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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 29 December 2017 (after trading hours), 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 in the aggregate principal amount of HK\$100,000,000 for a term of 6 months.

As one of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Loan Facility (excluding the Existing Loan Facility) granted to the Borrower under the Loan Agreement is more than 5% but less than 25%, the Loan Facility granted under the Loan Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under the Listing Rules.

As the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Existing Loan Facility were below 5% at the relevant time, the Existing Loan Facility granted under the Existing Loan Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and was therefore not subject to any disclosure requirements under the Listing Rules.

However, as the Borrower is the same as that under the Existing Loan Agreement, the grant of the Loan Facilities are required to be aggregated under Rule 14.22 of the Listing Rules. Given one of the applicable ratios in respect of the Loan Facilities granted to the Borrower under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the grant of the Loan Facilities in aggregate still constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

On 29 December 2017 (after trading hours), 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 in the aggregate principal amount of HK\$100,000,000 for a term of 6 months.

## **THE LOAN AGREEMENT**

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

Date:	29 December 2017 (after trading hours)
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 Bermuda with limited liability whose issued shares are listed on the Main Board of the Stock Exchange and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and its connected persons as at the date of this announcement
Principal amount:	HK\$100,000,000
Interest rate:	12% per annum with interest payable on every three months interval
Drawdown period:	available for drawdown on any Business Day within 14 days after the date of the Loan Agreement
Repayment date:	within 6 months from the first date of drawdown of the Loan Facility, or such other date at the request of the Borrower and agreed by the Lender in writing, and subject to such terms and conditions to be agreed between the Lender and the Borrower in writing
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

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 Bermuda with limited liability whose issued shares are listed on the Main Board of the Stock Exchange. The Borrower and its subsidiaries are principally engaged in property development, investment and trading and other strategic investments. To the best of the Directors' knowledge, information and belief 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 and the Group is principally engaged in the business of investments in securities, trading, 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 financial position of the Borrower 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 the Shareholders as a whole.

## **EXISTING LOAN FACILITY**

The Existing Loan Facility has been advanced by the Lender to the Borrower under the Existing Loan Agreement. The Borrower is indebted to the Lender a principal amount of HK\$21,000,000 with accrued interest thereon amounted to approximately HK\$83,000 up to and including the date of this announcement under the Existing Loan Agreement.

As the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Existing Loan Facility were below 5% at the relevant time, the Existing Loan Facility granted under the Existing Loan Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and was therefore not subject to any disclosure requirements under the Listing Rules.

## **IMPLICATIONS UNDER THE LISTING RULES**

As one of the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Loan Facility (excluding the Existing Loan Facility) granted to the Borrower

under the Loan Agreement is more than 5% but less than 25%, the Loan Facility granted under the Loan Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under the Listing Rules.

As the applicable ratios under Rule 14.07 of the Listing Rules in respect of the Existing Loan Facility were below 5% at the relevant time, the Existing Loan Facility granted under the Existing Loan Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules and was therefore not subject to any disclosure requirements under the Listing Rules.

However, as the Borrower is the same as that under the Existing Loan Agreement, the grant of the Loan Facilities are required to be aggregated under Rule 14.22 of the Listing Rules. Given one of the applicable ratios in respect of the Loan Facilities granted to the Borrower under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the grant of the Loan Facilities in aggregate still constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

“Board”	Board of Directors of the Company
“Borrower”	a company incorporated in Bermuda with limited liability whose issued shares are listed on the Main Board of the Stock Exchange and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, 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 issued 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
“Existing Loan Agreement”	loan agreement entered into between the Lender and the Borrower on 24 November 2016 as supplemented by various extension letters, in respect of the Existing Loan Facility

“Existing Loan Facility”	loan facility in the aggregate principal amount of HK\$21,000,000 granted by the Lender to the Borrower under the Existing Loan Agreement
“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 Agreement”	loan agreement dated 29 December 2017 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility
“Loan Facilities”	the Loan Facility and the Existing Loan Facility
“Loan Facility”	loan facility in the aggregate principal amount of HK\$100,000,000 granted by the Lender to the Borrower under the Loan Agreement
“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, 29 December 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.*