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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 DISPOSAL OF BONDS**

#### **DISPOSAL OF BONDS**

The Board is pleased to announce that on 3 April 2020, Guide Plus, an indirect wholly owned subsidiary of the Company, disposed of the Bonds with nominal value of US\$5,000,000 (equivalent to HK\$39,000,000) in the secondary market for a consideration of approximately US\$4,672,000 (equivalent to approximately HK\$36,442,000).

#### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal (both on its own and on an aggregated basis with the disposal of bonds by the Group as announced on 2 April 2020) is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for 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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#### **BONDS DISPOSAL**

Date: 3 April 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:	US\$5,000,000 (equivalent to HK\$39,000,000)		
Consideration:	Approximately	US\$4,672,000	(equivalent to approximately HK\$36,442,000)
	The consideration for the Disposal is expected to be settled by cash on 7 April 2020		
Maturity date of the Bonds:	23 February 2023		
Coupon rate of the Bonds:	5.25% per annum		
	The interest income of the Group attributable to the Bonds for the financial year ended 31 December 2018 and 2019 both amounted to approximately US\$263,000 (equivalent to approximately HK\$2,051,000)		

## **INFORMATION OF THE COUNTERPARTY**

As the Disposal was 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 Disposal was conducted through open market at the prevailing market price, the Directors consider that the Disposal is on normal commercial terms and its terms including consideration are fair and reasonable.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

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 Disposal is made at a loss, in light of the interest income earned by the Group in previous years and up to the date of the Disposal, and the fact that the Disposal can provide immediate liquidity to improve the Group's cash positions, thereby allowing it to better structure its asset portfolio with a view to reducing the Group's exposure to financial market fluctuations, the Directors consider the Disposal to be in the interest of the Company and the Shareholders as a whole.

Since the Disposal was conducted through open market, the Directors consider that the Disposal is on normal commercial terms and is fair and reasonable.

## **FINANCIAL EFFECT OF THE DISPOSAL**

It is expected that the Group will record a loss of approximately US\$281,000 (equivalent to approximately HK\$2,192,000) as a result of the Disposal, subject to auditors' review. The loss represents the difference between the net proceeds from the Disposal and the acquisition cost of the Bonds.

## **USE OF PROCEEDS**

It is expected that the net proceeds from the Disposal (i.e. proceeds from the Disposal and deducting therefrom transaction costs), which is approximately US\$4,662,000 (equivalent to approximately HK\$36,364,000), 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 Disposal (both on its own and on an aggregated basis with the disposal of bonds by the Group as announced on 2 April 2020) is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

“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
“Disposal”	the disposal of the Bonds in the nominal value of US\$5,000,000 by Guide Plus in the secondary market on 3 April 2020

“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
“Shareholder(s)”	shareholder(s) 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, 3 April 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.*