

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.*



華人策略控股有限公司

Chinese Strategic Holdings Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8089)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



### **THE PLACING**

On 20 June 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure not less than six Placées on a best efforts basis to subscribe for up to 40,000,000 Placing Shares at the Placing Price of HK\$1.68 per Placing Share during the period commencing from the date of the Placing Agreement to the date before the Long Stop Date.

Up to 40,000,000 Placing Shares under the Placing represent (i) approximately 19.34% of the total number of Shares as at the date of this announcement; and (ii) approximately 16.21% of the total number of Shares as enlarged by the Placing, assuming no further change in the shareholding structure of the Company prior to the Completion Date. The aggregate nominal value of the Placing Shares under the Placing will be HK\$400,000.

The Placing Price of HK\$1.68 per Placing Share represents (i) a discount of approximately 10.16% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on 20 June 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 13.49% to the average closing price of approximately HK\$1.942 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. Application will be made by the Company to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

The maximum gross proceeds from the Placing will be HK\$67,200,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$65,000,000 which will be used for (i) approximately HK\$14,400,000, HK\$2,400,000, HK\$1,380,000, HK\$3,420,000 and HK\$8,400,000 for the Group's general working capital of staff cost, rent and rate, utilities and other expenses, professional fee and loan interest and instalment, respectively; (ii) approximately HK\$25,000,000 for relief of the liabilities of the Group; and (iii) approximately HK\$10,000,000 for potential investment in financial assets and property if such opportunity arises.

**Completion is conditional upon the satisfaction or fulfilment of the conditions in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

On 20 June 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure not less than six Placées on a best efforts basis to subscribe for up to 40,000,000 Placing Shares at the Placing Price of HK\$1.68 per Placing Share during the period commencing from the date of the Placing Agreement to the date before the Long Stop Date.

## **THE PLACING AGREEMENT**

**Date:** 20 June 2018 (after trading hours)

**Parties:** (i) the Company, as issuer; and  
(ii) I Win Securities Limited, as the Placing Agent.

(each a "**Party**", and collectively, the "**Parties**")

Subject to completion of the Placing Agreement, the Company shall pay to the Placing Agent a placing commission, in Hong Kong dollars, of 3% of the amount which is equal to the Placing Price multiplied by the number of the Placing Shares. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent under normal commercial terms and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors are of the view that the placing commission of 3% is fair and reasonable.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

### **Placees**

The Placing Shares will be placed to not less than six Placees who are professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement.

### **Number of Placing Shares**

Up to 40,000,000 Placing Shares under the Placing represent (i) approximately 19.34% of the total number of Shares as at the date of this announcement; and (ii) approximately 16.21% of the total number of Shares as enlarged by the Placing, assuming no further change in the shareholding structure of the Company prior to the Completion Date.

The aggregate nominal value of the Placing Shares under the Placing will be HK\$400,000.

### **Issuance of Placing Shares**

The Company shall issue and allot the Placing Shares subject to the bye-laws for the time being of the Company by utilising the General Mandate free and clear from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching thereto as at the Completion Date, including the right to receive all future dividends and other distributions thereafter declared, made or paid on the Shares.

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Placing Price**

The Placing Price of HK\$1.68 per Placing Share represents (i) a discount of approximately 10.16% to the closing price of HK\$1.87 per Share as quoted on the Stock Exchange on 20 June 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 13.49% to the average closing price of approximately HK\$1.942 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net placing price under the Placing is approximately HK\$1.625 per Placing Share.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price and the recent trading performance of the Shares, is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Placing**

The Placing is conditional upon the following conditions being fulfilled on or before the Long Stop Date:

- (A) the passing by the Board of resolutions to approve the Placing Agreement and the transactions contemplated thereunder;
- (B) the GEM Listing Committee having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (C) the Placing Agreement not having been terminated in accordance with its terms.

The Company shall use its best endeavours to procure the fulfillment of the abovementioned conditions and in the event the abovementioned conditions are not fulfilled by the Long Stop Date (or such later date as may be agreed between the Company and the Placing Agent in writing), the Placing Agreement shall terminate and all rights, obligations and liabilities of the Parties shall cease and determine and the Placing Agent shall be released from all obligations pursuant to the Placing Agreement and neither of the Parties shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

## **Application for listing**

Application will be made by the Company to the GEM Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

## **Completion of the Placing**

Completion of the Placing Agreement shall take place on the Completion Date.

## **General Mandate to issue the Placing Shares**

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 41,355,502 Shares. As at the date of this announcement, no new Shares have been issued under the General Mandate since its grant. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to approximately 96.72% upon the allotment and issue of all the Placing Shares.

## **Termination**

Notwithstanding anything contained in the Placing Agreement to the contrary, the Placing Agent shall be entitled by notice in writing to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if any Specified Event comes to the notice of the Placing Agent.

If notice is given pursuant to the above paragraph, the Placing Agreement shall terminate and be of no further effect and neither Party shall be under any liability to the other Party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in businesses of properties investments, securities trading, loan financing and tea leaves business.

The maximum gross proceeds from the Placing will be HK\$67,200,000. The maximum net proceeds from the Placing (after deducting the commission payable to the Placing Agent, professional fees and other related costs and expenses incurred in the Placing) will be approximately HK\$65,000,000 which will be used for (i) approximately HK\$14,400,000, HK\$2,400,000, HK\$1,380,000, HK\$3,420,000 and HK\$8,400,000 for the Group's general working capital of staff cost, rent and rate, utilities and other expenses, professional fee and loan interest and instalment, respectively; (ii) approximately HK\$25,000,000 for relief of the liabilities of the Group; and (iii) approximately HK\$10,000,000 for potential investment in financial assets and property if such opportunity arises.

The Directors are of the view that (i) the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent; (ii) the Placing will enlarge the shareholder base and the capital base of the Company; and (iii) the net proceeds of the Placing will strengthen the financial position of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of the initial announcement	Event	Net proceeds ( <i>approximately</i> )	Intended use of proceeds	Actual use of proceeds
29 January 2018	Placing of new Shares under specific mandate	HK\$154 million	As to (i) approximately HK\$60 million for the Company's general working capital; (ii) approximately HK\$75 million for relief of the liabilities of the Group; and (iii) approximately HK\$19 million for the expansion of the money lending business of the Group and possible investment in the future when opportunities arise.	Not applicable as the placing was lapsed as announced on 29 March 2018.
17 October 2017	Placing of new Shares under general mandate	HK\$26.7 million	As general working capital of the Group.	As to (i) approximately HK\$7,200,000 for the settlement of short-term borrowings and interest payments; and (ii) approximately HK\$19,679,000 for the staff cost and other administrative expenses of the Group.

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing Agreement are set out below for illustration purposes:

	As at the date of this announcement		Immediately upon completion of the Placing Agreement (assuming all the Placing Shares are fully placed)	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Ms. Chan Shui Sheung Ivy ( <i>Note</i> )	9,000	0.0044	9,000	0.0037
The Placees	–	–	40,000,000	16.2089
Other public Shareholders	206,768,513	99.9956	206,768,513	83.7874
<b>Total</b>	<b>206,777,513</b>	<b>100.0000</b>	<b>246,777,513</b>	<b>100.0000</b>

*Note:* As at the date of this announcement, Ms. Chan Shui Sheung Ivy, an executive Director, is beneficially interested in 9,000 Shares.

**Completion is conditional upon the satisfaction or fulfilment of the conditions in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours

“Company”	Chinese Strategic Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on GEM
“Completion Date”	the third Business Day following the day on which the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Parties)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Board pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 3 May 2018 to allot, issue and deal with Shares up to 20% of the then issued share capital of the Company (being 206,777,513 Shares) as at the date of passing such resolution, which is equivalent to 41,355,502 Shares
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	10 July 2018 or such later date as the Company and the Placing Agent may agree in writing
“Placee(s)”	any professional institutional or other investor independent of and not connected with the Company, the connected persons of the Company and their respective associates procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement



“Placing”	the placing of the Placing Shares by the Placing Agent on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	I Win Securities Limited, a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out regulated activities type 1 (dealing in securities) under and pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a conditional placing agreement dated 20 June 2018 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.68 per Placing Share
“Placing Shares”	a total of up to 40,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary shares of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Specified Event”	an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations contained in the clause relating to warranties and undertakings given by the Company untrue or incorrect and such would have an adverse impact or effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 20 June 2018

*As at the date hereof, the 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. 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 Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days and the Company website at [www.chinesestrategic.com](http://www.chinesestrategic.com) from the date of its publication.*