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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)

ANNOUNCEMENT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

Reference is made to the circular of the Company dated 27 February 2010 in relation to, among other things, the Acquisition of approximately 97.57% of the issued and outstanding share capital of Nan Shan by PNS Holding.

The Board wishes to inform the Shareholders and potential investors that the Financial Supervisory Commission of Taiwan and the Investment Commission of Taiwan respectively issued press releases yesterday stating that the application by PNS Holding in respect of the Acquisition has been rejected.

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

This announcement is made by China Strategic Holdings Limited (the “**Company**”) pursuant to Rule 13.09(1) 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 acquisition (the “**Acquisition**”) of approximately 97.57% of the issued and outstanding share capital of Nan Shan Life Insurance Company, Ltd. (“**Nan Shan**”) by Primus Nan-Shan Holding Company Ltd. (“**PNS Holding**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Financial Supervisory Commission of Taiwan (“**FSC**”) and the Investment Commission of Taiwan (“**IC**”) respectively issued press releases yesterday stating

that the application by PNS Holding in respect of the Acquisition (the “**Application**”) has been rejected. As at the date of this announcement, the Company has not received direct official notification from the FSC and/or the IC regarding this decision or the reasons for their decision (the “**Official Notification**”).

The Board is disappointed at this outcome, having cooperated to the furthest extent with the Taiwan regulatory authorities on the requisite conditions imposed. After receiving the Official Notification, the Company, Primus Financial Holdings Limited and the American International Group will confer to determine the next steps going forward and decide whether to appeal this decision.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company (the “**Shares**”) was suspended from 2:30 p.m. on 31 August 2010. Trading in the Shares will continue to be suspended pending receipt of the Official Notification and any decision made to appeal the decision of the FSC and the IC.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Company will make further announcements as and when necessary in order to keep the market informed.

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

Hong Kong, 1 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.