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資本策略

## **CAPITAL STRATEGIC INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 497)

### **DESPATCH OF PROSPECTUS DOCUMENTS ADJUSTMENTS TO THE SHARE OPTIONS AND CONVERTIBLE NOTES AND CLARIFICATION ANNOUNCEMENT**

The Board is pleased to announce that the Prospectus Documents have been despatched to the Qualifying Shareholders today. The Prospectus (without the provisional allotment letters for the Rights Issue or a form of application for excess Rights Shares) have been despatched to the Non-Qualifying Shareholder for information only.

**Shareholders are reminded that the latest time for application and payment for Rights Shares is 4:00p.m. on Friday, 3 July 2009.**

As at the date of this announcement, there are outstanding Options and Convertible Notes. The issuance of the Rights Shares will cause an adjustment to the exercise prices and conversion prices (as the case may be) and number of Shares issuable upon exercise of the subscription rights under the Options and the conversion rights under the Convertible Notes. The adjustments to be made to all outstanding Options and the Convertible Notes as certified by an independent financial adviser are set out as below.

The Board would like to clarify and amend certain typographical errors in the Announcement.

The Company published an announcement dated 26 May 2009 (the “Announcement”) in relation to, inter alia, the Rights Issue of not less than 2,223,253,574 Rights Shares and not more than 2,332,371,678 Rights Shares to the Qualifying Shareholders on the basis of nine Rights Shares for every twenty existing Shares held by the Qualifying Shareholders on the Record Date. Terms defined in the Announcement are used in this announcement with those defined meanings unless the context requires otherwise.

## **Despatch of Prospectus Documents**

Following the registration of the Prospectus Documents in Hong Kong, the Board is pleased to announce that the Prospectus Documents have been despatched today to the Qualifying Shareholders whose names appeared on the register of members of the Company on Wednesday, 17 June 2009. The Prospectus (without the provisional allotment letters for the Rights Issue and the forms of application for excess Rights Shares) have been despatched to the Non-Qualifying Shareholder for information purposes only.

**Shareholders are reminded that the latest time for application and payment for Rights Shares is 4:00p.m. on Friday, 3 July 2009.**

Details of the procedures for acceptance and payment for and the expected timetable for the Rights Issue are set out in the Prospectus Documents.

The Rights Issue is conditional on, among other things, the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement. Details of the circumstances under which the Underwriter may terminate the Underwriting Agreement are set out in the Prospectus Documents.

**Adjustment to exercise price of Share Options and conversion price of the Convertible Notes and number of Shares to be issued upon exercise of subscription rights under the Share Options and conversion rights under the Convertible Notes.**

As at the date of this announcement, there are Options to subscribe up to an aggregate of 288,468,750 Shares outstanding under the Share Option Schemes. The allotment and issue of the Rights Shares will cause an adjustment to the exercise prices and number of Shares issuable upon exercise of the subscription rights under the Options.

As at the date of this announcement, the Company has issued and outstanding Convertible Notes. The outstanding aggregate principal amount under the Convertible Notes 2011 is HK\$70.5 million, which is convertible into 189,516,129 new Shares at the conversion price of HK\$0.372 subject to adjustments. The outstanding aggregate principal amount under the Convertible Notes 2012 is HK\$58.7 million, which is convertible into 115,098,039 new Shares at a conversion price of HK\$0.51 subject to adjustments. The conversion price of the Convertible Notes and number of Shares to be issued upon exercise of conversion rights will also subject to adjustments as a result of the allotment and issue of the Rights Shares.

The adjustments to be made to all outstanding Options and the Convertible Notes as certified by an independent financial adviser are set out as below:

- the subscription prices and number of option shares will be changed (subject to adjustments) as follows;

<b>Share Option Scheme</b>	<b>Number of Options before Rights Issue</b>	<b>Exercise price prior to the Rights Issue HK\$</b>	<b>Number of Options after Rights Issue</b>	<b>Adjusted exercise price after the Rights Issue HK\$</b>
2001	54,718,750	0.1344	69,290,353	0.1061
2002	140,000,000	0.1120	177,282,000	0.0884
2002	18,750,000	0.1200	23,743,125	0.0948
2002	75,000,000	0.4050	94,972,500	0.3198
<b>TOTAL</b>	<b><u>288,468,750</u></b>		<b><u>365,287,978</u></b>	

- the conversion price of the Convertible Notes 2011 will be changed from HK\$0.372 per Share to HK\$0.313 per Share (subject to adjustments). The aforesaid adjustment shall become effective (if appropriate retroactively) from the commencement of the day following the Record Date for determination of entitlements to the Rights Issue, i.e. on 18 June 2009;
- the conversion price of the Convertible Notes 2012 will be changed from HK\$0.51 per Share to HK\$0.429 per Share (subject to adjustments). The aforesaid adjustment shall become effective (if appropriate retroactively) from the commencement of the day following the Record Date for determination of entitlements to the Rights Issue, i.e. on 18 June 2009.

### **Clarification of the Announcement**

The Board would like to clarify and amend certain typographical errors in the Announcement.

#### Entitlement to apply for excess Rights Shares

It was stated in the Announcement that Qualifying Shareholders and transferees of nil-paid Rights Shares may apply for any unsold entitlements of Rights Shares, and any Rights Shares provisionally allotted but not accepted.

The Company would like to clarify that the entitlement to apply for excess Rights Shares is only available to Qualifying Shareholders whose names appear on the form of application for excess Rights Shares, and that such entitlement is not transferable. The entitlement will not be made available to transferees of nil-paid Rights Shares.

## Rights Issue Timetable

It was erroneously stated in the Announcement that the Underwriting Agreement would become unconditional on 4:00p.m. on Monday, 6 July 2009. The actual time at which the Underwriting Agreement becomes unconditional is at 4:00p.m. on Tuesday, 7 July 2009, being two business days after the latest time for application and payment for Rights Shares. A revised timetable is set out in the Prospectus, and reproduced below:

2009

First day of dealings in nil-paid Rights Shares .....	Monday, 22 June
Latest time for splitting nil-paid Rights Shares .....	4:00p.m. Wednesday, 24 June
Last day of dealings in nil-paid Rights Shares .....	Monday, 29 June
Latest time for acceptance of and payment for the Rights Shares .....	4:00p.m. Friday, 3 July
Underwriting Agreement becomes unconditional .....	4:00p.m. Tuesday, 7 July
Announcement of the results of the Rights Issue to be published .....	Friday, 10 July
Refund cheques for wholly or partially unsuccessful applications for excess Rights Shares to be posted .....	Monday, 13 July
Share certificates for Rights Shares to be posted .....	Monday, 13 July
Dealings in fully-paid Rights Shares expected to commence on .....	Wednesday, 15 July

By order of the Board of  
**Capital Strategic Investment Limited**  
**Kan Sze Man**  
*Director and Company Secretary*

Hong Kong, 18 June 2009

*As at the date of this announcement, Mr. Chung Cho Yee, Mico is the non-executive chairman, Mr. Hubert Chak, Mr. Kan Sze Man and Mr. Chow Hou Man are the executive directors, Dato' Wong Sin Just, Dr. Lam Lee G. and Mr. Cheng Yuk Wo are the independent non-executive directors.*