
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Strategic Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China Strategic Holdings Limited (the "Company") to be held on Tuesday, 24 June 2008 Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, at 10:00 a.m. is set out on pages 16 to 19 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

30 May 2008

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Tuesday, 24 June 2008 at 10:00 a.m.;
“AGM Notice”	the notice convening the AGM set out on pages 16 to 19 of this circular;
“Articles”	the articles of association of the Company (as amended from time to time);
“Board”	the board of Directors;
“Company”	China Strategic Holdings Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general mandate to be granted to the Board at the AGM to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company, being the mandate referred to in resolution numbered (4) in the AGM Notice;
“Latest Practicable Date”	27 May 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the AGM Notice;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases.

LETTER FROM THE BOARD



CHINA STRATEGIC HOLDINGS LIMITED

(中策集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code : 235)

Executive Directors:

Ms. Chiu Ching Ching (*Chairman*)
Mr. Wong Ah Chik
Mr. Zhang Hong Ren
Ms. Chan Ling, Eva
Mr. Lee Sun Man
Mr. Chow Kam Wah

Registered Office:

Room 4503, 45th Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Independent Non-Executive Directors

Ms. Ma Yin Fan
Mr. Phillip Fei
Mr. Leung Hoi Ying

30 May 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed general mandates to issue Shares and to repurchase Shares; and (ii) the proposed re-election of Directors in order to enable you to make an informed decision on whether to vote for or against the ordinary resolutions nos. 2, 4 to 6 to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the AGM, ordinary resolutions nos. 4 and 6 of the AGM Notice will be proposed which, if passed, will give the Directors a general mandate to issue new Shares representing up to (i) 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution plus (ii) the nominal amount of the share capital of the Company repurchased by the Company (under the authority granted pursuant to the Repurchase Resolution) subsequent to the passing of such resolution.

On the basis of a total of 2,028,797,543 Shares in issue as at the Latest Practicable Date and assuming that no other Shares will be issued or repurchased whatsoever between the Latest Practicable Date and the AGM, the Issue Mandate (if granted by the Shareholders at the AGM) will empower the Directors to allow, issue or otherwise deal in up to a maximum of 405,759,508 new Shares, being 20% of the total issued capital of the Company as at the Latest Practicable Date.

GENERAL MANDATE TO REPURCHASE SHARES

The ordinary resolution no. 5 of the AGM Notice, if passed, will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution at any time until the next annual general meeting of the Company following the passing of the said ordinary resolution or such earlier period as stated in the said ordinary resolution (the “Repurchase Mandate”).

An explanatory statement as required under the Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with the Article 116 of the Articles, Ms. Chan Ling, Eva will retire as the Director by rotation and being eligible, will offer herself for re-election at the AGM.

In accordance with the Article 99 of the Articles, Ms. Chiu Ching Ching, Mr. Wong Ah Chik, Mr. Zhang Hong Ren, Mr. Lee Sun Man, Mr. Chow Kam Wah, Mr. Leung Hoi Ying, Mr. Phillip Fei and Ms. Ma Yin Fan shall hold office until the AGM and, being eligible, offer themselves for re-election at the AGM.

Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

AGM

The AGM Notice which contains, inter alia, resolutions to approve the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate and the re-election of the Directors is set out on pages 16 to 19 of this circular.

LETTER FROM THE BOARD

A form of proxy is herewith enclosed for use at the AGM. Whether or not you propose to attend the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 48 hours before the time fixed for holding the AGM. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the AGM if they so wish.

PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to the Article 80 of the Articles, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Board believes that the granting of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate and the re-election of retiring Directors as set out in the AGM Notice are all in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of the relevant resolutions as set out in the AGM Notice.

Yours faithfully,
By order of the Board
China Strategic Holdings Limited
Zhang Hong Ren
Director

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information for Shareholders to consider the Repurchase Mandate.

1. Share Capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,028,797,543 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 202,879,754 Shares (representing not more than 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Repurchase Resolution).

2. Reasons for Repurchases

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. Funding of Repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such extent allowable under the Companies Ordinance.

In the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period, the working capital or gearing position of the Company might be materially different as compared with the position disclosed in the audited consolidated accounts for the year ended 31 December 2007. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. Share Prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date and the current month up to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
May 2007	0.900	0.730
June 2007	1.100	0.590
July 2007	1.240	0.600
August 2007	0.900	0.320
September 2007	0.830	0.560
October 2007	0.780	0.520
November 2007	0.690	0.460
December 2007	0.940	0.620
January 2008	1.480	0.420
February 2008	0.820	0.425
March 2008	0.700	0.470
April 2008	0.600	0.495
May 2008 (up to the Latest Practicable Date)	0.610	0.490

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the Companies Ordinance.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

As at the Latest Practicable Date, no connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. Takeovers Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders were interested in 5% or more of the issued share capital of the Company as recorded in the register of the Company kept under section 336 of the SFO:

Name	Number of Shares	Percentage of holding
Ms. Yeung Bo Lin	606,060,000	29.87%
Mr. Fan Guo Ping (<i>Note</i>)	380,910,000	18.78%
Mr. Tse Young Lai	200,000,000	9.85%
Ms. Liu Wing Yan, Winnie	103,030,000	5.07%

Note:

Mr. Fan Guo Ping is also beneficially interested in the convertible notes issued by the Company on 7 January 2008 (the "CN") entitling Mr. Fan Guo Ping to convert into 528,180,000 Shares (representing 20.66% of the then issued share capital of the Company).

Save as disclosed above, as at the Latest Practicable Date, Mr. Chan Guang Lin is beneficially interested in 4,470,000 Shares (representing 0.22% of the issued share capital of the Company) and he is also beneficially interested in the CN entitling Mr. Chan Guang Lin to convert into 909,090,000 Shares (representing 30.94% of the then issued share capital of the Company).

Save as disclosed above, to the best of the knowledge and belief, the Directors are not aware of any single Shareholder who has an interest of 5% or more of the issued share capital of the Company.

Assuming that none of the conversion rights attached to the CN are exercised prior to the AGM and the present shareholdings of the Company remains the same, if, which is not presently contemplated, the Company was to exercise the Repurchase Mandate in full, then the attributable shareholdings of the above substantial Shareholders will increase to the following respective percentages:

Name	Percentage of holding
Ms. Yeung Bo Lin	33.19%
Mr. Fan Guo Ping	20.86%
Mr. Tse Young Lai	10.95%
Ms. Liu Wing Yan, Winnie	5.64%

Ms. Yeung Bo Lin (including other companies and persons acting in concert with her) would then be obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code while it will not give rise to an obligation for the remaining substantial Shareholders listed in the above table to make a mandatory offer in accordance with Rule 26 of the Takeover Code. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, cause Ms. Yeung Bo Lin to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

Assuming that the conversion rights attached to the CN are exercised in full prior to the AGM, (i) Mr. Fan Guo Ping will then be interested in 909,090,000 Shares (representing 35.55% of the then issued share capital of the Company); and (ii) Mr. Chan Guang Lin will then be interested in 913,560,000 Shares (representing 31.10% of the then issued share capital of the Company). If, which is not presently contemplated, the Company was to exercise the Repurchase Mandate in full, then (i) the percentage shareholdings of Mr. Fan Guo Ping in the Company would increase from 35.55% to 39.50%; and (ii) the percentage shareholdings of Mr. Chan Guang Lin in the Company would increase from 31.10% to 34.55%. Mr. Fan Guo Ping and Mr. Chan Guang Lin (including other companies and persons acting in concert with them) would then be obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, cause Mr. Fan Guo Ping and Mr. Chan Guang Lin to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

7. Share Repurchase Made By The Company

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The followings are the particulars of retiring Directors who are proposed to be re-elected at the AGM:

Ms. Chiu Ching Ching (“Ms. Chiu”), aged 57, was appointed as Director of the Company in September 2007. She has over 10 years of experience in senior management positions of several multinational corporations. She has over 15 years of experience in the trading business and business development. Ms. Chiu did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

Ms. Chiu has not entered into any service contract with the Company and has no fixed term of service with the Company save that Ms. Chiu’s directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Ms. Chiu is entitled to receive an annual remuneration of HK\$240,000.00 and a year end payment equivalent to one month of her basic salary (pro rata adjusted for any period shorter than a year), which is determined by reference to her duties and responsibilities and the prevailing market conditions. Ms. Chiu may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Ms. Chiu’s performance and the Group’s performance for the financial year concerned.

Ms. Chiu does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at Latest Practicable Date.

Save as disclosed above, Ms. Chiu is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Ms. Chiu as the Director.

Mr. Wong Ah Chik (“Mr. Wong”), aged 50, was appointed as Director of the Company in December 2007. Mr. Wong graduated from Beijing Institute of Physical Education, is a member of the Zhangzhou Municipal Committee of the Chinese People’s Political Consultative Conference (“CPPCC”) (漳州政協委員), a member of the Fujian Provincial Committee of the CPPCC (福建省政協委員), deputy standing director of the Fujian Province Overseas Friendship Association (福建省海外聯誼會常務副理事長), vice chairman of the Returned Overseas Chinese Federation of Zhangzhou City (漳州市僑聯副主席), a standing member of the Fujian Natives Association (福建同鄉會常務委員) and chief supervisor of the Zhangzhou Native Association (漳州同鄉會監事長). He has over 20 years of experience in commerce and international trade.

Mr. Wong was an independent non-executive director of Ming Kei Energy Holdings Limited (formerly known as MP Logistics International Holdings Limited), which shares are listed on the Growth Enterprise Market of the Stock Exchange. Save as disclosed herein, Mr. Wong did not hold any directorships in any other listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Wong has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Wong's directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Wong is entitled to receive a monthly salary of HK\$70,000 and a year end payment equivalent to one month of his basic salary (pro rata adjusted for any period shorter than a year), which is determined by reference to his duties and responsibilities and the prevailing market conditions. Mr. Wong may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Mr. Wong's performance and the Group's performance for the financial year concerned.

Mr. Wong does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at Latest Practicable Date.

Save as disclosed above, Mr. Wong is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Wong as the Director.

Mr. Zhang Hong Ren ("Mr. Zhang"), aged 55, was appointed as Director of the Company in February 2008. Mr. Zhang graduated from the Beijing Institute of Economics in the People's Republic of China with a Master degree in Economics. He has been in senior and management positions in economic research, media and computer technology industries for more than 20 years.

Mr. Zhang was an executive director of Nan Hai Corporation Limited and Sino-I Technology Limited, which shares are listed on the Stock Exchange. Save as disclosed herein, Mr. Zhang did not hold any directorships in any other listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

Mr. Zhang has not entered into any service contract with the Company and has no fixed term of service with the Company. Mr. Zhang's directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Zhang is entitled to a monthly salary of HK\$50,000.00, a monthly housing allowance of not more than HK\$25,000.00 and a year end payment equivalent to one month of his basic salary (pro rata adjusted for any period shorter than a year), which is determined by reference to his duties and responsibilities and the prevailing market conditions. Mr. Zhang may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Mr. Zhang's performance and the Group's performance for the financial year concerned.

Mr. Zhang was granted 20,000,000 share options to subscribe for 20,000,000 Shares on 19 March 2008. Save as disclosed above, Mr. Zhang does not have any relationships with any directors, senior management, substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Zhang is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Zhang as the Director.

Ms. Chan Ling, Eva (“Ms. Chan”), aged 42, was appointed as Director of the Company in July 2002. Ms. Chan has 20 years of experience in auditing, accounting and finance in both international accounting firms and listed companies. She is a member of the Institute of Chartered Accountants in Australia, a fellow member of the Association of Chartered Certified Accountants and also a practicing member of the Hong Kong Institute of Certified Public Accountants.

Ms. Chan is an independent non-executive director of Wonson International Holdings Limited which shares are listed on the main board of The Stock Exchange of Hong Kong Limited and Trasy Gold Ex Limited which shares are listed on the Growth Enterprise Market of the Stock Exchange the deputy chairman of China Enterprises Limited which shares are trading on the over-the-counter (OTC) securities markets in the United States and a director of MRI Holdings Limited which shares are listed on the Australian Securities Exchange.

Ms. Chan has not entered into any service contract with the Company and has no fixed term of service with the Company save that Ms. Chan’s directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Ms. Chan is entitled to receive a monthly salary of HK\$130,000 which is determined by reference to her duties and responsibilities and the prevailing market conditions. Ms. Chan may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Ms. Chan’s performance and the Group’s performance for the financial year concerned.

Ms. Chan does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at Latest Practicable Date.

Save as disclosed above, Ms. Chan is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Ms. Chan as the Director.

Mr. Chow Kam Wah (“Mr. Chow”), aged 45, was appointed as Director of the Company in July 2007. Mr. Chow holds a Master degree in Accountancy obtained from The Hong Kong Polytechnic University. He has over 15 years of experience in the management of finance and accounting. Mr. Chow did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the group.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Chow has not entered into any service contract with the Company and has no fixed term of service with the Company. Mr. Chow's directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Chow is entitled to a monthly salary of HK\$50,000 and a year end payment equivalent to one month of his basic salary (pro rata adjusted for any period shorter than a year), which is determined by reference to his duties and responsibilities and the prevailing market conditions. Mr. Chow may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Mr. Chow's performance and the group's performance for the financial year concerned.

Mr. Chow does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Chow is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Chow as the Director.

Mr. Lee Sun Man ("Mr. Lee"), aged 56, was appointed as Director of the Company in September 2007. Mr. Lee graduated from the Law Department of Shenzhen University. He has experience in management in general trading in the PRC and property related business for more than 15 years. Mr. Lee did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the group.

Mr. Lee has not entered into any service contract with the Company and has no fixed term of service with the Company. Mr. Lee's directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Lee is entitled to a monthly salary of HK\$40,000.00 and a year end payment equivalent to one month of his basic salary (pro rata adjusted for any period shorter than a year), which is determined by reference to his duties and responsibilities and the prevailing market conditions. Mr. Lee may also be entitled to a bonus for each financial year of the Company which is at the discretion of the Board and determined by reference to Mr. Lee's performance and the group's performance for the financial year concerned.

Mr. Lee does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the date of the Latest Practicable Date.

Save as disclosed above, Mr. Lee is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the provision of rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Lee as the Director.

Mr. Leung Hoi Ying (“Mr. Leung”), aged 57, was appointed as the independent non-executive Director of the Company in September 2007. Mr. Leung graduated from Guangdong Foreign Trade School in the People’s Republic of China. He has over 15 years of experience in the trading business and business development. Mr. Leung did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

Mr. Leung has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Leung’s directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Leung is entitled to receive an annual remuneration of HK\$100,000.00 which is determined by reference to his duties and responsibilities and the prevailing market conditions.

Mr. Leung does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Leung is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Leung as the Director.

Mr. Phillip Fei (“Mr. Fei”), aged 52, was appointed as the independent non-executive Director of the Company in September 2007. Mr. Fei was the Professor of The International Economic Department of University of International Relations, the People’s Republic of China. Mr. Fei was the 5th and 6th term director of Beijing Chinese Overseas Friendship Association and the 2nd term director of China Overseas Friendship Association. Mr. Fei has over 10 years of experience in the international trading business and economic research. Mr. Fei did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

Mr. Fei has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Fei’s directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Fei is entitled to receive an annual remuneration of HK\$100,000.00 which is determined by reference to his duties and responsibilities and the prevailing market conditions.

Mr. Fei does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, Mr. Fei is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Fei as the Director.

Ms. Ma Yin Fan (“Ms. Ma”), aged 44, was appointed as the independent non-executive Director of the Company in September 2007. She obtained a Bachelor Degree with honours in Accountancy at Middlesex University in the United Kingdom. She is also awarded the Master of Business Administration and Master Degree in Professional Accounting at Heriot-Watt University in the United Kingdom and Hong Kong Polytechnic University respectively. Ms. Ma is a CPA (Practising) in Hong Kong and has been working in the auditing, accounting and taxation areas for more than 20 years of professional experience. She is the principal of Messrs. Ma Yin Fan & Company CPAs. Ms. Ma is the Fellow member of Hong Kong Institute of Certified Public Accountants, Taxation Institute of Hong Kong, Association of Chartered Certified Accountants, Hong Kong Institute of Chartered Secretaries and Institute of Chartered Secretaries and Administrators. She is also a member of the Institute of Chartered Accountant in the England and Wales.

Ms. Ma did not hold any directorships in any listed public companies in the last three years and does not hold any other positions with the Company or other members of the Group.

Ms. Ma has not entered into any service contract with the Company and has no fixed term of service with the Company save that Ms. Ma’s directorship with the Company is subject to the retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Ms. Ma is entitled to receive an annual remuneration of HK\$150,000.00 which is determined by reference to her duties and responsibilities and the prevailing market conditions.

Ms. Ma does not have any relationships with any directors, senior management or substantial or controlling shareholder of the Company nor any interests in the shares in the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Ms. Ma is not aware of any other matters that need to be brought to the attention of the holders of securities of the Company nor is there any information to be disclosed by the Company pursuant to any of the requirements under the rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Ms. Ma as the Director.

NOTICE OF ANNUAL GENERAL MEETING



CHINA STRATEGIC HOLDINGS LIMITED

(中策集團有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code : 235)

NOTICE IS HEREBY GIVEN that an annual general meeting of China Strategic Holdings Limited (the “Company”) will be held at Plaza I-III, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 24 June 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 December 2007;
2. To re-elect the retiring directors of the Company and to authorise the board of directors to fix the remuneration of the directors of the Company;
3. To re-appoint auditors and to authorise the board of directors to fix auditors’ remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- 4.1 subject to paragraph 4.3 below and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- 4.2 the approval in paragraph 4.1 above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants, debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such power during or after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

4.3 the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph 4.1 above, otherwise than (i) a Rights Issue (as hereinafter defined), or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company, or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or rights to acquire shares of the Company, or (iv) an issue of shares as scrip dividends pursuant to the articles of association of the Company (the “Articles”), from time to time shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

4.4 for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

4.4.1 the conclusion of the next annual general meeting of the Company;

4.4.2 the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or

4.4.3 the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company to the holders of shares of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

5.1 subject to paragraph 5.2 below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to

NOTICE OF ANNUAL GENERAL MEETING

repurchase shares of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

5.2 the aggregate nominal amount of shares of the Company which the directors of the Company is authorised to repurchase pursuant to the approval in paragraph 5.1 above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly;

5.3 for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

5.3.1 the conclusion of the next annual general meeting of the Company;

5.3.2 the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; or

5.3.3 the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** subject to the passing of Resolutions No. 4 and No. 5 set out in this notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Resolution No. 5 as set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

By order of the Board
China Strategic Holdings Limited
Zhang Hong Ren
Director

Hong Kong, 30 May 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. As at the date hereof, the board of directors of the Company comprises Ms. Chiu Ching Ching, Mr. Wong Ah Chik, Mr. Zhang Hong Ren, 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.