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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 is expected to record a significant decrease in loss for the six months ended 30 June 2017 as compared with the loss recorded by the Group for the six months ended 30 June 2016. 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 2017 which have not been confirmed or reviewed by the Company's auditor.

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 2017 which is expected to be announced before the end of August 2017.

**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 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 decrease in loss for the six months ended 30 June 2017 as compared with the loss recorded by the Group for the six months ended 30 June 2016. Such expected significant decrease in loss was mainly attributable to the decrease in net loss on financial assets at fair value through profit or loss expected to be recorded for the six months ended 30 June 2017 of approximately HK\$197.0 million (which comprised of net unrealised loss and net realised loss of approximately HK\$107.8 million and HK\$89.2 million respectively) as compared with the same recorded by the Group for the six months ended 30 June 2016 of approximately HK\$415.2 million (which comprised of net unrealised loss and net realised loss of approximately HK\$229.4 million and HK\$185.8 million respectively), coupled with the significant increases in profits expected to be generated by the Group's money lending, trading as well as securities brokerage businesses when compared to their respective results for the six months ended 30 June 2016.

The Company considers that such expected loss from its investment in securities business was due primarily to the volatile Hong Kong stock market during the six months ended 30 June 2017, whereas the expected increase in profits generated by the Group's other businesses was mainly due to the higher average amount of loans advanced to customers, higher volume of metal minerals, metal and coal products transacted as well as higher volume of brokerage activities conducted during the six months ended 30 June 2017.

The Company is in the process of finalising the interim results of the Group for the six months ended 30 June 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 six months ended 30 June 2017 which have not been confirmed or reviewed by the Company's auditor.

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 2017 which is expected to be announced before the end of August 2017.

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

Hong Kong, 26 July 2017

*As at the date of this announcement, the Board comprises four Executive Directors, namely Dr. Or Ching Fai (Chairman and Chief Executive Officer), Mr. Sue Ka Lok, 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.*