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CHINA SCI-TECH HOLDINGS LIMITED

(中國科技集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 985)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that it is expected that the Group will record a material loss arising from fair value changes of investments held for trading for the six-month period ended 30 September 2008 as compared to the loss arising from such fair value changes recorded by the Group for the corresponding period ended 30 September 2007 as a result of the recent downturn in the financial market.

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

This announcement is made by China Sci-tech Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and the potential investors that based on information currently available, it is expected that the Group will record a material loss arising from fair value changes of investments held for trading for the six-month period ended 30 September 2008 as compared to the loss arising from such fair value changes recorded by the Group for the corresponding period ended 30 September 2007 as a result of the recent downturn in the financial market.

In the meantime, the Company has proceeded to prepare the interim results of its continuing operations for the six-month period ended 30 September 2008 as well as to determine the fair value of the convertible notes for review by its auditor. The overall financial results of the Group for the six-month period ended 30 September 2008 will only be ascertained when all these results and financial information are finalized. Details of the Group's performance will be disclosed in the interim results announcement of the Group by the end of December 2008.

The information contained in this announcement is only based on the information currently available to the Company and is not based on any figures nor information that has been audited or reviewed by the Company's auditors.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board of
China Sci-Tech Holdings Limited
Hui Richard Rui
Director

Hong Kong, 23 October 2008

As at the date of this announcement, the executive directors are Mr. Chiu Kong, Mr. Yeung kwok Yu, Mr. Kwan Kam Hung, Jimmy, Mr. Hui Richard Rui, Mr. Tsui Ching Hung, Mr. Chung Nai Ting, Ms. Chiu Si Mary and Mr. Lee Ming Tung and the independent non-executive directors are Mr. Yu Pan, Ms. Tong So Yuet and Mr. Chan Shek Wah.

** For identification purpose only*