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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.



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, 16 June 2009 at Plaza 1-3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 10:00 a.m. is set out on pages 14 to 17 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.

18 May 2009

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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 1-3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, on Tuesday, 16 June 2009 at 10:00 a.m.;
“AGM Notice”	the notice convening the AGM set out on pages 14 to 17 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”	14 May 2009, 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 numbered 5 in 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; and
“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. Yeung Kwok Yu (*Chief Executive Officer*)
Mr. Hui Richard Rui
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

18 May 2009

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 allot, 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. Chiu Ching Ching, Mr. Lee Sun Man and Mr. Leung Hoi Ying will retire as the Directors by rotation and being eligible, will offer themselves for re-election at the AGM.

In accordance with the Article 99 of the Articles, Mr. Yeung Kwok Yu and Mr. Hui Richard Rui shall hold office until the AGM and, being eligible, offer themselves for re-election at the AGM.

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

LETTER FROM THE BOARD

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 14 to 17 of this circular.

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.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meetings must be taken by poll. The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the AGM pursuant to Article 80 of the Articles.

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
Yeung Kwok Yu
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 2008. However, the Directors do not propose to exercise the 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 2008	0.610	0.490
June 2008	0.530	0.380
July 2008	0.550	0.420
August 2008	0.470	0.370
September 2008	0.495	0.325
October 2008	0.395	0.100
November 2008	0.144	0.090
December 2008	0.150	0.090
January 2009	0.146	0.075
February 2009	0.103	0.075
March 2009	0.097	0.083
April 2009	0.120	0.090
May 2009 (up to the Latest Practicable Date)	0.140	0.097

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. Chu Yuet Wah (<i>Note 1</i>)	350,910,000	17.30%
Ms. Ma Siu Fong (<i>Note 1</i>)	350,910,000	17.30%
Kingston Finance Limited (<i>Note 1</i>)	350,910,000	17.30%
Fan Guo Ping (<i>Note 2</i>)	380,910,000	18.78%

Note:

- Kingston Finance Limited is beneficially owned by Ms. Chu Yuet Wah and Ms. Ma Siu Fong as to 51% and 49% respectively. Kingston Finance Limited is also interested in the convertible notes of the Company (the "CN") issued by the Company on 30 September 2008 and 19 March 2009 entitling Kingston Finance Limited to convert into 1,039,719,720 Shares (representing 51.25% of the issued share capital of the Company).
- Fan Guo Ping is also beneficially interested in the CN issued by the Company on 7 January 2008 entitling Fan Guo Ping to convert into 528,180,000 Shares (representing 26.03% of the issued share capital of the Company).

Save as disclosed above, as at the Latest Practicable Date, Mr. Chen 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. Chen Guang Lin to convert into 555,554,720 Shares (representing 27.38% of the 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. Chu Yuet Wah	19.22%
Ms. Ma Siu Fong	19.22%
Kingston Finance Limited	19.22%
Fan Guo Ping	20.86%

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, cause any Shareholder or group of Shareholders acting in concert to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that the conversion rights attached to the CN are exercised in full prior to the AGM, (i) Kingston Finance Limited, Ms. Chu Yuet Wah and Ms. Ma Siu Fong will then be interested in 1,390,629,720 Shares (representing 45.32% of the then issued share capital of the Company); (ii) Fan Guo Ping will then be interested in 909,090,000 Shares (representing 35.56% of the then issued share capital of the Company); and (iii) Mr. Chen Guang Lin will then be interested in 560,024,720 Shares (representing 21.67% 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 Kingston Finance Limited, Ms. Chu Yuet Wah and Ms. Ma Siu Fong in the Company would increase from 45.32% to 50.35%; (ii) the percentage shareholdings of Fan Guo Ping in the Company would increase from 35.56% to 39.50%; and (iii) the percentage shareholdings of Mr. Chen Guang Lin in the Company would increase from 21.67% to 24.08%. Kingston Finance Limited, Ms. Chu Yuet Wah, Ms. Ma Siu Fong and Fan Guo Ping (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 Takeovers Code. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, cause Kingston Finance Limited, Ms. Chu Yuet Wah, Ms. Ma Siu Fong and Fan Guo Ping to become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers 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 58, was appointed as an executive Director 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. Save as disclosed herein, Ms. Chiu did not hold any directorships in any Hong Kong or overseas 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 is the sister-in-law of Mr. Yeung Kwok Yu. Save as disclosed herein, Ms. Chiu does not have any relationships with any directors, senior management or substantial or controlling Shareholders nor any interests in the Shares 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) of the Listing Rules.

Mr. Lee Sun Man (“Mr. Lee”), aged 57, was appointed as an executive Director 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 is also the director of 16 subsidiaries of the Company. Save as disclosed herein, Mr. Lee did not hold any directorships in any Hong Kong or overseas 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 save that 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.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Lee does not have any relationships with any directors, senior management or substantial or controlling Shareholders nor any interests in the Shares 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 rule 13.51(2) of the Listing Rules.

Mr. Leung Hoi Ying (“Mr. Leung”), aged 58, was appointed as an independent non-executive Director 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 is currently an independent non-executive director of Smart Rich Energy Finance (Holdings) Limited which shares are listed in the main board of the Stock Exchange.

Save as disclosed herein, Mr. Leung did not hold any directorships in any Hong Kong or overseas 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 Shareholders nor any interests in the Shares 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) of the Listing Rules.

Mr. Yeung Kwok Yu (“Mr. Yeung”), aged 57. Mr. Yeung was appointed as an executive Director in November 2008 and as chief executive officer of the Company in April 2009. Mr. Yeung had held management positions in trading companies which were based in the People’s Republic of China and Hong Kong. He was also engaged as senior management in various listed companies in Hong Kong. Mr. Yeung has extensive experience in general trading, strategic investment planning and business development. Mr. Yeung is also the director of 4 subsidiaries of the Company. Mr. Yeung is an executive director of China Sci-Tech Holdings Limited which shares are listed in the main board of the Stock Exchange. Save as disclosed herein, Mr. Yeung did not hold any directorships in any Hong Kong or overseas 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. Yeung has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Yeung's directorship with the Company is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles. Mr. Yeung is entitled to a monthly salary of HK\$80,000 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. Yeung 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. Yeung's performance and the Group's performance for the financial year concerned.

Mr. Yeung is the brother-in-law of Ms. Chiu Ching Ching. Save as disclosed herein, Mr. Yeung does not have any relationships with any directors, senior management, substantial or controlling Shareholders nor any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Mr. Yeung was bankrupted in 2004 and was discharged on 4 September 2008. He was the director of Win Gain Properties Limited which was incorporated in Hong Kong and principally engaged in property holding. On 2 March 2004, the winding up petition was filed against Win Gain Properties Limited and the amount involved was approximately HK\$21 million and it was wound up by an order of the court dated 9 August 2004. He was also the director of Wonson Investments Limited which was incorporated in Hong Kong and principally engaged in general trading. On 2 March 2004, the winding up petition was filed against Wonson Investments Limited and the amount involved was approximately US\$1.45 million and it was wound up by an order of the court dated 9 August 2004.

In or about February 2000, due to the failure by Wonson International Holdings Limited (which shares are listed in the main board of the Stock Exchange) to keep its shareholders and the Stock Exchange timely informed of a change in the use of proceeds relating to its initial public offering, Mr. Yeung was publicly censured by the Stock Exchange for the breach of his Declarations and Undertakings with regard to the Directors given by him to the Stock Exchange.

Save as disclosed above, Mr. Yeung 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) of the Listing Rules.

Mr. Hui Richard Rui ("Mr. Hui"), aged 41, was appointed as an executive Director in September 2008. Mr. Hui graduated from University of Technology, Sydney of Australia with a bachelor degree in mechanical engineering. Mr. Hui has over 10 years of experience in management positions of companies in Australia, Hong Kong and the People's Republic of China. Mr. Hui is also the director of 4 subsidiaries of the Company. Mr. Hui is currently an executive director of China Sci-Tech Holdings Limited which shares are listed in the main board of the Stock Exchange and an executive director of Smart Rich Energy Finance (Holdings) Limited which shares are listed in the main board of the Stock Exchange. Mr. Hui was an executive director of Wonson International Holdings Limited which shares are listed in the main board of the Stock Exchange.

APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed herein, Mr. Hui did not hold any directorships in any Hong Kong or overseas 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. Hui has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Hui'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. Hui is entitled to a monthly salary of HK\$60,000.00 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. Hui 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. Hui's performance and the Group's performance for the financial year concerned.

Save as disclosed herein, Mr. Hui does not have any relationships with any directors, senior management, substantial or controlling Shareholders nor any interests in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, Mr. Hui 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) of the Listing Rules.

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 1-3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 16 June 2009 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 2008;
- 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
Yeung Kwok Yu
Director

Hong Kong, 18 May 2009

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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. 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.