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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)

DISCLOSEABLE TRANSACTION PROVISION OF LOAN FACILITY

The Board is pleased to announce that on 23 January 2017, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to provide to the Borrower a loan facility of principal amount up to HK\$480,000,000, bearing interest at a rate of 12% per annum for a period of 24 months.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan Facility constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules. As the result of the assets ratio exceeds 8%, this announcement is also made pursuant to Rule 13.13 of the Listing Rules in respect of advance to entity. If such advance still exists at the end of the Company's next annual or interim period end, the Company will disclose such financial assistance in the relevant annual or interim report pursuant to Rule 13.20 of the Listing Rules.

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THE LOAN AGREEMENT

Principal terms of the Loan Agreement are set out as below:

Date:	23 January 2017
Lender:	U Credit (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
Borrower:	a company incorporated in the British Virgin Islands with limited liability and to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, its ultimate beneficial owner is an individual who is independent of the Company and its connected persons except for being indirectly interested in less than 10% of the Company's issued shares as at the date of this announcement
Principal amount:	up to HK\$480,000,000
Interest rate:	12% per annum
Drawdown date:	available for drawdown upon signing of the Loan Agreement
Repayment date:	within 24 months from the date of first drawdown
Early repayment:	the Borrower may give prior written notice that specifies the date of prepayment to the Lender and make an early repayment of the outstanding balance of the Loan Facility together with all interest accrued and unpaid thereon
Security:	shares in a company listed on the Main Board of the Stock Exchange
Guarantor:	an individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is the ultimate beneficial owner of the Borrower and is independent of the Company and its connected persons except for being indirectly interested in less than 10% of the Company's issued shares as at the date of this announcement.

The Loan Facility will be funded by internal resources of the Group.

INFORMATION OF AND RELATIONSHIP WITH THE BORROWER

The Borrower is a company incorporated in the British Virgin Islands with limited liability and is engaged in the business of investment holdings. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is wholly owned by an individual who is independent of the Company and its connected persons except for being indirectly interested in less than 10% of the Company's issued shares as at the date of this announcement.

REASON FOR AND BENEFITS OF THE PROVISION OF THE LOAN FACILITY

The Company is an investment holding company. The Group is principally engaged in the business of investments in securities, trading and money lending as well as securities brokerage. The Lender is a licensed money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending. The provision of the Loan Facility is a transaction carried out as part of the ordinary and usual course of business of the Group.

The terms of the Loan Agreement (including the interest rate) were arrived at by the parties thereto after arm's length negotiations, with reference to prevailing commercial practice and the amount of the Loan Facility. The Directors consider that the terms of the Loan Agreement are fair and reasonable and the provision of the Loan Facility is in the interest of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan Facility constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules. As the result of the assets ratio exceeds 8%, this announcement is also made pursuant to Rule 13.13 of the Listing Rules in respect of advance to entity. If such advance still exists at the end of the Company's next annual or interim period end, the Company will disclose such financial assistance in the relevant annual or interim report pursuant to Rule 13.20 of the Listing Rules.

DEFINITIONS

“Board”	the Board of Directors
“Borrower”	a company incorporated in the British Virgin Islands with limited liability and its ultimate beneficial owner is an individual who is independent of the Company and its connected persons except for being indirectly interested in less than 10% of the Company’s issued shares as at the date of this announcement
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	U Credit (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	a loan facility of principal amount up to HK\$480,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	a loan agreement dated 23 January 2017 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility

“Shareholders” shareholders of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“%” per cent.

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

Hong Kong, 23 January 2017

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.