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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group expects to record a substantial decrease in loss for its financial year ended 31 December 2013 as compared with the loss recorded by the Group for its financial year ended 31 December 2012. This profit warning announcement is only based on the preliminary review by the Company's management on the management accounts of the Group which has not been confirmed nor audited by the Company's auditors.

Details of the Group's performance will be disclosed in the final results announcement of the Group for its financial year ended 31 December 2013 before the end of March 2014.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Strategic Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

Based on a preliminary review by the Company's management on the management accounts of the Group, the board of directors of the Company (the "Board") wishes to inform the shareholders of the Company (the "Shareholders") and potential investors that the Group expects to record a substantial decrease in loss for its financial year ended 31 December 2013 as compared with the loss recorded by the Group for its financial year ended 31 December 2012. The Board considers that such substantial decrease in loss was mainly attributable to a gain on financial assets at fair value through profit or loss for the financial year ended 31 December 2013 as compared with the loss on financial assets at fair value through profit or loss for the financial year ended 31 December 2012 as a result of the recent upturn in the financial market.

This profit warning announcement is only based on the preliminary review by the Company's management on the management accounts of the Group which has not been confirmed nor audited by the Company's auditors.

The Company is in the process of finalising the annual results of the Group for the financial year ended 31 December 2013. The overall financial results of the Group for its financial year ended 31 December 2013 will only be ascertained when all the relevant results and treatments are finalised. Details of the Group's performance will be disclosed in the final results announcement of the Group for its financial year ended 31 December 2013 before the end of March 2014.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares in the Company.

On behalf of the Board
China Strategic Holdings Limited
Or Ching Fai
Chairman

Hong Kong, 17 January 2014

As at the date hereof, the Board comprises Mr. Or Ching Fai, Ms. Chiu Ching Ching, Mr. Hui Richard Rui, Ms. Chan Ling, Eva and Mr. Chow Kam Wah as executive directors of the Company and Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying as independent non-executive directors of the Company.