



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

ANNOUNCEMENT OF AUDITED RESULTS OF MRI HOLDINGS LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 2005

MRI Holdings Limited, a 57.26% owned subsidiary of China Strategic Holdings Limited, has announced its audited financial results for the year ended 31st December, 2005. The audited 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 30th March, 2006.

The board of directors (the “Board”) of CSH announces the audited financial results of MRI for the year ended 31st December, 2005 which has been announced by MRI in accordance with rule 4.5 of the Australian Stock Exchange on 30th March, 2006 in Australia. MRI is a company incorporated in Australia and its shares are listed on the Australian Stock Exchange.

The audited financial statements for the year ended 31st December, 2005 are prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and complies with other requirements of the law of Australia.

RESULTS

The audited consolidated results of MRI and its subsidiaries for the years ended 31st December, 2005 and 2004 are as follows:

	Year ended 31st December,	
	2005 A\$'000	2004 A\$'000 (Restated)
Turnover	846	826
Other income	151	–
Administration expenses	(469)	(428)
Fair value adjustment of financial assets	(591)	(1,056)
Other expenses	–	(4)
	<hr/>	<hr/>
Loss from ordinary activities before income tax expense	(63)	(662)
Income tax expense	(58)	(129)
	<hr/>	<hr/>
Loss from ordinary activities after related income tax expense	(121)	(791)
Accumulated losses brought forward	(13,634)	(12,843)
	<hr/>	<hr/>
Accumulated losses carried forward	<u>(13,755)</u>	<u>(13,634)</u>
Basic loss per share	(0.26) cents	(1.71) cents

Diluted loss per share is not materially different from basic loss per share and therefore is not disclosed.

Balance Sheet Highlights

The audited consolidated balance sheets of MRI and its subsidiaries for the years ended 31st December, 2005 and 2004 shows the followings:

	As at 31st December,	
	2005	2004
	A\$'000	A\$'000
		(Restated)
Current assets	17,515	16,541
Non current assets	4,915	5,361
Total assets	22,430	21,902
Current liabilities	(456)	(320)
Non current liabilities	(213)	(155)
Net assets	21,761	21,427
Share capital	31,184	31,184
Reserves and accumulated losses	(9,423)	(9,757)
	21,761	21,427

By Order of the Board
Chan Ling, Eva
Executive Director

Hong Kong, 30th March, 2006

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.