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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)**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting (the “EGM”) of China Strategic Holdings Limited (the “**Company**”) will be held at Mandarin Oriental Hotel Hong Kong, 1/F Peacock-Stork Room, 5 Connaught Road, Central, Hong Kong, Hong Kong, on Tuesday, 16 March 2010 at 10:00 a.m. or any adjournment thereof (as the case may be) for the purpose of considering and, if thought fit, passing, with or without modification, the below resolutions of the Company.

In this regard, an EGM will be held to consider and, if thought fit, approve, among other things, (1) the Conditional CN Placing Agreement, the Conditional Share Placing Agreement, the CN Placing, the Share Placing and the Specific Mandate, (2) the Acquisition and the Share Purchase Agreement, (3) the Increase in Authorised Share Capital, and (4) the sharing of expenses under the Management Agreement, the payment of the Service Fees, the grant of the Share Options under the Option Deeds and the CSH Facility Agreement.

Shareholders should note that the information set out in the section headed “Part E - Information about Nan Shan” in the circular in connection with the below ordinary resolutions of the Company (the “**Circular**”) has been provided by Nan Shan Life Insurance Company, Ltd. (“**Nan Shan**”), its directors, supervisors, senior management, employees or affiliates. As Acquisition Completion (as defined in the Circular) has not taken place as at the date of the Circular and therefore Nan Shan is not yet a subsidiary of the Company, there are limitations on the quality and extent of the independent verification which has been carried out on the information, data and statistics contained in this section of the Circular. Shareholders should read carefully the section headed “Part E -Information about Nan Shan - 1. Risk Factors - 1.4 Risks relating to the circular” for further information.

### **ORDINARY RESOLUTIONS**

**“1. THAT:**

- (a) the authorised share capital of the Company be and is hereby increased from HK\$800 million divided into 8,000 million ordinary shares in the capital of the Company of HK\$0.10 each (each a “**Share**”) to HK\$20,000 million divided into 200,000 million Shares by the creation of 192,000 million additional new Shares (“**Increase in Authorised Share Capital**”); and

- (b) any one director of the Company be and is hereby authorised to do all such acts and things as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the Increase in Authorised Share Capital.”

**“2. THAT:**

- (a) the share purchase agreement dated 13 October 2009 (the **“Share Purchase Agreement”**) entered into among (i) Primus Nan-Shan Holding Company Ltd, a subsidiary indirectly held as to 80% by the Company (the **“Purchaser”**) and (ii) American International Group, Inc. (**“AIG”**), (a copy of which is tabled at this meeting and marked **“A”** and initialled by the chairman of this meeting for the purpose of identification) and more particularly described in the circular, pursuant to which AIG and the Purchaser agreed that, subject to the satisfaction of the conditions precedent therein, AIG will sell (or cause one or more of its subsidiaries to sell) and the Purchaser will purchase 767,893,139 shares of common stock (the **“Sale Shares”**) of Nan Shan Life Insurance Company, Ltd (**“Nan Shan”**), which represent approximately 97.57% of the issued and outstanding share capital of Nan Shan and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed.
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Share Purchase Agreement and the transactions contemplated thereunder and to agree to such variations of the terms of the Share Purchase Agreement and the transaction documents contemplated thereunder as he/she may in his/her absolute discretion consider necessary or desirable.”

**“3. THAT:**

- (a) the termination of the share placing agreement dated 8 June 2009 entered into between the Company as issuer and Kingston Securities Limited as placing agent be hereby approved, confirmed and ratified;
- (b) the conditional convertible note placing agreement (the **“Conditional CN Placing Agreement”**) in relation to the placing by the Company through Kingston Securities Limited, as agent of the Company (the **“CN Placing Agent”**), on a fully underwritten basis (that is, the CN Placing Agent agrees to procure subscribers or, failing which, to subscribe as principal non-interest bearing convertible redeemable notes, in a maximum aggregate principal amount up to HK\$7,800 million due on its maturity date which are convertible into an aggregate of a maximum of 78,000 million Shares (subject to adjustment) with a conversion price, subject to adjustment, of HK\$0.10 per Share in the share capital of the Company (the **“Convertible Notes”**)), a copy of which is tabled at this meeting and marked **“B”** and signed by the chairman of this meeting for the purpose of identification, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (c) the creation and issue by the Company of the Convertible Notes be and is hereby generally and unconditionally approved in all respects;

- (d) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Conversion Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Conditional CN Placing Agreement under resolution numbered 3(b) above upon exercise of conversion of the Convertible Notes (the “**CN Specific Mandate**”);
- (e) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the Conditional CN Placing Agreement and the CN Specific Mandate and the transactions contemplated thereunder; and
- (f) in the event that completion of the Conditional CN Placing Agreement has not taken place by 12 July 2010 (the “**CN Expiry Date**”), the authorisation and approval granted under this resolution shall be revoked and shall expire by the end of the CN Expiry Date.”

**“4. THAT:**

- (a) the conditional share placing agreement (the “**Conditional Share Placing Agreement**”) in relation to the placing by the Company, through Kingston Securities Limited, as agent of the Company (the “**Share Placing Agent**”) on a best efforts basis, of up to a maximum of 40,000 million new Shares at a price of HK\$0.10 per Share during the period commencing upon the date of the Conditional Share Placing Agreement and terminating at 5:00pm on the business day prior to the date of completion under the Conditional Share Placing Agreement, unless terminated earlier pursuant to the terms of the Conditional Share Placing Agreement, a copy of which is tabled at this meeting and marked “C” and signed by the chairman of this meeting for the purpose of identification, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Placing Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Conditional Share Placing Agreement under resolution numbered 4(a) above (the “**Share Specific Mandate**”);
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the Conditional Share Placing Agreement and the Share Specific Mandate and the transactions contemplated thereunder; and
- (d) in the event that completion of the Conditional Share Placing Agreement has not taken place by 12 July 2010 (the “**Share Expiry Date**”), the authorisation and approval granted under this resolution shall be revoked and shall expire by the end of the Share Expiry Date.”

**“5. THAT:**

- (a) the term under the management agreement dated 12 October 2009 between the Company, the Purchaser, PFH Partnership Holdings, L.P. (“**Primus Investor**”), PFH Holdings Ltd. (“**PFH Holdings**”), Mr. Robert Morse and Mr. Ng Wing Fai (a copy of which is tabled at this meeting and marked “D” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**Management Agreement**”) which require the Company to be responsible (and be reimbursed as appropriate) for its pro rata portion (in accordance with its shareholding in the Purchaser) of all out-of-pocket expenses and fees incurred by PFH Holdings or its affiliates and the Company in connection with the transactions contemplated under all the transaction documents entered into in respect of the acquisition of Nan Shan (the “**Transactions**”), including all professional and legal fees and expenses, which are payable prior to or at completion of the Share Purchase Agreement and the related transactions contemplated thereunder be and are hereby approved, ratified and confirmed (the “**Sharing of Expenses**”); and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the Sharing of Expenses and the related transactions contemplated thereunder and to agree to such variations of the terms of the Management Agreement in respect of the Sharing of Expenses as he/she may in his/her absolute discretion consider necessary or desirable.”

**“6. THAT:**

- (a) the term under the Management Agreement dated 12 October 2009 which requires the Purchaser to pay to Mr. Robert Morse a service fee of US\$7.5 million (“**Morse Service Fee**”) on the date that is three months from the date of completion of the Share Purchase Agreement for services performed by Mr. Robert Morse in connection with the Transactions and the preparation of the bid made by Primus Financial Holdings Limited for and on behalf of the Company and Primus Investor in respect of the acquisition of Nan Shan (the “**Bid**”) and the related transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the payment of the Morse Service Fee and the transactions contemplated thereunder and to agree to such variations of the Morse Service Fee as he/she may in his/her absolute discretion consider necessary or desirable.”

**“7. THAT:**

- (a) the term under the Management Agreement which requires the Purchaser to pay to Mr. Ng Wing Fai a service fee of US\$7.5 million (“**Ng Service Fee**”) on the date that is three months from the date of completion of the Share Purchase Agreement for services performed by Mr. Ng Wing Fai in connection with the Transactions and the preparation of the Bid and the related transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the payment of the Ng Service Fee and the transactions contemplated thereunder and to agree to such variations of the Ng Service Fee as he/she may in his/her absolute discretion consider necessary or desirable.”

**“8. THAT:**

- (a) the option deed dated 26 February 2010 between the Purchaser and Mr. Robert Morse (a copy of which is tabled at this meeting and marked “E” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**Morse Option Deed**”) in respect of the grant of such number of share options representing a maximum of 3,200 million Shares to Mr. Robert Morse and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Morse Option Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Morse Option Deed under resolution numbered 8(a) above upon exercise of share options granted to Mr. Robert Morse under the Morse Option Deed (the “**Morse Specific Mandate**”); and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Morse Option Deed and the transactions contemplated thereunder and to agree to such variations of the terms of the Morse Option Deed as he/she may in his/her absolute discretion consider necessary or desirable.”

**“9. THAT:**

- (a) the option deed dated 26 February 2010 between the Purchaser and Mr. Ng Wing Fai (a copy of which is tabled at this meeting and marked “F” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**Ng Option Deed**”) in respect of the grant of such number of share options representing a maximum of 3,200 million Shares to Mr. Ng Wing Fai and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Ng Option Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Ng Option Deed under resolution numbered 9(a) above upon exercise of share options granted to Mr. Ng Wing Fai under the Ng Option Deed (the “**Ng Specific Mandate**”); and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Ng Option Deed and the transactions contemplated thereunder and to agree to such variations of the terms of the Ng Option Deed as he/she may in his/her absolute discretion consider necessary or desirable.”

**“10. THAT:**

- (a) the option deed dated 26 February 2010 between the Purchaser and Mr. Or Ching Fai (a copy of which is tabled at this meeting and marked “G” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**Or Option Deed**”) in respect of the grant of such number of share options representing a maximum of 600 million Shares to Mr. Or Ching Fai and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Or Option Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Or Option Deed under resolution numbered 10(a) above upon exercise of share options granted to Mr. Or Ching Fai under the Or Option Deed (the “**Or Specific Mandate**”); and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Or Option Deed and the transactions contemplated thereunder and to agree to such variations of the terms of the Or Option Deed as he/she may in his/her absolute discretion consider necessary or desirable.”

**“11. THAT:**

- (a) the option deed dated 26 February 2010 between the Purchaser and Mr. Frederick Ma Si-Hang (a copy of which is tabled at this meeting and marked “H” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**Ma Option Deed**”) in respect of the grant of such number of share options representing a maximum of 100 million Shares to Mr. Frederick Ma Si-Hang and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed;
- (b) the directors be and are hereby generally and specifically authorised to allot and issue such number of new ordinary shares (the “**Ma Option Shares**”) of HK\$0.10 in the capital of the Company as may be required to be allotted and issued on and subject to the terms and conditions of the Ma Option Deed under resolution numbered 11(a) above upon exercise of share options granted to Mr. Frederick Ma Si-Hang under the Ma Option Deed (the “**Ma Specific Mandate**”); and
- (c) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the Ma Option Deed and the transactions contemplated thereunder and to agree to such variations of the terms of the Ma Option Deed as he/she may in his/her absolute discretion consider necessary or desirable.”

**“12. THAT:**

- (a) the facility agreement dated 26 February 2010 between the Company and the Purchaser in respect of the granting of an unsecured facility of an amount up to HK\$5,300 million to the Purchaser (a copy of which is tabled at this meeting and marked “I” and initialled by the chairman of this meeting for the purpose of identification more particularly described in the circular) (the “**CSH Facility Agreement**”) and all transactions contemplated thereunder be and are hereby approved, ratified and confirmed; and
- (b) any one director of the Company be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments, agreements and deeds and do all such acts, matters and things as he/she may in his/her absolute discretion consider necessary or desirable for the purpose of and in connection with the implementation of the CSH Facility Agreement and the transactions contemplated thereunder and to agree to such variations of the terms of the CSH Facility Agreement as he/she may in his/her absolute discretion consider necessary or desirable.”

By Order of the Board of Directors of  
**China Strategic Holdings Limited**  
**Or Ching Fai**  
*Vice Chairman and Chief Executive Officer*

Hong Kong, 27 February 2010

*As at the date hereof, the board of directors of the Company 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 of the Company, Mr. Frederick Ma Si-Hang as a non-executive director of the Company and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive directors of the Company.*