



### Monthly Return of Equity Issuer on Movements in Securities

For the month ended (dd/mm/yyyy) : 31/07/2016

To : Hong Kong Exchanges and Clearing Limited

Name of Issuer Chinese Strategic Holdings Limited

Date Submitted 4 August 2016

#### I. Movements in Authorised Share Capital

##### 1. Ordinary Shares

(1) Stock code : <u>8089</u> Description : <u>Ordinary Shares</u>			
	No. of ordinary shares	Par value ( <i>HK\$</i> )	Authorised share capital ( <i>HK\$</i> )
Balance at close of preceding month	<u>100,000,000,000</u>	<u>HK\$0.001</u>	<u>HK\$100,000,000</u>
Increase/(decrease)	<u>-</u>		<u>-</u>
Balance at close of the month	<u>100,000,000,000</u>	<u>HK\$0.001</u>	<u>HK\$100,000,000</u>
(2) Stock code : <u>N/A</u> Description : _____			
	No. of ordinary shares	Par value ( <i>State currency</i> )	Authorised share capital ( <i>State currency</i> )
Balance at close of preceding month	_____	_____	_____
Increase/(decrease)	_____		_____
Balance at close of the month	_____	_____	_____



## II. Movements in Issued Share Capital

	No. of ordinary shares		No of preference shares	No. of other classes of shares
	(1)	(2)		
Balance at close of preceding month	<b>998,783,425</b>	N/A	N/A	N/A
Increase/ (decrease) during the month	-			
Balance at close of the month	<b>998,783,425</b>			

## III. Details of Movements in Issued Share Capital

## Share Options (under Share Option Schemes of the Issuer)

Particulars of share option scheme including EGM approval date (dd/mm/yyyy) and class of shares issuable	Movement during the month				No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
	Granted	Exercised	Cancelled	Lapsed		
1. Share Option Scheme approved on 22 November 2002 Date of grant : 3 April 2007 Exercise price : HK\$7.35 (due on 2 April 2017) (Note 1)	-	-	-	-	-	2,200,000
2. Share Option Scheme approved on 2 April 2014 Date of grant: 23 March 2016 Exercise price : HK\$0.612 (due on 22 March 2026) (Note 1)	-	-	-	-	-	35,460,000
3. N/A ( / / ) shares (Note 1)						
			Total A. (Ordinary shares)		NIL	
			(Preference shares)		N/A	
			(Other class)		N/A	
Total funds raised during the month from exercise of options (HK\$)					<b>NIL</b>	

## Warrants to Issue Shares of the Issuer which are to be Listed

Description of warrants (Date of expiry - dd/mm/yyyy)	Currency of nominal value	Nominal value at close of preceding month	Exercised during the month	Nominal value at close of the month	No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1. N/A						
( / / )						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
2. N/A						
( / / )						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
3. N/A						
( / / )						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
4. N/A						
( / / )						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
Total B. (Ordinary shares)					NIL	
(Preference shares)					N/A	
(Other class)					N/A	

## Convertibles (i.e. Convertible into Shares of the Issuer which are to be Listed)

Class and description	Currency of amount outstanding	Amount at close of preceding month	Converted during the month	Amount at close of the month	No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1. N/A						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)						
2. N/A						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
3. N/A						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
4. N/A						
Stock code (if listed)						
Class of shares issuable ( <i>Note 1</i> )						
Subscription price						
EGM approval date (if applicable) (dd/mm/yyyy)		( / / )				
				Total C. (Ordinary shares)	NIL	
				(Preference shares)	N/A	
				(Other class)	N/A	

Any other Agreements or Arrangements to Issue Shares of the Issuer which are to be Listed, including Options (other than under Share Option Schemes)

Full particulars including EGM approval date (dd/mm/yyyy), if applicable, and class of shares issuable:	No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
1. (See Remark 1) <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> shares ( <i>Note 1</i> )	0	0
2. (See Remark 2) <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> shares ( <i>Note 1</i> )	0	0
3. (See Remark 3) <hr/> <hr/> <hr/> <hr/> shares ( <i>Note 1</i> )	0	0
Total D. (Ordinary shares)	NIL	
(Preference shares)	N/A	
(Other class)	N/A	

## Other Movements in Issued Share Capital

Other Movements in Issued Share Capital				No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
Type of Issue					
1.	Rights issue	At price : State currency _____	Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____	( / / ) ( / / )	_____ N/A
2.	Open offer	At price : State currency _____	Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____	( / / ) ( / / )	_____ N/A
3.	Placing	At price : State currency _____	Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____	( / / ) ( / / )	_____ N/A
4.	Bonus issue		Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) _____ EGM approval date: (dd/mm/yyyy) _____	( / / ) ( / / )	_____ N/A

			No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month	
Type of Issue					
5.	Scrip dividend	At price : State currency _____	Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) ( / / ) EGM approval date: (dd/mm/yyyy) ( / / )	_____	N/A
6.	Repurchase of shares		Class of shares repurchased (Note 1) _____ Cancellation date : (dd/mm/yyyy) ( / / ) EGM approval date: (dd/mm/yyyy) ( / / )	_____	N/A
7.	Redemption of shares		Class of shares redeemed (Note 1) _____ Redemption date : (dd/mm/yyyy) ( / / ) EGM approval date: (dd/mm/yyyy) ( / / )	_____	N/A
8.	Consideration issue	At price : HK\$ _____	Class of shares issuable (Note 1) _____ Issue and allotment date : (dd/mm/yyyy) ( / / ) SGM approval date: (dd/mm/yyyy) ( / / )	_____	N/A



## For Main Board and GEM listed issuers

Type of Issue		No. of new shares of issuer issued during the month pursuant thereto	No. of new shares of issuer which may be issued pursuant thereto as at close of the month
9. Capital reorganisation	Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) SGM approval date: (dd/mm/yyyy)	( / / )	N/A
10. Other	At price : HK\$ _____ Class of shares issuable _____ <i>(Note 1)</i> Issue and allotment date : (dd/mm/yyyy) SGM approval date: (dd/mm/yyyy)	( / / )	N/A
Total E. (Ordinary shares)			NIL
(Preference shares)			N/A
(Other class)			N/A

Total increase / (decrease) in ordinary shares during the month (i.e. Total of A to E):	(1)	NIL
	(2)	N/A
Total increase / (decrease) in preference shares during the month (i.e. Total of A to E):		N/A
Total increase / (decrease) in other classes of shares during the month (i.e. Total of A to E):		N/A
<i>(These figures should be the same as the relevant figures under II above ("Movements in Issued Share Capital").)</i>		

Remarks (if any):

(1) Pursuant to the Second Supplemental Placing Agreement as defined in the circular of the Company dated 14 August 2015, each holder of the convertible bonds in the principal amount of HK\$1,900,000 should have the priority to subscribe up to three Options at a premium of HK\$30,000 per Option in an aggregate of 120 Options. Each holder of the Options is entitled to subscribe the convertible bonds of the Company (the “Further CB”). Further CB in the principal amount of HK\$228,000,000, upon full conversion, are convertible into 120,000,000 new shares at an initial conversion price of HK\$1.90 (the “Further Conversion Shares”). Further Conversion Shares will be allotted and issued by the Company upon conversion under the specific mandate which was approved by the shareholders of the Company at the special general meeting held on 31 August 2015.

On 24 September 2015, the Option Placing was completed and an aggregate of 120 Options, with exercise period ending 14 October 2016, were issued.

For details, please refer to the announcements of the Company dated 25 June 2015, 17 July 2015, 6 August 2015 and 31 August 2015 and the circular of the Company dated 14 August 2015.

(2) On 25 February 2016, 北京華鼎匯金投資有限責任公司 (Beijing Huading Huijin Investment Company Limited\*) as vendor, Selected Team Limited, a wholly-owned subsidiary of the Company as purchaser and the Company entered into a sale and purchase agreement (as revised and supplemental by the supplemental agreement on 29 April 2016), pursuant to which the vendor conditionally agreed to sell and the purchaser conditionally agreed to acquire, through a wholly foreign owned enterprise, the sale interest at the consideration of HK\$120,000,000, which shall be satisfied by the issue of an exchangeable note. The exchangeable note can be exchanged to the convertible bonds of the Company in the principal amount of HK\$120,000,000, upon exercising its right. The convertible bonds, upon full conversion, are convertible into 240,000,000 new shares at the conversion price of HK\$0.5 per conversion share. The conversion shares will be issued and allotted by the Company under the specific mandate which will be sought from the shareholders of the Company at the special general meeting.

For details, please refer to the announcements of the Company dated 25 February 2016, 29 April 2016 and 20 July 2016.

(3) On 29 February 2016, the Company and the placing agent entered into a placing agreement, as revised and supplemental by the supplemental placing agreement on 31 March 2016 but superseded by the second supplemental placing agreement in entirety on 2 June 2016 which was revised and supplemented by the third supplemental placing agreement on 27 July 2016, to place the convertible bond (the “Revised New CB”) in principal amount of up to HK\$495,600,000.

The Revised New CB, upon full conversion, are convertible into 1,180,000,000 new shares at the Revised New CB conversion price of HK\$0.42 per share which shall be allotted and issued by the Company under specific mandate.

*\*For identification purpose only*

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Completion of the above transactions are subject to, among others, shareholders' approval and the fulfilment of the conditions precedent set out in the third supplemental placing agreement.

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A new circular, containing, among other things, (i) further details of the amended terms of the new CB placing; and (ii) the notice of the new special general meeting, will be despatched to the shareholders of the Company as soon as practicable in accordance with the GEM Listing Rules.

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Details of the placing are set out in the announcements of the Company dated 2 March 2016, 31 March 2016, 3 June 2016, 27 July 2016 and 29 July 2016 and the circular of the Company dated 16 June 2016.

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Submitted by: Cheung Ching Man

Title: Company Secretary  
(Director, Secretary or other duly authorised officer)

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*Notes :*

- 1. State the class of shares (e.g. ordinary, preference or other).*
- 2. If there is insufficient space, please append the prescribed continuation sheet.*