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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE ACQUISITION

This is a voluntary announcement made by Chinese Strategic Holdings Limited (the “**Company**”).

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce on 5 February 2020, Magic Red Limited (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, entered into a memorandum of understanding (the “**MOU**”) with the vendors (the “**Vendors**”) in relation to the possible acquisition of the entire issued share capital of the Target Company.

THE MOU

Date: 5 February 2020

Parties: (1) the Purchaser; and

(2) the Vendors, legal and beneficial owner hold entire issued share capital of the target company (the “**Target Company**”)

The Vendors and the Purchaser are hereinafter collectively be referred to as the “**Parties**”.

To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Vendors and the Target Company are independent third parties of the Company and its connected persons.

Assets intended to be acquired

As at the date of this announcement, the Vendors beneficially own the entire equity interests of the Target Company. The Purchaser intends to acquire 100% of the equity interests in the Target Company (the “**Possible Acquisition**”).

Reasons for the Possible Acquisition

The Group is principally engaged in businesses of properties investments, securities trading, loan financing and trading business. The Company explores business opportunities in different sectors in order to broaden the revenue stream of the Group and seek suitable investment opportunities from time to time to diversify its existing business portfolio.

The Target Company is principally engaged in business of inbound tour and travel related services with over 30 years history in Hong Kong and greater China region. The Target Company recorded a revenue for the year ended 31 March 2018 amounted to approximately to HK\$290,348,000 and approximately HK\$12,428,000 in profit before tax, therefore, the Board believes that the Target Company is able to enhance competitiveness and profitability of the Group.

Furthermore, the Directors consider that the Possible Acquisition, if materialises, represents a good opportunity for the Group to expand its business and to maximise the return of the shareholders and to provide a capital appreciation potential to the Group.

In view of the above, the Directors consider that the terms of the MOU are fair and reasonable and the Possible Acquisition is in the interests of the Company and the shareholders as a whole.

Due diligence review

Immediately upon execution of the MOU, the Target Company shall cooperate in good faith with the Purchaser and its representatives in connection with standard due diligence investigation and the Purchaser shall procure its adviser and agent to conduct reasonable due diligence deemed to be appropriate by itself on the assets, liabilities, operation and matters of the Target Company including but not limited to legal, financial and business area.

Exclusivity

During the period immediately upon signing of the MOU up to and including 14 February 2020 (or such other date as agreed between the Purchaser and the Vendors in writing), the Vendors shall not directly or indirectly negotiate or agree with any other party with respect to the disposal of its shares.

GENERAL

If the Possible Acquisition materialises, it might constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. Further announcement(s) will be made by the Company regarding the Possible Acquisition as and when appropriate in compliance with the GEM Listing Rules.

Given that the Possible Acquisition may or may not materialise, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 February 2020

As at the date hereof, the executive Directors are Ms. Chan Shui Sheung Ivy and Mr. Mok Tsan San; the non-executive Director is Mr. Lam Kwok Hing Wilfred, J.P., (Chairman); and the independent non-executive Directors are Ms. Yuen Wai Man, Mr. Chow Fu Kit Edward and Mr. Lam Raymond Shiu Cheung.

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 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 Listed Company Information” 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.