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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)

### 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 the Group expects to record a significant increase in profit attributable to owners of the Company for the year ended 31 December 2018 as compared to the profit of approximately HK\$126.2 million for the year ended 31 December 2017. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the year ended 31 December 2018 which have not been reviewed or audited by the Company's auditor.

Further details of the Group's financial results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2018 which is expected to be announced before the end of March 2019.

**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 (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited 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 unaudited management accounts of the Group, the Board of Directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that the Group expects to record a significant increase in profit attributable to owners of the Company

for the year ended 31 December 2018 as compared to the profit of approximately HK\$126.2 million for the year ended 31 December 2017. Such expected significant increase in profit is mainly due to the increase in the net gain on financial assets at fair value through profit or loss (“FVTPL”) recorded for the year ended 31 December 2018 in the region of approximately HK\$619 million (which comprised of net unrealised gain and net realised gain in the region of approximately HK\$596 million and HK\$23 million respectively) as compared with the net gain on financial assets at FVTPL recorded by the Group for the year ended 31 December 2017 of approximately HK\$65.3 million (which comprised of net unrealised gain and net realised loss of approximately HK\$170.3 million and HK\$105 million respectively), coupled with the expected increase in profit contributed by the Group’s money lending business when compared to its results for the prior year.

The increase in net gain on financial assets at FVTPL is mainly due to the net increase in fair value of the Group’s listed equity securities portfolio and the net realised gain on disposal of listed equity securities during the year ended 31 December 2018, whereas the expected increase in profit earned by the Group’s money lending business is mainly due to the higher average amount of loans advanced to customers during the year.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2018. The information contained in this announcement is only based on a preliminary assessment by the Board according to the unaudited management accounts of the Group for the year ended 31 December 2018 which have not been reviewed or audited by the Company’s auditor.

Further details of the Group’s financial results and performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2018 which is expected to be announced before the end of March 2019.

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

Hong Kong, 21 January 2019

*As at the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); three Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Ms. Lee Chun Yeung, Catherine 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.*