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**(I) SECOND SUPPLEMENTAL PLACING AGREEMENT
IN RELATION TO
PLACING OF CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE AND
PLACING OF OPTIONS TO SUBSCRIBE FURTHER
CONVERTIBLE BONDS UNDER SPECIFIC MANDATE; AND
(II) RESUMPTION OF TRADING**

References are made to the announcements of Chinese Strategic Holdings Limited (the “**Company**”) (the “**Announcements**”) dated 2 March 2016 and 31 March 2016 in relation to, among other things, the Placing. Unless otherwise defined, words and expressions used herein shall have the same meanings as those defined in the Announcements.

(I) SECOND SUPPLEMENTAL PLACING AGREEMENT

On 2 June 2016 (after trading hours), the Company and the Placing Agent entered into a second supplemental placing agreement (the “**Second Supplemental Placing Agreement**”) to supersede the Placing Agreement (as revised and supplemented by the Supplemental Placing Agreement) in entirety.

Upon arm’s length negotiation between the Company and the Placing Agent, the Company resolved to cancel the placing of the Options under the Option Placing and the subscription of the Further CBs. As such, pursuant to the Second Supplemental Placing Agreement, the Company shall not issue, and the Placing Agent shall not have to place the First CBs, any Options or any Outstanding Options whatsoever. And only the placing of the convertible bonds (the “**New CB(s)**”) which has the same principal terms of the First CBs (the “**New CB Placing**”) will be conducted.

All terms and conditions of the Options, Option Placing, Further CBs and the relevant contents are not included in the Second Supplemental Placing Agreement. Due to the change of the aforementioned, certain relevant major terms contained in the Placing Agreement (as revised and supplemented by the Supplemental Placing Agreement) are revised as follows:

Overall Completion Date

Pursuant to the Second Supplemental Placing Agreement, Overall Completion Date shall refer to “30 September 2016 (or such later time as the Parties may agree in writing)”.

Specific Date

Pursuant to the Second Supplemental Placing Agreement, the specific date (the “**Specific Date**”) shall refer to *“the Business Day which immediately follows the SGM”*.

New CB Placing

Subject to approval of the Specific Mandate at the SGM, the Company shall issue the New CBs as soon as practicable after the Specific Date.

Placing Period

Pursuant to the Second Supplemental Placing Agreement, the placing period (the “**Placing Period**”) shall be *“the period commencing on the Specific Date and end on the day falling on the expiration of one month thereafter and if such day is not a Business Day, then on the next Business Day which immediately follows (both days inclusive), or such later time and date as the Parties may otherwise agree in writing, unless terminated earlier pursuant to the terms of the Second Supplemental Placing Agreement”*.

Conversion Shares

Pursuant to the Second Supplemental Placing Agreement, the conversion shares (the “**Conversion Shares**”) shall refer to *“the maximum of 1,000,000,000 new Shares to be allotted and issued by the Company upon conversion of the New CBs”*.

Conditions precedent of the New CB Placing

Pursuant to the Second Supplemental Placing Agreement, conditions precedent of the New CB Placing are as follows:

Commencement and conduct of the New CB Placing shall be subject to the Shareholders having passed the requisite resolutions to approve (i) the New CB Placing; (ii) the issuance of the New CBs; and (iii) the issuance and allotment of the Conversion Shares at the SGM. Further, the completion of each Tranche in the New CB Placing shall be conditional upon:

- (a) the Placing Period not having expired;
- (b) the Placing Agent having successfully procured the Placee(s) to subscribe not less than HK\$500,000 in principal amount of the New CBs (or any multiple thereof);
- (c) the Company’s compliance with, and procurement for the compliance with, all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for approval of the New CB Placing and issuance of the New CBs and for the listing of and permission to deal in the Conversion Shares to be issued by the Company on the exercise of conversion rights under the New CBs and ensure the continued compliance thereof (provided in each case that the Placee(s) complies with and satisfies all such conditions); and
- (d) the warranties of the Company under the Second Supplemental Placing Agreement are, and shall remain, valid, binding and effective.

Apart from the condition precedent (d) above, none of the other conditions precedent set out above can be waived by the Placing Agent.

Pursuant to the Second Supplemental Placing Agreement, if any of the conditions precedent apart from (d) as set out above are not, or cannot be, fulfilled prior to the Business Day immediately before the scheduled date of completion of a particular Tranche, the completion of the Tranche of the New CB Placing concerned shall be postponed to a later Business Day as may be agreed between the Placing Agent and the Placee(s) concerned, but failing such agreement, completion of the Tranche of the New CB Placing concerned shall be cancelled without any recourse to the Company.

Save for the abovementioned, all other major terms and conditions set out in the Placing Agreement (as revised and supplemented by the Supplemental Placing Agreement) remain unchanged.

Information on the New CBs

The principal terms of the New CBs are the same with those of the First CBs, which are set out in the section headed “INFORMATION ON THE FIRST CB” on pages 8 to 11 of the announcement of the Company dated 2 March 2016.

Further details of the New CB Placing will be disclosed in the circular to be despatched by the Company in relation to the New CB Placing.

The Directors are of the view that the entering into of the Second Supplemental Placing Agreement has no material adverse impact on the business operation and financial position of the Group.

(II) RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Friday, 3 June 2016 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 6 June 2016.

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

Hong Kong, 3 June 2016

As at the date hereof, the Company's executive directors are Mr. Lam Kwok Hing Wilfred, J.P., (Chairman), Ms. Chan Shui Sheung Ivy and Mr. Mok Tsan San; 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 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 of the Company, 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.