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## **CHINA STRATEGIC HOLDINGS LIMITED**

**(中策集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 235)**

### **EXTENSION OF LONG STOP DATE**

### **EXTENSION OF THE PERIOD OF VALIDITY OF THE SPECIFIC MANDATE**

Reference is made to (i) the Share Purchase Agreement dated 13 October 2009 entered into between the Purchaser and the Seller in respect of the Acquisition; (ii) the Conditional CN Placing Agreement dated 20 August 2009 entered into between the Company and the CN Placing Agent in relation to the CN Placing; and (iii) the Conditional Share Placing Agreement dated 9 November 2009 entered into between the Company and the Share Placing Agent in relation to the Share Placing.

The Board now wishes to announce that on 21 June 2010, the Purchaser and the Seller have agreed to extend the Long Stop Date of the Share Purchase Agreement to 12 October 2010. Accordingly, the Company has agreed on 21 June 2010 with (i) the CN Placing Agent to extend the Long Stop Date of the Conditional CN Placing Agreement to 12 October 2010; and (ii) the Share Placing Agent to extend the Long Stop Date of the Conditional Share Placing Agreement to 12 October 2010.

Further, the Board proposes to extend the period of validity of the Specific Mandate in respect of the proposed placing of the convertible notes under the Conditional CN Placing Agreement and the proposed placing of the shares under the Conditional Share Placing Agreement subject to approval to be sought from the Shareholders at the EGM to be convened in accordance with the Listing Rules.

### **INTRODUCTION**

Reference is made to (i) the Share Purchase Agreement dated 13 October 2009 entered into between the Purchaser and the Seller in respect of the Acquisition; (ii) the Conditional CN Placing Agreement dated 20 August 2009 entered into between the Company and the CN Placing Agent in relation to the CN Placing; and (iii) the Conditional Share Placing Agreement dated 9 November 2009 entered into between the Company and the Share Placing Agent in relation to the Share Placing.

## **EXTENSION OF LONG STOP DATE**

The Board now wishes to announce that on 21 June 2010, the Purchaser and the Seller have agreed to extend the Long Stop Date of the Share Purchase Agreement to 12 October 2010. Accordingly, the Company has agreed on 21 June 2010 with (i) the CN Placing Agent to extend the Long Stop Date of the Conditional CN Placing Agreement to 12 October 2010; and (ii) the Share Placing Agent to extend the Long Stop Date of the Conditional Share Placing Agreement to 12 October 2010.

The Long Stop Date in the Share Purchase Agreement is the date which is nine months after the date of the Share Purchase Agreement, i.e. 12 July 2010. The Long Stop Date in the Conditional CN Placing Agreement, as amended, is 12 July 2010 or such later date as may be agreed between the Company and the CN Placing Agent. The Long Stop Date in the Conditional Share Placing Agreement is 12 July 2010 or such later date as may be agreed between the Company and the Share Placing Agent.

As the Acquisition is still under the process of approval by the relevant regulatory authorities, the Conditions are not expected to be satisfied by 12 July 2010. The Purchaser and the Seller have therefore agreed on 21 June 2010 to extend the Long Stop Date to 12 October 2010. Accordingly, the Company has agreed on 21 June 2010 with (i) the CN Placing Agent to extend the Long Stop Date of the Conditional CN Placing Agreement to 12 October 2010; and (ii) the Share Placing Agent to extend the Long Stop Date of the Conditional Share Placing Agreement to 12 October 2010, in order to allow time for the respective parties to procure fulfilment of the conditions to completion in the Placing Agreements, which are conditional on the Conditions being satisfied.

## **EXTENSION OF THE PERIOD OF VALIDITY OF THE SPECIFIC MANDATE**

Further, the Board proposes to extend the period of validity of the Specific Mandate in respect of the proposed placing of the convertible notes under the Conditional CN Placing Agreement and the proposed placing of the shares under the Conditional Share Placing Agreement, subject to approval to be sought from the Shareholders at the EGM to be convened in accordance with the Listing Rules.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, further information on the extension of the period of validity of the Specific Mandate, together with a notice of EGM, will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions have the meanings as set out below unless the context requires otherwise:

“Acquisition”	the acquisition of 767,893,139 shares of common stock of Nan Shan (which represent approximately 97.57% of the issued and outstanding share capital of Nan Shan) by the Purchaser
“Acquisition Completion”	completion of the Acquisition in accordance with the terms of the Share Purchase Agreement
“Board”	the board of Directors
“CN Placee(s)”	any professional, institutional, corporate or independent individual investor(s) procured by the CN Placing Agent to subscribe for any principal amount of the Convertible Notes pursuant to the CN Placing Agent’s obligations under the Conditional CN Placing Agreement
“CN Placing”	the placing of the Convertible Notes in a maximum aggregate principal amount up to HK\$7,800 million procured by the CN Placing Agent to CN Placees on the terms and subject to the conditions set out in the Conditional CN Placing Agreement
“CN Placing Agent” or “Share Placing Agent”	Kingston Securities Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activities for the purposes of the SFO
“Company”	China Strategic Holdings Limited
“Conditional CN Placing Agreement”	the conditional placing agreement dated 20 August 2009 entered into between the Company and the CN Placing Agent in relation to the CN Placing
“Conditional Share Placing Agreement”	a conditional share placing agreement dated 9 November 2009 entered into between the Company and the Share Placing Agent in relation to the Share Placing
“Conditions”	the conditions precedent to Acquisition Completion as set out in the Share Purchase Agreement

“Convertible Notes”	the non-interest bearing convertible redeemable notes, to be issued by the Company to the CN Placees procured by the CN Placing Agent in a maximum aggregate principal amount up to HK\$7,800 million due on the Maturity Date which are convertible into an aggregate of a maximum of 78,000 million Shares (subject to adjustment) at the Conversion Price
“Conversion Price”	HK\$0.10, subject to adjustment
“Conversion Shares”	those Shares to be issued upon the exercise of the conversion rights under the Convertible Notes, namely, a maximum of 78,000 million Shares, in aggregate, falling to be issued upon exercise of the conversion rights attached to the Convertible Notes at the initial Conversion Price in full (subject to adjustment)
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering and approving the extension of the period of validity of the Specific Mandate
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Long Stop Date”	12 July 2010 (or such later date as may be agreed between the Company and the CN Placing Agent or Share Placing Agent, as the case may be)
“Maturity Date”	a date being six months from the date of issue of the Convertible Notes
“Nan Shan”	Nan Shan Life Insurance Company, Ltd.
“Placing Agreements”	the Conditional CN Placing Agreement and the Conditional Share Placing Agreement

“Placing Shares”	up to a maximum of 40,000 million new Shares to be placed through the Share Placing Agent pursuant to the Conditional Share Placing Agreement
“Purchaser”	Primus Nan-Shan Holding Company Limited
“Seller”	American International Group, Inc.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Share Placing”	the placing of the Placing Shares by the Share Placing Agent on a best efforts basis in accordance with the terms and conditions of the Conditional Share Placing Agreement
“Share Purchase Agreement”	means the definitive share purchase agreement entered into by the Purchaser and the Seller and dated 13 October 2009 in respect of the Acquisition
“Specific Mandate”	the authority to issue and allot such amount of Conversion Shares and Placing Shares (assuming full placement of the Placing Shares)
“%”	per cent.

On behalf of the Board  
**China Strategic Holdings Limited**  
**Ma Si Hang, Frederick**  
*Chairman*

Hong Kong, 21 June 2010

*As at the date hereof, the Board comprises Mr. Or Ching Fai, Ms. Chiu Ching Ching, Mr. Yau Wing Yiu, Mr. Hui Richard Rui, Ms. Chan Ling, Eva, Mr. Lee Sun Man and Mr. Chow Kam Wah as executive Directors, Mr. Ma Si Hang, Frederick as a non-executive Director and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors.*