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CHINA STRATEGIC HOLDINGS LIMITED

(中策集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group expects to record a profit for its six-month period ended 30 June 2014 as compared with the loss recorded by the Group for the corresponding period ended 30 June 2013. The information contained in this announcement is only based on the preliminary review on the management accounts of the Group, which have not been confirmed nor reviewed by the Company's auditors.

Details of the Group's performance will be disclosed in the interim results announcement of the Group before the end of August 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Strategic Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

After a preliminary review of the management accounts of the Group, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group expects to record a profit for its six-month period ended 30 June 2014 as compared with the loss recorded by the Group for the corresponding period ended 30 June 2013. The Board considers that the expected profit is mainly attributable to (i) the recognition of gain on disposal of equity interest in a subsidiary of the Company of approximately HK\$107 million (details of which were disclosed in the Company’s announcement dated 8 May 2014); and (ii) a gain on financial assets at fair value through profit or loss of approximately HK\$30 million for the six-month period ended 30 June 2014 as a result of the recent upturn in the financial market as compared with the loss on financial assets at fair value through profit or loss of approximately HK\$63 million as stated in the interim report 2013 of the Group for the corresponding period ended 30 June 2013.

The information contained in this announcement is only based on the preliminary review on the management accounts of the Group, which have not been confirmed nor reviewed by the Company’s auditors.

The Company is in the process of finalising the interim results of its continuing operations for the six-month period ended 30 June 2014. The overall financial results of the Group for the six-month period ended 30 June 2014 will be ascertained when all the relevant results and treatments are finalised. Details of the Group’s performance will be disclosed in the interim results announcement of the Group before the end of August 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

On behalf of the Board
China Strategic Holdings Limited
Or Ching Fai
Chairman

Hong Kong, 18 July 2014

As at the date hereof, the Board comprises Mr. Or Ching Fai, Mr. Hui Richard Rui and Mr. Chow Kam Wah as executive directors of the Company and Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying as independent non-executive directors of the Company.