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## **CHINA STRATEGIC HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

Stock code: 235

### **FURTHER POSTPONEMENT OF DESPATCH OF DOCUMENTS**

The China Strategic Circular is expected to be sent to the China Strategic Shareholders on or around 9th September, 2005.

Reference is made to the joint announcements dated 19th April, 2005, 10th May, 2005 and 28th July, 2005 respectively (the "Joint Announcement(s)") issued by Hanny Holdings Limited, China Strategic Holdings Limited, Well Orient Limited, Nation Field Limited and Group Dragon Investments Limited. Terms used herein shall have the same meanings as those defined in the Joint Announcements unless the context requires otherwise.

During the period from the release of the Joint Announcement dated 19th April, 2005 to the date of this announcement, China Strategic and its reporting accountants (as appropriate) have been preparing the accountants' report of the GDI Group for the three years ended 31st December, 2004 and the four months ended 30th April, 2005. As stated in the Joint Announcement dated 28th July, 2005, the China Strategic Circular containing, among other things, details of the China Strategic Group Reorganisation, change of board lot size, a notice convening an extraordinary general meeting of China Strategic, the letter of recommendation from the independent board committee of China Strategic and the letter of advice from Hercules, the independent financial adviser to the independent board committee of China Strategic, together with all relevant financial information was expected to be sent to the China Strategic Shareholders on or around 19th August, 2005. However, in view of additional time is required for the finalisation of, among others, (i) the accountant's report of the GDI Group for the three years ended 31st December, 2004 and the four months ended 30th April, 2005; (ii) the unaudited pro forma financial information of the China Strategic Group upon completion of the China Strategic Group Reorganisation; and (iii) the unaudited pro forma assets and liabilities statement of the GDI Group upon completion of the China Strategic Group Reorganisation, the expected despatch date of the China Strategic Circular is postponed to on or around 9th September, 2005.

A composite offer and response document of China Strategic setting out, inter alia, details of the China Strategic Offer (accompanied by the acceptance and transfer form) and incorporating the letter of recommendation from the independent board committee of China Strategic and the letter of advice from Hercules on the China Strategic Offer will be sent to the China Strategic Shareholders in accordance with the Takeovers Code. Application has been made by the Offeror for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the offer document to within 7 days of fulfillment of the conditions precedent to the Share Sale Agreement and such consent has been granted by the Executive.

Another composite offer and response document of GDI setting out, inter alia, details of the GDI Offer (accompanied by the acceptance and transfer form), information on Hanny and incorporating the letter of recommendation from the independent board committee of GDI and the letter of advice from Hercules on the GDI Offer will be sent to the shareholders of GDI in accordance with the Takeovers Code. Application has been made by Well Orient for the Executive's consent under Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the offer document to within 7 days of fulfillment of the conditions precedent to the China Strategic Group Reorganisation and approval by the Hanny Independent Shareholders of making of the GDI Offer and such consent has been granted by the Executive.

As at the date of this announcement, the directors of China Strategic are as follows:

*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, 18th August, 2005

*The directors of China Strategic jointly and severally accept full responsibility for the accuracy of the information contained in this announcement other than that relating to the Offeror and the Hanny Group and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those relating to the Offeror and the Hanny Group 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.*

*The information in this announcement relating to the Offeror and the Hanny Group have been extracted or summarised from the Joint Announcements. The Directors have made all reasonable enquiries and jointly and severally accept responsibility for the correctness and fairness of its reproduction or presentation and the accuracy of extracts or summaries of such information.*