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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)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE, RULE 17.10 OF THE GEM LISTING RULES AND THE INSIDE INFORMATION PROVISIONS AND RESUMPTION OF TRADING

This announcement is made by North Asia Strategic Holdings Limited (the “**Company**”) pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the “**SFO**”).

Reference is also made to the announcement of the Company dated 1 April 2016 in respect of the trading halt in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pending publication of an announcement pursuant to the Takeovers Code which may constitute inside information of the Company.

TRANSACTION WHICH TRIGGERED AN OBLIGATION TO MAKE A MANDATORY OFFER

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has been informed by Mr. DING Yi (“**Mr. Ding**”), a former Director, and Ms. LU Ying (“**Ms. Lu**”) that after his resignation on 31 March 2016, Mr. Ding sold 400,000,000 ordinary shares in the Company held by him to Ms. Lu for a cash consideration of HK\$30,000,000, being HK\$0.075 per Share (the “**Transaction**”). The Transaction was completed on the same day, i.e. 31 March 2016, after trading hours.

According to the records of the Company, immediately before the completion of the Transaction, Ms. Lu held 569,058,296 Shares, representing approximately 29.72% of the total number of Shares in issue and convertible bonds in the principal amount of HK\$60 million (“**Convertible Bonds**”) convertible into 240,000,000 Shares at the initial conversion price of HK\$0.25 per Share (subject to adjustment). Accordingly, immediately after the completion of the Transaction, Ms. Lu held a

* *For identification purpose only*

total of 969,058,296 Shares, representing approximately 50.60% of the total number of Shares in issue and the Convertible Bonds. As a result of the Transaction, Ms. Lu has increased her holding of voting rights in the Company to 30% or more and has therefore incurred an obligation to make an unconditional mandatory offer under the Takeovers Code for all the issued Shares (other than those already owned or agreed to be acquired by Ms. Lu and parties acting in concert with her).

Ms. Lu also informed the Company that she will make the mandatory offer as required under the Takeovers Code and that she is appointing financial adviser and legal adviser to advise her on compliance of the Takeovers Code. A further announcement in compliance with Rule 3.5 of the Takeovers Code will therefore be made as soon as practicable.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commenced on the date of this announcement, being 5 April 2016.

As at the date of this announcement, the Company has in issue a total of 1,914,997,244 Shares and the Convertible Bonds. Other than these Shares and the Convertible Bonds, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue as at the date of this announcement.

Associates (having the meaning given to it under the Takeovers Code, including persons holding 5% or more of the relevant securities of the Company) of the Company are reminded to disclose their dealings in the relevant securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the unconditional mandatory offer will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the GEM Listing Rules and/or the Takeovers Code (as the case may be).

WARNING: Shareholders of the Company and potential investors are reminded to monitor the announcements to be made by the Company in respect of the progress of the unconditional mandatory offer and are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares was halted with effect from 1:00 p.m. on 1 April 2016, pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 6 April 2016.

By Order of the Board
North Asia Strategic Holdings Limited
Zhang Yifan
Executive Director

Hong Kong, 5 April 2016

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

The Directors of the Company 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 this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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