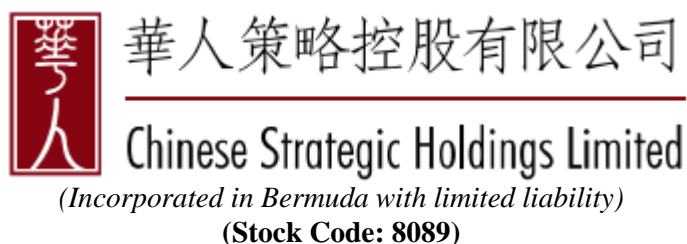


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VOLUNTARY ANNOUNCEMENT IN RELATION TO UPDATE ON THE STATUS OF INVESTMENT IN HOTEL-CASINO COMPLEX

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

References are made to (i) 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; (ii) the announcements of the Company dated 9 April 2014, 5 June 2014 and 28 June 2014 in relation to, among other things, the entering into of the Framework Agreements; (iii) the announcements of the Company dated 18 July 2014, 27 August 2014 and 8 October 2014 in relation to, among other things, the Agency Agreement; (iv) the announcements of the Company dated 17 December 2014 and 8 January 2015 in relation to, among other things, the settlement arrangement regarding the Rental Prepayment; and (v) the announcements of the Company dated 7 April 2016, 29 April 2016 (the “**Announcement**”) and 29 June 2016 in relation to, among other things, the restructuring of the Hotel-Casino Complex. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

THE 2017 FRAMEWORK AGREEMENT

On 15 August 2017 (after trading hours), GML entered into a non-legally binding framework agreement (the “**2017 Framework Agreement**”) with HKE (as the landlord), Tinian Entertainment Company Limited (the “**Lessee**”), MSOL (as the first guarantor) and Well Target Limited (“**Well Target**”, as the second guarantor). As set out in the 2017 Framework Agreement, a formal leasing agreement (the “**2017 Leasing Agreement**”) will be entered into, the major terms of which are as follows.

HKE shall lease the Land to the Lessee (the “**Lease**”). The term of the Lease (the “**Lease Term**”) shall be 15 years commencing from 1 December 2017 to 30 November 2032, with the first six months being the rent-free period. The annual rent for the first to the fifth year of the Lease Term shall be US\$2,400,000 with that for the sixth year being US\$3,000,000. The annual rent shall be increased by 3% each year thereafter until the expiry of the Lease Term. The Lessee is entitled to renew the Lease for another 5 years upon expiry of the Lease Term.

According to the default judgment ordered by the superior court for CNMI, HKE shall pay to GML the total sum of approximately US\$22,471,644, which includes the Rental Prepayment of HK\$151,638,010 and other outstanding liabilities (the “**HKE Outstanding Amount**”). HKE also owes GML an amount of US\$384,615 for MSOL’s share of office rental in Hong Kong as set out in the 2017 Framework Agreement.

The parties to the 2017 Leasing Agreement agree that HKE shall utilise the rent to repay the HKE Outstanding Amount and other liabilities as set out in the 2017 Framework Agreement to GML and other creditors on a fair and reasonable basis in accordance with the signed priority order, in installments and on a pro rata basis upon settlement of external liabilities of superior priority by HKE as mentioned below.

Pursuant to the 2017 Framework Agreement, on the date of the 2017 Leasing Agreement, each of MSOL, the first guarantor, and Well Target, the second guarantor, shall sign a deed of guarantee in the amount of US\$22,471,644 in favour of GML (the “**Deed of Guarantee**”). Save for the breach of terms of the 2017 Leasing Agreement by other parties thereof, GML undertakes that upon receipt of the Deed of Guarantee it will not collect the HKE Outstanding Amount from HKE nor take any legal actions against HKE to collect the HKE Outstanding Amount prior to the earlier of (i) termination of the Lease; (ii) expiration of the Lease Term (excluding any renewed Lease following the expiry of the Lease Term); or (iii) incomplete settlement of external liabilities of superior priority by HKE as set out in the 2017 Framework Agreement.

MSOL and Well Target shall, on the date of 2017 Leasing Agreement, irrevocably, collectively and individually guarantee the performance of the undertakings and responsibilities under the Deed of Guarantee by HKE, and shall confirm that their responsibilities under the Deed of Guarantee are the same with those of HKE thereunder.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2017 FRAMEWORK AGREEMENT

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are property investments, securities trading and loan financing.

Despite the prolonged negotiations between the Company and HKE, the endeavours made and legal actions taken by the Company, the HKE Outstanding Amount has not yet been settled. By entering into the 2017 Framework Agreement and the Deed of Guarantee would enable the Company to have a reasonable timetable to recover the HKE Outstanding Amount with guarantee by the shareholders of HKE.

In view of the above, the Board considers that the entering into of the 2017 Framework Agreement and the Deed of Guarantee to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Since the Lease is subject to the entering into of the 2017 Leasing Agreement, the Lease 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.

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

Hong Kong, 16 August 2017

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. Chow Fu Kit Edward and Mr. Matthew Pau.

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 for at least 7 days and on the Company website at www.chinesestrategic.com from the date of its publication.