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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)**

### **ANNOUNCEMENT IN CONNECTION WITH POSSIBLE CAPITAL RAISING**

Reference is made to the announcement issued by China Strategic Holdings Limited (the “**Company**”) on 8 June 2009 in relation to the possible placing of ordinary shares of HK\$0.10 each in the share capital of the Company at a placing price of \$0.10 (the “**Announcement**”). By way of update, although no placing or similar agreement has been entered into, the Company wishes to announce that it continues to consider possible capital raising opportunities, including through the issuance of convertible securities. Any such capital raising activity will be subject to regulatory and shareholders’ approval and in the event it were to proceed, the Company would seek to raise in the order of approximately HK\$7.8 billion of new funds. In the event such convertible securities are to be issued, the Company intends, subject to appropriate regulatory and shareholders’ approvals, to use the proceeds thereof to acquire a controlling interest in an insurance company located in the Greater China region.

In connection with such possible acquisition, the Company has entered into a non-legally binding memorandum of understanding with Primus Financial Holdings Ltd., a private equity fund, on 15 July 2009 to form an acquiring vehicle with a view to submit a proposal for such possible acquisition. No agreement relating to the possible acquisition has been entered into by the Company and the possible acquisition remains at a preliminary stage.

The Company will make further announcements as and when necessary in order to keep the market informed.

On behalf of the board of directors of  
**China Strategic Holdings Limited**  
**Yeung Kwok Yu**  
*Director*

Hong Kong 29 July 2009

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