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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 CALC BONDS**

#### **DISPOSAL OF CALC BONDS**

The Board is pleased to announce that on 17 November 2020, Guide Plus, an indirect wholly owned subsidiary of the Company, disposed of the CALC Bonds in the aggregate nominal value of US\$2,000,000 (equivalent to HK\$15,600,000) in the secondary market at the aggregate consideration of US\$1,824,000 (equivalent to approximately HK\$14,227,000).

#### **LISTING RULES IMPLICATION**

As the Disposal and the Previous Disposals were conducted within a 12-month period prior to and inclusive of the date of the Disposal, each of the Disposal and the Previous Disposals 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 Disposals is more than 5% but less than 25%, the Disposal and the Previous Disposals, 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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## **AGGREGATED DISPOSALS OF CALC BONDS**

Period:	From 23 October 2020 to 17 November 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:	CALC Bond 3 Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of CALC. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CALC Bond 3 Limited and CALC are third parties independent of the Company and its connected persons
Guarantor:	China Aircraft Leasing Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1848)
Nominal value of the CALC Bonds disposed of:	Aggregate nominal value of the CALC Bonds of US\$10,000,000 (equivalent to HK\$78,000,000) have been disposed of under the Previous Disposals and the Disposal
Consideration:	Aggregate consideration of US\$9,113,000 (equivalent to approximately HK\$71,081,000) from disposal of the CALC Bonds have been received under the Previous Disposals and the Disposal  The entire consideration for the Previous Disposals and the Disposal have been/will be settled by cash
Maturity date of the CALC Bonds:	8 March 2022
Coupon rate and interest income:	4.7% per annum payable semi-annually  The interest income of the Group attributable to the CALC Bonds disposed of by Guide Plus under the Previous Disposals and the Disposal for the financial years ended 31 December 2018 and 2019 both amounted to US\$470,000 (equivalent to HK\$3,666,000)

## **INFORMATION OF THE COUNTERPARTY**

As the Aggregated Disposals were made on the market through broker, the identity of the purchasers were 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 CALC Bonds disposed of by Guide Plus.

## **BASIS OF DETERMINATION OF THE CONSIDERATION**

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

## **REASONS FOR AND BENEFITS OF THE AGGREGATED 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 Aggregated 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 each of the Previous Disposals and the Disposal, and the fact that the Aggregated 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 Aggregated Disposals are in the interest of the Company and the Shareholders as a whole.

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## **FINANCIAL EFFECT OF THE AGGREGATED DISPOSALS**

It is expected that the Group will record an overall loss of US\$917,000 (equivalent to approximately HK\$7,153,000) as a result of the Aggregated Disposals, subject to auditors' review. The overall loss represents the difference between the net proceeds from the Aggregated Disposals and the acquisition costs of the CALC Bonds.

## **USE OF PROCEEDS**

The net proceeds from the Aggregated Disposals (i.e. proceeds from the Aggregated Disposals and deducting therefrom transaction costs), which is US\$9,093,000 (equivalent to approximately HK\$70,925,000), have been/will be used as general working capital of the Group.

## **LISTING RULES IMPLICATION**

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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 Disposals is more than 5% but less than 25%, the Disposal and the Previous Disposals, 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**

“Aggregated Disposals”	the Disposal and the Previous Disposals
“Board”	Board of Directors of the Company
“CALC Bonds”	interest-bearing instruments of indebtedness issued by the Issuer with a coupon rate of 4.7% per annum payable semi-annually and a maturity date of 8 March 2022, the repayment of which is guaranteed by CALC
“CALC” or “Guarantor”	China Aircraft Leasing Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange (stock code: 1848)
“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 CALC Bonds on 17 November 2020 in the aggregate nominal value of US\$2,000,000 (equivalent to HK\$15,600,000) 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”	CALC Bond 3 Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of CALC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Previous Disposals”	the previous disposals of the CALC Bonds in the aggregate nominal value of US\$8,000,000 (equivalent to HK\$62,400,000) by Guide Plus in the secondary market during the period from 23 October 2020 to 10 November 2020
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), 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, 17 November 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.*