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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)

TERMINATION OF AGREEMENTS IN CONNECTION WITH THE ACQUISITION

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the circular of the Company dated 27 February 2010 in relation to, among other things, the entering into of the Share Purchase Agreement between PNS Holding and AIG in connection with the Acquisition of approximately 97.57% of the issued and outstanding share capital of Nan Shan Life Insurance Company, Ltd. by PNS Holding from AIG. Reference is also made to the announcement of the Company dated 20 September 2010 in relation to the termination of the Share Purchase Agreement.

The Board wishes to inform the Shareholders and potential investors that since the Share Purchase Agreement has been terminated pursuant to the termination agreement entered into between PNS Holding and AIG on 20 September 2010, the conditions precedent in each of the Conditional CN Placing Agreement, Conditional Share Placing Agreement, Option Deeds and Employment Agreements would not be fulfilled and accordingly each of the Conditional CN Placing Agreement, Conditional Share Placing Agreement, Option Deeds and Employment Agreements was terminated upon termination of the Share Purchase Agreement.

In addition, since the CSH Facility Agreement is conditional upon the completion of the placings under the Conditional CN Placing Agreement and Conditional Share Placing Agreement, the Company has today given written notice to PNS Holding to terminate the CSH Facility Agreement. Further, since the Share Purchase Agreement has been terminated and therefore the Acquisition will not proceed to Completion, the Management Agreement and the Consortium Letter, being conditional upon the completion of the Share Purchase Agreement and/or the Conditional CN Placing Agreement and Conditional Share Placing Agreement, will terminate on the Long Stop Date.

This announcement is made by China Strategic Holdings Limited (the “**Company**”) pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the circular (“**Circular**”) of the Company dated 27 February 2010 in relation to, among other things, the entering into of the Share Purchase Agreement between Primus Nan-Shan Holding Company Ltd. (“**PNS Holding**”) and American International Group, Inc. (“**AIG**”) in connection with the acquisition (“**Acquisition**”) of approximately 97.57% of the issued and outstanding share capital of Nan Shan Life Insurance Company, Ltd. by PNS Holding from AIG. Reference is also made to the announcement of the Company dated 20 September 2010 in relation to the termination of the Share Purchase Agreement. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless otherwise defined.

Completion of each of the Conditional CN Placing Agreement, Conditional Share Placing Agreement, Option Deeds and Employment Agreements, is conditional upon, among other things, the Share Purchase Agreement not having been terminated prior to the Long Stop Date (being 12 October 2010).

The Board wishes to inform the Shareholders and potential investors that since the Share Purchase Agreement has been terminated pursuant to the termination agreement entered into between PNS Holding and AIG on 20 September 2010, the conditions precedent in each of the Conditional CN Placing Agreement, Conditional Share Placing Agreement, Options Deeds and Employment Agreements would not be fulfilled and accordingly each of the Conditional CN Placing Agreement, Conditional Share Placing Agreement, Option Deeds and Employment Agreement was terminated upon termination of the Share Purchase Agreement.

In addition, since the CSH Facility Agreement is conditional upon the completion of the placings under the Conditional CN Placing Agreement and Conditional Share Placing Agreement, the Company has today given written notice to PNS Holding to terminate the CSH Facility Agreement. Further, since the Share Purchase Agreement has been terminated and therefore the Acquisition will not proceed to Completion, the Management Agreement and the Consortium Letter, being conditional upon the completion of the Share Purchase Agreement and/or the Conditional CN Placing Agreement and Conditional Share Placing Agreement, will terminate on the Long Stop Date.

On behalf of the Board
China Strategic Holdings Limited
Ma Si Hang, Frederick
Chairman

Hong Kong, 24 September 2010

As at the date hereof, the Board comprises Mr. Or Ching Fai, Ms. Chiu Ching Ching, Mr. Yau Wing Yiu, Mr. Hui Richard Rui, Ms. Chan Ling, Eva, Mr. Lee Sun Man and Mr. Chow Kam Wah as executive Directors, Mr. Ma Si Hang, Frederick as a non-executive Director and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors.