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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)**

### PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that in addition to the loss on fair value changes on investments held for trading for the six-month period ended 30 June 2008 as disclosed in the 2008 interim report of the Company, it is expected that the Group will record a further loss of approximately HK\$250 million on fair value changes on investments held for trading for the year ended 31 December 2008 as compared to a profit arising from such fair value changes recorded by the Group for the corresponding year ended 31 December 2007 as a result of the recent downturn in the financial market.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

This announcement is made by China Strategic Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

After preliminary review by the Company’s management based on 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 the potential investors that in addition to the loss on fair value changes on investments held for trading for the six-month period ended 30 June 2008 as disclosed in the 2008 interim report of the Company, it is expected that the Group will record a further

loss of approximately HK\$250 million on fair value changes on investments held for trading for the year ended 31 December 2008 as compared to a profit arising from such fair value changes recorded by the Group for the corresponding year ended 31 December 2007 as a result of the recent downturn in the financial market.

In the meantime, the Company is in the process of finalizing the final results of its continuing operations for the year ended 31 December 2008. The overall financial results of the Group for the year ended 31 December 2008 will only be ascertained when all these results are finalized. Details of the Group's performance will be disclosed in the final results announcement of the Group by April 2009.

The information contained in this announcement is only based on the preliminary assessment by the Company's management according to the management accounts of the Group and is not based on any figures nor information that has been audited or reviewed by the Company's auditors.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**China Strategic Holdings Limited**  
**Chow Kam Wah**  
*Director*

Hong Kong, 13 January 2009

*As at the date of this announcement, the Board comprises Ms. Chiu Ching Ching, Mr. Wong Ah Chik, Mr. Yeung Kwok Yu, Ms. Chan Ling, Eva, Mr. Hui Richard Rui, Mr. Lee Sun Man and Mr. Chow Kam Wah as executive Directors, and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors.*