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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)

CLARIFICATION ANNOUNCEMENT

This statement is made at the request of The Stock Exchange of Hong Kong Limited (the *Exchange*). China Strategic Holdings Limited (the *Company*) has noted the decrease in the market price of its shares today. Capitalised terms used in this announcement, unless otherwise defined, shall have the same meaning as defined in the Company's announcement dated 10 November 2009 (the *VSA Announcement*).

The Company refers to certain articles in the press today regarding the request by the employees of Nan Shan for the full settlement of their provident fund of approximately NT\$15 billion (approximately HK\$3.45 billion) prior to Acquisition Completion (the *Articles*). After making enquiries with the Directors, the Primus Investor Group and Nan Shan, the Company wishes to make the following clarifications in respect of the Articles:

- The Company understands that agents of Nan Shan (rather than Nan Shan's employees) (the *Agents*) have made a request for the full and immediate return of their provident funds.
- Following discussions with the management of Nan Shan, the Company understands that no agreement has been reached between Nan Shan and the Agents as at the date of this announcement.

Other than the information contained in this announcement and the VSA Announcement, the Company is not aware of any other reasons for the decrease in the Company's share price today and the Company further confirms that there are currently no negotiations and it has not entered into any agreement relating to intended acquisitions or realizations of the Company which are discloseable under Rule 13.23 of the Listing Rules. The Board is also not aware of any matter discloseable under the general obligation imposed by Rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

On behalf of the board of directors of
China Strategic Holdings Limited
Mr. Or Ching Fai
Chief Executive Officer

Hong Kong, 12 November 2009

As at the date of this announcement, the Board comprises Mr. Or Ching Fai, 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, Mr. Frederick Ma Si-Hang as a non-executive Director and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors.