

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHINA STRATEGIC HOLDINGS LIMITED**

**(中策集團有限公司)**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code : 235)**

### **CHANGE OF USE OF PROCEEDS**

The Board would like to announce that the Company now proposes to change the use of proceeds obtained from the Second Share Placing and the CN Placing as previously disclosed in the Announcement and the Circular.

Reference is made to the announcement dated 30 August 2007 (the “Announcement”) of China Strategic Holdings Limited (the “Company”) and its circular dated 14 September 2007 (the “Circular”). Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Circular.

It is stated in the Announcement and the Circular that the net proceeds from the Second Share Placing and the CN Placing of about HK\$1,768.8 million were intended to be applied for financing potential investment or business opportunities once they are identified. As at the date hereof, such net proceeds remained unused.

The principal activities of the Company are manufacturing and trading of batteries products and related accessories as well as investment in securities holding and advance. Accordingly, the Board would like to announce that the use of the aforesaid net proceeds from the Second Share Placing and the CN Placing will be extended to

include general working capital of the Company, whilst the Company will continue to seek for suitable investment or business opportunities for further development of the Company. In this relation, the Company intends to apply approximately 50% of such net proceeds for potential investment or business opportunities once they are identified, and the remaining balance thereof is to be used for general working capital purpose. The Board considers that it is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 7 March 2008

*As at the date of this announcement, the Board comprises Ms. Chiu Ching Ching, Mr. Wong Ah Chik, Mr. Zhang Hong Ren, 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.*