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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)

EXPECTED IMPROVEMENT IN LOSS POSITION

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 of not more than HK\$120 million for HY2022 as compared with the loss of approximately HK\$197 million recorded for HY2021. 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 HY2022 which have not been confirmed or reviewed by the Company's auditor. The estimated loss for HY2022 may be adjusted subject to the amount of impairment loss to be provided for the Group's loan receivables 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 HY2022 which is expected to be announced before the end of August 2022.

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**").

The Board of Directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review on the unaudited management accounts of the Group for the six months ended 30 June 2022 (“**HY2022**”), the Group expects to record a loss attributable to owners of the Company of not more than HK\$120 million for HY2022 as compared with the loss of approximately HK\$197 million recorded for the six months ended 30 June 2021 (“**HY2021**”). Such decrease in loss is mainly the combined effect of the decrease in unrealised loss on financial assets at fair value through profit or loss to approximately HK\$4 million (HY2021: HK\$153 million), and the increase in provision for impairment loss on loan receivables to approximately HK\$79 million (HY2021: HK\$35 million).

The Company is in the process of finalising the interim results of the Group for HY2022. 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 HY2022 which have not been confirmed or reviewed by the Company’s auditor. The estimated loss for HY2022 may be adjusted subject to the amount of impairment loss to be provided for the Group’s loan receivables 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 HY2022 which is expected to be announced before the end of August 2022.

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

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

Hong Kong, 2 August 2022

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), 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.