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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 six months ended 30 June 2021 of not more than HK\$200 million as compared with the profit of approximately HK\$52 million recorded for the six months ended 30 June 2020. 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 six months ended 30 June 2021 which have not been confirmed or reviewed by the Company's auditor. The estimated loss for the six months ended 30 June 2021 may be adjusted subject to the amount of expected credit loss to be provided for the Group's loan and interest receivable which is in the course of being finalised.

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 ended 30 June 2021 which is expected to be announced before the end of August 2021.

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 six months ended 30 June 2021 of not more than HK\$200 million as compared with the profit of approximately HK\$52 million recorded for the six months ended 30 June 2020. The Board expects that the loss results are mainly attributed to the estimated net loss on financial assets at fair value through profit or loss ("**FVTPL**") recorded for the six months ended 30 June 2021 in the region of approximately HK\$153 million (representing net unrealised loss of approximately HK\$153 million), compared with the net gain on financial assets at FVTPL recorded for the six months ended 30 June 2020 of approximately HK\$250 million (comprising net unrealised gain and net realised loss of approximately HK\$268 million and HK\$18 million respectively).

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 2021. 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 six months ended 30 June 2021 which have not been confirmed or reviewed by the Company's auditor. The estimated loss for the six months ended 30 June 2021 may be adjusted subject to the amount of expected credit loss to be provided for the Group's loan and interest receivable which is in the course of being finalised.

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

Hong Kong, 23 July 2021

As at the date of this announcement, the Board comprises one Non-executive Director, namely Dr. Or Ching Fai (Chairman); four Executive Directors, namely Mr. Sue Ka Lok (Chief Executive Officer), Ms. Lee Chun Yeung, Catherine, Mr. Chow Kam Wah and Mr. Chow Man Wai, Tony; and four Independent Non-executive Directors, namely Ms. Ma Yin Fan, Mr. Chow Yu Chun, Alexander, Mr. Leung Hoi Ying and Mr. Lam Kin Fung, Jeffrey.