



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

ANNOUNCEMENT OF RESULTS OF MRI HOLDINGS LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 2004

MRI Holdings Limited, a 57.26% owned subsidiary of China Strategic Holdings Limited, has announced its unaudited financial results for the year ended 31st December, 2004. The unaudited financial statements of MRI are set out below.

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 28th February, 2005.

The board of directors (the “Board”) of CSH announces the unaudited financial results of MRI for the year ended 31st December, 2004 which has been announced by MRI in accordance with rule 4.3A of the Australian Stock Exchange on 28th February, 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 year ended 31st December, 2004 are prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and complies with other requirements of the law of Australia.

Results

The condensed consolidated results of MRI and its subsidiaries for the years ended 31st December, 2004 and 2003 which has been reviewed by its auditors are as follows:

	Year ended 31st December,	
	2004 A\$'000	2003 A\$'000
Turnover	<u>822</u>	<u>635</u>
Operating (loss)/profits	(662)	2,391
Taxation	<u>(123)</u>	<u>(111)</u>
(Loss)/profits attributable to shareholders	(785)	2,280
Accumulated losses brought forward	<u>(12,860)</u>	<u>(15,140)</u>
Accumulated losses carried forward	<u>(13,645)</u>	<u>(12,860)</u>
Basic (losses) earnings per share	(1.7) cents	5.0 cents

Diluted (losses) earnings per share is not materially different from basic (losses) earnings per share and therefore is not disclosed.

Balance Sheet Highlights

The condensed consolidated balance sheets of MRI and its subsidiaries which has been reviewed by its auditors shows the followings:

	As at 31st December,	
	2004	2003
	A\$'000	A\$'000
Current assets	16,226	16,277
Non current assets	5,643	6,540
Total assets	21,869	22,817
Current liabilities	(201)	(189)
Non current liabilities	(140)	(71)
Net assets	21,528	22,557
Share capital	31,184	31,184
Reserves and accumulated losses	(9,656)	(8,627)
	21,528	22,557

By Order of the Board
Chan Ling, Eva
Executive Director

Hong Kong, 28th February, 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.