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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)

**CONVERSION OF CONVERTIBLE BONDS
AND
PREFERENCE SHARES**

A total of 13,500,968,771 new Ordinary Shares were issued on 28th February 2010 upon conversion in full of the Convertible Bonds and the Preference Shares in accordance with the terms thereof.

Reference is made to the circulars of the Company dated 20th June 2005, 24th January 2006, 17th August 2006 and 23rd November 2007 in relation to, among other things, the issue of the Convertible Bonds and the Preference Shares by the Company.

CONVERSION OF THE CONVERTIBLE BONDS

On 25th February 2010, the Company received conversion notices from the holders of the Convertible Bonds, NASAC and Mr. Tsang, to exercise in full the conversion rights attached to the Convertible Bonds at the prevailing conversion price of HK\$0.1566 per Ordinary Share. The aggregate outstanding principal amount of the Convertible Bonds amounted to HK\$20,000,000 and was held as to HK\$13,832,000 by NASAC and as to HK\$6,168,000 by Mr. Tsang respectively. As a result of the conversion of the Convertible Bonds in full, a total of 127,713,920 new Ordinary Shares were issued and allotted on 28th February 2010.

CONVERSION OF THE PREFERENCE SHARES

Pursuant to the terms of the Preference Shares, the Preference Shares shall be automatically convertible into new Ordinary Shares on the listing of the Ordinary Shares on the Main Board of the Stock Exchange or on 28th February 2010, whichever occurs earlier, at the conversion ratio of one Preference Share to one Ordinary Share, subject to usual anti-dilution adjustments.

Before conversion, there were a total of 13,373,254,851 Preference Shares in issue, which were held by 36 holders, of which 98,502,618 Preference Shares were held by NASAC 2, 58,210,000 Preference Shares were held by NASAC 3, 148,659,004 Preference Shares were held by AICV, 99,106,003 Preference Shares were held by Timeless, and as to the remaining 12,968,777,226 Preference Shares were held by 32 independent holders. Upon the automatic conversion in full of the Preference Shares, a total of 13,373,254,851 new Ordinary Shares were issued and allotted on 28th February 2010.

* For identification purpose only

SHAREHOLDING STRUCTURE

NASAC, NASAC 2 and NASAC 3 have advised the Company that immediately upon conversion of the Convertible Bonds or the Preference Shares, all the Ordinary Shares held by each of them would be distributed to their respective non-voting shareholders. Accordingly, for convenience sake, the Ordinary Shares were issued and allotted directly by the Company in the name of the underlying shareholders of NASAC, NASAC 2 and NASAC 3 as instructed by them respectively.

The following table summarises the effects on the shareholding structure of the Company as a result of the conversion in full of the Convertible Bonds and the Preference Shares and the Distribution:

Shareholders	Immediately prior to the conversion of the Convertible Bonds and the Preference Shares		Immediately after the conversion in full of the Convertible Bonds and the Preference Shares but before the Distribution		Immediately after the conversion in full of the Convertible Bonds and the Preference Shares and after the Distribution	
	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%
NASAC	44,163,474	46.10	132,490,421	0.98	–	–
Mr. Tsang (Note 1)	20,202,886	21.09	59,589,859	0.44	59,589,859	0.44
Mr. Malm (Note 1)	–	–	–	–	94,127,499	0.69
Mr. Chow (Note 1)	–	–	–	–	28,987,984	0.22
Mr. Cho (Note 1)	–	–	99,106,003	0.73	124,010,218	0.91
Huge Top Industrial Ltd. (Note 2)	1,598,113	1.67	1,598,113	0.01	1,598,113	0.01
Right Action Offshore Inc. (Note 3)	1,024,000	1.07	1,024,000	0.01	1,024,000	0.01
TN Development Limited (Note 4)	1,633,676	1.70	1,633,676	0.01	1,633,676	0.01
NASAC 2	–	–	98,502,618	0.72	–	–
NASAC 3	–	–	58,210,000	0.43	–	–
AICV	–	–	148,659,004	1.09	198,467,433	1.46
Goldman Sachs (Asia) Finance	–	–	2,477,650,064	18.22	2,477,650,064	18.22
Military Superannuation and Benefits Board of Trustees No. 1 (Note 5)	–	–	2,041,884,817	15.02	2,041,884,817	15.02
Amtec (Note 6)	–	–	–	–	25,882,000	0.19
Sub-total	68,622,149	71.63	5,120,348,575	37.66	5,054,855,663	37.18
Public Shareholders (Note 7)	27,172,567	28.37	8,476,414,912	62.34	8,541,907,824	62.82
Total Ordinary Shares	95,794,716	100.00	13,596,763,487	100.00	13,596,763,487	100.00
	Preference Shares	%	Preference Shares	%	Preference Shares	%
A total of 36 holders	13,373,254,851	100.00	–	–	–	–
Grand total	13,469,049,567	100.00	13,596,763,487	100.00	13,596,763,487	100.00

Notes:

1. These Ordinary Shares are held by the respective Directors or through companies controlled by them.
2. Huge Top Industrial Ltd. is a company controlled by Mr. Yao.
3. Mr. Yao owns the entire issued share capital of Right Action Offshore Inc.
4. TN Development Limited is a company controlled by Mr. Yao.
5. Military Superannuation and Benefits Board of Trustees No. 1 is a trustee for an Australian pension scheme.
6. These Ordinary Shares are distributed to Amtec by NASAC 3 as a result of a settlement agreement between Amtec and an ex-employee of Amtec who is a non-voting shareholder of NASAC 3. These Ordinary Shares will be accounted for as available for sale investment in the Group's accounts pending for disposal in due course.
7. Save as disclosed above, none of the other holders of the Preference Shares and shareholders of NASAC, NASAC 2 and NASAC 3 is a connected person of the Company (as defined in the GEM Listing Rules) or will become interested in 10% or more of the issued Ordinary Shares immediately after conversion and the Distribution.

GENERAL

Shareholders and public investors should note the substantial increase in the number of Ordinary Shares in issue after conversion of the Convertible Bonds and the Preference Shares and are reminded to exercise caution when dealing in the Ordinary Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“AICV”	Asia Internet Capital Ventures LP, a venture capital fund established for the object and purpose of making private equity investments in internet and technology-oriented companies and managed by Mr. Tsang
“Amtec”	American Tec Company Limited, an indirect wholly-owned subsidiary of the Company
“API”	Ajia Partners Inc., a company incorporated in the Cayman Islands and the holding company of NASA
“Board”	the board of Directors
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Ordinary Shares are listed on GEM

“Convertible Bonds”	the convertible bonds with aggregate face value of HK\$20,000,000 issued by the Company which are convertible into new Ordinary Shares at the prevailing conversion price of HK\$0.1566 per Ordinary Share (subject to adjustments)
“Director(s)”	the director(s) of the Company
“Distribution”	the distribution of the Ordinary Shares by NASAC, NASAC 2 and NASAC 3 to their respective non-voting shareholders
“GEM”	Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Mr. Cho”	Mr. Henry Kim Cho, a non-executive Director
“Mr. Malm”	Mr. Göran Sture Malm, the Chairman and an executive Director
“Mr. Tsang”	Mr. Moses Tsang Kwok Tai, a non-executive Director, a former substantial Shareholder who held approximately 21.1% of the then issued Ordinary Shares prior to the conversion of the Convertible Bonds and the Preference Shares, the chairman and managing partner of API and the manager of AICV
“Mr. Yao”	Mr. Andrew Cho Fai Yao, a non-executive Director
“NASA”	North Asia Strategic Advisors, a company incorporated in the Cayman Islands and a subsidiary of API
“NASAC”	North Asia Strategic Acquisition Corp., a company incorporated in the Cayman Islands and the former controlling Shareholder which held approximately 46.1% of the then issued Ordinary Shares prior to the conversion of the Convertible Bonds and the Preference Shares. NASA controls 100% of the voting capital of NASAC
“NASAC 2”	North Asia Strategic Acquisition Corp. 2, a company incorporated in the Cayman Islands, of which Mr. Göran Sture Malm, the Chairman and an executive Director of the Company, is beneficially interested in 82.9% of the ordinary non-voting share capital while NASA controls 100% of the voting share capital

“NASAC 3”	North Asia Strategic Acquisition Corp. 3, a company incorporated in the Cayman Islands, of which certain employees and ex-employees of a subsidiary of the Company are beneficially interested in the ordinary non-voting share capital while NASA controls 100% of the ordinary voting share capital
“Ordinary Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Preference Shares”	the 13,373,254,851 non-voting convertible preference shares in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Ordinary Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Timeless”	Timeless Enterprises Limited, a company incorporated in the British Virgin Islands which is controlled by Mr. Cho
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
North Asia Strategic Holdings Limited
John Saliling
Executive Director and Chief Executive Officer

Hong Kong, 1st March 2010

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Göran Sture Malm (Chairman), Mr. Savio Chow Sing Nam (Deputy Chairman) and Mr. John Saliling (Chief Executive Officer); four Non-executive Directors, namely Mr. Andrew Yao Cho Fai and Mr. Takeshi Kadota, Mr. Moses Tsang Kwok Tai and Mr. Henry Kim Cho; and four Independent Non-executive Directors, namely Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching, Mr. Edgar Kwan Chi Ping and Mr. Yu Wang Tak.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 that:– (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.