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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

Reference is made to the announcement issued by China Strategic Holdings Limited (the “Company”) on 17 November 2009 regarding the memorandum of understanding entered into between the Company and Chinatrust Financial Holdings Co. Ltd (the “MOU”) dated 17 November 2009 (the “MOU Announcement”). Capitalised terms used in this announcement shall have the same meaning as defined in the MOU Announcement.

The Company notes the articles appearing today in the South China Morning Post newspaper and other media concerning the status of the approval by the relevant Taiwanese regulatory authorities for the acquisition of 97.57% of the entire issued share capital of Nan Shan and in relation to the future ownership of Nan Shan. The Company wishes to state:

- approval of the Company’s application to the relevant Taiwanese regulatory authorities has not been rejected and is yet to be determined; and
- the Proposed Transactions remain subject to further negotiations. It remains the intention of the Company to have control over Nan Shan, either directly or indirectly.

Shareholders of the Company and potential investors should note that the Proposal Subscription, Proposal Disposal and the Future Plans may or may not materialize, as the Transaction Documents have not been negotiated or executed between the parties and discussions are still in progress. Accordingly, shareholders of the Company and potential investors are advised to exercise caution when dealing in the Company’s shares.

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
Vice Chairman and Chief Executive Officer

Hong Kong, 19 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.