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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)

DISCLOSABLE TRANSACTION PROVISION OF LOAN FACILITY

The Board is pleased to announce that on 10 April 2017, 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 in the principal amount of US\$40,000,000, bearing interest at a rate of 13% per annum for a period of 180 calendar days.

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 10 April 2017, the Lender, an indirect wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to provide to the Borrower a loan facility in the principal amount of US\$40,000,000, bearing interest at a rate of 13% per annum for a period of 180 calendar days.

THE LOAN AGREEMENT

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

Date: 10 April 2017

Lender:	U Credit (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company
Borrower:	an individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is independent of the Company and its connected persons as at the date of this announcement
Principal amount:	US\$40,000,000
Interest rate:	13% per annum with interest payable on every 60 calendar days interval
Drawdown date:	available for drawdown upon signing of the Loan Agreement
Repayment date:	within 180 calendar days from the date of first drawdown
Early repayment:	the Borrower may give prior written notice that specifies the date of prepayment to the Lender and make an early repayment of the outstanding balance of the Loan Facility together with all interest accrued and unpaid thereon
Security:	pledge of the entire issued share capital in, and a debenture over the assets, property and undertaking of, a Hong Kong incorporated company which holds 59% equity interests in a company established in the PRC which in turn owns a hotel property located in Wangfujing, Beijing, the PRC

The Loan Facility will be funded by internal resources of the Group.

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 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 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”	the Board of Directors
“Borrower”	an individual who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is independent of the Company and its connected persons as at the date of this announcement
“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)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“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”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Facility”	a loan facility in the principal amount of US\$40,000,000 granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	a loan agreement dated 10 April 2017 entered into between the Lender and the Borrower in relation to the provision of the Loan Facility
“PRC”	the People’s Republic of China
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollar, 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, 10 April 2017

As at the date of this announcement, the Board comprises four Executive Directors, namely Dr. Or Ching Fai (Chairman and Chief Executive Officer), Mr. Sue Ka Lok, 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.