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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)**

### **MONTHLY ANNOUNCEMENT ON CONVERSION OF CONVERTIBLE NOTES**

This announcement is made pursuant to the paragraph of “Dilution Effect on Shareholders” in the Circular in relation to, among other things, placing of the Convertible Notes.

Reference is made to the circular of China Strategic Holdings Limited (the “Company”) dated 14 September 2007 (the “Circular”). Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Circular.

This announcement is made pursuant to the paragraph of “Dilution Effect on Shareholders” in the Circular in relation to, among other things, placing of the Convertible Notes.

The Board would like to report that no conversion of the Convertible Notes was made by the holders of the Convertible Notes during the period from 1 January 2008 to 31 January 2008. Accordingly, the principal amount of the Convertible Notes outstanding as at 31 January 2008 was HK\$1,320,000,000;

The details regarding the total number of Shares issued pursuant to other transactions and the total issued share capital of the Company as at the commencement and the last day of January 2008 are set out below:

	<b>Issued share capital (HK\$)</b>	<b>Number of issued Shares</b>
As at 1 January 2008	52,879,754.30	528,797,543
Total number of new Shares issued pursuant to the Second Share Placing	<u>150,000,000.00</u>	<u>1,500,000,000</u>
As at 31 January 2008	<u>202,879,754.30</u>	<u>2,028,797,543</u>

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

Hong Kong, 5 February 2008

*As at the date of this announcement, the board of directors of the Company comprises Ms. Chiu Ching Ching, Mr. Wong Ah Chik, Mr. Kwok Ka Lap, Alva, Ms. Chan Ling, Eva, Mr. Lee Sun Man and Mr. Chow Kam Wah as executive directors, and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive directors.*