



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 235)

THE CAPITAL REORGANISATION, THE GROUP REORGANISATION, THE SHARE SALE AGREEMENT, THE CHINA STRATEGIC OFFER AND THE GDI OFFER

POSTPONEMENT OF THE RECORD DATE

As certain conditions to the Group Reorganisation have not been fulfilled, the Board announces that the Record Date (which is suggested in the Circular to be 8 November 2005) will be postponed accordingly.

Reference is made to (i) the joint announcement dated 19 April 2005 issued by Hanny Holdings Limited, China Strategic Holdings Limited, Well Orient Limited, Nation Field Limited and Group Dragon Investments Limited; and (ii) the circular issued by the Company dated 10 September 2005 (the "Circular"). Terms used herein shall have the same meanings as those defined in the Circular unless the context herein requires otherwise.

As at the date of this announcement, the following conditions of the Group Reorganisation, being conditions (ii) to (iv) as set out in the paragraph headed "Conditions of the Group Reorganisation" under the section headed "The Group Reorganisation" in the letter from the Board contained in the Circular, have not yet been fulfilled:

- the Capital Reorganisation having become effective;
- the agreement of the Group's creditors, if required, to the release of guarantees given by the Company and/or any of its subsidiaries (other than members of the GDI Group) on the obligations of any members of the GDI Group following the implementation of the Group Reorganisation; and
- the obtaining of any other third-party consents or approvals, including all regulatory consents, required to give effect to the Group Reorganisation.

As the Company is preparing the application in respect the Capital Reorganisation to the Court, extra time is required for the fulfillment of the above conditions and therefore the Record Date (for determining entitlements to the distribution in specie of the GDI Shares by the Company), which is suggested in the Circular to be 8 November 2005, will be postponed accordingly. An application will be made to the Court in respect of the Capital Reorganisation as soon as practicable and the actual date of the hearing of the petition by the Court will depend upon the availability of the Court which, in turn, depends upon the projected length and scope of the relevant hearing. Further announcement(s) will be made informing Shareholders of the expected Record Date, the progress and results of the application to the Court, the expected effective date of the Capital Reorganisation, the trading arrangements and free exchange of new Share certificates after the application in respect of the Capital Reorganisation has been made to the Court.

Shareholders should note that if any of the conditions precedent (including, but not limited to, completion of the Capital Reorganisation and the Group Reorganisation to the reasonable satisfaction of the Offeror) shall not have been fulfilled or waived (as the case may be) on or before 31 December 2005, the Share Sale Agreement shall be void and of no effect and no party shall have any rights or claims whether for loss or damages or other reliefs whatsoever against any of the other parties on any ground save for antecedent breaches. Further announcement will be made informing the Shareholders of the progress in respect of the completion of the Share Sale Agreement.

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, 8 November 2005

The directors of the Company 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 and belief, 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.