



# CHINA STRATEGIC HOLDINGS LIMITED

(中策集團有限公司)

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 235)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting of China Strategic Holdings Limited (the “Company”) will be held at Plaza IV, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 2 October 2007 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

#### 1. “THAT

- (a) the placing agreement (the “**Placing Agreement**”) dated 23 August 2007 entered into between the Company as issuer and Kingston Securities Limited as placing agent (the “**Placing Agent**”) in relation to the placing of 1,500,000,000 new shares (the “**Placing Shares**”) of HK\$0.10 each in the share capital of the Company at a placing price of HK\$0.33 per Placing Share (as supplemented and amended by a side letter made between the Company and the Placing Agent on 29 August 2007), a copy of which is produced to the extraordinary general meeting marked “A” and signed by the Chairman of the said meeting for the purpose of identification, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) conditional upon the listing committee appointed by The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares, the allotment and issue of the Placing Shares to the relevant places pursuant to the Placing Agreement (the “**Share Special Mandate**”) be and is hereby approved;
- (c) any one director of the Company be and is hereby authorised to do all such things and acts as he/she may in his/her discretion consider necessary, expedient or desirable for the purpose of or in connection with the implementation of the Placing Agreement and the Share Special Mandate and the transactions contemplated thereunder; and
- (d) in the event that completion of the Placing Agreement has not taken place by the end of 7 January 2008 (the “**Expiry Date**”), the authorization and approval granted under this resolution shall be revoked and shall expire by the end of the Expiry Date provided that nothing shall affect the Placing Agreement, the Share Special Mandate and the transactions contemplated hereunder (including but not limited to the allotment and issue of the Placing

Shares) in the event that any partial completion of the Placing Agreement has taken place on or before the Expiry Date, and the authorization and approval granted under this resolution in respect thereof shall remain valid and shall be in full force and effect in all respects accordingly.”

2. “**THAT**

- (a) the creation and issue by the Company of convertible redeemable notes in the maximum aggregate principal sum of HK\$1,320,000,000 due on 31 December 2010 (“**Convertible Notes**”), convertible into 4,000,000,000 new shares at the initial conversions price of HK\$0.33 per share (subject to adjustment) upon the terms and conditions (“**CN Conditions**”) contained in a placing agreement (“**CN Placing Agreement**”) dated 23 August 2007 (as supplemented and amended by a side letter made between the Company and the Placing Agent on 29 August 2007) (a copy of which has been produced to this meeting marked “B” and initialled by the chairman of the meeting for the purpose of identification) entered into between the Company and the placing agent, Kingston Securities Limited in connection with the placing of the Convertible Notes be and is hereby generally and unconditionally approved in all respects;
- (b) the CN Placing Agreement and all the transactions contemplated thereunder and all other matters of and incidental thereto or in connection therewith be and are hereby generally and unconditionally approved, ratified and confirmed in all respects and the directors of the Company be and they are hereby generally and unconditionally authorized to issue the Convertible Notes on and subject to the terms of the CN Placing Agreement, to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps which, in the opinion of the directors of the Company, may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of, or the transactions contemplated by, the CN Placing Agreement and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of the CN Conditions) as are, in the opinion of the directors of the Company, in the interest of the Company and its shareholders as a whole;
- (c) the directors of the Company be and they are hereby generally and specifically authorized to allot and issue such number of new shares (“**CN Special Mandate**”) as may be required to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Notes approved to be issued under paragraph (a) of this resolution on and subject to the terms and conditions of the CN Placing Agreement and the CN Conditions. The CN Special Mandate is in addition to, and shall not prejudice nor revoke the existing general mandate granted to the directors of the Company by the shareholders of the Company in the annual general meeting of the Company held on 6 June 2007 and the Share Special Mandate (as defined in resolution No. 1 as set out in the notice convening this meeting) or such other general or special mandate(s) that may have been granted to the directors of the Company prior to the passing of this resolution (or to be granted to the directors of the Company at this meeting); and

- (d) in the event that completion of the CN Placing Agreement has not taken place by the end of 7 January 2008 (the “**Expiry Date**”), the authorization and approval granted under this resolution shall be revoked and shall expire by the end of the Expiry Date provided that nothing shall affect the CN Placing Agreement, the CN Special Mandate and the transactions contemplated hereunder (including but not limited to the issue of the Convertible Notes and the allotment and issue of new shares in the capital of the Company upon exercise of the conversion rights under the Convertible Notes) in the event that any partial completion of the CN Placing Agreement has taken place on or before the Expiry Date, and the authorization and approval granted under this resolution in respect thereof shall remain valid and shall be in full force and effect in all respects accordingly.”.

By order of the Board  
**China Strategic Holdings Limited**  
**Chow Kam Wah**  
*Director*

Hong Kong, 14 September 2007

**Notes:**

1. A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his behalf. The proxy need not be a shareholder of the Company.
2. In order to be valid, a form of proxy must be deposited at the share registrar and transfer office of the Company, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

*As at the date of this announcement, the board of directors of the Company comprises Mr. Gao Yang, Mr. Kwok Ka Lap, Alva, Ms. Chan Ling, Eva, Mr. Chow Kam Wah and Mr. Lee Sun Man as executive directors, and Mr. Wong King Lam, Joseph, Mr. Sin Chi Fai and Mr. Chan Sek Nin, Jacky as independent non-executive directors.*