



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS OF MRI HOLDINGS LIMITED FOR THE SIX MONTHS ENDED 30TH JUNE, 2005

MRI Holdings Limited, a 57.26% owned subsidiary of China Strategic Holdings Limited, has announced its unaudited consolidated results for the six months ended 30th June, 2005.

This announcement is made by China Strategic Holdings Limited (“CSH”) pursuant to the requirement of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to provide shareholders of CSH with financial information of MRI Holdings Limited (“MRI”), is an approximately 57.26% owned subsidiary of CSH, which has announced such information to the public in Australia on 13th September, 2005.

The board of directors (the “Board”) of CSH announces the unaudited consolidated results of MRI for the six months ended 30th June, 2005 which has been announced by MRI with the rule 4.2BA of the Australian Stock Exchange on 13th September, 2005 in Australia. MRI is a company incorporated in Australia and its shares are listed on the Australian Stock Exchange.

The unaudited financial statements for the six months ended 30th June, 2005 are prepared in accordance with the Corporation Act 2001 and applicable Accounting Standards and complies with other requirements of the law of Australia.

Results

The unaudited consolidated results of MRI and its subsidiaries for the six months ended 30th June, 2004 and 2005 are as follows:

	Six months ended 30th June,	
	2005	2004
	A\$	A\$
	(Unaudited)	(Unaudited)
Revenue from ordinary activities	398,985	318,042
Administration expenses	(196,955)	(155,569)
Management fees	(62,197)	(65,018)
Fair value adjustment of financial assets	(72,615)	(439,615)
Net foreign exchange gain/(loss)	141,726	(367)
Net loss on sale of investments	(170)	—

Profit/(Loss) from ordinary activities before income tax expense	208,774	(342,527)
Income tax expense relating to ordinary activities	(90,791)	(30,926)
Profit/(Loss) from ordinary activities after related income tax expense for the period	<u>117,983</u>	<u>(373,453)</u>
Earning/(Loss) per share		
— Basic (cents per share)	0.26	(0.81)
— Diluted (cents per share)	0.26	(0.81)

Balance Sheet Highlights

The consolidated balance sheet of MRI and its subsidiaries shows the followings:

	30th June, 2005 A\$'000 (Unaudited)	31st December, 2004 A\$'000 (Audited)
Current assets	16,945	16,541
Non-current assets	<u>5,327</u>	<u>5,361</u>
Total assets	22,272	21,902
Current liabilities	(453)	(320)
Non-current liabilities	<u>(222)</u>	<u>(155)</u>
Net assets	<u>21,597</u>	<u>21,427</u>
Contributed equity	31,184	31,184
Reserves and accumulated losses	<u>(9,587)</u>	<u>(9,757)</u>
	<u>21,597</u>	<u>21,427</u>

By Order of the Board
Chan Ling, Eva
Executive Director

Hong Kong, 13th September, 2005

As at the date of this announcement, the Board comprises Dr. Chan Kwok Keung, Charles, Dr. Yap, Allan, Ms. Chau Mei Wah, Rosanna, Ms. Chan Ling, Eva, Mr. Li Bo as executive directors, Mr. Chan Kwok Hung and Mr. Lui Siu Tsuen, Richard as alternate directors to Dr. Chan Kwok Keung, Charles and Dr. Yap, Allan respectively and Mr. David Edwin Bussmann, Mr. Wong King Lam, Joseph and Mr. Sin Chi Fai as independent non-executive directors.