriate;
- (6) the proposed CN Subscription by the Subscriber and the receipt of the interest on the Convertible Notes at the coupon rate of 3% shall not trigger a very substantial acquisition or a reverse takeover of the Company;
- (7) the Leasing Agreement and the Revenue Apportionment Agreement having been terminated;
- (8) the representations and warranties given by the Issuer and Well Target remaining true and accurate in all respects; and
- (9) such other conditions as may be reasonably required by the Subscriber.

If any of the conditions precedent, including the above principal conditions precedent, has not been fulfilled (or waived, if applicable) prior to the Long Stop Date, then the Formal Agreement will immediately terminate.

EXCLUSIVITY

The Subscriber shall enjoy exclusivity with respect to, *inter alia*, the CN Subscription from the time of execution of the Framework Agreement up to and including 31 May 2014 (both days inclusive), and Well Target shall not, and shall procure its subsidiaries (including without limitation, HKE and the Issuer) not to, negotiate, prepare, execute or otherwise involve in any agreement or in any form of contact or discussion with any party other than the Subscriber or its nominee for, in relation to or in connection with (i) the leasing, sub-leasing, licensing, sub-licensing, sale, assignment, transfer or other disposal of any equity and/or interests in Well Target or any of its subsidiaries and/or any direct or indirect interest in the Lands or the Hotel and Casino Business, or (ii) any transaction resembling, similar to, identical to or comparable with the CN Subscription (collectively, the “**Exclusivity**”), in each case, except as contemplated in the Framework Agreement. The Exclusivity shall be valid and binding up to 31 May 2014.

OTHER TERMS OF THE FRAMEWORK AGREEMENT

It is also intended that:

- (i) the Formal Agreement of and concerning the CN Subscription and the transactions contemplated thereunder should be executed on or before 30 May 2014.
- (ii) Well Target should procure (i) the termination of the Leasing Agreement and of the Revenue Apportionment Agreement, and (ii) HKE to transfer the refundable deposit made to HKE by the Subscriber under the Leasing Agreement prior to the execution of the Formal Agreement.
- (iii) Well Target should revoke the option previously granted to the Subscriber for subscription of up to 75% in aggregate of the entire issued share capital in Well Target.

NON-BINDING EFFECT

Save for the Exclusivity and the governing law provision under the Framework Agreement, which are legally binding on the Subscriber and Well Target, the Framework Agreement only serves as an indication of intention which is not intended to be exhaustive and is not legally binding upon the Subscriber and Well Target unless and until a Formal Agreement has been entered into by the relevant parties and the proposed structure of the CN Subscription set out in the Framework Agreement is subject to clearance by the Stock Exchange.

INFORMATION ON HOTEL AND CASINO

Opened since April 1998, the Hotel is the one and only hotel on Tinian Island with the one and only casino in whole of CNMI.

The Hotel has total 404 guest rooms including 22 executive suites and 2 presidential suites. The Hotel also features 5 restaurants of choices of Japanese, traditional Cantonese, Korean and western style cuisines, and recreational facilities such as swimming pool and beach.

The Casino is now operating about 40 tables of mostly Baccarat and Blackjack. There are also around 50 slot machines.

INFORMATION ON WELL TARGET GROUP

Well Target Limited is a company incorporated in the British Virgin Islands with limited liability, with an authorised share capital of 10,000 shares of US\$1 each, 2,500 of which have been issued and fully paid as at the date of this announcement. Well Target is an investment holding company as at the date of this announcement.

As at the date of this announcement, Well Target is interested in the entire issued share capital of MSOL, which is the sole legal and beneficial owner of 99.99% of the issued share capital of TDIL. TDIL is the sole and beneficial owner of the entire issued share capital of HKE, the principal business of which is the operation of the Hotel and the Casino.

GENERAL

Further announcement will be made upon execution of the Formal Agreement pursuant to the GEM Listing Rules.

Since the CN Subscription is subject to the entering into of the Formal Agreement, the CN Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares. If the Formal Agreement is entered into based on the terms of the Framework Agreement, Well Target will procure the termination of the Leasing Agreement and of the Revenue Apportionment Agreement. In any event, both the Leasing Agreement and the Revenue Apportionment Agreement will lapse if the conditions precedent to the Leasing Agreement have not been fulfilled by 5:00 p.m. on 30 June 2014.

SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares has been suspended with effect from 9:00 a.m. on 2 April 2014, pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares with effect from 9:00 a.m. on 10 April 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

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| “Board” | the board of Directors |
| “Business Day” | a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) |
| “Business Restructuring” | has the meaning ascribed to it in this announcement |
| “Casino” | the casino part of the Tinian Dynasty Hotel & Casino |
| “CN Consideration” | the sum of HK\$340,000,000 intended to be paid by the Subscriber to HKE for the CN Subscription |
| “CN Further Deposit” | the amount of HK\$63,361,990 intended to be settled by the Subscriber in such mode and manner as mutually agreed by Well Target and the Subscriber upon execution of the Formal Agreement and shall form part of the CN Consideration |
| “CN Initial Deposit” | the amount of HK\$116,638,010 intended to be settled and discharged by Well Target’s procuring HKE to transfer the refundable deposit made to HKE by the Subscriber under the Leasing Agreement and shall form part of the CN Consideration |
| “CNMI” | the Commonwealth of Northern Mariana Islands |
| “CN Subscription” | the subscription of the Convertible Notes in the principal amount of HK\$340,000,000 from the Issuer pursuant to the Formal Agreement |
| “Company” | Chinese Strategic Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Growth Enterprise Market of the Stock Exchange |
| “Completion” | completion of the CN Subscription pursuant to the Formal Agreement |
| “Convertible Notes” | the convertible notes in the principal amount of HK\$340,000,000 intended to be issued by the Issuer to the Subscriber pursuant to the Formal Agreement |

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| “Director(s)” | the director(s) of the Company |
| “Formal Agreement” | the formal agreement to be entered into by the Subscriber, the Issuer and Well Target in relation to the CN Subscription |
| “Framework Agreement” | the framework agreement dated 9 April 2014 entered into by the Subscriber and Well Target in relation to, among other things, the CN Subscription. Save for the Exclusivity and the governing law provision thereunder, the Framework Agreement is not legally binding on Well Target and the Subscriber |
| “Further Issuer Conversion Share(s)” | new share(s) of the Issuer to be further issued by the Issuer upon the exercise of the conversion right attaching to further convertible note(s) that is issued as a result of the exercise of the option for subscription of such attaching to the Convertible Notes |
| “GEM Listing Committee” | the listing committee of the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange |
| “Group” | the Company and its subsidiaries |
| “HKE” | Hong Kong Entertainment (Overseas) Investments Limited, a company of limited liability incorporated in CNMI and wholly-owned by TDIL |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Hotel” | the hotel part of the Tinian Dynasty Hotel & Casino |
| “Hotel and Casino Business” | the business of the Hotel and the Casino |
| “Hotel & Casino Lease” | the Subscriber’s sub-leasing of the Hotel and the Casino back to the HKE |
| “Investment” | the Land Lease, Hotel & Casino Lease under the Leasing Agreement and the revenue apportionment under the Revenue Apportionment Agreement |
| “Issuer” | NewCo or its intermediate holding company, intended to be incorporated as wholly-owned subsidiary of Well Target |

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| “Issuer Conversion Share(s)” | new share(s) of the Issuer to be issued by the Issuer upon the exercise of the conversion right attached to the Convertible Notes |
| “Land” | together, Land A, Land B, Land C, Land D, Land E, Land F and Land G |
| “Land A” | Lot No. 035 T 03 containing an area of 25,143 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 035 T 00, the original of which was recorded with the Land Registry, Saipan, CNMI on March 8, 1976 as Document No. 5134 |
| “Land B” | Lot No. 035 T 09 containing an area of 24,599 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 035 T 00, the original of which was recorded with the Commonwealth Recorder’s Office, Saipan, CNMI on March 8, 1976 as Document No. 5134 |
| “Land C” | Lot No. 035 T 14 (formerly a part of original Lot No. 035 T 07) containing an area of 7,500 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 035 T 01, the original of which was recorded with the Commonwealth Recorder’s Office, Saipan, CNMI on June 19, 1984 as File No. 84-950 |
| “Land D” | Lot No. 035 T 15 (formerly a part of original Lot No. 035 T 07) containing an area of 17,500 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 035 T 01, the original of which was recorded with the Commonwealth Recorder’s Office, Saipan, CNMI on June 19, 1984 as File No. 84-950 |
| “Land E” | Lot No. 035 T 16 (formerly a part of original Lot No. 035 T 08) containing an area of 10,000 square meters, more or less, as more particularly described on Drawing/Cadastral Plat 035 T 01, the original of which was recorded with the Commonwealth Recorder’s Office, Saipan, CNMI on June 19, 1984 as File No. 84-950 |
| “Land F” | Lot No. 035 T 17 (formerly a part of original Lot No. 035 T 08) containing an area of 15,000 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 5009/89, the original of which was recorded with the Commonwealth Recorder’s Office, Saipan, CNMI on April 5, 1989 as Document No. 89-1048 |

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| “Land G” | Lot No. 119 T 01 containing an area of 25,315 square meters, more or less, as more particularly described on Drawing/Cadastral Plat No. 119 T 00, the original of which was recorded with the Land Registry, Saipan, CNMI on July 7, 1976 as Document No. 5310 |
| “Land Lease” | HKE’s leasing of the Land to the Subscriber under the Leasing Agreement |
| “Leasing Agreement” | the leasing agreement dated 9 January 2014 entered into by HKE, the Subscriber, MSOL and TDIL in relation to, among other things, the Land Lease and Hotel & Casino Lease, details of which are set out in the announcement of the Company dated 27 February 2014 |
| “Long Stop Date” | the long stop date to be agreed in the Formal Agreement |
| “MSOL” | Mega Stars Overseas Limited, a company of limited liability incorporated in the British Virgin Islands |
| “NewCo” | a new company intended to be incorporated in the British Virgin Islands or CNMI under the Business Restructuring |
| “Revenue Apportionment Agreement” | the revenue apportionment agreement dated 9 January 2014 entered into by the HKE, the Subscriber, MSOL and TDIL in relation to, among other things, the revenue apportionment, details of which are set out in the announcement of the Company dated 27 February 2014 |
| “Share(s)” | ordinary share(s) of HK\$0.001 each in the share capital of the Company as at the date of this announcement |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Gain Millennia Limited, a company of limited liability incorporated in the British Virgin Islands and is wholly-owned by the Company |
| “TDIL” | Tinian Dynasty Investments Limited, a company of limited liability incorporated in the British Virgin Islands |
| “Well Target” | Well Target Limited, a company incorporated in the British Virgin Islands with limited liability and is the sole legal and beneficial owner of 100% of the share capital of MSOL |
| “Well Target Group” | collectively, Well Target, MSOL, TDIL, HKE as at the date of this announcement, together with NewCo and possibly an intermediate holding Company following the completion of the Business Restructuring |

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| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “US\$” | United States dollar(s), the lawful currency of the United States of America |
| “%” | per cent. |

By Order of the Board
Chinese Strategic Holdings Limited
Lam Kwok Hing Wilfred
Chairman and Executive Director

Hong Kong, 9 April 2014

As at the date hereof, the Company’s executive Directors are Mr. Lam Kwok Hing Wilfred, J.P., (Chairman) and Ms. Chan Shui Sheung Ivy; and the independent non-executive Directors are Ms. Yuen Wai Man, Mr. Wang Chin Mong and Mr. Chow Fu Kit Edward.

This announcement, for which the Directors 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 that there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcement” page of the GEM website at www.hkgem.com for at least 7 days and the Company website at www.chinesestrategic.com from the date of its publication.