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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)

POSSIBLE POSITIVE PROFIT ALERT

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 it is possible that the Group may record a substantial increase in profit for its six months period ending 30 June 2015 when compared to the net profit for the six months period ended 30 June 2014. The information contained in this announcement is only a preliminary assessment by the Board according to the unaudited management accounts of the Group and is not based on any financial figures or information which have been confirmed or audited by the Company's auditor.

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 of the unaudited management accounts of the Group, the Board of Directors of the Company (the “Board”) wishes to inform shareholders of the Company (the “Shareholders”) and potential investors that it is possible that the Group may record a substantial increase in profit for its six months period ending 30 June 2015 when compared to the net profit for the six months period ended 30 June 2014 due mainly to the profitable results of its investment in securities business segment. Such profit position, however, is dependent upon the performance of the securities portfolio of the Group in June 2015. For the five months period ended 31 May 2015, the Group’s investment in securities business segment has recorded a net gain on financial assets at fair value through profit or loss of approximately HK\$850 million which comprised of net unrealised gain and net realised gain of approximately HK\$836 million and HK\$14 million respectively. The Company considers that such gain in its investment in securities business segment is due primarily to the general upturn of stock market in Hong Kong in recent months. If the Group continues to record net gain on financial assets at fair value through profit or loss of similar amount (ie. the amount recorded for the five months period ended 31 May 2015) for the six months period ending 30 June 2015, it is expected that the Group will record unaudited consolidated profit for the six months period ending 30 June 2015 of over 5 times of that recorded for the six months period ended 30 June 2014. By way of background, the Group recorded audited consolidated profit of approximately HK\$379.8 million for the financial year ended 31 December 2014 and unaudited consolidated profit of approximately HK\$129.8 million for the six months period ended 30 June 2014.

Having said the above, as the net gain on financial assets at fair value through profit or loss is subject to the performance of the securities portfolio of the Group in June 2015, it is possible that the Group’s presently expected profit position may differ materially if the condition of the Hong Kong stock market deteriorates.

The information contained in this announcement is only a preliminary assessment by the Board according to the unaudited management accounts of the Group and is not based on any financial figures or information which have been confirmed or audited by the Company’s auditor. Further details of the Group’s financial results and performance will be disclosed in the interim results announcement of the Company for the six months period ending 30 June 2015 to be announced before the end of August 2015.

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

By Order of the Board
China Strategic Holdings Limited
Or Ching Fai
Chairman

Hong Kong, 18 June 2015

As at the date of this announcement, the Board comprises five Executive Directors, namely Dr. Or Ching Fai (Chairman and Chief Executive Officer), Mr. Sue Ka Lok, Ms. Lee Chun Yeung, Catherine, Mr. Hui Richard Rui and Mr. Chow Kam Wah; and three Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander and Mr. Leung Hoi Ying.