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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 TO AN INDEPENDENT THIRD PARTY**

The Board is pleased to announce that on 27 June 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 revolving loan facility of up to HK\$274,000,000.

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.

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#### **THE LOAN AGREEMENT**

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

Date: 27 June 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, it and its ultimate beneficial owner is a third party independent of the Company and its connected persons as at the date of this announcement

**Principal amount:** up to HK\$274,000,000

**Interest rate:** 10% per annum

**Availability period:** available for drawdown for the period of 12 months commencing on the date of the Loan Agreement and ending on 27 June 2018, to be extendable for another 12 months or subsequent 12 months period(s) or to such other date at the request of the Borrower and agreed by the Lender in writing

**Repayment:** subject as otherwise provided in the Loan Agreement, the Borrower shall repay all Loans and the outstanding interest on the last day of the Availability Period (or if such day is not a Business Day, the immediately following Business Day) or on demand by the Lender in accordance with the terms and conditions of the Loan Agreement, whichever occurs earlier

**Prepayment:** the Borrower may give prior written notice that specifies the date of prepayment to the Lender and make a prepayment of the outstanding balance of the Loan Facility together with all interest accrued and unpaid thereon

**Re-borrowing:** the Borrower may re-borrow (in whole or in part) any amount prepaid in accordance with the terms and conditions of the Loan Agreement

**Security:** shares in the companies listed on the Main Board of the Stock Exchange and/or other assets (including but not limited to debt securities, bonds and notes) acceptable to the Lender

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 a third party independent of the Company and its connected persons 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 holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is a third party independent of the Company and its connected persons 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 investment 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, the security provided and the maximum 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.

## DEFINITIONS

“Availability Period”	the period of 12 months commencing on the date of the Loan Agreement and ending on 27 June 2018, to be extendable for another 12 months or subsequent 12 month period(s) or to such other date at the request of the Borrower and agreed by the Lender in writing
“Board”	Board of Directors 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, it and its ultimate beneficial owner is a third party independent of the Company and its connected persons as at the date of this announcement
“Business Day(s)”	a day (excluding Saturday) on which banks are open for general business in Hong Kong
“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)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	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”	Rules Governing the Listing of Securities on the Stock Exchange

“Loan(s)”	aggregate principal amount to be drawn and/or re-borrowed by the Borrower in accordance with the terms and conditions of the Loan Agreement
“Loan Facility”	a revolving loan facility of up to HK\$274,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	a loan agreement dated 27 June 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, 27 June 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.*