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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)

**PRICE SENSITIVE INFORMATION
PARTIAL DISPOSAL OF SHARES BY A CONTROLLING SHAREHOLDER
AND RESUMPTION OF TRADING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

China Strategic Holdings Limited (the “Company”) was informed by its controlling shareholder, Nation Field Limited (“Nation Field”) which is wholly owned by Mr. Gao Yang, that on 26 July 2007 at around 3:45 p.m., Nation Field disposed of an aggregate of 80,000,000 Shares at HK\$0.6 per Share off market to three independent third parties of the Company (the “Disposal”). Following the aforesaid Disposal, the number of Shares held by Nation Field and Hanny Holdings Limited, being parties acting in concert has been reduced from 267,692,218 Shares (representing approximately 60.73% of the issued share capital of the Company) to 187,692,218 Shares (representing approximately 42.58% of the issued share capital of the Company) and no new substantial shareholder is noted. In view of scale of the aforesaid reduction of shareholding, the board of directors (the “Board”) considers that the Disposal was price sensitive in nature. The Company is not aware of any takeover code implication as a result of the Disposal.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 3:45 p.m. on 26 July 2007 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:30 a.m. on 27 July 2007.

On behalf of the Board
CHINA STRATEGIC HOLDINGS LIMITED
Chan Ling, Eva
Director

Hong Kong, 26 July 2007

As at the date of this announcement, the board of directors of the Company comprises Mr. Gao Yang, Mr. Kwok Ka Lap, Alva, Ms. Chan Ling, Eva as executive directors, and Mr. Wong King Lam, Joseph, Mr. Sin Chi Fai and Mr. Chan Sek Nin, Jackey as independent non-executive directors