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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 attributable to owners of the Company for the year ended 31 December 2020 of not less than HK\$2,300 million as compared with the loss of approximately HK\$323 million recorded for the year ended 31 December 2019. 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 year ended 31 December 2020 which have not been reviewed or audited by the Company's auditor. The estimated profit for the year ended 31 December 2020 may be adjusted subject to the amount of expected credit loss to be provided for the Group's loan and interest receivable which is in the course of being finalised.

Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2020 which is expected to be announced before the end of March 2021.

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 attributable to owners of the Company for the year ended 31 December 2020 of not less than HK\$2,300 million as compared with the loss of approximately HK\$323 million recorded for the year ended 31 December 2019. The Board expects that the profit results are mainly attributed to the estimated net gain on financial assets at fair value through profit or loss ("**FVTPL**") recorded for the year ended 31 December 2020 in the region of approximately HK\$2,906 million (which comprised net unrealised gain and net realised loss of approximately HK\$2,980 million and HK\$74 million respectively), compared with the net loss on financial assets at FVTPL recorded for the year ended 31 December 2019 of approximately HK\$437 million (which comprised net unrealised loss and net realised loss of approximately HK\$409 million and HK\$28 million respectively).

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2020. 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 year ended 31 December 2020 which have not been reviewed or audited by the Company's auditor. The estimated profit for the year ended 31 December 2020 may be adjusted subject to the amount of expected credit loss to be provided for the Group's loan and interest receivable which is in the course of being finalised.

Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2020 which is expected to be announced before the end of March 2021.

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

Hong Kong, 11 January 2021

At the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); four Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Ms. Lee Chun Yeung, Catherine, Mr. Chow Kam Wah and Mr. Chow Man Wai, Tony; and four Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander, Mr. Leung Hoi Ying and Mr. Lam Kin Fung, Jeffrey.