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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)**

### **CANCELLATION OF SHARE PREMIUM**

The Board proposes to effect the Share Premium Cancellation. Pursuant to the Share Premium Cancellation, it is proposed that, subject to certain conditions, the entire amount standing to the credit of the share premium account of the Company be cancelled, with the credit arising therefrom being transferred to the contributed surplus account of the Company. The amount in the contributed surplus account will then be used to eliminate the entire balance of the Accumulated Losses.

The Board announces that, at the meeting of the Board held on 12th October 2010, the Board resolved to declare a special dividend in an amount to be determined at a later Board meeting to be held on a date to be announced and approved by the Shareholders, subject to the Share Premium Cancellation becoming effective. Details regarding the Board meeting date and amount of the Special Dividend will be announced by the Company in due course.

A circular containing, among other things, details of the Share Premium Cancellation and the Special Dividend together with the notice of the SGM will be despatched to the Shareholders as soon as practicable.

### **SHARE PREMIUM CANCELLATION**

The Board proposes to effect the Share Premium Cancellation, pursuant to which the entire amount standing to the credit of the share premium account of the Company will be cancelled and the credit arising from the Share Premium Cancellation will be transferred to the contributed surplus account of the Company. The amount in the contributed surplus account will then be used to eliminate the entire balance of the Accumulated Losses.

As at 31st March 2010, the amount standing to the credit of the share premium account of the Company was approximately HK\$2,017,746,000. Assuming no further Shares will be issued or repurchased subsequent to the date of this announcement and up to the date of the Share Premium Cancellation becoming effective, the entire amount of approximately HK\$2,017,746,000 in the share premium account of the Company will be cancelled pursuant to the Share Premium Cancellation, with the credit arising therefrom be transferred to the contributed surplus account of the Company. It is also proposed that part of the contributed surplus of the Company in an amount equal to the balance of the Accumulated Losses as at the date of the Share Premium Cancellation becoming effective will be utilised to eliminate the entire Accumulated Losses. According to the 2009/10 annual report of the Company, as at 31st March 2010, the contributed

surplus of the Company amounted to approximately HK\$8,984,000 and the Accumulated Losses amounted to approximately HK\$242,621,000.

Other than the relevant expenses, the implementation of the Share Premium Cancellation will not, by itself, affect the underlying assets, business, operation, management or financial position of the Company or the interests of the Company and the Shareholders as a whole.

## **CONDITIONS OF THE SHARE PREMIUM CANCELLATION**

The Share Premium Cancellation is conditional on:

- (a) the passing of a special resolution by the Shareholders at the SGM to approve the Share Premium Cancellation; and
- (b) compliance with the requirement of section 46(2) of the Companies Act, including (i) publication of a notice in relation to the Share Premium Cancellation in an appointed newspaper in Bermuda on a date not more than 30 days and not less than 15 days before the date on which the Share Premium Cancellation is to have effect; and (ii) the Board being satisfied that on the date the Share Premium Cancellation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Share Premium Cancellation would be, unable to pay its liabilities as they become due.

Subject to the fulfilment of the above conditions, the Share Premium Cancellation will become effective on the date of passing of the special resolution by the Shareholders at the SGM to approve the Share Premium Cancellation.

## **REASONS FOR THE SHARE PREMIUM CANCELLATION**

The Share Premium Cancellation will give the Company more flexibility to make distribution out of its contributed surplus to the Shareholders in future. The Board believes that the Share Premium Cancellation is beneficial to the Company and the Shareholders as a whole.

## **PROPOSED SPECIAL DIVIDEND**

Reference is made to the announcement of the Company dated 29th September 2010 which mentioned that a Board meeting will be held on 12th October 2010 for the purposes of, among other matters, considering and, if appropriate, approving the proposal for the payment of a special dividend. The Board announces that, at the meeting of the Board held on 12th October 2010, the Board resolved to declare a special dividend in an amount to be determined at a later Board meeting to be held on a date to be announced and approved by the Shareholders, subject to the Share Premium Cancellation becoming effective. Details regarding the Board meeting date and amount of the Special Dividend will be announced by the Company in due course.

## **GENERAL**

A circular containing, among other things, details of the Share Premium Cancellation and the Special Dividend together with the notice of the SGM will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

|                              |  |
|------------------------------|--|
| “Accumulated Losses”         | the accumulated losses of the Company  |
| “Board”                      | the board of Directors   |
| “Companies Act”              | the Companies Act 1981 of Bermuda  |
| “Company”                    | North Asia Strategic Holdings Limited, a limited liability company incorporated in Bermuda, the Shares of which are listed on the GEM  |
| “Director(s)”                | director(s) of the Company   |
| “GEM”                        | Growth Enterprise Market of The Stock Exchange of Hong Kong Limited  |
| “SGM”                        | the special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Premium Cancellation and the Special Dividend  |
| “Share(s)”                   | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company  |
| “Shareholder(s)”             | holders of the Shares  |
| “Share Premium Cancellation” | the proposed cancellation of the entire amount standing to the credit of the share premium account of the Company, with the credit arising therefrom being transferred to the contributed surplus account of the Company |
| “Special Dividend”           | a special dividend resolved by the Board on 12th October 2010 to be declared in an amount to be determined at a later Board meeting  |
| “HK\$”                       | Hong Kong dollars, the lawful currency of Hong Kong  |

By Order of the Board  
**North Asia Strategic Holdings Limited**  
**John Saliling**  
*Executive Director and Chief Executive Officer*

Hong Kong, 12th October 2010

*As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Göran Sture Malm (Chairman) and Mr. John Saliling (Chief Executive Officer); three Non-executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota, and Mr. Jason Matthew Brown; 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 the 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 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](http://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](http://www.nasholdings.com).*

*\* For identification purpose only*