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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 DISPOSALS OF BONDS

DISPOSALS OF BONDS

The Board is pleased to announce that between 8 April 2020 and 28 May 2020, Guide Plus, an indirect wholly owned subsidiary of the Company, disposed of the Bonds in the aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000) in the secondary market at the aggregate consideration of approximately US\$3,850,000 (equivalent to approximately HK\$30,030,000).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals (both on their own and on an aggregated basis with the Previous Disposals) is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

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BONDS DISPOSALS

Date:	Between 8 April 2020 and 28 May 2020
Seller:	Guide Plus Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
Issuer:	Logan Property Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3380). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Logan Property Holdings Company Limited is a third party independent of the Company and its connected persons
Nominal value of the Bonds disposed of:	Aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000)
Consideration:	Aggregate consideration of approximately US\$3,850,000 (equivalent to approximately HK\$30,030,000) The entire consideration for the Disposals have been/will be settled by cash
Maturity date of the Bonds:	23 February 2023
Coupon rate and interest income:	5.25% per annum The interest income of the Group attributable to the Bonds disposed of by Guide Plus under the Disposals for the financial years ended 31 December 2018 and 2019 both amounted to US\$210,000 (equivalent to HK\$1,638,000)

INFORMATION OF THE COUNTERPARTY

As the Disposals were made on the market through broker, the identity of the purchaser was unknown to the Company. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no connected person of the Company has acquired the Bonds disposed of by Guide Plus.

BASIS OF DETERMINATION OF THE CONSIDERATION

Since the Disposals were conducted through open market at the prevailing market price, the Directors consider that the Disposals are on normal commercial terms and their terms including consideration are fair and reasonable.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company, and the Group is principally engaged in the business of investments in securities, trading of commodities and electronic components, money lending as well as securities brokerage. In light of the recent volatile market conditions, the Directors consider that notwithstanding the Disposals are made at an overall loss, in view of the interest income earned by the Group in the previous years and up to the date of the Disposals, and the fact that the Disposals can provide immediate liquidity to improve the Group's cash positions thereby allowing it to better structure its asset portfolio, the Directors consider the Disposals are in the interest of the Company and the Shareholders as a whole.

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FINANCIAL EFFECT OF THE DISPOSALS

It is expected that the Group will record an overall loss of approximately US\$112,000 (equivalent to approximately HK\$874,000) as a result of the Disposals, subject to auditors' review. The overall loss represents the difference between the net proceeds from the Disposals and the acquisition cost of the Bonds.

USE OF PROCEEDS

The net proceeds from the Disposals (i.e. proceeds from the Disposals and deducting therefrom transaction costs), which is approximately US\$3,843,000 (equivalent to approximately HK\$29,975,000), have been/will be used as general working capital of the Group.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals (both on their own and on an aggregated basis with the Previous Disposals) is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

“6.5% Logan Bonds”	interest-bearing instruments of indebtedness issued by the Issuer with a coupon rate of 6.5% per annum and a maturity date of 16 July 2023
“Board”	Board of Directors of the Company
“Bonds”	Interest-bearing instruments of indebtedness issued by the Issuer with a coupon rate of 5.25% per annum and a maturity date of 23 February 2023
“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
“Disposals”	the disposals of the Bonds between 8 April 2020 and 28 May 2020 in the aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000) by Guide Plus in the secondary market
“Group”	the Company and its subsidiaries
“Guide Plus”	Guide Plus Investments Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
“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
“Issuer”	Logan Property Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3380)

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposals”	the previous disposals of (i) the Bonds and the 6.5% Logan Bonds in the respective nominal value of US\$3,000,000 (equivalent to HK\$23,400,000) and US\$1,000,000 (equivalent to HK\$7,800,000) respectively by Guide Plus in the secondary market as announced by the Company on 2 April 2020; and (ii) the Bonds in the nominal value of US\$5,000,000 (equivalent to HK\$39,000,000) by Guide Plus in the secondary market as announced by the Company on 3 April 2020
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 28 May 2020

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.8.

At the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman), three Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), 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.