



CHINA STRATEGIC HOLDINGS LIMITED
中策集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock code: 235

**DESPATCH OF CIRCULAR IN RELATION TO THE GROUP REORGANISATION,
THE CAPITAL REORGANISATION AND CHANGE IN BOARD LOT SIZE**

Financial adviser to China Strategic Holdings Limited



道亨證券有限公司

DaoHengSecurities Ltd.

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

Hercules

Hercules Capital Limited

- A circular containing, among other things, details of the Group Reorganisation, the Capital Reorganisation, change of board lot size, a notice convening the EGM, the letter of advice from the Independent Board Committee and the letter of advice from Hercules in relation to the Group Reorganisation together with all relevant financial information, will be despatched to the Shareholders on 10 September 2005.
- Shareholders are advised to read the Circular carefully before deciding on their voting of the relevant resolutions as set out in the notice of the EGM in the Circular to approve the Group Reorganisation and the Capital Reorganisation. Shareholders are also advised to exercise caution when dealing in Shares.

Reference is made to (i) the joint announcements dated 19 April 2005, 10 May 2005 and 28 July 2005 respectively issued by Hanny Holdings Limited, China Strategic Holdings Limited, Well Orient Limited, Nation Field Limited and Group Dragon Investments Limited; and (ii) the announcement dated 18 August 2005 issued by China Strategic Holdings Limited (“Announcement”). Terms used herein shall have the same meanings as those defined in the circular to be despatched to the Shareholders dated 10 September 2005 (“Circular”) unless the context herein requires otherwise.

The Board announces that the Circular, which is expected to be sent to the Shareholders on or around 9 September 2005 as stated in the Announcement, will be despatched to the Shareholders on 10 September 2005. The Circular comprises, among other things, details of the Group Reorganisation, the Capital Reorganisation, change of board lot size, a notice convening the EGM, the letter of advice from the Independent Board Committee and the letter of advice from Hercules in relation to the Group Reorganisation together with all relevant financial information.

Shareholders are advised to read the Circular carefully before deciding on their voting of the relevant resolutions as set out in the notice of the EGM in the Circular to approve the Group Reorganisation and the Capital Reorganisation. Shareholders are also advised to exercise caution when dealing in Shares.

Executive Directors:

Dr. Chan Kwok Keung, Charles

Dr. Yap, Allan

Ms. Chau Mei Wah, Rosanna

Ms. Chan Ling, Eva

Mr. Li Bo

Mr. Chan Kwok Hung

(Alternate to Dr. Chan Kwok Keung, Charles)

Mr. Lui Siu Tsuen, Richard

(Alternate to Dr. Yap, Allan)

Independent Non-executive Directors:

Mr. David Edwin Bussmann

Mr. Wong King Lam, Joseph

Mr. Sin Chi Fai

By order of the board of
CHINA STRATEGIC HOLDINGS LIMITED

Chan Yan Yan, Jenny

Company Secretary

Hong Kong, 9 September 2005

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.