



# **CHINA STRATEGIC HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 235)**

## **ANNOUNCEMENT OF UNAUDITED RESULTS OF MRI HOLDINGS LIMITED FOR THE YEAR ENDED 31ST DECEMBER, 2005**

MRI Holdings Limited, a 57.26% owned subsidiary of China Strategic Holdings Limited, has announced its unaudited financial results for the year ended 31st December, 2005. The unaudited financial statements of MRI are set out below.

This announcement is made by China Strategic Holdings Limited (“CSH”) pursuant to the requirement of Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to provide shareholders of CSH with financial information of MRI Holdings Limited (“MRI”), is an approximately 57.26% owned subsidiary of CSH, which has announced such information to the public in Australia on 15th March, 2006.

The board of directors (the “Board”) of CSH announces the unaudited financial results of MRI for the year ended 31st December, 2005, which has been announced by MRI in accordance with rule 4.3BA of the Australian Stock Exchange on 15th March, 2006 in Australia. MRI is a company incorporated in Australia and its shares are listed on the Australian Stock Exchange.

The unaudited financial statements for the year ended 31st December, 2005 are prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and complies with other requirements of the law of Australia.

## RESULTS

The unaudited consolidated results of MRI and its subsidiaries for the year ended 31st December, 2005 and the audited consolidated results of MRI and its subsidiaries for the year ended 31st December, 2004 are as follows:

	<b>Year ended 31st December,</b>	
	<b>2005</b>	2004
	<b>A\$'000</b>	A\$'000
		(Restated)
Turnover	<b>997</b>	826
Administration expenses	<b>(469)</b>	(428)
Fair value adjustment of financial assets	<b>(590)</b>	(1,056)
Other expenses	<b>—</b>	(4)
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Loss from ordinary activities before income tax expense	<b>(62)</b>	(662)
Income tax expense	<b>(71)</b>	(129)
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Loss from ordinary activities after related income tax expense	<b>(133)</b>	(791)
Accumulated losses brought forward	<b>(13,634)</b>	(12,843)
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Accumulated losses carried forward	<b><u>(13,767)</u></b>	<b><u>(13,634)</u></b>
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Basic loss per share	<b>(0.29) cents</b>	(1.71) cents

Diluted loss per share is not materially different from basic loss per share and therefore is not disclosed.

## BALANCE SHEET HIGHLIGHTS

The unaudited consolidated balance sheet of MRI and its subsidiaries for the year ended 31st December, 2005 and the audited consolidated balance sheet of MRI and its subsidiaries for the year ended 31st December, 2004 show the followings:

	<b>As at 31st December,</b>	
	<b>2005</b>	2004
	<b>A\$'000</b>	A\$'000
		(Restated)
Current assets	<b>17,515</b>	16,541
Non current assets	<b>4,915</b>	5,361
Total assets	<b>22,430</b>	21,902
Current liabilities	<b>(469)</b>	(320)
Non current liabilities	<b>(212)</b>	(155)
Net assets	<b>21,749</b>	21,427
Share capital	<b>31,184</b>	31,184
Reserves and accumulated losses	<b>(9,435)</b>	(9,757)
	<b>21,749</b>	21,427

By Order of the Board

**Chan Ling, Eva**

*Executive Director*

Hong Kong, 15th March, 2006

*As at the date of this announcement, the Board comprises Dr. Chan Kwok Keung, Charles, Dr. Yap, Allan, Ms. Chau Mei Wah, Rosanna, Ms. Chan Ling, Eva, Mr. Li Bo as executive directors, Mr. Chan Kwok Hung and Mr. Lui Siu Tsuen, Richard as alternate directors to Dr. Chan Kwok Keung, Charles and Dr. Yap, Allan respectively and Mr. David Edwin Bussmann, Mr. Wong King Lam, Joseph and Mr. Sin Chi Fai as independent non-executive directors.*