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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 DISPOSALS OF GUARANTEED NOTES**

### **DISPOSALS OF GUARANTEED NOTES**

The Board is pleased to announce that between 29 April 2020 and 11 May 2020, Guide Plus, an indirect wholly owned subsidiary of the Company, disposed of Guaranteed Notes in the aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000) in the secondary market at the aggregate consideration of approximately US\$4,025,000 (equivalent to approximately HK\$31,395,000).

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals (both on their own and on an aggregated basis with the Previous Disposals) is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

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## **GUARANTEED NOTES DISPOSALS**

Date:	between 29 April 2020 and 11 May 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:	aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000)
Consideration:	aggregated consideration of approximately US\$4,025,000 (equivalent to approximately HK\$31,395,000)  The entire consideration for the Disposals are expected to be settled by cash on 13 May 2020
Maturity date:	23 January 2027
Coupon rate and interest income:	4.75% per annum  The interest income of the Group attributable to Guaranteed Notes disposed of by Guide Plus under the Disposals for the financial years ended 31 December 2018 and 2019 both amounted to US\$190,000 (equivalent to HK\$1,482,000)

## **INFORMATION OF THE COUNTERPARTY**

As the 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 Guaranteed Notes disposed of by Guide Plus.

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

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

## **REASONS FOR AND BENEFITS OF THE 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 the Disposals are in the interest of the Company and the Shareholders as a whole in view of the gain earned from the Disposals, the interest income earned by the Group in the previous years and up to the date of the Disposals, and the fact that the Disposals can provide immediate liquidity to the Group thereby allowing it to better structure its asset portfolio.

Since the Disposals were conducted through open market, the Directors consider that the Disposals are on normal commercial terms and are fair and reasonable.

## **FINANCIAL EFFECT OF THE DISPOSALS**

It is expected that the Group will record a gain of approximately US\$18,000 (equivalent to approximately HK\$140,000) as a result of the Disposals, subject to auditor's review. The gain represents the difference between the net proceeds from the Disposals and the acquisition cost of the Guaranteed Notes.

## **USE OF PROCEEDS**

It is expected that the net proceeds from the Disposals (i.e. proceeds from the Disposals and deducting therefrom transaction costs), which is approximately US\$4,018,000 (equivalent to approximately HK\$31,340,000), 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 Disposals (both on their own and on an aggregated basis with the Previous Disposals) is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are 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

“Disposals”	the disposals of Guaranteed Notes between 29 April 2020 and 11 May 2020 in the aggregate nominal value of US\$4,000,000 (equivalent to HK\$31,200,000) by Guide Plus in the secondary market
“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 Disposals”	the previous disposals of the Guaranteed Notes in the aggregate nominal value of US\$3,000,000 (equivalent to HK\$23,400,000) by Guide Plus in the secondary market as announced by the Company on 28 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, 11 May 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.*