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NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

PROFIT WARNING

This announcement is made by North Asia Strategic Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Further to the announcement of the Company dated 8 September 2015 (the “**Business Update Announcement**”) and having further reviewed the operations and performance of the different segments of the Group, the board of directors of the Company (the “**Board**”) announces that the Group is expected to record a substantial consolidated loss for the six months ended 30 September 2015 as compared to the modest consolidated profit recorded for the six months ended 30 September 2014.

The substantial consolidated loss is mainly attributable to (i) an impairment against the value of an intangible asset (being the goodwill recorded in relation to the Company’s acquisition of Dragon Mining Overseas Limited (“**Dragon Mining**”) in August 2014) estimated at approximately HK\$240 million, based on the preliminary independent valuation of the Dragon Mining; and (ii) a provision against receivables totalling approximately HK\$20 million due from clients of a subsidiary of Dragon Mining, which the Group is preparing to commence legal proceedings to recover. Both the impairment of intangible asset and the provision of receivables are considered necessary, having taken into account the business prospects of the mining consulting division in view of the continued negative outlook of the commodities and mining sector in the near to medium term, which continues to weigh on the availability of new projects on commercially acceptable terms, in addition to the reduced team of mining consultants of the Group after the departure of Mr. Jacky Chan Sik Lap as announced in the Business Update Announcement.

Despite the effects of the contraction in shipments on an industry level, the Group’s Hi-tech distribution and services division has continued to contributed towards the results of the Group.

* *For identification purpose only*

The Company continues to strive to manage costs and pursue new opportunities in both business divisions despite the overall deterioration of market conditions.

As the Company has yet to finalise the unaudited financial results of the Group for the six months ended 30 September 2014, the information contained in this announcement is only a preliminary assessment by the Board based on the Company's management accounts and information currently available and is not based on any figures or information that has been audited or reviewed by the Company's auditors. The interim results announcement of the Company for the year ended 30 September 2015 is expected to be published in November 2015.

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

By Order of the Board
NORTH ASIA STRATEGIC HOLDINGS LIMITED
Ding Yi
Chairman and Executive Director

Hong Kong, 19 October 2015

As at the date of this announcement, the Board comprises Mr. Ding Yi (Chairman and Executive Director) and Ms. Zhang Yifan (Executive Director); Mr. Joseph Chan Nap Kee (Non-executive Director); and Mr. Joseph Liang Hsien Tse, Mr. Kenneth Kon Hiu King and Mr. Pierre Tsui Kwong Ming (being Independent Non-executive Directors).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and on the Company's website at www.nasholdings.com.