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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)

DISCLOSEABLE TRANSACTION IN RELATION TO DEED OF SETTLEMENT

THE DEED OF SETTLEMENT

The Board is pleased to announce that on 9 November 2016 (after trading hours), Rich Best, a wholly-owned subsidiary of the Company, entered into the Deed of Settlement with One Express. Pursuant to the Deed of Settlement, One Express, being the sole legal and beneficial owner of the Relevant Shares, shall irrevocably and unconditionally assign and transfer the Relevant Shares together with all rights and interests attached thereto (including the right to dividends) to Victory Time, a wholly-owned subsidiary and the nominee of Rich Best, free from any encumbrances or third party rights of any kind at the Consideration, which shall be settled and discharged by Rich Best at Completion by off-setting the Consideration in entirety against the Outstanding Indebtedness of HK\$32,000,000.

Upon Completion, both the Outstanding Indebtedness and the Consideration shall be, and shall have been, settled and discharged, and no money shall be, and shall remain to be, due and owing by One Express to Rich Best, and *vice versa*.

GEM LISTING RULES IMPLICATIONS

As one of the applicable ratios (as defined in the GEM Listing Rules) in respect of the Deed of Settlement is more than 5% but less than 25%, the entering into of the Deed of Settlement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

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Upon Completion, both the Outstanding Indebtedness and the Consideration shall be, and shall have been, settled and discharged, and no money shall be, and shall remain to be, due and owing by One Express to Rich Best, and *vice versa*.

The Consideration was arrived at after arm's length negotiations between the parties to the Deed of Settlement after taking into account, among other things, the amount of the Outstanding Indebtedness of HK\$32,000,000, the number of the Relevant Shares and the recent closing prices of the CFFG Shares. The Relevant Shares consist 153,800,000 CFFG Shares and based on the information available on the Stock Exchange, the average closing price of the CFFG Shares for the last five consecutive trading days immediately prior to the date of this announcement was approximately HK\$0.326. Based on the above information, the market value of the Relevant Shares is approximately HK\$50.14 million, which represents a substantial premium over the Outstanding Indebtedness of HK\$32,000,000. Accordingly, the Company considers that the Consideration is fair and reasonable and is in the interest of the Shareholders and the Company as a whole.

Save for the satisfaction of and/or compliance with regulatory requirements, no conditions precedent have been set out in the Deed of Settlement. Pursuant to the Deed of Settlement, the assignment and transfer of the Relevant Shares shall be completed within five (5) days of the execution of the Deed of Settlement.

As at the date of this announcement, Ms Chan Shui Sheung Ivy, a Director, is the director of Rich Best and One Express. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the above, each of One Express (and its ultimate holding company, China Ever Grand Financial Leasing Group Co., Ltd.) and CFFG is a third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

INFORMATION OF CFFG

Based on the information available on the website of the Stock Exchange, CFFG is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries, are principally engaged in provision of brokerage and margin financing, proprietary trading, corporate finance, money lending and factoring, and consultancy and insurance brokerage.

Set out below is the summary of the CFFG's key financial information extracted from the annual reports of CFFG for the two years ended 31 March 2015 and 2016:

	Year ended 31 March 2016	Year ended 31 March 2015
	Audited	Audited
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	<i>approximately</i>	<i>approximately</i>
Revenue	49,207	45,083
Loss before taxation	42,682	156,736
Loss after taxation	42,682	157,167
Net Assets	107,540	153,847

INFORMATION OF ONE EXPRESS

One Express is a company incorporated in the British Virgin Islands with limited liability, which, based on the information available on the Stock Exchange website, is a wholly-owned subsidiary of China Ever Grand Financial Leasing Group Co., Ltd. (stock code: 379) (the shares of which are listed on the Main Board of the Stock Exchange). According to the annual report of China Ever Grand Financial Leasing Group Co., Ltd. for the year ended 31 December 2015, One Express is an investment holding company.

Pursuant to the Deed of Settlement, One Express was the sole legal and beneficial owner of the Relevant Shares prior to Completion and the Outstanding Indebtedness amounted to HK\$32,000,000 as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE DEED OF SETTLEMENT

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

Pursuant to the Deed of Settlement, the Outstanding Indebtedness amounted to HK\$32,000,000. As set out in the section headed "THE DEED OF SETTLEMENT", the market value of the Relevant Shares is approximately HK\$50.14 million, which represents a substantial premium over the Outstanding Indebtedness. As such, the Company is of the view that the settlement of the Outstanding Indebtedness through the assignment and transfer of the Relevant Shares is fair and reasonable.

In light of the above, the Directors are of the view that the terms of the Deed of Settlement, which were arrived at after arm's length negotiations between the parties thereof, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable ratios (as defined in the GEM Listing Rules) in respect of the Deed of Settlement is more than 5% but less than 25%, the entering into of the Deed of Settlement constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Chinese Strategic Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“CFFG”	China Fortune Financial Group Limited (stock code: 290), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“CFFG Shares”	ordinary share(s) of HK\$0.1 each in the share capital of CFFG
“Completion”	the assignment and transfer of the Relevant Shares, which shall be completed within five (5) days of the execution of the Deed of Settlement
“Consideration”	such consideration as agreed by the parties to the Deed of Settlement for the assignment and transfer of the Relevant Shares
“Deed of Settlement”	the deed of settlement entered into between Rich Best and One Express dated 9 November 2016 in relation to, among other things, the settlement of the Outstanding Indebtedness
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“One Express”	One Express Group Limited, a wholly-owned subsidiary of China Ever Grand Financial Leasing Group Co., Ltd. (stock code: 379) (the shares of which are listed on the Main Board of the Stock Exchange)

“Outstanding Indebtedness”	the amount of HK\$32,000,000 due and owing by One Express to Rich Best pursuant to the Deed of Settlement
“Relevant Shares”	153,800,000 CFFG Shares
“Rich Best”	Rich Best Asia Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Victory Time”	Victory Time Global Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of Rich Best
“%”	per cent.

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

Hong Kong, 9 November 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 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 that 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 Announcement” 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.