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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 pursuant to Rule 17.10 of the Rule Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of North Asia Strategic Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors that, based on the preliminary assessment of the unaudited management account, the Group is expected to record a consolidated loss ranging from HK\$50 million to HK\$60 million in the third quarterly results of the Group for the nine months ended 31st December 2022 as compared to the consolidated profit of HK\$56,479,000 for the corresponding period of 2021, the main reasons for which are as follows:

- (1) the Group recorded an exchange loss of about HK\$29 million mainly due to the depreciation of both Japanese Yen and Renminbi against Hong Kong dollar during the nine months ended 31st December 2022 (while the Group recorded an exchange gain of about HK\$15 million during the corresponding period of 2021);
- (2) due to the semiconductor chips shortage and sluggish demand in global mobile phone market from the start of 2022 till the end of 2022 and strict pandemic control policy causing lockdowns in major cities in China to combat the Omicron outbreak, the Group’s customers, mainly mobile phone manufacturers in China, had experienced disruptions in component production and logistics that affected most of their vendor’s 2022 Q2 to Q4 shipments, both in China and worldwide. The Group has noted that its customers have been delaying or scaling down their manufacturing facilities acquisition plans which contributed to a significant drop in orders to the Group during the first nine months of 2022 and thereafter. This has led to a reduction in completion of orders during the nine months ended 31st December 2022 and consequently a decrease in the revenue of the Group’s hi-tech distribution and services division by about 35% during the nine months ended 31st December 2022 as compared to the corresponding period of 2021 while the operating costs do not reduce at the same rate as the revenue.

* *For identification purpose only*

The Company is in the process of preparing the third quarterly results of the Group for the nine months ended 31st December 2022. The information contained in this announcement is only based on the information currently available to the Company and the preliminary review by the Board on the unaudited management accounts of the Group for the nine months ended 31st December 2022, which have not been reviewed or audited by the independent auditors and/or the audit committee of the Company. The actual third quarterly results of the Group for the nine months ended 31st December 2022 may differ from what is disclosed in this announcement. The Shareholders and potential investors should read carefully the announcement of the Company in relation to the third quarterly results of the Group for the nine months ended 31st December 2022, which is expected to be published in early-February 2023 in accordance with the requirements of the GEM Listing Rules.

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

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

Hong Kong, 17 January 2023

As at the date of this announcement, the Board comprises Ms. Zhang Yifan (Chairlady and Executive Director), Mr. Pierre Tsui Kwong Ming and Mr. Kenneth Kon Hiu King (Executive Directors); 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 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.