

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **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 May 2019 (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 of HK\$150,000,000 for a term of 12 months.

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.

On 29 May 2019 (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 of HK\$150,000,000 for a term of 12 months.

#### **THE LOAN AGREEMENT**

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

Date: 29 May 2019 (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\$150,000,000
Interest rate:	6.5% per annum with interest payable on every 3 months interval
Administration fee:	0.5% on the amount of the Loan Facility
Availability period:	available for drawdown on any Business Day within 30 Business Days after the date of the Loan Agreement
Maturity date:	12 months from the drawdown date, or such other later date to be agreed by the Lender in writing, and subject to such terms and conditions to be agreed between the Lender and the Borrower in writing
Prepayment:	the Borrower may give not less than 15 days' prior written notice (or such shorter period as the Lender may agree) that specifies the date of prepayment to the Lender and make a prepayment of all or part 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 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 investment holdings, trading and investment in securities, and the provisions of (i) securities brokerage services, (ii) placing and underwriting services, (iii) corporate finance advisory services, (iv) money lending services, (v) investment advisory and asset management services, and (vi) margin financing services. 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. 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.

**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**

“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 and Sunday) 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 Agreement”	loan agreement dated 29 May 2019 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility
“Loan Facility”	loan facility in the principal amount of HK\$150,000,000 granted by the Lender to the Borrower pursuant to 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 May 2019

*As 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.*