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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

The board (the “**Board**”) of directors (the “**Directors**”) of North Asia Strategic Holdings Limited (the “**Company**”) refer to the annual report of the Company for the year ended 31 March 2023 published on 29 June 2023 (the “**2022/2023 Annual Report**”). Terms defined in the 2022/2023 Annual Report have the same meanings when used in this announcement. The Company provides additional information in relation to options granted under the 2014 Scheme, being the only share scheme in force during the year ended 31 March 2023 below.

As at 1 April 2022, the number of options available for grant under the 2014 Scheme was 23,903,331 options. As at 31 March 2023, there were 9,860,531 options available for grant under the 2014 Scheme, representing approximately 2.16% of the issued share capital of the Company as at the date of the 2022/2023 Annual Report. The total number of shares of the Company (the “**Shares**”) that may be issued in respect of options granted under all schemes of the Company during the year ended 31 March 2023 divided by the weighted average number of Shares in issue for the year ended 31 March 2023 is 7.64%.

During the year ended 31 March 2023, a total of 32,652,000 options were granted to the certain eligible participants under the 2014 Scheme and among which, a total of 13,372,000 options were granted to the Directors and senior managers (as defined in the GEM Listing Rules). Those options are not subject to performance targets, vesting periods or clawback mechanism except that unexercised options can be terminated in certain circumstances pursuant to the terms of the 2014 Scheme. Under the terms of the 2014 Scheme, options granted shall lapse automatically and not be exercisable (to the extent not exercised), if the grantee under the scheme (the “**Grantee**”) ceases to be a participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, pursuant to the terms of the 2014 Scheme.

By way of supplement to the corporate governance report in the 2022/2023 Annual Report, during the year ended 31 March 2023, the remuneration committee of the Company has reviewed and recommended the grant of options under the 2014 Scheme (including those to Directors and senior managers) mentioned above. The remuneration committee has noted that the purpose of the 2014 Scheme is to reward the Grantees for their contribution to the Company and the scheme rules do not restrictively define contribution. In recommending the grant of those options, the remuneration committee therefore took into account each Grantee's contribution to the Group for the past financial periods (i.e. an assessment of that Grantee's performance) and that options can provide incentive to that Grantee to work towards enhancing the value of the Company such that it could be reflected in the price of the Shares, thereby aligning the interest of that Grantee with those of the Company and its shareholders. Further, the remuneration committee considered that it would be impracticable or inappropriate to include specific performance targets as vesting conditions given the roles and responsibilities of the relevant grantees who are executive directors or senior managers and the market conditions under which the Group is operating while performance targets may compromise the independence of the independent non-executive Director grantee.

Accordingly, having taken into account the factors above and the fact that the market for and price of Shares is not under the Company's control, the remuneration committee of the Company considered that notwithstanding the absence of the vesting periods and performance targets and the limited clawback mechanism, the options granted during the year ended 31 March 2023 can incentivize the Grantees to strive for the future development of the Company, was in line with the purpose of the 2014 Scheme, was market competitive and was consistent with the Company's customary practice.

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

Hong Kong, 18 August 2023

As at the date of this announcement, the Board comprises Ms. Zhang Yifan (Chairlady and Executive Director); Mr. Kenneth Kon Hiu King (Executive Director); Mr. Pierre Tsui Kwong Ming (Non-executive Director); Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing (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 GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") 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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least seven days from the date of its posting and on the Company's website at www.nasholdings.com.

** For identification purpose only*