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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 GUARANTEED NOTES**

### **DISPOSAL OF GUARANTEED NOTES**

The Board is pleased to announce that on 28 April 2020, Guide Plus, an indirect wholly owned subsidiary of the Company, disposed of Guaranteed Notes with nominal value of US\$2,000,000 (equivalent to HK\$15,600,000) in the secondary market for a consideration of US\$2,005,000 (equivalent to HK\$15,639,000).

### **LISTING RULES IMPLICATION**

As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the Guaranteed Notes are issued by the same Issuer, each of the Disposal and the Previous Disposal were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal in aggregate with the Previous Disposal is more than 5% but less than 25%, the Disposal and the Previous Disposal, in aggregate, 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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## **GUARANTEED NOTES DISPOSAL**

Date:	28 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:	New World China Land Limited (a company incorporated in the Cayman Islands with limited liability), a wholly-owned subsidiary of NWDL. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, New World China Land Limited is a third party independent of the Company and its connected persons
Nominal Value of Guaranteed Notes disposed of:	US\$2,000,000 (equivalent to HK\$15,600,000)
Consideration:	US\$2,005,000 (equivalent to HK\$15,639,000)  The entire consideration for the Disposal is expected to be settled by cash on 30 April 2020
Maturity date:	23 January 2027
Coupon rate:	4.75% per annum  The interest income of the Group attributable to Guaranteed Notes for the financial year ended 31 December 2018 and 2019 both amounted to US\$95,000 (equivalent to HK\$741,000)

## **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 Guaranteed Notes 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 the Disposal is in the interest of the Company and the Shareholders as a whole in view of the small gain earned from the Disposal, the interest income earned by the Group in the previous years and up to the date of the Disposal, and the fact that the Disposal can provide immediate liquidity to the Group thereby allowing it to better structure its asset portfolio.

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 gain of US\$1,000 (equivalent to approximately HK\$8,000) as a result of the Disposal, subject to auditor's review. The gain represents the difference between the net proceeds from the Disposal and the acquisition cost of the Guaranteed Notes.

## **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 US\$2,001,000 (equivalent to approximately HK\$15,608,000), will be used as general working capital of the Group.

## **LISTING RULES IMPLICATION**

As the Disposal and the Previous Disposal were conducted within a 12-month period prior to and inclusive of the date of the Disposal and the Guaranteed Notes are issued by the same Issuer, each of the Disposal and the Previous Disposal were aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal in aggregate with the Previous Disposal is more than 5% but less than 25%, the Disposal and the Previous Disposal, in aggregate, 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
“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 Guaranteed Notes in the nominal value of US\$2,000,000 (equivalent to HK\$15,600,000) by Guide Plus in the secondary market on 28 April 2020
“Group”	the Company and its subsidiaries
“Guaranteed Notes”	Interest-bearing instruments of indebtedness issued by the Issuer and guaranteed by NWDL with a coupon rate of 4.75% per annum and a maturity date of 23 January 2027
“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”	New World China Land Limited (a company incorporated in the Cayman Islands with limited liability), a wholly-owned subsidiary of NWDL
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“NWDL”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 17)
“Previous Disposal”	the disposal of the Guaranteed Notes in the nominal value of US\$1,000,000 (equivalent to HK\$7,800,000) by Guide Plus in the secondary market on 20 April 2020
“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, 28 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.*