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華人策略控股有限公司

Chinese Strategic Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 8089)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Vendor, a subsidiary of the Company, entered into a Preliminary Sales and Purchase Agreement on 25 February 2019 and the Agreement on 11 March 2019 with the Purchasers pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the Property at the consideration of HK\$8,300,000 (the “**Disposal**”).

As the applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

THE DISPOSAL

The principal terms of the Preliminary Sales and Purchase Agreement and the Agreement are as follows:

Date of Preliminary Sales 25 February 2019
and Purchase Agreement:

Date of the Agreement: 11 March 2019

Vendor: Host Luck Limited, a subsidiary of the Company

Purchasers: Lee Ho Yim and Lee Kwok Sun

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchasers were introduced through a local property agent, and the Purchasers and the local property agent are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Information on the Property

The Property is a residential property located at Fu Chun Yuen, No.14 Chi Fu Road, Chi Fu Fa Yuen, Hong Kong. The Property is vacant.

Consideration

HK\$8,300,000, which shall be paid by the Purchasers to the Vendor in the manner as follows:

- (i) HK\$250,000 has been paid upon the signing of the Preliminary Sales and Purchase Agreement as initial deposit;
- (ii) HK\$1,350,000 has been paid on 11 March 2019 as further deposit; and
- (iii) HK\$6,700,000 shall be paid on or before 20 May 2019 as the balance of the Consideration.

The Consideration for the sale and purchase of the Property was determined after arm's length negotiation between the Vendor and the Purchasers on normal commercial terms with reference to a preliminary valuation on the Property as at 31 December 2018 of HK\$7,900,000 conducted by an independent professional property valuer appointed by the Group.

Pursuant to the Preliminary Sales and Purchase Agreement, in consideration of the service rendered, the local property agent shall be entitled to receive HK\$83,000 from the Vendor as commission which shall be paid not later than 20 May 2019.

FINANCIAL EFFECT OF THE DISPOSAL

The Group expects to recognise an unaudited accounting gain of approximately HK\$187,000 from the Disposal, being the difference between the Consideration and the carrying value of the Property as at 31 December 2018 and the expenses in connection with the Disposal (including legal and professional fee and commission to property agent) recorded in the Group's accounts as at the date of completion of the Disposal. The actual gain or loss in connection with the Disposal will be assessed after Completion and is subject to audit.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in businesses of properties investments, securities trading, loan financing, trading business and advising on securities and asset management.

In view of the recent fluctuation of properties market in Hong Kong, it is uncertain whether the Property will benefit from any further capital appreciation. The Company considered that it was necessary to sell the Property to generate cash flow to reduce the liabilities of the Group.

Due to the internal miscommunication and misunderstanding amongst the departments of the Group, the Disposal was not disclosed in a timely manner.

In order to ratify the situation, the Board has taken steps to implement the following remedial actions in order to prevent similar breaches in the future:

1. express written guidelines requiring prior approval of all material transactions from the Board and it shall be circulated to the finance department of the Company;
2. provide additional training to internal staff to enhance communications on the handling procedures of material transactions, including but not limited to seeking advice from external professional for assistance if necessary.

The net proceeds from the Disposal, after deducting the costs and expenses directly attributable thereto, are estimated to be approximately HK\$8,087,000. Presently, the Board intends that the entire amount of the said proceeds will be applied by the Group to settle the outstanding liabilities in relation to the Property of the Group and as its working capital.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Agreement”	the sale and purchase agreement dated 11 March 2019 entered into between the Vendor and the Purchasers relating to the sale and purchase of the Property
“Board”	the board of Directors
“Company”	Chinese Strategic Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on GEM
“Consideration”	the sum of HK\$8,300,000 being the consideration for the sale and purchase of the Property payable by the Purchaser to the Vendor for the Disposal
“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property pursuant to the Agreement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“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
“Preliminary Sales and Purchase Agreement”	the preliminary sale and purchase agreement dated 25 February 2019 entered into between the Vendor and the Purchasers relating to the sale and purchase of the Property
“Property”	Fu Chun Yuen, No.14 Chi Fu Road, Chi Fu Fa Yuen, Hong Kong
“Purchasers”	Lee Ho Yim and Lee Kwok Sun
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Host Luck Limited, a subsidiary of the Company
“%”	per cent.

By order of the Board
Chinese Strategic Holdings Limited
Lam Kwok Hing Wilfred
Chairman

Hong Kong, 26 April 2019

As at the date hereof, the executive Directors are Ms. Chan Shui Sheung Ivy and Mr. Mok Tsan San; non-executive Director is Mr. Lam Kwok Hing Wilfred, J.P., (Chairman); and the independent non-executive Directors are Ms. Yuen Wai Man, Mr. Chow Fu Kit Edward and Mr. Lam Raymond Shiu Cheung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days and the Company website at www.chinesestrategic.com from the date of its publication.