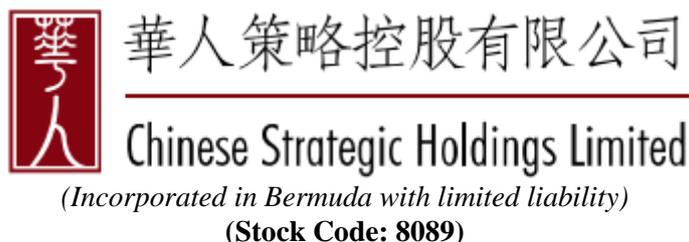


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COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcement of the Company dated 17 October 2016 (the “**Announcement**”) in relation to the Placing. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

COMPLETION OF THE PLACING

The Board is pleased to announce that all the conditions set out in the Placing Agreement have been fulfilled and the Placing was completed on 27 October 2016. An aggregate of 150,000,000 Placing Shares, representing approximately 13.06% of the issued share capital of the Company immediately after Completion, have been successfully placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of and not connected or acting in concert (as defined in the Hong Kong Code on Takeovers and Mergers) with any directors, chief executive or substantial shareholders of the Company or its subsidiaries and their respective associates (as defined in the GEM Listing Rules), at the Placing Price of HK\$0.24 per Placing Share. Also, none of the Placees has become a substantial shareholder (as defined in the GEM Listing Rules) of the Company as a result of the Placing.

The net proceeds from the Placing amount to approximately HK\$34.9 million and will be used for general working capital of the Group as to (i) approximately HK\$11.3 million for the general operating capital for the Group for the coming 3 months; (ii) approximately HK\$10.3 million for the repayment of liabilities arising from the securities margin account of the Group; (iii) approximately HK\$8.1 million for the settlement of the outstanding operation payables; and (iv) approximately HK\$5.2 million for the settlement of interest payable on the liabilities of the Company.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after Completion is as follows:

Shareholders	Immediately before Completion		Immediately after Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Ms. Chan Shui Sheung Ivy (Note)	60,000	0.006%	60,000	0.005%
Placees	-	-	150,000,000	13.057%
Others	998,723,425	99.994%	998,723,425	86.938%
Total	998,783,425	100.000%	1,148,783,425	100.000%

Note: As at the date of this announcement, Ms. Chan Shui Sheung Ivy, an executive Director, is beneficially interested in 60,000 Shares.

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

Hong Kong, 27 October 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 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 the Company website at www.chinesestrategic.com from the date of its publication.