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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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.

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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**

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A notice convening an annual general meeting of China Strategic Holdings Limited (the “Company”) to be held on Thursday, 24 June 2010 at Plaza 1-2, 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 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.

25 May 2010

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## DEFINITIONS

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*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 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Thursday, 24 June 2010 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”	20 May 2010, 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;

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## DEFINITIONS

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“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.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Or Ching Fai (*Vice Chairman and Chief Executive Officer*)  
Ms. Chiu Ching Ching  
Mr. Yau Wing Yiu  
Mr. Hui Richard Rui  
Ms. Chan Ling, Eva  
Mr. Lee Sun Man  
Mr. Chow Kam Wah

*Registered Office:*

Room 3206-3210, 32th Floor  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

*Non-Executive Director:*

Mr. Ma Si Hang, Frederick (*Chairman*)

*Independent Non-Executive Directors:*

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

25 May 2010

*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.

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## LETTER FROM THE BOARD

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### 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 3,699,183,927 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 with up to a maximum of 739,836,785 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, Mr. Chow Kam Wah, Ms. Chan Ling, Eva and Mr. Phillip Fei 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. Or Ching Fai, Mr. Ma Si Hang, Frederick and Mr. Yau Wing Yiu 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.

### 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.

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## LETTER FROM THE BOARD

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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 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**  
**Ma Si Hang, Frederick**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing 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 3,699,183,927 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 369,918,392 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 2009. 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 2009	0.195	0.097
June 2009	0.420	0.116
July 2009	0.445	0.230
August 2009	0.385	0.243
September 2009	0.340	0.250
October 2009	0.390	0.280
November 2009	1.000	0.510
December 2009	0.650	0.470
January 2010	0.610	0.410
February 2010	0.570	0.420
March 2010	0.730	0.500
April 2010	0.660	0.540
May 2010 (up to the Latest Practicable Date)	0.610	0.500

#### 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, according to the register of the Company kept under section 336 of the SFO, there is no Shareholder who has an interest of 5% or more of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

**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.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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

**Mr. Chow Kam Wah** (“Mr. Chow”), aged 47, was appointed as an executive Director in July 2007. He 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. He is a member of the CPA Australia. Save as disclosed herein, Mr. Chow 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. Chow has not entered into any service contract with the Company and has no fixed term of service with the Company save that 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\$65,000 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.

Save as disclosed herein, Mr. Chow does not have any relationships with any directors, senior management or substantial or controlling shareholders 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. 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) of the Listing Rules.

**Ms. Chan Ling, Eva** (“Ms. Chan”), aged 44, was appointed as an executive Director in July 2002. Ms. Chan has over 21 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 the managing director of Wing On Travel (Holdings) Limited and an independent non-executive director of Trasy Gold Ex Limited, both companies’ shares are listed on the Stock Exchange. She is also 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 been an independent non-executive director of Wonson International Holdings Limited (now known as China Ocean Shipbuilding Industry Group Limited) up to 13 August 2008 which shares are listed on the Stock Exchange. Save as disclosed herein, Ms. Chan 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.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Ms. Chan has not entered into any service contract with the Company and has no fixed term of service with the Company. 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 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.

Save as Ms. Chan beneficially holds 4,400,000 share options of the Company, Ms. Chan does not have any relationships with any directors, senior management or substantial or controlling shareholders 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, 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) of the Listing Rules.

**Mr. Phillip Fei** ("Mr. Fei"), aged 54, was appointed as an independent non-executive Director in September 2007. Mr. Fei was the Professor of The International Economic Department of University of International Relations, the People's Republic of China. He was also the 5th and 6th term director of Beijing Chinese Overseas Friendship Association and the 2nd term director of China Overseas Friendship Association. He has over 10 years of experience in the international trading business and economic research. Mr. Fei is the member of Audit Committee and Remuneration Committee of the Company.

Save as disclosed herein, Mr. Fei 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. 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 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 shareholders 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. 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) of the Listing Rules.

**Mr. Or Ching Fai** ("Mr. Or"), aged 60. Mr. Or was appointed as a Vice-Chairman, Chief Executive Office and an executive Director of the Company in November 2009. Mr. Or graduated from The University of Hong Kong with a Bachelor's degree in economics and psychology. Mr. Or is a

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Justice of the Peace and has rich experiences in the insurance, banking and financial services industries. He was the general manager and a director of The Hongkong and Shanghai Banking Corporation Limited. He was also the chairman of HSBC Insurance Limited. Mr. Or was the chief executive and vice-chairman of Hang Seng Bank Limited. He was also the chairman of Hang Seng Insurance Company Limited and Hang Seng Bank (China) Limited. Mr. Or was the chairman of the Hong Kong Association of Banks; the vice president and a Council Member of the Hong Kong Institute of Bankers and the chairman of Executive and Campaign Committee of the Community Chest of Hong Kong. Mr. Or is currently a Vice Patron of the Board of the Community Chest of Hong Kong. Mr. Or was awarded a Silver Bauhinia Star from the Hong Kong Special Administrative Region and Honorary University Fellowships from The University of Hong Kong in 2009. Mr. Or has been Chairman of the Financial Services Advisory Committee and a Member of the Services Promotion Programme Committee of the Hong Kong Trade Development Council. He has been a Member of the Risk Management Committee of Hong Kong Exchanges and Clearing Limited and a Member of the Aviation Development Advisory Committee. He is the Deputy Chairman of the Council of City University of Hong Kong and was a Council Member of The University of Hong Kong; an adviser of the Employers' Federation of Hong Kong, a member of the 5th East Asian Games Planning Committee and a director of 2009 East Asian Games (Hong Kong) Limited. Mr. Or was a director of Cathay Pacific Airways Limited and Hutchison Whampoa Limited and is currently an independent non-executive director of Esprit Holdings Limited and a vice chairman and an independent non-executive director of G-Resources Group Limited, which shares are all listed on the main board of the Stock Exchange.

Save as disclosed herein, Mr. Or 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. Or has not entered into any service contract with the Company and has no fixed term of service with the Company. Mr. Or'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. Or is entitled to a monthly salary of HK\$770,000 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. Or 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. Or's performance and the group's performance for the financial year concerned.

Save as disclosed herein, Mr. Or does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Save as Mr. Or beneficially holds 600,000,000 share options of the Company, Mr. Or does not have 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. Or 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.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. Ma Si Hang, Frederick** (“Mr. Ma”), aged 58, was appointed as Chairman and a non-executive Director in November 2009. Mr. Ma graduated from the University of Hong Kong with a Bachelor’s degree in Arts (Honours) in 1973, majoring in economics and history. Mr. Ma was the Secretary for Financial Services and the Treasury of the Government of the Hong Kong Special Administrative Region for the period between 2002 and 2007, among many of his responsibilities, one of which is to oversee the insurance industry in Hong Kong as the chairman of the Insurance Advisory Committee of Hong Kong. Mr. Ma was the Secretary for Commerce and Economic Development of the Government of the Hong Kong Special Administrative Region for 2007 and 2008. Mr. Ma has rich experiences in the financial services industry; he was the Head of Institutional Banking and Second Vice-President of Chase Manhattan Bank at its Hong Kong Branch Office and Canadian Branch Office respectively. Mr. Ma was also the managing director of RBC Dominion Securities in its London Office and Asia-Pacific Chief Executive of JP Morgan Private Bank. Mr. Ma was an executive director and the group chief financial officer of Pacific Century CyberWorks Limited (now known as PCCW Limited) and was the deputy chairman and managing director of Kumagai Gumi (HK) Limited (now known as HKC (Holdings) Limited) and was also a non-executive director of MTR Corporation Limited, which shares are all listed on the main board of the Stock Exchange. Mr. Ma is an Honorary Professor of the School of Economics and Finance at the University of Hong Kong. Mr. Ma was awarded a Gold Bauhinia Star from the Hong Kong Special Administrative Region in 2009. Mr. Ma is currently an independent non-executive director of China Resources Land Limited which shares are listed on the Stock Exchange.

Save as disclosed herein, Mr. Ma 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. Ma has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. 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. Mr. Ma is entitled to receive an annual remuneration of HK\$3,500,000 (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. Ma 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. Ma’s performance and the Group’s performance for the financial year concerned.

Save as disclosed herein, Mr. Ma does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Save as Mr. Ma beneficially holds 3,000,000 Shares and 100,000,000 share options of the Company, Mr. Ma does not have 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. 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) of the Listing Rules.

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## APPENDIX II DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. Yau Wing Yiu** (“Mr. Yau”), aged 44, was appointed as an executive Director in December 2009. Mr. Yau holds a Master Degree of Business Administration in Finance from The Hong Kong University of Science and Technology, Graduate School of Business and a BA (Hons) in Business Studies from The City University of Hong Kong. Mr. Yau was the partner and Chief Financial Officer of AID Partners Capital Limited which is a private equity investment fund. Mr. Yau also worked for various listed companies in Hong Kong and overseas and a number of international investment banks. He has extensive experience in financial management, corporate finance and investment. He is an associate member of American Institute of Certified Public Accountant and an associate member of Hong Kong Institute of Certified Public Accountant.

Save as disclosed herein, Mr. Yau 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. Yau has not entered into any service contract with the Company and has no fixed term of service with the Company save that Mr. Yau’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. Yau is entitled to a monthly salary of HK\$230,800 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. Yau 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. Yau’s performance and the Group’s performance for the financial year concerned.

Save as disclosed herein, Mr. Yau does not have any relationships with any directors, senior management or substantial or controlling shareholders 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. Yau 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of China Strategic Holdings Limited (the “Company”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 24 June 2010 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 2009;
- 2 To re-elect the retiring directors of the Company and to authorise the board of directors of the Company to fix the remuneration of the directors of the Company;
- 3 To re-appoint auditors and to authorise the board of directors of the Company 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;



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## NOTICE OF ANNUAL GENERAL MEETING

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- 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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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- 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 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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- 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**  
**Ma Si Hang, Frederick**  
*Chairman*

Hong Kong, 25 May 2010

**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/her. 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 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 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 of the Company; Mr. Ma Si Hang, Frederick as non-executive director of the Company; and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive directors of the Company.