



CHINA STRATEGIC HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 235)

PROGRESS OF THE CAPITAL REORGANISATION

The Board announces that the hearing of the Summons for Directions will be heard before the Court on 28 March 2006 for the purpose of, amongst other things, fixing a date for hearing of the petition to sanction the Capital Reduction.

Reference is made to (i) the joint announcement dated 19 April 2005 issued by the Company, Hanny Holdings Limited, Well Orient Limited, Nation Field Limited and Group Dragon Investments Limited; (ii) the Company's circular dated 10 September 2005 ("Circular"); and (iii) the Company's announcement dated 6 October 2005. Terms used herein shall have the same meanings as those defined in the Circular unless the context herein required otherwise.

The Board announces that the hearing of the Summons for Directions will be heard before the Court on 28 March 2006 for the purpose of, amongst other things, fixing a date for hearing of the petition to sanction the Capital Reduction.

Further announcement(s) will be made informing Shareholders of the progress and results of the application to the Court, the Record Date, the expected effective date of the Capital Reorganisation, the trading arrangements and free exchange of new Share certificates.

Executive Directors:

Dr. Chan Kwok Keung, Charles

Dr. Yap, Allan

Ms. Chau Mei Wah, Rosanna

Ms. Chan Ling, Eva

Mr. Li Bo

Mr. Chan Kwok Hung

(Alternate to Dr. Chan Kwok Keung, Charles)

Mr. Lui Siu Tsuen, Richard

(Alternate to Dr. Yap, Allan)

Independent Non-executive Directors:

Mr. David Edwin Bussmann

Mr. Wong King Lam, Joseph

Mr. Sin Chi Fai

By order of the Board of
CHINA STRATEGIC HOLDINGS LIMITED
Chan Yan Yan, Jenny
Company Secretary

Hong Kong, 8 March 2006

The Director jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the announcement have been arrived at after due and careful consideration and there are no other facts not contained in the announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.