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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

BUSINESS UPDATE

The board of directors (the “**Board**”) North Asia Strategic Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces the business update of the Group’s latest development.

As stated in the Company’s last quarterly report on 6th August, 2015, we monitor our working capital, gross profit margin, operating cost and industry developments with a view to protect our cash flow and profitability, as well as the long term sustainability and growth of our business continuously. In this regard, in addition to looking at developing new marketing strategies to strengthen business development opportunities, we have also been working on managing our revenue/ cost structure.

Since our last quarterly report, whilst commodity price worldwide has continued its downward trend coupled with high volatility, worldwide stock market has experienced sharp corrections and record volatility since 2012, China’s equity market, foreign exchange reserves and exchange rates all have taken a steep dive with major commodities players reporting negative outlook for their businesses. China PMI had contracted for 6 months in a row, with the rate of deterioration at 6 years low, the negative indicators mentioned above will continue to weigh on the development of both of our high-tech distribution division and mining consulting division. For our mining consulting division, this has resulted significant financial constraints on our existing customers and their capital expenditure program budget for new exploration, which has led to significant delay in existing project starts and new contracts closing. In addition, one of the directors of Dragon Mining Consulting Limited, Mr. Jacky Chan Sik Lap through which our mining consulting division is operated, has recently resigned with immediate effect. Subsisting projects in that division continue to be managed by our project managers, and we continue to pursue new opportunities. Our Hi-tech distribution and services division has also seen significant contraction in July shipment for the industry as a whole, while we strive to maintain our market leading position through better service and enhanced marketing program.

If the economic environment does not improve so that prospects for either and/or both of our business sectors in the near to medium terms are not positive, it may be necessary for us to make impairment provisions for the goodwill of either and/or both of those sectors

as at 30th September 2015, the end of our next financial reporting period. We are currently monitoring market developments and reviewing our business plans in response to that. That said, we will continue to work towards preserving if not enhancing shareholders value in the meantime.

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

Hong Kong, 8th September 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.

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