

*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.*



## **CHINA STRATEGIC HOLDINGS LIMITED**

**(中策集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 235)**

### **SIGNING OF SALE AND PURCHASE AGREEMENT RELATING TO NAN SHAN LIFE INSURANCE COMPANY, LTD**

Reference is made to the announcements of the Company dated 20 August 2009, 2 September 2009 and 7 September 2009 (the “**Previous Announcements**”) in respect of the Company’s possible placing of convertible redeemable notes and of the Company’s intention to use the proceeds thereof to acquire 97.57% of the issued share capital of Nan Shan from AIG.

The Board is now pleased to announce that on 13 October 2009, the Purchaser entered into the Sale and Purchase Agreement with AIG in respect of the Acquisition for a total consideration of approximately US\$2.15 billion, which shall be satisfied in cash upon completion of the Sale and Purchase Agreement.

#### **INTRODUCTION**

Reference is made to the announcements of the Company dated 20 August 2009, 2 September 2009 and 7 September 2009 (the “**Previous Announcements**”) in respect of the Company’s possible placing of convertible redeemable notes and of the Company’s intention to use the proceeds thereof to acquire 97.57% of the issued share capital of Nan Shan Life Insurance Company, Ltd (“**Nan Shan**”) from American International Group, Inc (“**AIG**”). Terms defined in the Previous Announcements shall have the same meaning when used in this announcement unless otherwise defined herein.

## THE ACQUISITION

The Board is pleased to announce that on 13 October 2009 Primus Nan-Shan Holding Company Ltd., a subsidiary of the Company of which the Company indirectly owns 80% and PFH Holdings owns 20% (the “**Purchaser**”), entered into a sale and purchase agreement with AIG (the “**Sale and Purchase Agreement**”) pursuant to which AIG and the Purchaser agreed that subject to the satisfaction of various conditions, including the receipt of all necessary regulatory approvals and the completion of the placing of the convertible redeemable notes, AIG will sell and the Purchaser will purchase 97.57% of the issued share capital of Nan Shan (the “**Acquisition**”).

The total consideration for the Acquisition is approximately US\$2.15 billion, which shall be satisfied in cash upon completion of the Sale and Purchase Agreement. The net proceeds raised from the Company’s placing of convertible redeemable notes under the specific mandate as described in the Company’s announcement dated 20 August 2009 will be used to satisfy the payment of the consideration for the Acquisition. The remainder of the consideration will be satisfied by loans to be granted to the Purchaser and by additional capital to be contributed to the Purchaser by Primus Investor and if necessary, the Company.

The Acquisition constitutes a very substantial acquisition under Chapter 14 of the Listing Rules and will accordingly be subject to the approval of Shareholders at an extraordinary general meeting of Shareholders under Rule 14.49 of the Listing Rules. Accordingly, a further announcement containing full details of the Sale and Purchase Agreement and the Acquisition will be made by the Company as soon as possible.

## ESTABLISHMENT OF THE PURCHASER

The Board also announces that further to the announcement of the Company dated 2 September 2009 in respect of the Consortium Letter, the Company, Primus Investor and PFH Holdings have identified the Purchaser as the entity to enter into the Sale and Purchase Agreement (and any other related documents in respect of the Acquisition) and thereby to purchase the Nan Shan Shares. The Purchaser was incorporated on 24 August 2009 as an exempted company with limited liability under the laws of the Cayman Islands. Other than the activities relating to the Acquisition, the Purchaser has not engaged in any other business activities since its establishment. In anticipation of the Acquisition, on 8 October 2009, PFH Holdings, on behalf of Primus Investor, transferred 80 shares, representing 80% of the entire issued share capital of the Purchaser, to a wholly-owned subsidiary of the Company, for a consideration of US\$8.00. As a result, the Purchaser is owned as to 80% indirectly by the Company and 20% by PFH Holdings.

As mentioned in the Previous Announcements, the board of directors of the Purchaser (the “**Bidco Board**”) consists of a majority of the Company’s nominees. As at the date of this announcement, the Bidco Board comprises 6 directors and consists of Mr. Lee Sun Man, Mr. Hui Richard Rui, Ms. Chiu Ching Ching and Mr. Chow Kam Wah, who were appointed to the Bidco Board as the Company’s nominees on 8 October 2009. Mr. Robert R. Morse and Mr. Wing Fai Ng were appointed to the Bidco Board as nominees of PFH Holdings, on behalf of Primus Investor, upon incorporation of the Purchaser and on 6 October 2009, respectively. In addition to their roles as directors of the Bidco Board, Mr. Morse and Mr. Ng were also appointed as the chairman and vice-chairman of the Bidco Board, respectively and as the co-chief executive officers of the Purchaser with effect from the date of this announcement.

The register of members and register of directors of the Purchaser were updated on 9 October 2009 to reflect the Company’s 80% shareholdings in the Purchaser and the appointment of the Company’s nominees as directors of the Purchaser.

On behalf of the board of directors of  
**China Strategic Holdings Limited**  
**Yeung Kwok Yu**  
*Director*

Hong Kong, 13 October 2009

*As at the date of this announcement, the Board comprises Ms. Chiu Ching Ching, Mr. Yeung Kwok Yu, Mr. Hui Richard Rui, Ms. Chan Ling, Eva, Mr. Lee Sun Man and Mr. Chow Kam Wah as executive Directors of the Company, and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors of the Company.*