

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## 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 the six months ended 30 June 2018 as compared with the loss recorded for the six months ended 30 June 2017. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the six months ended 30 June 2018 which have not been confirmed or reviewed by the Company's auditor.

Further details of the Group's financial results and performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced before the end of August 2018.

**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 (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

Based on a preliminary review by the Company's management on the unaudited management accounts of the Group, the Board of Directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group expects to record a profit for the six months ended 30 June 2018 as compared with the

loss recorded for the six months ended 30 June 2017. The Board expects that the profitable results are mainly attributable to the estimated net gain on financial assets at fair value through profit or loss (“FVTPL”) recorded for the six months ended 30 June 2018 of approximately HK\$405.6 million (which comprised of net unrealised gain and net realised gain of approximately HK\$397.0 million and HK\$8.6 million respectively) as compared with the net loss on financial assets at FVTPL recorded for the corresponding period in last year of approximately HK\$151.1 million (which comprised of net unrealised loss and net realised loss of approximately HK\$61.9 million and HK\$89.2 million respectively), coupled with the increases in profit recorded by the Group’s money lending and trading businesses for the six months ended 30 June 2018 when compared to their respective results for the corresponding period in last year.

The net gain on financial assets at FVTPL is mainly due to the net increase in fair value of the Group’s listed equity securities portfolio and the net realised gain on disposal of listed equity securities during the current period, whereas the expected increases in profit recorded by the Group’s money lending and trading businesses are mainly due to the higher average amount of loans advanced to customers and the higher volume of metal minerals, metal and coke products transacted during the current period, respectively.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the six months ended 30 June 2018 which have not been confirmed or reviewed by the Company’s auditor.

Further details of the Group’s financial results and performance will be disclosed in the interim results announcement of the Company for the six months ended 30 June 2018 which is expected to be announced before the end of August 2018.

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

By Order of the Board  
**China Strategic Holdings Limited**  
**Dr. Or Ching Fai**  
*Chairman*

Hong Kong, 1 August 2018

*As at the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); three Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Ms. Lee Chun Yeung, Catherine and Mr. Chow Kam Wah; and three Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying.*