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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)

TERMINATION OF SHARE PURCHASE AGREEMENT

This announcement is made by the Company pursuant to Rule 14.36 of the Listing Rules.

Reference is made to the circular of the Company dated 27 February 2010 in relation to, among other things, the entering into of the Share Purchase Agreement in connection with the Acquisition. Reference is also made to the announcements of the Company dated 1 September 2010 and 6 September 2010 respectively, both in relation to the press releases issued on 31 August 2010 by each of the FSC and the IC stating that the application by PNS Holding in respect of the Acquisition has been rejected, and also the announcement of the Company dated 6 September 2010 in relation to the formal notification by the MOEA in respect of the same.

The Board wishes to inform the Shareholders and potential investors that having received the formal notification from the MOEA in relation to the Regulators' Decision and following further discussions among the Parties, the Parties have agreed to terminate the Share Purchase Agreement. A termination agreement was entered into between PNS Holding and AIG on 20 September 2010 to terminate the Share Purchase Agreement with effect from 20 September 2010.

This announcement is made by China Strategic Holdings Limited (the “**Company**”) pursuant to Rule 14.36 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the circular of the Company dated 27 February 2010 in relation to, among other things, the entering into of the share purchase agreement (the “**Share Purchase Agreement**”) between Primus Nan-Shan Holding Company Ltd. (“**PNS Holding**”) and American International Group, Inc. (“**AIG**”) in connection with the acquisition (the “**Acquisition**”) of 767,893,139 shares of common stock (the “**Sale Shares**”), or approximately 97.57% of the issued and outstanding share capital of Nan Shan Life Insurance Company, Ltd. by PNS Holding from AIG. Reference is also made to the announcements of the Company dated 1 September 2010 and 6 September 2010 respectively, both in relation to the press releases issued on 31 August 2010 by each of the Financial Supervisory Commission of Taiwan (“**FSC**”) and the Investment Commission of Taiwan (“**IC**”) stating that the application by PNS Holding in respect of the Acquisition has been rejected (the “**Regulators’ Decision**”), and also the announcement of the Company dated 6 September 2010 in relation to the formal notification by the Ministry of Economic Affairs of Taiwan (“**MOEA**”) in respect of the same.

Completion of the Acquisition pursuant to the Share Purchase Agreement is conditional upon, among other things, approval of the FSC to PNS Holding for its acquisition of the Sale Shares and approval of the IC to PNS Holding for the transfer of the Sale Shares.

The Board wishes to inform the Shareholders and potential investors that having received the formal notification from the MOEA in relation to the Regulators’ Decision and following further discussions among the Company, PFH Holdings Ltd. and AIG (together, the “**Parties**”), the Parties have agreed to terminate the Share Purchase Agreement. A termination agreement was entered into between PNS Holding and AIG on 20 September 2010 to terminate the Share Purchase Agreement with effect from 20 September 2010.

On behalf of the Board
China Strategic Holdings Limited
Ma Si Hang, Frederick
Chairman

Hong Kong, 20 September 2010

As at the date hereof, the Board 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, Mr. Ma Si Hang, Frederick as a non-executive Director and Ms. Ma Yin Fan, Mr. Phillip Fei and Mr. Leung Hoi Ying as independent non-executive Directors.