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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)

VOLUNTARY ANNOUNCEMENT

PLACING OF 2-YEAR NOTES IN THE AGGREGATE PRINCIPAL AMOUNT OF UP TO HK\$1,500,000,000

Placing Agent



結好證券有限公司
GET NICE SECURITIES LIMITED

On 13 December 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent, on a best effort basis, for the purpose of procuring Placees to subscribe for the Notes with an aggregate principal amount of up to HK\$1,500,000,000.

As the Placing of the Notes is on a best effort basis only and is subject to the Placing Agent's right of termination under the Placing Agreement, completion of the Placing of the Notes may or may not take place. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

13 December 2016 (after trading hours)

Parties

Issuer : the Company

Placing Agent : Get Nice Securities Limited

The Placing Agent is a wholly owned subsidiary of Get Nice Financial Group Limited (stock code: 1469) (“Get Nice Financial”), a company incorporated in Cayman Islands, the issued shares of which are listed on the Stock Exchange. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Get Nice Financial and the Placing Agent are third parties independent of the Company and its connected persons and is/are not connected persons (as defined in the Listing Rules) of the Company.

The Placing of the Notes

Pursuant to the Placing Agreement, the Placing Agent agreed to act as placing agent, on a best effort basis, for the purpose of procuring Placees to subscribe in cash for the Notes with an aggregate principal amount of up to HK\$1,500,000,000.

Placees

The selection of Placees for the Notes and the amount of the Notes to be allocated to any particular Placee shall be determined by the Placing Agent, subject to the Placing Agreement.

Placing Period

The placing period commences on the date of the Placing Agreement until and inclusive of the Closing Date (or such later time and date as the Placing Agent and the Issuer may agree in writing), unless terminated earlier pursuant to the terms of the Placing Agreement.

Completion of the Placing of the Notes

Completion of the Placing of the Notes may take place in tranches provided that the minimum principal amount for each tranche should not be less than HK\$10,000,000 and in integral multiples of HK\$1,000,000, unless the outstanding amount of the Notes to be issued is less than HK\$10,000,000 in which case the Notes may be issued in the outstanding amount thereof.

PRINCIPAL TERMS OF THE NOTES

Issuer	:	the Company
Aggregate principal amount	:	Up to HK\$1,500,000,000
Interest rate	:	7% per annum for the first year and 8% per annum for the second year, to accrue daily on a 365 days basis and payable half-yearly in arrears
Default interest	:	where the Company defaults in the payment of any sum due and payable in respect of the Notes, the Company shall pay interest on such sum to the relevant Noteholder(s) from the original due date to the date of actual payment in full (both before and after judgment) calculated at the rate of 12% per annum and compounded monthly
Maturity date	:	for each tranche of the Notes, the date falling on the second (2nd) anniversary of the issue date thereof or if that is not a Business Day, the first Business Day thereafter
Denomination	:	the Notes are in registered form in the denomination of HK\$10,000,000 and integral multiples of HK\$1,000,000 in excess thereof
Status of the Notes	:	the Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Company which will at all times rank pari passu without any preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application

- Transferability : the Notes may be transferred, in the minimum amount of HK\$10,000,000 and integral multiples of HK\$1,000,000 in excess thereof, to any person
- Early redemption : the Company may, by giving not less than 15 days' nor more than 30 days' written notice to the Noteholders (which notice shall be irrevocable), redeem on the first anniversary of the issue date of the Notes, in whole but not in part, at 100% of the principal amount outstanding, together with the accrued and unpaid interest at the date fixed for redemption
- Redemption on maturity : unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on the maturity date thereof
- Events of default : the Notes may become immediately due and payable at their principal amount, together with accrued interest, on the occurrence of certain events of defaults set out in the instrument to the Notes such as non-payment by the Company, default by the Company of any obligations under or in respect of the Notes, cross-default of the Company or its material subsidiaries beyond the agreed threshold, insolvency of the Company or any of its material subsidiaries, winding-up of and unsatisfied judgment against the Company or any material subsidiary of the Company, unlawfulness and suspension of trading of the shares of the Company (other than for corporate actions under Chapters 14 and 14A of the Listing Rules) for more than fifteen (15) consecutive trading days on the Stock Exchange

No application will be made for listing of the Notes on the Stock Exchange or any other stock exchange.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the business of investments in securities, trading and money lending as well as securities brokerage. Assuming the Notes are placed in full, the maximum aggregate principal amount of the Placing of the Notes will be HK\$1,500,000,000. After deducting the commissions and other estimated expenses payable in connection with the Placing of the Notes, the Company intends to use the net proceeds from the issue of the Notes for development of the existing businesses of the Group and for future investment(s) shall attractive opportunities arise and/or for general working capital of the Group.

As the Placing of the Notes is on a best effort basis only and is subject to the Placing Agent’s right of termination under the Placing Agreement, completion of the Placing of the Notes may or may not take place. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

- “Board” : the Board of Directors
- “Business Day” : a day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business during their normal business hours
- “Closing Date” : 30 December 2016
- “Company” : China Strategic Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 235)
- “Director(s)” : director(s) of the Company
- “Group” : the Company and its subsidiaries
- “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
- “Noteholder(s)” : holder(s) of the Notes
- “Notes” : the two years notes in an aggregate principal amount of up to HK\$1,500,000,000 with a coupon rate at 7% per annum for the first year and 8% per annum for the second year to be placed pursuant to the Placing Agreement and to be created and issued by the Company
- “Placees” : any person or entity whom the Placing Agent has procured to purchase any of the Notes pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing of the Notes”	: the placing of the Notes pursuant to the terms of the Placing Agreement
“Placing Agent”	: Get Nice Securities Limited, a licensed corporation to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO
“Placing Agreement”	: the placing agreement dated 13 December 2016 entered into between the Company and the Placing Agent in relation to the Placing of the Notes
“SFO”	: the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong)
“Share(s)”	: ordinary share(s) in the share capital of the Company
“Shareholder(s)”	: the holder(s) of the Shares
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“HK\$”	: Hong Kong dollars, the lawful currency of Hong Kong
“%”	: per cent.

By Order of the Board
China Strategic Holdings Limited
Dr. Or Ching Fai
Chairman

Hong Kong, 13 December 2016

As at the date of this announcement, the Board comprises four Executive Directors, namely Dr. Or Ching Fai (Chairman and Chief Executive Officer), Mr. Sue Ka Lok, Ms. Lee Chun Yeung, Catherine and Mr. Chow Kam Wah; and three Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying.