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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 loss attributable to owners of the Company for the year ended 31 December 2019 as compared with the profit recorded 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 2019 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 2019 which is expected to be announced before the end of March 2020.

**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 loss attributable to owners of the Company for the year ended 31 December 2019 as compared with the profit recorded for the year ended 31 December

2018. The loss results are mainly due to the estimated net loss on financial assets at fair value through profit or loss (“FVTPL”) recorded for the year ended 31 December 2019 in the region of approximately HK\$435 million (which comprised of net unrealised loss and net realised loss of approximately HK\$405 million and HK\$30 million respectively) as compared with the net gain on financial assets at FVTPL recorded for the year ended 31 December 2018 of approximately HK\$619 million (which comprised of net unrealised gain and net realised gain of approximately HK\$596 million and HK\$23 million respectively), despite the expected profitable results of the three other business segments of the Group, namely money lending, trading of commodities and electronic components, and securities brokerage.

The net loss on financial assets at FVTPL is mainly due to the net decrease in fair value of the Group’s listed equity securities portfolio primarily owing to the volatile conditions of the Hong Kong stock market during the current year.

The Company is in the process of finalising the annual results of the Group for the year ended 31 December 2019. 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 2019 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 2019 which is expected to be announced before the end of March 2020.

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

Hong Kong, 22 January 2020

*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.*