THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in North Asia Strategic Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer, other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

North Asia Strategic Holdings Limited
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUPPLEMENTAL SERVICES AGREEMENT

Financial adviser to North Asia Strategic Holdings Limited

Optima Capital Limited

Independent financial adviser to the Independent Board Committee and the Independent Shareholders

Access Capital

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee is set out on page 20 of this circular. A letter from Access Capital containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 21 to 52 of this circular.

A notice convening the Special General Meeting to be held at 78th Floor, The Center, 99 Queen's Road Central, Hong Kong at 5:00 p.m. on Monday, 27th April 2009 is set out on pages 68 to 69 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at www.nasholdings.com.

7th April 2009

* *For identification purpose only*

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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In this circular, the following expressions have the following meanings, unless the context otherwise requires:

"Access Capital"	Access Capital Limited, a licensed corporation under the SFO which engages in types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities
"AICV"	Asia Internet Capital Ventures LP, a US$33 million venture capital fund for the object and purpose of making private equity investments in internet and technology-oriented companies and managed by Mr. Tsang
"Ajia Group"	API and all of its subsidiaries including NASA
"Ajia Parties"	NASAC and Mr. Tsang
"API"	Ajia Partners Inc., a company incorporated in the Cayman Islands and the holding company of NASA
"associates"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Cap Amounts"	the maximum total fees, consisting of annual service fee, incentive fee and placing fee, payable to NASA pursuant to the terms of the Supplemental Services Agreement for each of the financial years ending 31st March 2010, 2011 and 2012
"Company"	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on GEM (stock code: 8080)
"connected persons"	has the meaning ascribed to it under the GEM Listing Rules

"Convertible Bonds"	the convertible bonds issued by the Company to the Ajia Parties with total face value of HK$20 million, which are convertible into new Shares at an initial conversion price of HK$0.1566 per Share (subject to adjustments)
"Director(s)"	the director(s) of the Company
"Existing Services Agreement"	the services agreement dated 26th September 2005 (as amended and restated on 30th December 2005) entered into between the Company and NASA
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board, comprising all the independent Non-executive Directors, established to advise the Independent Shareholders on the Supplemental Services Agreement and the Cap Amounts
"Independent Shareholders"	Shareholders and Preference Shareholders other than the Ajia Parties, AICV, Timeless, NASAC 2, NASAC 3, Mr. Cho and Mr. Chow and their respective associates and who or whose associates may have interest in the Supplemental Services Agreement that are different from other Shareholders or Preference Shareholders
"Latest Practicable Date"	3rd April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Mr. Cho"	Mr. Henry Kim Cho, an ex-Director who retired at the annual general meeting of the Company held on 31st July 2008
"Mr. Chow"	Mr. Savio Chow Sing Nam, an Executive Director and the Deputy Chairman of the Company

"Mr. Malm"	Mr. Göran Sture Malm, an Executive Director and the Chairman of the Company
"Mr. Tsang"	Mr. Moses Tsang Kwok Tai, a substantial Shareholder holding approximately 21.1% of the existing issued Shares who is also the chairman and managing partner of API and the manager of AICV
"NASA"	North Asia Strategic Advisors, a subsidiary of API incorporated in the Cayman Islands which controls 100% of the voting capital of NASAC
"NASAC"	North Asia Strategic Acquisition Corp., a company incorporated in the Cayman Islands and the controlling Shareholder holding approximately 46.1% of the existing issued Shares
"NASAC 2"	North Asia Strategic Acquisition Corp. 2, a company incorporated in the Cayman Islands, of which Mr. Malm is beneficially interested in 82.9% of the ordinary non-voting share capital while NASA controls 100% of the ordinary voting share capital
"NASAC 3"	North Asia Strategic Acquisition Corp. 3, a company incorporated in the Cayman Islands, of which NASA controls 100% of the ordinary voting share capital
"Preference Share(s)"	the non-voting convertible preference share(s) of the Company in issue or to be issued
"Preference Shareholder(s)"	holder(s) of Preference Share(s)
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)

"Special General Meeting"	the special general meeting of the Company convened to be held for the purpose of considering and, if thought fit, approving, among other things, the Supplemental Services Agreement and the Cap Amounts
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Services Agreement"	the supplemental agreement dated 2nd March 2009 entered into between the Company and NASA to renew the Existing Services Agreement for a further three years commencing on 1st April 2009
"Timeless"	Timeless Enterprises Limited, a company incorporated in the British Virgin Islands which is controlled by Mr. Cho
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"US$"	United States dollars, the lawful currency of the United Sates of America
"%"	per cent.

For the purpose of illustration in this circular, amounts in US$ have been translated into HK$ at the exchange rate of US$1.0 = HK$7.8.

North Asia Strategic Holdings Limited
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

Executive Directors:
Mr. Göran Sture Malm *(Chairman)*
Mr. Savio Chow Sing Nam *(Deputy Chairman)*
Mr. John Saliling *(Chief Executive Officer)*

Non-executive Directors:
Mr. Andrew Yao Cho Fai
Mr. Takeshi Kadota

Independent Non-executive Directors:
Mr. Philip Ma King Huen
Mr. Kenny Tam King Ching
Mr. Edgar Kwan Chi Ping
Mr. Yu Wang Tak

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
78th Floor, The Center
99 Queen's Road Central
Hong Kong

7th April 2009

To the Shareholders and
the Preference Shareholders and,
for information only, the holders of Convertible Bonds

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUPPLEMENTAL SERVICES AGREEMENT

INTRODUCTION

On 4th March 2009, the Company announced that it entered into the Supplemental Services Agreement with NASA to renew the Existing Services Agreement for an additional term of three years commencing on 1st April 2009.

By virtue of NASA's controlling interest in the Company through NASAC, the transactions contemplated under the Supplemental Services Agreement constitute continuing connected transactions for the Company under the GEM Listing Rules and are subject to the approval of the Independent Shareholders. The Independent Board Committee has been constituted to give recommendation to the Independent Shareholders as regards to the Supplemental Services Agreement and the Cap Amounts. Access Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this connection.

* *For identification purpose only*

The purpose of this circular is to provide you with information on the terms of the Supplemental Services Agreement, the Cap Amounts, the recommendation and advice of the Independent Board Committee and Access Capital, and the notice convening the Special General Meeting.

THE SUPPLEMENTAL SERVICES AGREEMENT

Background:

On 26th September 2005, the Company entered into the Existing Services Agreement with NASA pursuant to which the Company engaged NASA to provide services to the Company covering fund raising, market and industry research, investor sourcing, investment sourcing, investment analysis and due diligence, and financial advisory under the overall control and supervision of the Board. Details of the Existing Services Agreement are set out in an announcement of the Company dated 30th December 2005 and a circular of the Company dated 24th January 2006. The Existing Services Agreement expired on 31st March 2009. As the Company considers it desirous to continue the engagement of NASA, the parties therefore agreed to enter into the Supplemental Services Agreement to renew the Existing Services Agreement for a further period of 3 years commencing on 1st April 2009. Apart from the renewal of the term of the Existing Services Agreement, all other terms of the Existing Services Agreement remain unchanged. The principal terms of the Supplemental Services Agreement are set out below.

Date:

2nd March 2009

Parties:

(i) the Company; and

(ii) NASA.

Duration:

3 years, commencing on 1st April 2009

Services of NASA:

NASA is a special purpose vehicle set up on 4th March 2004 for the sole purpose of holding NASAC and providing exclusive services to the Company being contemplated under the Existing Services Agreement. Pursuant to the Supplemental Services Agreement, NASA shall continue to provide services to the Group covering fund raising, market and industry research, investor sourcing, investment sourcing, investment analysis and due diligence, and financial advisory under the overall control and supervision of the Board. The services to be provided by NASA will include principally:

(i) identifying potential investors in the Company and coordinating capital raising activities;

(ii) seeking out and evaluating investment and divestment opportunities consistent with the Board's investment guidelines, and preparing investment and divestment proposals and recommendations for consideration by the Board and the investment committee constituted by the Board from time to time for the purposes of evaluating the potential acquisition and disposition of the investment;

(iii) coordinating and supervising due diligence in connection with the Group's investment program;

(iv) assisting in negotiation of terms and conditions of the acquisition and disposition of investments; and

(v) providing financial advisory services to the Group and its investments from time to time.

Remuneration:

Pursuant to the terms of the Supplemental Services Agreement, the Company shall pay fees to NASA for the services rendered by it on the following basis. There is no agreed aggregate sum of fees payable under the Supplemental Services Agreement.

(i) Service fee

The Company will pay an annual service fee in cash to NASA equal to 2% per annum of the aggregate amount of capital drawn down and injected into the Company and contractually committed for investments in the Company (but not yet drawn down) by way of public and/or private placings arranged or supervised by NASA of ordinary shares, preference shares, other equity capital or securities convertible into ordinary shares, preference shares or other equity capital, of the Company (the "Committed Capital"), less the aggregate amount of salaries and other remuneration paid by the Group to certain senior managers of the Company including the Chairman, Chief Executive Officer, Director of Strategic Planning, Chief Financial Officer and Company Secretary of the Company (excluding any directors' fees paid to the relevant senior managers purely for their services as members of the Board) and such other individuals as may be employees of the Company from time to time (which amounted to approximately HK$3.5 million for the year ended 31st March 2007, approximately HK$5.2 million for the year ended 31st March 2008 and approximately HK$5.1 million for the nine-month period ended 31st December 2008). The annual service fee, calculated on the basis disclosed above, is payable quarterly in advance as at the first day of each calendar quarter. The service fee represents the remuneration for NASA providing services as described above.

(ii) Incentive fee

NASA will also be entitled to receive an annual incentive fee equal to 20% of the amount (if any) by which net assets of the Group (the "Net Assets") at the end of each financial year (as confirmed by the auditors of the Company and calculated based on the aggregate fair valuation of the underlying investments of the Group in accordance with applicable financial reporting standards in Hong Kong and including all amounts distributed from time to time by the Company as dividends or other distributions to the Shareholders and taking into account any requisite accrual(s) for fees under the Supplemental Services Agreement) exceed the greater of:

(a) the highest level of Net Assets achieved at the end of any prior financial year (the "High Water Mark"); or

(b) at any time or from time to time, the aggregate amount of capital drawn down and injected into the Company by way of public and/or private placings arranged or supervised by NASA of ordinary shares, preference shares, other equity capital or securities convertible into ordinary shares, preference shares or other equity capital, of the Company as of such time (the "Funded Capital"), compounded annually at the rate of 5%.

The incentive fee shall be payable within (i) 15 days of the announcement of the annual audited results of the Company in respect of each financial year in relation to which an incentive fee is payable; or (ii) 90 days after the end of each such financial year; whichever is earlier, in cash or, at the option of NASA, in Shares or a combination of both. In the event that the incentive fee is paid by Shares in lieu of cash, any such Shares will be issued under the general mandate of the Company and, if the general mandate of the Company is not sufficient for issuing the required number of Shares, the Company will seek approval from the Shareholders for a specific mandate and further announcement will be made for this purpose. Any issue of new Shares as settlement of the incentive fee will be subject to compliance by the Company with applicable GEM Listing Rules including obtaining relevant approvals (such as approval of the GEM Listing Committee for the listing of and permission to deal in such Shares and the approval of the Shareholders) required under the GEM Listing Rules. The Shares shall be issued at a price equal to the average closing price of the Shares for a period of 90 trading days immediately preceding the date on which NASA serves written notice to the Company of its election to receive payment in Shares. Such Shares received by NASA shall be subject to lock up for a period of 3 years from the date of issue or until termination of the Supplemental Services Agreement, whichever is the earlier.

(iii) Placing fee

The Company shall pay a placing fee in cash to NASA in the case of each subsequent placing of Preference Shares or any other equity or equity-linked securities of the Company arranged by NASA or under NASA's supervision, which fee equals to 0.5% of the gross proceeds of such placing.

The placing fee shall be payable to NASA on the date on which subscription monies are first payable to the Company in respect of such placing, whether or not all subscription monies in relation to such placing are payable on such date.

The structure of the compensation to be paid to NASA as described above are assessed in accordance with the typical fees for managers in the private equity market, with the objective to align the interests of NASA with those of the Shareholders through effective implementation of the Board's investment objectives and strategies.

Early termination:

The Supplemental Services Agreement may be terminated by the Company without cause on three months' prior written notice and subject to payment to NASA of a sum equal to the aggregate of: (i) the amount of the annual service fee that would have been payable for the remainder of the term of the Supplemental Services Agreement had it not been terminated, calculated on the basis of the Committed Capital on the date of termination; (ii) 2.5% of Committed Capital, less all placing fees already paid to NASA prior to the termination of the Supplemental Services Agreement; (iii) 20% of the amount (if any) by which the fair value of investments made by the Company (the "Appraised Value") as at the date of termination of the Supplemental Services Agreement exceeds the greater of (a) the High Water Mark; and (b) the Funded Capital, compounded annually at the rate of 5%. The Appraised Value shall be determined by an independent licensed investment bank or professional firm of valuers in Hong Kong appointed by the Board and acceptable to NASA, and the fees and expenses for the determination of the Appraised Value shall be borne by the Company and NASA equally; and (iv) 15% of the Net Assets reflected in the most recent audited annual accounts of the Group as at the date of termination, provided that such amount, when aggregated with items (i) to (iii), does not cause the net assets of the Group, as reflected the Group's most recent management accounts, to fall below the aggregate amount of the paid-up capital of the Shares and the Preference Shares. The termination fee, if any, could be payable in cash or in Shares or a combination of both on the same basis and conditions as the annual incentive fee as described above.

The Supplemental Services Agreement may be terminated by mutual agreement of the parties and no prior notice is required for such termination. The Supplemental Services Agreement may also be terminated by either party in the event the other party is in material breach of the terms of the Supplemental Services Agreement or applicable laws, rules, regulations and codes in any relevant jurisdiction for a period of more than 30 days after having received notice of the breach, or the other party becomes insolvent, or is the subject of a petition to be wound up, or is determined to be bankrupt or unable to pay its debts when due. In either of these cases, no termination payment will be made to NASA.

In the event of early termination of the Supplemental Services Agreement pursuant to any reasons described above, any Shares held by NASA on the date of such termination becoming effective shall upon termination be free and clear of any and all lock up or other restrictions of whatsoever nature on transfer.

Renewal:

The Supplemental Services Agreement is renewable for additional successive three year terms after expiry of its current term, subject to compliance by the Company with applicable law, rules, regulations and codes of governmental authorities, and any and all applicable rules of any stock exchange on which the securities of the Company or its investments is listed including the GEM Listing Rules.

In the event that the Supplemental Services Agreement is not renewed upon expiry, the Company shall pay NASA a sum equal to:

(i) 2.5% of Committed Capital, less all placing fees already paid to NASA prior to the expiry of the Supplemental Services Agreement; and

(ii) 20% of the amount (if any) by which the Appraised Value as at the expiry date of the Supplemental Services Agreement exceeds the greater of (a) the High Water Mark; and (b) the Funded Capital, compounded annually at the rate of 5%.

Conditions:

The Supplemental Services Agreement is conditional upon the grant and/or obtaining of all and any requisite legal and regulatory approvals including but not limited to compliance with applicable laws, rules, regulations and codes of governmental authorities having jurisdiction over the Group and in particular the GEM Listing Rules.

INFORMATION ON NASA

NASA is a subsidiary of API which is an investment holding company and its investee companies are engaged in the provision of investment advisory services including asset management, securities and futures dealings and wealth management. The management team of API and NASA comprises individuals with extensive experience in investment, banking, private equity and managing and operating sizeable companies in Asia. Mr. Tsang, the chairman and managing partner of API and a director of NASA, was a General Partner of Goldman Sachs Group, a global investment bank where he led the establishment of the fixed income group in Tokyo and headed the debt syndicate group in London. He served as the chairman of Goldman Sachs (Asia) LLC between 1989 and 1994. Mr. Tsang is currently an independent non-executive director of Fubon Bank (Hong Kong) Limited (stock code: 636). The other directors of NASA include Mr. Chiang Tai Ruan and Mr. Paul Cheng Wyman. Mr. Chiang, a co-founder and managing partner of API, has over 20 years experience in operations and investment. He was the managing director of Total e-commerce (HK) Limited which managed venture capital funds for Pacific Century CyberWorks Limited (former stock code: 1186). Mr. Cheng has been involved in private equity and investment banking for more than 30 years and was with AIG Investment Corp. as director of Direct Investment, BZW Asia as head of Mergers and Acquisition and NM Rothschild as an executive director. Mr. Cheng is currently an executive director and chief executive officer of Fulbond Holdings Limited (stock code: 1041). The Ajia Group has established a network of leading institutions and dominant families in various countries in North Asia such as Japan, Korea and China as partners which supports NASA in accessing and generating deal flow and determining the feasibility of outsourcing in potential target investments. The network also gives NASA unique insights into the motives behind sellers and competitors in local markets which will in turn improve the negotiation position and ultimately lead to more favourable valuations and a higher probability of closing transactions.

INFORMATION ON THE GROUP

The Company is an investment holding company with investments in subsidiaries and jointly-controlled entities engaging principally in the trading of surface mount technology assembly equipment and machinery, the operation of franchised food chain stores, the processing and sale of fishmeal, fish oil and aquatic feed products, and the manufacture and sale of polyester fiber, spandex and PET resin.

The Ajia Parties became the controlling Shareholders in August 2005. Since their arrival, the Ajia Parties have initiated an investment philosophy for the Group to focus on opportunities in the acquisition of strategic, possible controlling, stakes in companies with strong cash flow in growth sectors such as the consumer, industrial, technology, media and telecommunications businesses in the North Asia region.

To provide funding for the implementation of its investment strategy, the Company has successfully raised a total of approximately HK$2,273.0 million new capital for the Group's investment program from 2006 to 2008 by way of the issue of the Preference Shares. The subscribers of the Preference Shares are largely investors procured by NASA and its directors and advisers. Their commitments to subscribing for the Preference Shares were in support of the Group's investment objective and strategy that the Ajia Parties initiated for the Group. The investors' commitments were also in reliance on a dedicated and professional management team from NASA being put in place to oversee and monitor the implementation of the investment strategy for the Group and to support the investment program of the Company throughout the duration of the life cycle of the investment portfolio, which typically extends beyond three years. In view of the size of the capital raised, the Directors considered it appropriate to recruit additional personnel to assist the Board in actively executing the investment plan and the Existing Service Agreement was entered into with NASA against this background.

Since the engagement of NASA under the terms of the Existing Services Agreement with effect from 1st April 2006, the Group has, with the assistance of NASA, studied and considered over 300 potential investment targets and successfully completed four investments in accordance with the investment objectives and policies, utilising approximately 47% of the committed capital raised from the issue of the Preference Shares. The investments involve companies in various industries in North Asia including trading of surface mount technology assembly equipment and machinery, the operation of franchised food chain stores, the processing and sale of fishmeal, fish oil and aquatic feed products, and the manufacture and sale of polyester fiber, spandex and PET resin, all of which are leaders in their respective markets. A brief description of the existing investment portfolio of the Group is as follows:

(i) Surface mount technology trading division — American Tec Group

American Tec Group is principally engaged in the business of trading of surface mount technology assembly equipment, machinery and spare parts and the provision of related installation, training, repair and maintenance services. It is a wholly-owned subsidiary of the Company acquired in November 2006. As stated in the Company's quarterly report for the nine months ended 31st December 2008, the surface mount technology trading division recorded an unaudited net loss of approximately HK$9.5 million and unaudited revenue of approximately HK$519.7 million for the relevant period. The loss was mainly attributable to the delay, cancellation or slow down of orders for this division's products by customers due to uncertain economic situation and outlook which led to a drop in the division's revenue, as well as exchange losses arising from the appreciation of Japanese Yen against US$ during the fourth quarter of 2008.

To cope with the challenges under the adverse volatile market situation since the second half of 2008, the Group has implemented policies, such as enhancing sales and servicing teams, diversifying product portfolio and customer mix, exercising strict cost control, shortening working capital cycle, entering into foreign exchange hedging arrangements and matching the currencies of trade receivables against trade payables, aiming at reducing the risk of foreign exchange exposure and returning to profitability. The Company believes these measures will help to minimize the impact from the economic downturn and strengthen the division's position for the recovery.

(ii) Branded food division — Perfect Combo Limited

Perfect Combo Limited is a wholly-owned subsidiary set up by the Company in March 2007 and is principally engaged in the operation of Burger King restaurants in Hong Kong and Macau. For the six months ended 30th September 2008, the branded food division recorded an unaudited turnover of approximately HK$7.0 million and unaudited segmental loss of approximately HK$8.5 million which was mainly attributable to the start up costs associated with new outlets. The Directors expect the quick service restaurant business to have increasing demand in current economic climate as consumers look to lower cost alternatives for dining out and intend to expand its outlets primarily in business district, shopping areas and tourist spots to achieve profit for this division.

(iii) Fishmeal and fish oil trading division — Coland Group Limited

The investment in Coland Group Limited was completed in December 2006 and it is currently a 40% jointly controlled entity of the Company. For the six months ended 30th September 2008, the Group shared an unaudited net profit of approximately HK$8.1 million and unaudited revenue of approximately HK$227.9 million from this division. However, due to the reduced demand for brown fishmeal in China and volatility of global commodity prices in the fourth quarter of 2008, the market price of brown fishmeal had dropped significantly which led to an unaudited net loss of approximately HK$4.1 million from this division shared by the Group for the nine months ended 31st December 2008.

The Directors are positive about the performance of this investment in light of the increasing demand for brown fishmeal and aquatic feed since January 2009, the improvement in the demand for higher-margin white fishmeal and its market price in the first half of 2009, and the expected commencement of the operation of the fish fillet factory in Wuhan of China in the first half of 2009 which will help diversifying the risk of the current cyclical trading business and position this division into higher value-added margin business in the future.

(iv) Chemical operation division — TK Chemical Corporation

The investment in a 33.74% stake in TK Chemical Corporation ("TKC") in the form of convertible preference shares was completed by the Group in June 2008. This division is principally engaged in the business of manufacturing polyester fiber, spandex and PET resins. For the nine months ended 31st December 2008, the Group shared an unaudited operating profit of approximately HK$33.3 million against an unaudited revenue of approximately HK$873.7 million from this business division. These operating profits, however, were offset by exchange loss caused by the rapid and sizeable depreciation of Korean Won against other major foreign currencies from July to December 2008, resulting in the Group sharing an unaudited net loss of approximately HK$17.3 million from this division for the nine-month period ended 31st December 2008.

In response to such volatile market conditions, the Company has, with the advice from NASA on aspects relating to foreign exchange, treasury and working capital management, requested the TKC management to take several actions, including shortening the working capital cycle and keeping more cash in US$ to reduce the risk of foreign currency exposures. The TKC management has taken most of the proposed advice and as a result, the total exchange loss recorded by TKC was reduced by about 46.9% from approximately HK$24.4 million for the quarter ended 30th September 2008 to approximately HK$13.0 million for the quarter ended 31st December 2008.

As with many competitors in the Korean economy, the near term market will be a challenging environment for TKC to manage the working capital requirements and debt management. The Company considers that the operations of this division remain viable. The key focus will be to work with suppliers and creditors to manage through short term cash flow issues by negotiating flexible and revised payment schedules and to obtain shareholders' support for working capital requirement. The Company, with the assistance of NASA, has been exploring various options to enhance the Company's position in TKC, including the provision of further equity financing to TKC possibly in conjunction with other shareholders of TKC, securing a higher degree of involvement in the management and governance of TKC, or through other means available under the terms of the shareholders' agreement to preserve the value of the Group's investment in TKC.

REASONS FOR THE SUPPLEMENTAL SERVICES AGREEMENT

The global financial tsunami prompted by the sub-prime mortgage crisis in the US since the second half of 2008 has caused unprecedented adverse repercussions worldwide. The Directors expect that the disruption will continue in 2009 which will pose challenges to the Group's businesses. In face of such challenge, preservation of the Group's value in its existing investments becomes the primary objective for the Company. In addition, most of the existing investments of the Group are yet to reach a mature stage in the investment life cycle.

For these reasons, the Directors are of the view that it is in the interests of the Company to retain the services of NASA to assist it in the ongoing monitoring of the existing investments, with which NASA is familiar from its previous involvements, as well as in the formulation of appropriate strategies to preserve and enhance the Group's value in the investments.

On the other hand, the Directors consider that the prevailing economic climate caused by the disruption in the global economy in late 2008 offers attractively valued investment opportunities for investors with strong financial capabilities, as valuations of potential investment targets are expected to come down and well-managed companies are looking for immediately available fundings either to replace tightening credit facilities or further develop their businesses. As the capital raised by the Group through the issue of the Preference Shares has not been fully utilised and has a remaining balance of approximately HK$1,020.9 million by the end of March 2009, the Group will continue to seek attractive investments to grow shareholders' value and capabilities that can complement the existing businesses of the Group. NASA has continuously identified potential investment opportunities for the Group but in view of the current market atmosphere, NASA and the Group are taking a cautious approach in investment decisions. Despite there is no immediate funding needs or commitments for new investments, the Directors consider it beneficial to the Group to maintain a flexible funding channel so that prompt actions can be taken in response to any fund raising requirement for suitable investment opportunities. In such circumstances, the Directors are of the view that it is in the interests of the Company to continue to capitalise on the wealth of experience of NASA's management team on fund raising and NASA's ability to network and tackle sizeable projects as well as to promote deal flow for the implementation of the investment strategy of the Group. The regional network of NASA would also provide local due diligence and deal execution assistance to the Group. The continuous engagement of NASA also aligns with the request of the investors of the Preference Shares that a dedicated and professional management team from NASA being put in place to oversee and monitor the implementation of the investment strategy for the Group and to support the investment program of the Company.

Based on the above, the Directors consider that the entering into of the Supplemental Services Agreement is in the interests of the Company, the Shareholders and the Preference Shareholders as a whole, and the terms of the Supplemental Services Agreement, including the basis of determining the service fee, incentive fee and placing fee which are assessed in accordance with typical fees for managers in the private equity market, serve to align the interests of NASA with those of the Shareholders and the Preference Shareholders through effective implementation of the Board's investment objectives and strategies and are fair and reasonable so far as the Independent Shareholders are concerned.

RELATIONSHIP BETWEEN THE PARTIES

NASAC is the controlling Shareholder holding approximately 46.1% of the issued Shares as at the Latest Practicable Date. The issued share capital of NASAC comprises 1 voting participating share and 49,999 non-voting participating shares, all with par value of US$1 each. NASA holds the single voting participating share of NASAC. Mr. Cho, Mr. Chow, Mr. Malm (through a wholly-owned entity), AICV, Mr. Paul Cheng Wyman, Mr. Frederick John Lee, Mr. Bob Ching Li-Shyng, Ms. Grace Luk Pui Yin and Mr. Paul Lincoln Heffner each holds approximately 18.80%, 18.80%, 9.40%, 37.59%, 3.76%, 3.76%, 3.76%, 2.25% and 1.88% respectively of the non-voting participating shares of NASAC in issue as at the Latest Practicable Date. According to the memorandum of association of NASAC, the non-voting participating shareholders have no voting rights (save for matters affecting their class of shares only) and these shares cannot be converted into voting participating shares. Accordingly, NASAC is a company controlled by NASA. NASA is in turn a subsidiary of API. Mr. Tsang, Mr. Cho and Mr. Chow and their associates in aggregate hold a controlling equity interest in API. In addition, AICV, Timeless, NASAC 2 and NASAC 3 each holds 148,659,004 Preference Shares, 99,106,003 Preference Shares, 98,502,618 Preference Shares and 58,210,000 Preference Shares respectively as at the Latest Practicable Date.

GEM LISTING RULES IMPLICATIONS AND THE CAP AMOUNTS

By virtue of NASA's controlling interest in the Company, the transactions contemplated under the Supplemental Services Agreement constitute non-exempt continuing connected transactions for the Company under the GEM Listing Rules and are subject to the reporting, announcement and independent shareholders' approval requirements of the GEM Listing Rules. The amount of fees payable by the Company to NASA for each of the financial years ending 31st March during the term of the Supplemental Services Agreement is subject to the Cap Amounts as described below.

During each of the two years ended 31st March 2007 and 2008 and for the nine months ended 31st December 2008, the total fees paid by the Company to NASA under the Existing Services Agreement amounted to approximately HK$20.9 million, HK$30.1 million and HK$29.0 million respectively. The relevant approved cap amount obtained by the Company under the Existing Services Agreement is HK$260 million for each of the three years ended 31st March 2009.

The annual Cap Amounts of the fees payable to NASA (including annual service fee, incentive fee and placing fee) for each of the three years ending 31st March 2010, 2011 and 2012 are set at HK$75 million, HK$75 million and HK$150 million respectively. In determining the proposed Cap Amounts, the Directors have considered the following factors:

(i) the amount raised from the issue of the Preference Shares to date, amounting to approximately HK$2,273.0 million. Such amount represents the Group's total available funding resources in making investments after completion of the issue of the Preference Shares and hence forms the basis of the annual service fee to NASA. Under the terms of the Supplemental Services Agreement, this amount determines the minimum amount of annual service fee payable by the Company to NASA during the term of the Supplemental Services Agreement;

(ii) the estimated amount and timing for further fund raising exercises of the Group. The Company plans to raise new capital to strengthen its financial resources should suitable investment opportunity arises, as the global financial crisis offers a number of potential valuable acquisition opportunities. The amount of any new capital raised will increase the annual service fee as well as the placing fee payable to NASA;

(iii) the target size and schedule of the investment program of the Group. The incentive fee payable to NASA depends on the amount of Committed Capital and Funded Capital which is in turn dependent on the size and schedule of the Group's investment program during the term of the Supplemental Services Agreement; and

(iv) the target rate of return on investments already made or to be made by the Group and the projected annual growth in net assets of the Group. The positive outlook of the Group's current investments and the prospects of enhancement in net assets of the Group as a result of any new investment program will possibly lead to increase in the incentive fee under the Supplemental Services Agreement.

Taking into account of the above factors, the Directors consider that the Cap Amounts provide reasonable buffers to accommodate the potential fluctuation in the fees payable to NASA during the term of the Supplemental Services Agreement as a result of any unforeseeable changes in market situation that may affect the Company's fund-raising, investment and divestment programs.

Pursuant to the terms of the Preference Shares and the Company's Bye-laws, the Preference Shareholders will not be entitled to vote at general meetings of the Shareholders, except when a resolution is proposed for (i) the winding up of the Company; (ii) renewing the Existing Services Agreement, amending, modifying or supplementing its terms, or approving the payment of any fee to NASA in Shares; or (iii) varying or abrogating the rights or privileges of the Preference Shareholders. AICV, Timeless, NASAC 2 and NASAC 3 each holds 148,659,004 Preference Shares, 99,106,003 Preference Shares, 98,502,618 Preference Shares, 58,210,000 Preference Shares respectively as at the Latest Practicable Date. Voting at the Special General Meeting will be taken by way of poll and each of NASAC, Mr. Tsang, AICV, Timeless, NASAC 2, NASAC 3, Mr. Cho and Mr. Chow and their respective associates shall abstain from voting on the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting. To the best of the knowledge of the Directors, save for NASAC, Mr. Tsang, AICV, Timeless, NASAC 2 and NASAC 3, Mr. Cho and Mr. Chow and their respective associates, there are no other Shareholders or Preference Shareholders or their associates having material interest in the Supplemental Services Agreement which are different from other Shareholders or Preference Shareholders and who are required to abstain from voting.

An Independent Board Committee, comprising all the independent Non-executive Directors, has been constituted to make recommendation to the Independent Shareholders on the voting as regards to the Supplemental Services Agreement and the Cap Amounts. Access Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this connection.

If the terms of the Supplemental Services Agreement are altered or if the total fees payable to NASA for any of the periods stipulated under the Supplemental Services Agreement exceed the corresponding Cap Amounts set out above, the Company will have to fully comply with the provisions of Chapter 20 of the GEM Listing Rules.

RECOMMENDATION

Your attention is drawn to the advice of the Independent Board Committee set out in its letter set out on page 20 of this circular. Your attention is also drawn to the letter of advice from Access Capital to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Services Agreement and the Cap Amounts set out on pages 21 to 52 in this circular. The Independent Board Committee, having taken into account the advice of Access Capital, considers that the terms of the Supplemental Services Agreement (including the Caps Amounts) are fair and reasonable so far as the Independent Shareholders are concerned as well as in the interests of the Shareholders, the Preference Shareholders and the Company. The Independent Board Committee therefore recommends that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the Special General Meeting to approve the Supplemental Services Agreement and the Cap Amounts.

SPECIAL GENERAL MEETING

The Special General Meeting will be held at 78th Floor, The Center, 99 Queen's Road Central, Hong Kong at 5:00 p.m. on Monday, 27th April 2009 to consider and, if thought fit, approve the Supplemental Services Agreement and the Cap Amounts. A notice convening the Special General Meeting is set out on pages 68 and 69 of this circular. There is a form of proxy for use at the Special General Meeting accompanying this circular. Whether or not you are able to attend the Special General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Special General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so wish.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular.

Yours faithfully,
For and on behalf of the Board
North Asia Strategic Holdings Limited
John Saliling
Executive Director and Chief Executive Officer

North Asia Strategic Holdings Limited
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

7th April 2009

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUPPLEMENTAL SERVICES AGREEMENT

We refer to the circular of the Company dated 7th April 2009 (the "Circular") of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board to consider the Supplemental Services Agreement and the Cap Amounts and to advise the Independent Shareholders as to whether, in our opinion, the terms of the Supplemental Services Agreement and the Cap Amounts are fair and reasonable so far as the Independent Shareholders are concerned. Access Capital has been appointed as the independent financial adviser to advise us in this respect.

We wish to draw your attention to the letter from the Board and the letter from Access Capital as set out in this Circular. Having considered the principal factors and reasons considered by and the advice of Access Capital as set out in its letter of advice, we consider that the terms of the Supplemental Services Agreement (including the Cap Amounts) are fair and reasonable so far as the Independent Shareholders are concerned as well as in the interests of the Shareholders, the Preference Shareholders and the Company. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to approve the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting.

Yours faithfully,
For and on behalf of
Independent Board Committee
Philip Ma King Huen **Kenny Tam King Ching** **Edgar Kwan Chi Ping** **Yu Wang Tak**
Independent Non-executive Directors

* *For identification purpose only*

Set out below is the full text of the letter of advice from Access Capital to the Independent Board Committee and the Independent Shareholders prepared for inclusion in this circular.

Access Capital

Suite 606, 6th Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

7th April 2009

To: The Independent Board Committee and
the Independent Shareholders of North Asia Strategic Holdings Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUPPLEMENTAL SERVICES AGREEMENT

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders with respect to the terms and conditions of the Supplemental Services Agreement in relation to the renewal of the appointment of NASA, pursuant to which NASA will provide certain fund raising, investment and other related services to the Company. Details of the Supplemental Services Agreement are set out in the letter from the Board of Directors (the "Letter from the Board") contained in the circular dated 7th April 2009 issued by the Company to the Shareholders and the Preference Shareholders (the "Circular") of which this letter forms part. Unless otherwise stated, terms defined in the Circular have the same meaning in this letter.

The Company announced on 4th March 2009 the entering into of the Supplemental Services Agreement and for the reasons set out in the Letter from the Board, the ongoing transactions contemplated thereunder constitute continuing connected transactions of the Company under the GEM Listing Rules. As such, the Supplemental Services Agreement is subject to the approval of the Independent Shareholders by way of poll at the Special General Meeting. For the reasons set out in the Letter from the Board, each of NASAC, Mr. Tsang, AICV, Timeless, NASAC 2, NASAC 3, Mr. Cho and Mr. Chow and their respective associates shall abstain from voting on the resolution approving the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting.

The Board of Directors currently consists of three executive Directors, namely Mr. Göran Sture Malm, Mr. Savio Chow Sing Nam and Mr. John Saliling; two Non-executive Directors, namely Mr. Andrew Yao Cho Fai and Mr. Takeshi Kadota; 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.

The Independent Board Committee comprising the 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, has been established to advise the Independent Shareholders as to whether the terms and conditions of the Supplemental Services Agreement and the Cap Amounts are fair and reasonable and in the interests of the Company. As the independent financial adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether or not the Supplemental Services Agreement and the Cap Amounts are in the interests of the Company, the Shareholders and the Preference Shareholders as a whole; (ii) whether or not the terms of the Supplemental Services Agreement and the Cap Amounts are fair and reasonable; and (iii) how the Independent Shareholders should vote on the resolution to approve the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting.

BASIS OF OUR OPINION

In formulating our opinion, we have relied solely on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company and/or the Directors. We have assumed that all such statements, information, opinions and representations contained or referred to in the Circular or otherwise provided or made or given by the Company and/or its senior management staff and/or the Directors and for which it is/they are solely responsible were true and accurate and valid at the time they were made and given and continue to be true and valid as at the date of the Circular. We have assumed that all the opinions and representations made or provided by the Directors and/or the senior management staff of the Company contained in the Circular have been reasonably made after due and careful enquiry. We have also sought and obtained confirmation from the Company and/or its senior management staff and/or the Directors that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have reviewed all information and documents (including but not limited to the Supplemental Services Agreement) which are made available to us to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company and/or its senior management staff and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents. We have not, however, carried out any independent verification of the information provided, nor have we conducted any independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion, we have taken into consideration the following principal factors and reasons:

1. Background to and reason for the continuing connected transactions

The principal activity of the Company is investment holding and its existing principal investments consist of companies engaged in (i) trading of surface mount technology ("SMT") assembly equipment and machinery; (ii) processing and sale of fishmeal, fish oil and aquatic feed products; (iii) sale and manufacturing of polyester fiber, PET resin and spandex; and (iv) operation of franchised food chain stores. Set out below is a summary of the financial results of the Group extracted from the Company's annual reports for the two financial years ended 31st March 2007 and 2008 (the "Annual Reports") and the quarterly report for the nine months ended 31st December 2008 (the "Quarterly Report"):

Consolidated income statements

	For the year ended 31st March 2007 HK$'000 (Audited)	For the year ended 31st March 2008 HK$'000 (Audited)	For the nine months ended 31st December 2008 HK$'000 (Unaudited)
Continuing operations			
Turnover			
SMT assembly equipment & machinery trading	394,023	841,625	519,744
Fishmeal, fish oil & aquatic feed products	101,503	418,499	328,194
Franchised food chain stores	—	5,038	17,296
Polyester fiber, PET resin & spandex	—	—	873,679
Total	495,526	1,265,162	1,738,913
Cost of sales	(418,442)	(1,176,622)	(1,551,293)
Gross profit	77,084	88,540	187,620
Other gains	5,512	2,529	2,042
Selling and distribution expenses	(20,245)	(41,722)	(80,931)
General and administrative expenses	(74,639)	(144,528)	(154,234)
Operating loss	(12,288)	(95,181)	(45,503)
Finance income	89,861	37,526	38,897
Finance cost	(7,163)	(27,047)	(70,852)
Income tax credit/(expense)	(3,109)	14,334	10,961
Profit/(loss) for the year/period	67,301	(70,368)	(66,497)
Discontinued operations			
Loss for the year from discontinued operations	(554)	(2,232)	—
Profit/(loss) for the year/period	66,747	(72,600)	(66,497)

Condensed consolidated balance sheets

	As at 31st March 2007 HK$'000 (Audited)	As at 31st March 2008 HK$'000 (Audited)	As at 30th September 2008 HK$'000 (Unaudited) (Note)
Non-current assets	764,579	525,008	1,298,553
Current assets	929,641	2,125,647	1,917,555
Current liabilities	(440,297)	(490,462)	(856,076)
Non-current liabilities	(22,583)	(27,861)	(274,176)
Net current assets	489,344	1,635,185	1,061,479
Net assets	1,231,340	2,132,332	2,085,856

Note: Unaudited balance sheet for six months ended 30th September 2008 only

For the year ended 31st March 2008, the Group recorded consolidated operating loss of approximately HK$95,181,000, representing a considerable increase over operating loss of approximately HK$12,288,000 for the year ended 31st March 2007. Furthermore, for the year ended 31st March 2008, the Group recorded a consolidated loss for the year of approximately HK$72,600,000 compared to a profit of approximately HK$66,747,000 for the corresponding year before. The loss for the year ended 31st March 2008 was mainly due to profit from the fishmeal, fish oil and aquatic feed trading division being more than offset by the aggregate loss attributable to the Group's following divisions: (i) discontinued steel trading division (approximately HK$3,054,000); (ii) SMT assembly equipment and machinery trading business (approximately HK$42,991,000); (iii) franchised food chain store operations (approximately HK$10,259,000); and (iv) corporate (approximately HK$47,557,000). The losses recorded by the SMT assembly equipment and machinery trading division were primarily attributable to significant non-recurring adjustments which include net exchange losses resulting from failure to match payments for purchases against its sale receipts in Japanese Yen ("Yen") and write down of old inventories. Losses from corporate were essentially divided by increases in service fees payable to NASA due to completion of the second round placement for a total of approximately HK$992,673,000 before expenses on 31st December 2007, and increases in other operating expenses by the Company headquarter due to higher headcount and professional fees. Consolidated audited net assets of the Group increased by approximately 73.2% from approximately HK$1,231,340,000 as at the end of 31st March 2007 to approximately HK$2,132,332,000 for the year ended 31st March 2008.

For the nine months ended 31st December 2008, the consolidated operating loss was approximately HK$45,503,000, an improvement of approximately 21.9% from the operating loss of the corresponding nine months period ended 31st December 2007 of approximately HK$58,259,000. Loss for the nine months ended 31st December 2008 was approximately HK$66,497,000, an increase of approximately 50.0% from the same period in 2007 of approximately HK$44,333,000. As stated in the Quarterly Report, the increased net loss reported by the Group was mainly a result from the share of the post-acquisition loss of its jointly-controlled company, TK Chemical Corporation of approximately HK$17,253,000 and increased net loss of the Group's SMT assembly equipment and machinery trading division by approximately HK$2,490,000 over the corresponding period last year. The increase in losses in the SMT assembly equipment and machinery trading division were mainly attributable to the delay, cancellation or slow down of orders for the division's products by customers as a result of the uncertainty in the economic outlook. In addition, the appreciation of the Yen against the US Dollar in the third quarter caused the division to have exchange losses from operations totaling approximately HK$10,440,000. Exchange losses also impacted the Group's operation polyester fiber, PET resin and spandex division, which in spite of achieving an operating profit of approximately HK$33,283,000 for the nine months ended 31st December 2008 was set off against an exchange loss of approximately HK$37,348,000 due to the rapid and sizeable depreciation of the Korean Won ("Won") against other major foreign currencies by approximately 20% from July to December 2008. The global economic downturn, which has caused overall consumer demand to weaken and pressure on operating margins to increase, continues to impact the Group's fishmeal, fish oil and aquatic feed trading division as the fall in demand for brown fishmeal and volatility of global commodity prices pushed the market price of brown fishmeal down throughout the third quarter. As such, brown fishmeal was sold at a loss in the third quarter in order to ensure the division maintained good working capital.

1.1 NASA and its mandate under the Existing Services Agreement

In accordance with the Existing Services Agreement, the Company has engaged NASA as a consultant to provide the Company with a range of services relevant to the Company's investment portfolio for a term of three years with effect from 1st April 2006. Details of the qualifications of the key personnel employed by NASA are set out in the heading "Information on NASA" in the Letter from the Board. The Existing Services Agreement is subject to renewal as of 31st March 2009 and in this regard, the Supplemental Services Agreement was entered into on 2nd March 2009 so that NASA can remain as the Company's investment manager for the period commencing 1st April 2009 to 31st March 2012, pending the approval of the Supplemental Services Agreement by the Independent Shareholders. The services provided under the Existing Services Agreement include fund raising, market and industry research, investor sourcing, investment sourcing, investment analysis and due diligence, and financial advisory. Services provided principally include:

(i) identifying potential investors in the Company and coordinating capital raising activities;

(ii) seeking out and evaluating investment and divestment opportunities consistent with the Board's investment guidelines, and preparing investment and divestment proposals and recommendations for consideration by the Board and the investment committee constituted by the Board ("Investment Committee") from time to time for the purposes of evaluating the potential acquisition and deposition of the investment;

(iii) coordinating and supervising due diligence in connection with the Group's investment programme;

(iv) assisting in negotiation of terms and conditions of the acquisition and disposal of investments; and

(v) providing financial advisory services to the Group and its investments from time to time.

NASA is a special purpose vehicle established on 4th March 2004 for the sole purpose of holding NASAC and providing exclusive services to the Company being contemplated under the Existing Services Agreement. API is the controlling shareholder of NASA which is the controlling shareholder of NASAC (which directly owns approximately 46.1% of the Shares of the Company). Details of the relationships between the parties are set out in the heading "Relationship between the parties" in the Letter from the Board. The entering into of the Supplemental Services Agreement by NASA and the Company and the transactions contemplated thereunder therefore constitute continuing connected transactions for the Company under the GEM Listing Rules. The Supplemental Services Agreement will therefore be subject to approval by the Independent Shareholders at the Special General Meeting. Accordingly, each of NASAC, Mr. Tsang, AICV, Timeless, NASAC 2, NASAC 3, Mr. Cho and Mr. Chow and their respective associates are required to abstain from voting on the resolution to approve the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting.

1.2 Investment objectives of the Company

The Company's investment focus and philosophy is to invest in middle-market listed and unlisted companies in the industrial, consumer products, telecommunications, media and technology sectors. The Company utilises its extensive network and close relationships with major institutions and associates across North Asia, leveraging its regional acquisition and investment experience to develop and execute investment transaction flow. After securing control over its investment targets, the Company seeks to implement measures in those targets to unlock hidden value or potential (e.g. branding, market coverage and output efficiencies) and improve the investment targets' profitability. Since the commencement of the Existing Services Agreement in April 2006, the Board, supported by NASA, has adopted the following guidelines in investment selection:

(i) majority of investments to be made in companies whose core operations are located in Japan, South Korea, China, Hong Kong, Macau and Taiwan and which have demonstrated a unique and sustainable market position in their own industry;

(ii) investment targets should be middle-market profitable and cash-flow positive companies with annual revenues between US$100 million to US$500 million which can demonstrate a sustainable business model that is potentially scalable either nationally or regionally; and

(iii) the entry valuation for the Company's investments will, depending on the focus country and market conditions, generally not be greater than 5 times price-earnings multiple ("PER") or enterprise value ("EV")/earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio, as applicable.

In accordance with the above guidelines, the Company has also adopted the following principal investment policies:

(i) majority of investments to be made in the form of equity or equity-related interests in listed or unlisted companies;

(ii) the Group will not in aggregate invest more than 50% of its consolidated net assets in any one investment;

(iii) the Group seeks to acquire in aggregate at least a 20% interest in each investment, to maintain the majority control or effective management control and to have board representation;

(iv) the Company will not invest in companies undergoing financial restructuring or to represent special or recovery situations; and

(v) the Company will not invest in funds, commodities, futures contracts or traded options, other than currency hedging contracts.

The Company's investment objectives provide the basis for NASA's investment mandate which seeks to acquire strategic, controlling stakes in companies with strong cash flow in growth sectors such as consumer, industrial, technology, media and telecommunications businesses in North Asia. As further explained below under paragraph 2.3 of this letter, the Company has generally adhered to the investment objectives in its current investments.

1.3 Investment activities of NASA

In accordance with the investment objectives and the mandate of NASA stated above, we understand from the Company that NASA has considered over 300 potential investment opportunities on behalf of the Company. In addition, the Investment Committee has met approximately 13 times since NASA's appointment for the purposes of evaluating potential acquisition and disposition of investments. During the term of NASA's engagement, the Company has invested in four investments with an investment outlay of approximately HK$1,001 million. A summary of these investments is set out under paragraph 2.2 of this letter.

1.4 Fee structure of the Existing Services Agreement and historical fees paid to NASA

In accordance with the terms of the Existing Services Agreement and in respect of the services provided to the Company, NASA is entitled to the following fees:

(i) Service Fees: 2% per annum of the aggregate Committed Capital[1], less the aggregate amount of salaries and other remuneration paid by the Group to the senior managers[2] of the Company;

(ii) Incentive Fees: 20% of the amount, if any, by which Net Assets[3] at the end of any financial year exceed the greater of (a) the High Water Mark[4]; and (b) Funded Capital[1], compounded annually at the rate of 5%;

(iii) Placing Fees: (a) in the case of the initial placing of non-redeemable convertible preference shares ("CPS"), the higher of (i) HK$7,800,000 and (ii) 0.5% of the gross proceeds of the placing of CPS; and (b) 0.5% of the gross proceeds of each subsequent placing of CPS or any other equity or equity-linked securities arranged by NASA. The Placing Fee in respect of each such placing is payable on the date on which subscription monies are first payable to the Company in respect of such placing, whether or not all subscription monies are payable on such date; and

(iv) Non-Renewal Termination Fees: in the event that the Existing Services Agreement is not renewed, the Company shall pay to NASA a sum equal to the aggregate of: (a) 2.5% of Committed Capital, less all Placing Fees paid to NASA; plus (b) 20% of the amount (if any) by which the Appraised Value of the Investments[5] as at the expiry date of the Existing Services Agreement exceeds the greater of: (x) the High Water Mark; and (y) the Funded Capital, compounded annually at the rate of 5%.

Notes:

1. Committed Capital means the aggregate amount of capital by way of public and/or private placing arranged or supervised by NASA which has been (a) drawn down and injected into the Company ("Funded Capital"); and (b) contractually committed for investment in the Company but not yet drawn down or injected into the Company.

2. Senior managers means the Chairman, Chief Executive Officer, Director of Strategic Planning, Chief Financial Officer and Company Secretary of the Company.

3. Net Assets means the net assets of the Group calculated on the aggregate fair value of the underlying investments of the Group including all amounts distributed as dividends and any requisite accruals for fees due under the Existing Services Agreement.

4. High Water Mark, for the purpose of calculating the Incentive Fee, means the highest level of Net Assets achieved as at the end of any financial year ending prior to the financial year in respect of which the Incentive Fee is payable. For the purpose of calculating the Termination Fee, means the highest level of Net Assets achieved at the end of the financial year ending prior to the financial year in which the Existing Services Agreement is terminated or not renewed.

5. Appraised Value of the Investments means the fair value of the investments as at the date of termination of the Existing Services Agreement as determined by an independent investment bank or valuer.

The following sets out the total fees received by NASA for services provided under the terms of the Existing Services Agreement from the date of commencement of the Existing Services Agreement to the period ended 31st December 2008:

	For the year ended 31st March			For the nine months ended 31st December	
Year/Period ended:	**2006**	**2007**	**2008**	**2008**	**Total**
Fee *(HKS)*					
Service Fees *(note)*	—	20,896,000	25,322,000	28,978,000	75,196,000
Incentive Fees	—	—	—	—	—
Placing Fees	7,800,000	—	4,814,000	—	12,614,000
Total	7,800,000	20,896,000	30,136,000	28,978,000	87,810,000

Note: Of the amount paid in respect of the above mentioned Service Fees, the Company has deducted the amount of approximately HK$3.5 million, HK$5.2 million and HK$5.1 million in respect of the year ended 31st March 2007, 2008 and period ended 31st December 2008 respectively for the purposes of salaries paid to the senior managers which include, Chairman, Chief Executive Officer, Director of Strategic Planning, Chief Financial Officer, and Company Secretary.

In the event of termination by non-renewal of the Existing Services Agreement and as further explained under paragraph 4.1 of this letter and based on the information provided by the Company, NASA shall be entitled to a further Non-Renewal Termination Fee of approximately HK$44,212,000. No Incentive Fee was payable to NASA during the period under review in accordance with the calculation under the Existing Services Agreement.

1.5 Fund raising by NASA

Since the effective date of the Existing Services Agreement to 31st December 2008, the Company issued a total of 13,373,254,851 Preference Shares with a par value of HK$0.01 each, through private placements with institutional and professional investors, for an aggregated amount of approximately HK$2,273,037,000. Details of the placements are as follows:

	First placement (Tranche 1)	First placement (Tranche 2)	Second placement	Total
Month of issue	February & March 2006	September 2006	December 2007	
Number of Preference Shares issued	7,383,166,793	792,848,020	5,197,240,038	13,373,254,851
Subscription price per share *(HK$)*	0.1566	0.1566	0.1910	
Aggregated subscription price *(HK$)*	1,156,204,000	124,160,000	992,673,000	2,273,037,000

In accordance with the subscription agreements for the first placement, subscription prices are payable in cash by the subscribers in four equal installments. All four installments of the first placement were received by the end of March 2009. In accordance with the subscription agreements for the second placement, subscription prices are payable in cash by subscribers in three equal installments. The first installment was received in December 2007 and the second installment was due in February 2008. However this second installment was neither payable nor required to be paid at such time, as, in accordance with the subscription agreement, the second installment is only payable on the due date if at least 75% of the subscription prices previously received for investments has been paid out for or committed to investments for the Company. As less than 75% of the subscription prices previously received had been committed to investments at the due date, the second installment was not required to be drawn down. The majority of the outstanding unpaid balance of the subscription prices for the second placement which remained payable immediately prior to 28th February 2009 was received by the end of March 2009.

2. Summary of work performed by NASA

2.1 Fund raising

As mentioned above, since their appointment, NASA has arranged two placements of shares in which the Company has issued a total of 13,373,254,851 Preference Shares, which brought the total of funds raised for the Company to approximately HK$2,273,037,000.

2.2 *Current investment portfolio*

The following table is a summary of the principal investments of the Company arranged by NASA (the "Investments"):

Date of investment	Name of company	Ownership in the company	Business	Investment amount *(HK$ million)*	Historical PER – (estimated trailing) *(x)*	Historical EV/ EBITDA – (estimated trailing) *(x)*
3rd November 2006	American Tec Group[1]	100%	Principally engaged in the business of trading of SMT assembly equipment, machinery and spare parts and the provision of related installation, training, repair and maintenance services	465.6	8.6	8.2
7th December 2006	Coland Group Limited[2]	Subscription of preference shares convertible to 40% equity interest	Principally engaged in the processing and sale of fishmeal the refining and sale of fish oil, the manufacturing and sale of aquatic feed products and the trading of other raw materials relating to aquatic feeds in the PRC	143.3	4.6	5.4
15th March 2007	Perfect Combo Limited[3]	100%	Principally engaged in the quick service restaurant business under the Burger King brand. The Company's indirect wholly-owned subsidiary holds the operation right for the Burger King restaurants in Hong Kong and Macau and has opened five outlets since December 2007	1.95	N/A	N/A
30th June 2008	TK Chemical Corporation[4] ("TKC")	33.74% equity interest	Jointly controlled entity based in Korea which is principally engaged in the business of manufacturing of polyester fiber, spandex and PET resins, which are materials widely used in the manufacturing of synthetic fabrics, yarns and plastic bottles	390.0	5.1	3.5

Notes:

1. For further details, please refer to the Company's circular dated 13th October 2006

2. For further details, please refer to the Company's circular dated 10th November 2006

3. For further details, please refer to the Company's circular dated 11th April 2007

4. For further details, please refer to the Company's circulars dated 13th June 2008 and 21st July 2008

2.3 Fulfilment of the investment objectives

In accordance with the investment objectives as detailed above in paragraph 1.2 of this letter, the table below sets out the Company's investment objectives and the fulfillment of such objectives by the portfolio companies:

Investment objectives	American Tec Group	Coland Group Limited	Perfect Combo Limited	TKC
Geography of target — North Asia	✓	✓	✓	✓
Size & performance — Mid market & profitable	✓	✓	N/A[1]	✓
Performance — Cash flow positive	✓	✓	N/A[1]	✓
Annual revenue: — US$100m-US$500m	✓	✓	N/A[1]	✓
Entry valuation — Not more 5x P/E or EV/EBITDA	✗[2]	✓	✓	✓
Equity/equity related interest	✓	✓	✓	✓
Investment not more than 50% of consolidated net assets	✓	✓	✓	✓
At least 20% interest in each investment	✓	✓	✓	✓
Target not undergoing financial restructuring	✓	✓	✓	✓
Target not a fund, commodity, futures contract or traded option	✓	✓	✓	✓

Note:

1. Perfect Combo Limited is a start-up company and as such, had no historical track record of performance

2. The investment in American Tec Group was made at an estimated entry valuation of 8.6x P/E and 8.2x EV/EBITDA based on the estimated trailing 2006 financial year earnings as of November 2006. Although higher than valuation parameters of the Company's investment objectives, we understand from the management of the Company that the valuation was justifiable based on the prevailing market conditions

2.4 Outlook and prospects of the Company and its portfolio investments

As mentioned in the Company's Quarterly Report, the Directors expect the slowdown in the global economy caused by the credit crisis in the global financial system to continue into 2009. Whilst the economic downturn is likely to provide challenges to the Group's operations as global demand and consumption falls and pressure on operating margins and working capital needs increases, the crisis also offers the Company potential acquisition opportunities which could enhance growth and profitability in the medium term. As the Company has only invested approximately 47% of funds contractually committed to them, the Directors are optimistic that such funds will be utilised on opportunities to invest in companies across North Asia, which are seeking cash and investors to shore up their businesses in the current economic turbulence, at highly attractive valuations.

Set out in the following is a summary of the Company's assessment of the outlook and prospects of the Investments:

American Tec Group

American Tec Group's primary customer base is focused on electronics manufacturing industry in China, India and Vietnam where international and domestic demand in the medium term will continue to drive production although at a reduced rate. In the near term, customers are expected to exercise greater caution in the capital investment plans, which is likely to impact American Tec Group's revenue and margins. In addition, customers may demand more efficient equipment and services which can aid their businesses during the economic downturn. The Group is focused on enhancing sales and servicing teams, diversifying the current portfolio with complementary products and services and balance the customer mix with local and international customers. The Group believes that this strategy will minimize the impact of the economic downturn and to strengthen its position for the recovery.

Coland Group Limited

The demand for higher margin white fishmeal and its market price has been increasing since October 2008 and the Group expects the price and demand to stabilize in the first half of 2009. At the same time, demand for brown fishmeal and aquatic feed has been increasing since January 2009 due to a seasonal increase in demand and increase in demand from pig farms who have started to used more fishmeal in pig feeds as a substitute to the higher priced soybean meal. The Group expects these trends to continue and to help stabilize the market for brown fishmeal demand and price. The demand for raw and processed fish oil from overseas customers remains strong and the Group anticipates high prices and demand to help improve profitability. In addition, the Group's fish fillet factory in Wuhan, China is expected to commence operations in the first half of 2009 which will help diversify the risk in the current cyclical trading business and position the Group into higher value-added margin businesses in the future.

Perfect Combo Limited

In the current economic climate, the quick service restaurant business is expected to experience increased demand as consumers seek lower cost alternatives for dining out. Under the terms of the development agreement with the grantor of the franchise, the Company shall develop a certain number of restaurants within Hong Kong and Macau each year. The Company plans to open at least five new restaurants in the coming months.

TKC

In the near term, the global economic slowdown is expected to impact customer demand and exert downward pressure on prices. The Company also anticipates pricing pressure from increased competition and decreasing raw material prices. With the depreciation of the Won, the Group believes that its competitive position will be strengthened compared to competitors in other countries and margins will improve from lower costs. The Group also anticipates that it will be in a position to take advantage of the demand from distributors and down stream manufacturer who are exhausting their buffer stock.

The Group further believes that the challenges in the near term, as is common with many companies in the Korean economy, will be the management of debt and working capital requirements. As such the executive team will be working with suppliers and creditors to manage short term cash flow issues and negotiating revised and flexible payment schedules and to obtain shareholders' support for working capital requirements. The business will seek to further strengthen its position in the market by reducing costs and improved management of the volatility of currency and input costs.

The Group has been monitoring the business, operation and developments of TKC closely. These monitoring measures, after taking into account the advice from NASA, include engaging in discussions with senior management and the bankers of TKC on ways to strengthen the financial position and operational efficiency and corporate governance. The Company, with the assistance from NASA, is also exploring various options including re-capitalization exercise of TKC and through it, to extend or increase its shareholding and influence over its operations, or other means available under the terms of the shareholders' agreement to preserve the value of the Group's investment in TKC.

In view of the current global economic climate which has impacted many Korean companies and brought much unexpected changes and operational issues, the Board and NASA recognise that these challenges in these extraordinary times demand close attention and monitoring, perseverance and where opportunities present themselves, determination and timely decisions to capture the benefits arising from such opportunities.

As stated in the Letter from the Board, based on estimates from the management, the cash balance of the Company amounted to approximately HK$1,020.9 million by the end of March 2009, which is equivalent to the sum of unused funds from the first and second placements and cash generated from interest income. The Company currently has no immediate plan to raise additional funding primarily due to its strong cash position. Nevertheless, the focus of the Group under the current economic climate is to preserve the value of the Investments whilst identifying and making new investments at current attractive valuations. We understand that NASA has identified certain potential investment projects and is currently in the process of conducting feasibility studies on these prospective opportunities. Given the tightness in the overall credit markets, the Directors do not consider the present climate to be the appropriate time for conducting fund raising activities. The Directors have, however, considered the possibility of conducting further fund raising exercises to strengthen its financial resources should the need arise over the course of the Supplemental Services Agreement.

2.5 Inherent limitations on the investment activities of the Company

The Company commenced its investment activities in 2006 at a time when most Asian economies were enjoying a period of rapid growth. Stock markets were experiencing strong growth and stock indices advanced supported by ample investment liquidity. The buoyant market condition resulted in a general rise in company valuations as well as pricing expectation of company owners, both in the public and private market. Against this backdrop, NASA and the Company faced considerable challenges as well as competition in its investment activities as investment targets tended, not only to be valued over and above the Company's target range for investments, but they tended also to be well sought after by other investment funds.

In addition, the Company's current capital structure, with most of its capital denominated in unlisted Preference Shares, rendered the Company as a relatively small market capitalized company, and a distorted perception undermining the considerable larger capital resources. Another consequence of this anomaly is that given the small capitalization of the Company, any investment contemplated by the Company invariable qualified as a very substantial acquisition under the GEM Listing Rules, which would require shareholders' approval at the Company's general meeting, which poses a perception of execution risk to many investment targets and/or the respective vendors.

Despite these constraints, the Company and NASA adhered to its investment objectives and guidelines vigorously and judicially deployed the Company's resources, and successfully invested in the four investments in accordance with its stated investment disciplines and criteria.

The Company believes that with the expected mandatory conversion of the Preference Shares to ordinary shares in February 2010, the Company's market capitalization is expected to increase to a level more in line with its underlying capital base. In the meanwhile, the market is undergoing a period of contraction with falling valuation which would provide a less competitive landscape for the Company's investment activities going forward.

2.6 The Directors' assessment of the performance of NASA

We have discussed with the Directors its assessment of the performance of the services provided by NASA under the Existing Services Agreement and the appropriateness of retaining its service. The Directors have considered the following factors in its assessment:

(i) the proven track record of NASA under the Existing Services Agreement in fulfilling the Company's fund raising requirements, as evidenced by NASA's ability to identify and target investors and to raise funds of approximately HK$2,273.0 million under two placements during the term of the Existing Services Agreement and which the Board considered to be reasonable given market conditions and other relevant parameters;

(ii) NASA's ongoing efforts in the sourcing, identification, analysis and evaluation of over 300 investment opportunities during the course of its engagement, including, with respect to certain prospective and actual investment targets and opportunities:

(a) market research and macro analysis by industry, sector and geography;

(b) quantitative research and analysis, financial modelling and advice, including, but not limited to, financial return analysis, cash flow analysis, comparative market analysis;

(c) due diligence and review of financial management, operations with respect to the potential performance, profitability, current and prospective financial position and viability, and the related risks of a potential investment target;

(d) advice on appropriate deal structures for proposed transactions;

(e) preparing detailed investment reports, proposals and presentations in respect of the above-mentioned research and analysis to the Investment Committee, from time to time.

(iii) NASA's ability in transaction execution as evidenced by the securing of the Company's Investments, which result from NASA's advice in relation to deal negotiations, assistance in the deal completion process;

(iv) the post-acquisition provision of financial advisory services in relation to the Investments such as, the raising of working capital, advising on foreign exchange and treasury requirements, as well as advice in relation to the potential divestments including the identification, review and evaluation of divestment opportunities, preparation of divestment proposals and negotiations in relation to potential divestments;

(v) the current mix and quality of the Company's investment portfolio which is consistent with the Company's investment objectives, in terms of investment size, business sectors, controlling position;

(vi) the long term positive outlook of the Company's investments and the prospect of enhancement in future value of these investments as described earlier in this letter; and

(vii) the inherent risks and disruptions associated with seeking a replacement of NASA, with no certainty that a replacement can satisfactorily execute the functions carried on by NASA.

In respect of the role of post-acquisition provision of financial advisory services as mentioned in (iv) above, the Board considers that under the current volatile economic and financial conditions, NASA's on-going support to the Group is key for the Group to preserve value in its investments and to achieve long-term value appreciation. To this end, the depth of knowledge and the close working relationships that NASA has developed in the investee companies has equipped NASA with the requisite insights to perform this function effectively and efficiently. NASA has demonstrated to the Board that it continues to discharge this function satisfactorily.

3. Principal terms of the Supplemental Services Agreement

As set out in the Letter from the Board, the principal terms of the Supplemental Services Agreement are identical to the terms of the Existing Services Agreement. Set out below is a summary of the principal terms of the Supplemental Services Agreement:

Date:	2nd March 2009	
Parties:	(i) the Company; and (ii) NASA.	
Duration:	Three years commencing on 1st April 2009	
Services:	NASA shall provide investment management services to the Company	
Remuneration:	Service fee:	2% per annum of aggregate Committed Capital, being the aggregate amount of capital: (i) drawn down and injected into the Company; and (ii) contractually committed for investment in the Company, but not yet drawn down or injected into the Company calculated and payable quarterly in advance less the aggregate amount of salaries and other remuneration paid by the Group to the senior managers
	Incentive fee:	20% per annum of the amount (if any) by which Net Assets as at the end of each financial year, exceeds the greater of: (i) the High Water Mark; and (ii) Funded Capital, compounded annually at the rate of 5%

	Placing fee:	(i) In the case of each placing of Preference Shares or any other equity or equity-linked securities of the Company arranged by NASA or under NASA's supervision, 0.5% of the gross proceeds of such placing
Non-Renewal Termination:	In the event that the Supplemental Services Agreement is not renewed, the Company shall pay to NASA a sum equal to the aggregate of: (i) 2.5% of Committed Capital, less all Placing Fees paid to NASA (the "Additional Fee"); and (ii) 20% of the amount (if any) by which the Appraised Value of the Investments as at the expiry date of the Supplemental Services Agreement (for the circumstance under Early Termination as mentioned below, the Appraised Value of the Investments will be calculated as at the date of termination of the Supplemental Services Agreement) exceeds the greater of: (a) the High Water Mark; and (b) Funded Capital, compounded annually at the rate of 5% (together the "Incentive Termination Fee")	
Early Termination:	The Supplemental Services Agreement may be terminated by the Company without reason on three month's prior written notice and payment to NASA in accordance with the following: (i) the payment terms under the Non-Renewal Termination, as detailed above; plus (ii) the amount of Service Fee that would have been payable for the remainder of the term had the Supplemental Services Agreement not been terminated, calculated on the basis of Committed Capital on the date of termination; plus (iii) 15% of Net Assets reflected in the most recent audited annual accounts of the Group as at the date of termination, provided that such amount, when aggregated with the above, does not cause the net assets of the Group to fall below the aggregate amount of the paid-up capital of the Shares and the Preference Shares (the "Asset Sharing Fee")	

3.1 Comparable fee structures and terms

In order to conduct an analysis and comparison of the fee structures and terms of the Supplemental Services Agreement, we have reviewed the following: (i) terms of certain recent private placement memorandums of private equity investment funds; and (ii) documents relating to various international private equity funds that invest, inter alia, in both listed and unlisted securities of companies for long-term capital appreciation and returns (together the "Funds Precedents") launched or renewed during the period 2006 to 2008. Accordingly, we have set out below our analysis of the terms of the Supplemental Services Agreement.

Service fees comparison

We have noted from the Funds Precedents under review that, annual service fees (which can be payable semi-annually, quarterly or monthly) are generally based on a range from 1.0% to 2.0% of the net asset value of the fund size (typically calculated by reference to either the underlying net asset value of the fund, or in some cases on the committed size of the funds).

After taking into consideration the market practices for how service fees are charged by the relevant Funds Precedents, we are of the view that the Service Fee, which amounts to 2% of the Committed Capital, is in line with acceptable market rate practice.

Incentive fees comparison

Based on the relevant Funds Precedents mentioned above and general market practice, we note that incentive fees paid to investment managers are common market practice. We have further noted that it is not uncommon for investment managers to charge performance related incentive fees that are designed to share in any excesses achieved over and above certain minimum pre-defined profit targets within a certain accounting period; or alternatively, fees may be designed to share in any excesses in a given fund or company's asset value that are over and above certain benchmarks (e.g. a high water mark and/or any given minimum rate of return or hurdle rate) during a particular accounting period. The rate at which an investment manager shares in such excesses named above can be in the form of a straight percentage of the relevant excess, or they may be designed to increase if certain pre-set bands of excess are achieved.

As mentioned above, as soon as the Company's Net Assets exceed the High Water Mark, 20% of the excess will be payable to NASA. Based on the Fund Precedents which we have reviewed, we have noted that funds and investment companies which calculate performance fees based on the excesses of net asset value, generally charge annual incentive fees based on a range from 10% to 40% of any surplus of the benchmark over net asset value.

After taking into consideration the market practices for how incentive fees are charged, we are of the view that the Incentive Fee and the percentage over under the Supplemental Services Agreement is in line with acceptable market practice. In addition and based on our analysis of the Funds Precedents, we are of the view that such service fees combined with incentive fees are common market practice among listed and unlisted private equity firms.

Termination fees comparison

As mentioned above, the termination fees cover: (i) the Additional Fee, (ii) the Incentive Termination Fee; and/or (iii) any fees in relation to Early Termination (including, where appropriate, any Service Fees accruable and the Asset Sharing Fee in the manner specified) (together the "Termination Fees").

In respect of the Additional Fee, the Company is liable, in any event, to pay the amount related to the first and the second placements under the Existing Services Agreement, and hence the Additional Fee under the Supplemental Services Agreement would only apply to funds raised by NASA during the tenure of the Supplemental Services Agreement. The Directors consider that given that the normal range of placing fees for securities charged by placing agents for securities, the subject maximum rate of 2.5% on Committed Capital is acceptable and in line with market practice. Taking into account that the 2.5% on Committee Capital is in line with market practice, we concur with the Directors' view.

In respect of the Incentive Termination Fee, the Company recognises that it is consistent with the calculation of the Incentive Fee and is designed to compensate NASA with any Incentive Fees accruable to NASA during the year prior to the date of the termination event. Similarly, this principle applies to any accrued Service Fees payable in the same period. Accordingly, the Directors consider that the arrangement is acceptable, fair and reasonable. Given that the Incentive Fee is consistent with the market rate, we concur with this view.

In the event of Early Termination of the Supplemental Services Agreement, the Company is liable to the fees payable as described in the preceding paragraphs which were considered to be fair and reasonable. In addition, the Company is liable to pay NASA the Asset Sharing Fee as described under paragraph 3 of this letter.

In assessing the terms of the Asset Sharing Fee, we have taken into account the perspective of NASA that in the event that NASA's efforts do result in future and sustainable profits for the Company, the terms of the Supplemental Services Agreement entitle NASA to its contractual recurring Incentive Fees going forward attributable to their efforts in building the business of the Company. In conjunction with this, the Asset Sharing Fee is designed to compensate NASA, to some extent, in the event of any possible Incentive Fees forgone as a result of any termination of their service without cause (which may arise due to factors beyond the control of NASA including an unsolicited takeover of the Company) by the Company. In the context of the risk that the normal investment horizon of the underlying investment is unexpectedly lengthened by unforeseen events such as the current global financial crisis, the prospects of receiving Incentive Fee would generally be postponed until such time as the value of the Investments exceed the relevant hurdle rates or management is able to realize value in the Investments through their divestment at the appropriate time and under appropriate conditions. The Asset Sharing Fee would serve the Company to secure the long-term commitment of NASA in the objective of achieving long-term value appreciation of the investee companies.

We have also compared the terms of the Asset Sharing Fee feature with two publicly listed companies which respectively own and operate infrastructure assets, namely Macquarie International Infrastructure Fund Limited (which is listed on the Singapore Stock Exchange) and the Macquarie Infrastructure Company Trust (which is listed on the New York Stock Exchange). These aforesaid companies are the only companies in our sample with termination fees. We were unable to identify similar Hong Kong listed funds with similar termination fee features. Notwithstanding the fact that the Company's own investee companies are not engaged in identical or similar businesses, i.e. own and operate infrastructure assets, as those investments of the comparable companies, we are of the view that the basis of the underlying investments are not strictly relevant as the basis of comparison is the Asset Sharing Fee structure itself and not the asset types under management. Accordingly, we are of the view that using the two publicly listed companies available with termination feature as comparables are relevant and comparable to the Company in this aspect. In these funds, the relevant services agreements of the investment managers concerned provide for termination fee provisions in the event the stock of the relevant company is delisted.

The following table summarises certain relevant features of these two funds, as extracted from their respective prospectuses and latest publicly available information:

	Macquarie International Infrastructure Fund Limited (SGX – Ticker M41)	**Macquarie Infrastructure Company LLC (NYSE – Ticker MIC)**
Prospectus date	20th May 2005	15th December 2004
Date of amendment/ renewal of management agreement	N/A	7th February 2008
Termination payment provisions	In the event of removal of the manager by a special resolution of shareholders and the stock being delisted as a result of sufficient shares having been acquired by members other than Macquarie Group such that the Company no longer meets the shareholding spread and distribution criteria of the Singapore Stock Exchange, then unless the manager has failed to earn a performance fee in at least 16 out of the 20 last consecutive quarters prior to and including the most recent full quarter, a termination fee is payable to the manager, including: • Pay all accrued and unpaid base fees and performance fees for the period from the previous applicable quarter and date to the date of termination of the manager; AND • 15% of the aggregate of the 15 day weighted average market value of the shares up to the de-listing	In the event of stock being delisted on a recognized US exchange or on the Nasdaq National Market, as the result of the acquisition of trust stocks by third parties in an amount that results in the trust stock ceasing to meet the trading and distribution criteria of the such stock exchange or markets, then the manager may elect to resign and be paid Termination Fee including: • All accrued and unpaid management fees and performance fees for the period from the previous applicable fiscal quarter end date to the date the stock ceases to be listed, using a volume weighted average price per share of stock paid by an acquirer in the transaction(s) that lead to the delisting; AND • If the market value of outstanding stock (excluding treasury stock) is less than \$500 million, 10% of such value; but if greater than \$500 million, then \$50 million plus 1.5% of the excess above \$500 million

We note that since the listing of these two companies, there have been no amendments directly related to the terms of the termination payment provisions as detailed above. Based on the above two listed precedents, the Directors are satisfied that the underlying principal of the terms of payment in the event of early termination of the Supplemental Services Agreement (without cause) is in line with the listed precedents set out above. Shareholders attention is also drawn to the fact that in calculating the fees payable under an event of termination, there is an overriding limitation vis-à-vis the termination fees in that any payment thereof (together with any other additional and or accrued payments on Service Fee, additional Placing Fee, and Incentive Fee) shall not cause the net assets of the Group to fall to a level below that of the aggregate of the paid-up capital of the Shares and the Preference Shares. In sum, this restriction ensures that the principal investment of the shareholders in the Company will not be eroded by the payment of fees upon the payment of the Termination Fees.

In summary and having considered the view of the Board in regard to the terms of the Supplemental Services Agreement, and the terms of the Supplemental Services Agreement itself, including: (i) the Service Fee being in line with the Funds Precedents; (ii) the Incentive Fee being in line with the Funds Precedents; (iii) the Termination Fees being consistent with the market as far as its structure; and (iv) the fee payable under Early Termination, including the Asset Sharing Fee, which is in line with the two comparable companies as mentioned above, we concur with the view of the Board that the terms therein are both fair and reasonable to the Company as a whole.

4. Consequences relating to the termination of the Existing Services Agreement

In considering the appropriateness to enter into the Supplemental Services Agreement, the Directors have also considered the costs and consequences of the termination of the Existing Services Agreement without a renewal, and the potential disruption that the Company may encounter in respect of the ongoing management of the Investments and its future investment and fund raising activities.

4.1 Computation of termination costs

As stated in the Existing Services Agreement, in the event that the said agreement is not renewed, the Company shall pay to NASA a sum equal to:

(i) 2.5% of Committed Capital, less all Placing Fees paid to NASA; plus

(ii) 20% of the amount (if any) by which the Appraised Value of the Investments as at the end of the term exceeds the greater of: (a) the High Water Mark; and (b) Funded Capital, compounded annually at the rate of 5%.

As a result of the overall downturn in the global economic climate, we understand from the management of the Company that the Appraised Value of the Investments as at termination is unlikely to exceed either the High Water Mark or Funded Capital compounded annually at the rate of 5%. In addition and as mentioned in the Quarterly Report, losses in the Group's SMT trading division, chemical manufacturing division and start-up losses in its branded food division contributed to overall losses in the Company of approximately HK$66.5 million. Under these circumstances, the management of the Company is also of the view that the Appraised Value of the Investments is unlikely to reach a level whereby termination payments on top of the 2.5% of Committed Capital (less Placing Fees) will be triggered. Following our discussions with the management, in particular, the deterioration of the global economic climate as well as the losses incurred by the Group, we concur with the Directors' view that in the event that the Existing Services Agreement is terminated, the Company will only be liable to pay to NASA 2.5% of the Committed Capital (less all Placing Fees).

In the hypothetical scenario where the Appraised Value of the Investments as at termination exceeds either the greater of the High Water Mark and Funded Capital compounded annually at the rate of 5%, the Company shall pay to NASA a termination fee (equal to 2.5% of Committed Capital (less all Placing Fees) plus 20% of the amount by which the Appraised Value of the Investments exceeds the greater of the High Water Mark and Funded Capital (compounded annually at the rate of 5%)). As mentioned earlier, the Directors consider that given that the normal range of placing fees for securities charged by placing agents for securities, the subject maximum rate of 2.5% on Committed Capital is acceptable and in line with market practice. In respect of the additional fee payable, i.e. the Incentive Termination Fee, which is designed to compensate for any Incentive Fees accruable to NASA during the year prior to the date of the termination, such fee is consistent with the calculation of the Incentive Fee which is in line with acceptable market practice. Taking into account (i) the maximum rate of 2.5% on Committed Capital which is in line with market practice; and (ii) the Incentive Termination Fee which is consistent with the Incentive Fee and which is acceptable market practice, we are of the view that the aggregate fee payable under this scenario is acceptable.

The following sets out the estimated amount of payment to NASA in the event that the Supplemental Services Agreement is not approved by the Independent Shareholders and the Existing Services Agreement is terminated, and will comprise of a sum equal to:

	HK$
2.5% of Committee Capital	56,826,000
Placing fees paid previously	(12,614,000)
Net amount payable to NASA	44,212,000

Based on the above calculations provided by the Company, the Company will be liable to pay a total of approximately HK$44,212,000 upon expiry of the Existing Services Agreement. In the event of a renewal of the Existing Services Agreement by the implementation of the Supplemental Services Agreement, the above-mentioned payment shall be deferred and become payable at a later date, subject to further calculation and upon the termination of the Supplemental Services Agreement or any of its successor agreement with NASA.

4.2 Possible disruptions to the ongoing management of the portfolio

The Directors consider that given the performance of NASA under the Existing Services Agreement as discussed above and the satisfactory fulfilment of the functions and responsibilities contemplated under the Existing Services Agreement, the retention of NASA would provide continuity in the Company's ongoing investment, provision of post-acquisition financial advisory services and fund raising efforts.

NASA was involved in the placing exercises which the Company successfully raise approximately HK$2,273.0 million for the Company and the Directors consider that the ability of NASA to raise such funds and any future funds to be critical to the success of the Group.

In addition, NASA has considered over 300 potential investment opportunities which have been identified through a mix of internal sources and through referrals from agents. Having invested in four companies and declined over 300 opportunities, NASA understands inherently the strategic and investment objectives of the Company and is well positioned to effectively and efficiently identify opportunities which adhere to the Company's investment guidelines and eliminate those which do not.

As mentioned earlier in this letter, NASA has established intimate knowledge in and relationships with the investee companies. These are valuable assets that is not easily replicable and are essential tools for the Company to extract further values from its existing investments.

In the event that the Existing Services Agreement is not renewed, the Company may be required to identify another service provider which is capable of (a) raising considerable additional funds for the Group, (b) exercise the ability to identify investment targets which meet the Company's criteria, and (c) achieve an immediate, seamless and smooth succession in providing financial advisory services to the Group's existing investments. Any failure in achieving one or more of the aforesaid attributes may risk or cause potential disruption or damage to the stated investment objectives of the Company, the ability to raise further capital and the long-term value of the Investments.

Furthermore, we understand from the Company that it is expected that the key personnel employed by NASA during the terms of the Existing Services Agreement will continue to serve under the Supplemental Services Agreement. As such, the Directors have also considered that this degree of continuity would be critically important in the ongoing monitoring of the development and performance of the Investments' given the currently challenging and rapid changing economic and business conditions.

Another practical consideration is that given that the Company has already invested in the Investments, there may be less incentive for a suitable and qualified investment manager to inherit the role of NASA and the Investments which were invested without their prior involvements. Even if such a candidate can be successfully engaged on comparable compensation as those proposed under the Supplemental Services Agreement, there is no guarantee that such a new candidate will perform satisfactorily in future.

In view of the above and having regard to the Board's assessment of the historical performance of NASA as discussed above, the Board considers that the possible risks of disruptions caused by the termination of NASA not to be in the interests of the Company and its underlying businesses as a whole.

5. Annual caps

As stated in the Letter from the Board, the annual Cap Amounts for the fees payable by the Company to NASA under the Supplemental Services Agreement (including annual Service Fee, Incentive Fee and Placing Fee) for the three years under the term of the Supplemental Services Agreement has been determined as follows:

Year ending	31st March 2010	31st March 2011	31st March 2012
Annual Cap Amount	HK$75 million	HK$75 million	HK$150 million

Based on our discussions with the management of the Company and the internal schedule prepared by the Company, the above annual Cap Amounts were arrived at after taking into account the following considerations and assumptions: (i) the amounts raised from the issue of Preference Shares to date, amounting to approximately HK$2,273.0 million which determines in part, the fees payable to NASA under the Supplemental Services Agreement (including the Service Fee which is based on 2% of Committed Capital less salaries and other remuneration paid by the Group to the senior managers of the Company); (ii) the estimated amounts of further anticipated fund raising exercises of the Group during the term of the Supplemental Services Agreement whereas the Company will incur a placing fee of 0.5% of the amount raised payable to NASA; (iii) the target size and schedule of the investment program of the Group (in accordance with the investment objectives as described in paragraph 1.2 above) which will determine the Incentive Fee payable to NASA in accordance with the size and schedule of the Group's investment and/or divestment program; (iv) the target rate of return on the Investments and management's internal estimates of the growth in the Group's net asset value as at the end of each of the three financial years over the term of the Supplemental Services Agreement; and (v) the overall uncertainty in the current and anticipated economic climate which may impact the Company's acquisition and divestment program. Accordingly, based on the discussions we have held with the Company, the funds already raised via placement, as well as possible additional funds which the Company may raise via future placements, the expected growth of the Group, the requisite investment/divestment program, and the current economic climate, as mentioned above, we are of the view that the bases and assumptions used to estimate the annual Cap Amounts, in accordance with the internal schedule prepared by the Company, have been determined after due and careful consideration, and that these bases and assumptions are fair and reasonable and complete.

As such the Directors are of the view that the fees payable to NASA (including annual Service Fee, Incentive Fee and Placing Fee) should be capped at HK$75 million, HK$75 million, and HK$150 million, for each of the years ending 31st March 2010, 2011, and 2012 respectively, within the three-year term of the Supplemental Services Agreement. Given the estimated aggregate fees payable and the internal schedule prepared by the Company with respect to the above considerations, the annual Cap Amounts contain a reasonable buffer to accommodate any possible Incentive Fee payable during the term of the Supplemental Services Agreement and in particular the prospect of an Incentive Fee payable over the term due to possible divestment and the payment of a Placing Fee for the fund raising exercise in accordance with the internal schedule as well as any potential unforeseen fluctuations as described above. The Directors propose that prior to 31st March 2012, the Company will reapply for approval of new annual Cap Amounts to cover the subsequent three year duration of the renewed Supplemental Services Agreement if approved by the Independent Shareholders.

Taking into consideration (i) the prospective fees payable to NASA; (ii) possible additional proceeds to be raised from future potential placements; (iii) the discussions with the management of the Company concerning their assumptions with respect to further capital raising by the Company, its fund deployment and the Group's investment/divestment program and our conclusions that those assumptions have been determined after due and careful consideration, are fair and reasonable and complete; (iv) the target rate of return of the Investments and management's internal estimates of the growth in the Company's net asset value; and (v) the possible unforeseen shifts in the current economic cycle, we consider the maximum annual Cap Amounts of HK$75 million, HK$75 million, and HK$150 million, for each of the years ending 31st March 2010, 2011, and 2012 respectively during the term of the Supplemental Services Agreement to be reasonable and in the interests of the Independent Shareholders.

If the terms of the Supplemental Services Agreement are altered or if the total fees payable to NASA stipulated under the Supplemental Services Agreement exceed the above mentioned proposed annual Cap Amounts during the three-year term of the Supplemental Services Agreement, the Company will comply fully with the provisions of Chapter 20 of the GEM Listing Rules.

RECOMMENDATION

In making our recommendation we have considered the above principal factors, and in particular, we have taken into account the following:

(i) the Company's view of the reasonable and satisfactory performance of NASA under the term of the Existing Services Agreement, taking into consideration the funds raised, investment opportunities sourced and considered, and Investments made in accordance with the Company's investment objectives and provision of post-acquisition financial advisory services to the Investments;

(ii) the recurrent fees comprising the Service Fee and the Incentive Fee payable under the Supplemental Services Agreement, as well as the Placing Fee, are in line with market practice; and

(iii) the potential termination cost payable as well as the possible disruption or damage to the Company's ability with respect to additional fund raising, sourcing of new investment opportunities and monitoring of the Investments in the event that the Existing Services Agreement is not renewed.

After taking into account the factors and reasons mentioned in this letter and based on the information provided and the representations made to us, we consider the terms of the Supplemental Services Agreement (including the Cap Amounts) to be fair and reasonable so far as the Independent Shareholders are concerned as well as in the interests of the Shareholders, the Preference Shareholders and the Company. In this regard, we advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the resolution, which will be proposed at the Special General Meeting to approve the Supplemental Services Agreement (and the Cap Amounts).

However, as with all investment management activities, there is always an inherent risk to investors of any managed investment that their investments may not perform as well as they expect or hope, and that the underlying investments may not necessarily perform. Independent Shareholders should be aware of such risk and the possibility that the value of their existing investment in the Company may be eroded in the event of future poor financial performance of the Company. Accordingly, by voting for the above-mentioned resolution, Independent Shareholders are implicitly accepting the above-mentioned inherent risk surrounding the existing and future investments of the Company.

In reaching our conclusion, Independent Shareholders should note that we do not express any view or comment on the future prospects or the likely performance on the Company's existing or future investments.

Yours faithfully,
For and on behalf of
Access Capital Limited

Ambrose Lam
Principal Director

Jimmy Chung
Principal Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to Section 352 of the SFO to be entered in the register referred to therein; or (c) were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors, were as follows:

Long positions in the shares and underlying shares[i] of the Company

(i) The approximate percentage of shareholdings set out below is based on 95,794,716 Shares in issue as at the Latest Practicable Date, not on the total number of issued Shares upon full conversion of the Preference Shares and the Convertible Bonds.

Name of Director	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[i]	*Note*
Ms. Andrew Yao Cho Fai ("Mr. Yao")	Interest of controlled corporation	4,255,789	—	4,255,789	4.44%	*1*

Note:

1. These interests represented:

   (i) a deemed interest in 1,598,113 shares of the Company owned by Huge Top Industrial Ltd. ("Huge Top"). Mr. Yao directly holds approximately 11.91% and indirectly through Perfect Capital International Corp. ("Perfect Capital") owns approximately 42.86% of the issued share capital of Huge Top. Mr. Yao owns the entire issued share capital of Perfect Capital and is one of the two directors of Huge Top. Accordingly, Mr. Yao was deemed, under the SFO, to have an interest in these shares of the Company held by Huge Top;

   (ii) a deemed interest in 1,633,676 shares of the Company owned by TN Development Limited ("TN"). Van Shung Chong (B.V.I.) Limited ("VSC BVI") owns 54% of the issued share capital of TN and Mr. Yao owns 10% of the issued share capital of TN. Mr. Yao is one of the two directors of TN. VSC BVI is a wholly-owned subsidiary of Van Shung Chong Holdings Limited ("VSC") of which Huge Top owns approximately 45.47%. Accordingly, Mr. Yao was deemed, under the SFO, to have an interest in these shares of the Company held by TN; and

   (iii) an interest in 1,024,000 shares of the Company owned by Right Action Offshore Inc. ("Right Action"). Mr. Yao owns the entire issued share capital of Right Action and is also the sole director of that company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed companies to be notified to the Company and the Stock Exchange.

(b) Persons who have interests or short positions which are discloseable under Divisions 2 and 3 of Part XV of the SFO

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company whose interests were disclosed above) had interests or short positions in the shares and/or underlying shares of the Company which fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and/or were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group together with particulars of any options in respect of such capital:

Long positions in the shares and underlying shares[(ii)] of the Company

(ii) The underlying shares referred to in the following table (other than those referred to in notes 1 and 4 below) arise as a result of the conversion rights attaching to the Preference Shares. The Preference Shares shall be automatically converted into Shares, credited as fully paid, at the conversion ratio of one Preference Share for one Share in accordance with the terms of the Preference Shares. Those underlying shares referred in notes 1 and 4 below arise as a result of the conversion of the Convertible Bonds.

(iii) The approximate percentage of shareholdings set out below is based on 95,794,716 Shares in issue as at the Latest Practicable Date, not on the total number of issued shares upon full conversion of the Preference Shares and the Convertible Bonds.

Substantial shareholders (interests related to Shareholders)

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[(iii)]	*Note*
Mr. Tsang	Beneficial owner	19,693,486	39,386,973	59,080,459	61.68%	*1*
	Interest of controlled corporation	509,400	–	509,400	0.53%	*2*
	Interest of a discretionary trust	–	148,659,004	148,659,004	155.18%	*3*
				208,248,863	217.39%	
NASAC	Beneficial owner	44,163,474	88,326,947	132,490,421	138.31%	*4*
NASA	Interest of controlled corporation	44,163,474	245,039,565	289,203,039	301.90%	*4, 5, 24 & 30*
API	Interest of controlled corporation	44,163,474	245,039,565	289,203,039	301.90%	*4 to 6, 24 & 30*

Substantial shareholders (interests related to Preference Shareholders)

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[iii]	*Note*
The Goldman Sachs Group, Inc.	Interest of controlled corporation	—	2,477,650,064	2,477,650,064	2,586.42%	*7*
National Nominees Limited (“NNL”)	Nominee	—	2,041,884,817	2,041,884,817	2,131.52%	*8*
Military Superannuation and Benefits Board of Trustees No 1	Trustee	—	2,041,884,817	2,041,884,817	2,131.52%	*8*
Fortis Investment NL Holding N.V.	Beneficial owner	—	1,238,825,032	1,238,825,032	1,293.21%	
C.L Davids Fond og Samling	Beneficial owner	—	1,061,780,105	1,061,780,105	1,108.39%	
Woori Bank (“Woori”)	Beneficial owner	—	792,848,020	792,848,020	827.65%	*9*
Woori Finance Holdings Co., Ltd.	Interest of controlled corporation	—	792,848,020	792,848,020	827.65%	*9*
United Overseas Bank Limited	Beneficial owner	—	743,295,019	743,295,019	775.92%	
J.T. International Asset Management Corp.	Beneficial owner	—	542,344,186	542,344,186	566.15%	
Oikos Asia Fund (“Oikos”)	Beneficial owner	—	495,530,013	495,530,013	517.28%	*10*
Realdania	Beneficial owner	—	408,376,963	408,376,963	426.30%	
Banca Monte Dei Paschi Di Siena Spa	Beneficial owner	—	247,765,006	247,765,006	258.64%	
Grand Loyal (China) Limited (“Grand Loyal”)	Nominee	—	247,765,006	247,765,006	258.64%	*11*
Mr. Ho Yiu Wing	Interest of controlled corporation	—	247,765,006	247,765,006	258.64%	*11*

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[iii]	*Note*
Grand Partners Group Limited ("Grand Partners")	Nominee	—	247,765,006	247,765,006	258.64%	*12*
Mr. William Doo Wai Hoi	Interest of controlled corporation	—	247,765,006	247,765,006	258.64%	*12*
Mozart Verwaltungsgesellschaft mbH ("Mozart")	Beneficial owner	—	204,188,482	204,188,482	213.15%	*13*
Dr. Thomas Helmut Jetter	Interest of controlled corporation	—	204,188,482	204,188,482	213.15%	*13*
Bankpension	Beneficial owner	—	204,188,482	204,188,482	213.15%	
Fubon Bank (Hong Kong) Limited	Beneficial owner	—	199,233,717	199,233,717	207.98%	
Chevalier International Holdings Limited ("Chevalier")	Beneficial owner	—	198,212,005	198,212,005	206.91%	*14*
Mr. Chow Yei Ching	Interest of controlled corporation	—	198,212,005	198,212,005	206.91%	*14*
Ms. Miyakawa Michiko	Family interest	—	198,212,005	198,212,005	206.91%	*14*
K.B. (C.I.) Nominees Limited ("KBCI")	Beneficial owner	—	182,524,084	182,524,084	190.54%	*15*
Frank Nominees Limited ("Frank")	Beneficial owner	—	104,495,497	104,495,497	109.08%	*16*
Kleinwort Benson ("KB")	Interest of controlled corporation	—	287,019,581	287,019,581	299.62%	*15 & 16*
AICV	Beneficial owner	—	148,659,004	148,659,004	155.18%	*17*
Asia Internet Capital Management LLC	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*17*
EC.com Inc.	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*17*

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[(iii)]	*Note*
Smart Channel Investments Inc.	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*17*
MKT Holdings (Cayman Islands) LLC	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*17*
HSBC International Trustee Limited	Trustee	—	148,659,004	148,659,004	155.18%	*17*
Gentfull Investment Limited (“Gentfull”)	Beneficial owner	—	148,659,004	148,659,004	155.18%	*18*
Ms. Vivien Chen Wai Wai	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*18*
Doutdes S.P.A. (“Doutdes”)	Beneficial owner	—	148,659,004	148,659,004	155.18%	*19*
UFI Filters SPA	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*19*
GGG SPA	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	*19*
G.G.G. S.A.	Beneficial owner	—	99,106,003	99,106,003	103.46%	*20*
Mr. Giorgio Girondi	Interest of controlled corporation	—	247,765,007	247,765,007	258.64%	*19 & 20*
UBS España, S.A. (“UBS”)	Nominee	—	128,441,377	128,441,377	134.08%	*21*
Ms. Angeles González Garcia	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	*21*
Mr. Jorge Garcia González	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	*21*

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[(iii)]	*Note*
Sphirantes	Nominee	—	49,553,001	49,553,001	51.73%	*21*
Mr. Cesar Molinas Sanz	Beneficial owner	—	17,343,550	17,343,550	18.10%	*21*
Duserali, S.L.	Beneficial owner	—	14,865,900	14,865,900	15.52%	*21*
Mr. Antonio Del Cano Barbón	Interest of controlled corporation	—	14,865,900	14,865,900	15.52%	*21*
Mr. Ramón Suarez Beltrán	Beneficial owner	—	9,910,600	9,910,600	10.35%	*21*
Mr. Ricardo Sanz Ferrer	Beneficial owner	—	9,910,600	9,910,600	10.35%	*21*
Mr. Miguel Orúe-Echeverria	Beneficial owner	—	9,910,600	9,910,600	10.35%	*21*
ALCO Beteiligungsgesellschaft mbH (“ALCO”)	Beneficial owner	—	122,513,089	122,513,089	127.89%	*22*
Albert Büll Kommanditgesellschaft (“ABK”)	Interest of controlled corporation	—	122,513,089	122,513,089	127.89%	*22*
Mr. Albert Henri Karl Büll	Interest of controlled corporation	—	122,513,089	122,513,089	127.89%	*22*
Wittelsbacher Ausgleichsfonds	Beneficial owner	—	122,513,089	122,513,089	127.89%	
Timeless	Beneficial owner	—	99,106,003	99,106,003	103.46%	*23*
Kenthomas Company Limited	Nominee	—	99,106,003	99,106,003	103.46%	*23*
Mr. Cho	Interest of controlled corporation	—	99,106,003	99,106,003	103.46%	*23*
NASAC 2	Beneficial owner	—	98,502,618	98,502,618	102.83%	*24*
KKR Group Investments II LLC (“KKR”)	Beneficial owner	—	89,080,460	89,080,460	92.99%	*25*

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[iii]	*Note*
Mr. George Rosenberg Roberts	Interest of controlled corporation	–	89,080,460	89,080,460	92.99%	*25*
Mr. Henry Roberts Kravis	Interest of controlled corporation	–	89,080,460	89,080,460	92.99%	*25*
GAUD Holding B.V. ("GAUD")	Beneficial owner	–	81,675,393	81,675,393	85.26%	*26*
Ms. Dorothée Emma Margaretta Goldschmeding	Interest of controlled corporation	–	81,675,393	81,675,393	85.26%	*26*
Ms. Sabine Marie Antoinette Goldschmeding	Interest of controlled corporation	–	81,675,393	81,675,393	85.26%	*26*
Ms. Anna Petra Elisabeth Goldschmeding	Interest of controlled corporation	–	81,675,393	81,675,393	85.26%	*26*
Mr. Frederik Harold Fentener van Vlissingen	Beneficial owner	–	78,544,061	78,544,061	81.99%	
Jajebi Holding B.V. ("Jajebi")	Beneficial owner	–	68,062,822	68,062,822	71.05%	*27*
Mr. Jan van Seumeren	Interest of controlled corporation	–	68,062,822	68,062,822	71.05%	*27*
Latoer Holding B.V. ("Latoer")	Beneficial owner	–	68,062,822	68,062,822	71.05%	*28*
Mr. Roderik Johannes Rolanda van Seumeren	Interest of controlled corporation	–	68,062,822	68,062,822	71.05%	*28*
NUI Holding B.V. ("NUI")	Beneficial owner	–	68,062,822	68,062,822	71.05%	*29*
Mr. Patrick Jolyon van Seumeren	Interest of controlled corporation	–	68,062,822	68,062,822	71.05%	*29*
NASAC 3	Beneficial owner	–	58,210,000	58,210,000	60.77%	*30*
Rawlco Capital Ltd. ("Rawlco")	Beneficial owner	–	49,553,001	49,553,001	51.73%	*31*

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[iii]	*Note*
Mr. Gordon Stanley Rawlinson	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	*31*
Fides Management Services Limited ("Fides")	Nominee	—	57,172,775	57,172,775	59.68%	*32*
Mr. Willem Auke Hekstra	Beneficial owner	—	16,335,079	16,335,079	17.05%	*32*
Clover Three Investments Ltd. ("Clover")	Beneficial owner	—	10,209,424	10,209,424	10.66%	*32*
Mr. Jan de Marez Oijens	Interest of controlled corporation	—	10,209,424	10,209,424	10.66%	*32*
Mr. Pieter de Marez Oijens	Interest of controlled corporation	—	10,209,424	10,209,424	10.66%	*32*

Other persons (interests related to Preference Shareholders)

Name	Capacity	Number of Shares held	Number of underlying shares held	Total	Approximate % of shareholdings[iii]	*Note*
Mr. Christopher McLeod	Beneficial owner	—	8,167,540	8,167,540	8.53%	*32*
Mr. Menno de Kuyer	Beneficial owner	—	6,125,654	6,125,654	6.39%	*32*
Mr. Martijn Sven van der Veen	Beneficial owner	—	6,125,654	6,125,654	6.39%	*32*
Mr. David Flemming	Beneficial owner	—	6,125,654	6,125,654	6.39%	*32*
Mr. Fernando Rueda Sabater	Beneficial owner	—	7,432,950	7,432,950	7.76%	*21*
Mr. Richardo de Ponga Bianco	Beneficial owner	—	5,946,360	5,946,360	6.21%	*21*

Notes:

1. Mr. Tsang was directly interested in 19,693,486 shares and a further 39,386,973 underlying shares which may fall to be issued if the Convertible Bonds are converted at the initial conversion price of HK$0.1566.

2. These 509,400 shares were directly held by Oboe Development Trading Limited, which was wholly owned by Mr. Tsang.

3. Mr. Tsang was deemed to be interested in 148,659,004 underlying shares by virtue of his being a founder of a discretionary trust, the trustee of which was HSBC International Trustee Limited ("HSBC Trustee"). HSBC Trustee, through its controlling interests in Asia Internet Capital Management LLC which acted as the investment manager of AICV, was deemed to be interested in 148,659,004 underlying shares. These 148,659,004 underlying shares are the same underlying shares referred to in note 17 below. Mr. Tsang was therefore deemed, under the SFO, to be interested in an aggregate of 208,248,863 shares.

4. NASAC was directly interested in 44,163,474 shares and a further 88,326,947 underlying shares which may fall to be issued if the Convertible Bonds are converted at an initial conversion price of HK$0.1566. Accordingly, NASAC was deemed to be interested in a total of 132,490,421 shares.

5. NASA held the single voting participating share of NASAC and the single ordinary voting share of each of NASAC 2 and NASAC 3, NASA was therefore deemed to be interested in 289,203,039 shares.

6. API is the controlling company of NASA which in turn controls 100% voting capital of each of NASAC, NASAC 2 and NASAC 3. API was therefore deemed to be interested in 289,203,039 shares.

7. These underlying shares were held by Goldman Sachs (Asia) Finance, a company controlled by The Goldman Sachs (Asia) Finance Holdings L.L.C.. The Goldman Sachs Group, Inc. was deemed to have interests in these underlying shares through its direct subsidiary, The Goldman Sachs Global Holdings L.L.C., and its indirect subsidiary, The Goldman Sachs & Co., which was in turn the controlling company of The Goldman Sachs (Asia) Finance Holdings L.L.C.. Accordingly, all these parties were deemed, under the SFO, to have an interest in these underlying shares by virtue of their respective corporate interests in Goldman Sachs (Asia) Finance.

8. These underlying shares were held by NNL, a nominee for Military Superannuation and Benefits Board of Trustees No 1 as a trustee for an Australian pension fund.

9. These underlying shares were held by Woori, a company controlled by Woori Finance Holdings Co., Ltd.

10. These underlying shares were held by Oikos, a company controlled by Walkers SPV Limited.

11. These underlying shares were held by Grand Loyal, a company controlled by Mr. Ho Yiu Wing. Accordingly, Mr. Ho was taken to be interested in these underlying shares under the SFO by virtue of his interests in Grand Loyal.

12. These underlying shares were held by Grand Partners, a company controlled by Mr. William Doo Wai Hoi. Accordingly, Mr. Doo was taken to be interested in these underlying shares under the SFO by virtue of his interests in Grand Partners.

13. These underlying shares were held by Mozart, a company controlled by Dr. Thomas Helmut Jetter. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Mozart.

14. These underlying shares were held by Chevalier, a company 55.73% controlled by Mr. Chow Yei Ching and Ms. Miyakawa Michiko. Accordingly, both were taken to be interested in these underlying shares under the SFO by virtue of their interests in Chevalier.

15. These underlying shares were held by KBCI, a company controlled by KB. Accordingly, KB was taken to be interested in these underlying shares under the SFO by virtue of its corporate interests in KBCI.

16. These underlying shares were held by Frank, a company controlled by KB. Accordingly, KB was taken to be interested in these underlying shares under the SFO by virtue of its corporate interests in Frank.

17. These underlying shares were held by AICV which was managed by Asia Internet Capital Management LLC, a company 99% controlled by EC.com Inc.. HSBC Trustee was deemed to have interests in these underlying shares through its direct wholly-owned subsidiary MKT Holdings (Cayman Islands) LLC and its indirect wholly-owned subsidiary Smart Channel Investments Inc.. Smart Channel Investments Inc. had controlling interests in EC.com Inc.. Accordingly, all these parties were deemed, under the SFO, to have an interest in these underlying shares by virtue of their respective corporate interests in AICV. These underlying shares are the same underlying shares referred to in note 3 above.

18. These underlying shares were held by Gentfull, a company 100% controlled by Ms. Vivien Chen Wai Wai. Accordingly, Ms. Chen was taken to be interested in these underlying shares under the SFO by virtue of her interests in Gentfull.

19. These underlying shares were held by Doutdes, a company 83.98% controlled by UFI Filters SPA which was in turn controlled by GGG SPA, a company controlled by Mr. Giorgio Girondi. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their corporate interests in Doutdes.

20. These underlying shares were held by G.G.G. S.A., a company 100% controlled by Mr. Giorgio Girondi. Accordingly, Mr. Girondi was taken to be interested in these underlying shares under the SFO by virtue of his interests in G.G.G. S.A.

21. These underlying shares were held by UBS. Of these underlying shares, 49,553,001 underlying shares were held by Sphirantes, a company controlled by Ms. Angeles González Garcia and Mr. Jorge Garcia González; 17,343,500 underlying shares were held by Mr. Cesar Molinas Sanz; 14,865,900 underlying shares were held by Duserali, S.L., a company controlled by Mr. Antonio Del Cano Barbón; each of Messrs. Ramón Suarez Beltrán, Ricardo Sanz Ferrer and Miguel Orúe-Echeverria held 9,910,600 underlying shares; 7,432,950 underlying shares were held by Mr. Fernando Rueda Sabater; and 5,946,360 underlying shares were held by Mr. Richardo de Ponga Bianco.

22. These underlying shares were held by ALCO, a company controlled by ABK which in turn controlled by Mr. Albert Henri Karl Büll. Accordingly, both were taken to be interested in these underlying shares under the SFO by virtue of their interests in ALCO.

23. These underlying shares were held by Timeless, a company controlled by Mr. Cho through Kenthomas Company Limited. Accordingly, Mr. Cho was taken to be interested in these underlying shares under the SFO by virtue of his interests in Timeless.

24. These underlying shares were held by NASAC 2. NASA controls 100% of the ordinary voting share capital of NASAC 2 and was therefore deemed to be interested in these underlying shares under the SFO by virtue of its corporate interests in NASAC 2.

25. These underlying shares were held by KKR, a company controlled by Messrs. George Rosenberg Roberts and Henry Roberts Kravis. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their interests in KKR.

26. These underlying shares were held by GAUD, a company controlled by Ms. Dorothée Emma Margaretta Goldschmeding, Ms. Sabine Marie Antoinette Goldschmeding and Ms. Anna Petra Elisabeth Goldschmeding. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their interests in GAUD.

27. These underlying shares were held by Jajebi, a company controlled by Mr. Jan van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Jajebi.

28. These underlying shares were held by Latoer, a company controlled by Mr. Roderik Johannes Rolanda van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Latoer.

29. These underlying shares were held by NUI, a company controlled by Mr. Patrick Jolyon van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in NUI.

30. These underlying shares were held by NASAC 3. NASA controls 100% of the ordinary voting share capital of NASAC 3 and was therefore deemed to be interested in these underlying shares under the SFO by virtue of its corporate interests in NASAC 3.

31. These underlying shares were held by Rawlco, a company controlled by Mr. Gordon Stanley Rawlinson. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Rawlco.

32. These underlying shares were held by Fides and beneficially owned by Mr. Willem Auke Hekstra, Clover, Mr. Christopher McLeod, Mr. Menno de Kuyer, Mr. Martijn Sven van der Veen, Mr. David Flemming and Mr. David Koker respectively. Clover was controlled by Messrs. Jan de Marez Oijens and Pieter de Marez Oijens. Accordingly, both were taken to be interested in these 10,209,424 underlying shares under the SFO by virtue of their interests in Clover.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who had an interest or short position in the shares and/or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and/or were directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group as at the Latest Practicable Date.

3. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, substantial Shareholders and their respective associates compete or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group pursuant to the GEM Listing Rules.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

NASA, a party to the Supplemental Services Agreement, is a subsidiary of API. Mr. Chow, being a Director, holds approximately 8.9% equity interest in API as at the Latest Practicable Date.

Save for the Existing Services Agreement, the Supplemental Services Agreement and the subscription agreement entered into between the Company and NASAC 2 on 18th October 2007 in relation to the subscription by NASAC 2 of 98,502,618 Preference Shares in which Mr. Malm is interested in, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31st March 2008, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. EXPERT AND CONSENT

Access Capital is a corporation licensed under the SFO to carry on types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Services Agreement and the Cap Amounts. Its letter of advice to the Independent Board Committee and the Independent Shareholders dated as of the date of this circular was given for the purpose of incorporation herein.

Access Capital has given and has not withdrawn its written consent to the issue of this circular with the reference to its name and its letter in the form and context in which they appear.

As at the Latest Practicable Date, Access Capital does not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Access Capital does not have any interest, direct or indirect, in any assets which since 31st March 2008, the date to which the latest published audited consolidated financial statements of the Group were made up, have been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. MATERIAL ADVERSE CHANGE

The unaudited third quarterly results of the Group for the nine months ended 31st December 2008 recorded a loss of approximately HK$66.5 million, representing an increase in loss in absolute Hong Kong dollars of approximately 50.5% as compared to the corresponding period ended 31st December 2007. The increase in loss was mainly attributable to the delay, cancellation or slowing down of orders for the Group's products by customers due to uncertain economic situation and outlook which led to a drop in the Group's turnover. In addition, the rapid and sizable depreciation of the Korean Won against other major foreign currencies from July to December 2008 caused the Group to suffer exchange losses from operations totaling approximately HK$37.3 million from the jointly controlled entity in Korea, TK Chemical Corporation, acquired by the Group on 30th June 2008. Details of the aforesaid had also been set out in the third quarterly report of the Company for the nine months ended 31st December 2008. Save as aforesaid, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31st March 2008, being the date to which the latest published audited financial statements of the Group were made up.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at 78th Floor, The Center, 99 Queen's Road Central, Hong Kong from the date of this circular up to and including 27th April 2009 and at the Special General Meeting:

(a) the Memorandum of Association and Bye-laws of the Company;

(b) the annual reports of the Company for each of the two years ended 31st March 2007 and 2008;

(c) the letter of advice from Access Capital, the text of which is set out on pages 21 to 52 of this circular;

(d) the written consent from Access Capital referred to in the paragraph headed "Expert and Consent" in this appendix;

(e) the Existing Services Agreement; and

(f) the Supplemental Services Agreement.

9. GENERAL

The English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

North Asia Strategic Holdings Limited
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

NOTICE IS HEREBY GIVEN THAT a special general meeting of North Asia Strategic Holdings Limited (the "Company") will be held at 78th Floor, The Center, 99 Queen's Road Central, Hong Kong at 5:00 p.m. on Monday, 27th April 2009 for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as ordinary resolution:

"**THAT**:

(a) the supplemental agreement dated 2nd March 2009 ("Supplemental Services Agreement") entered into between the Company and North Asia Strategic Advisors (a copy of which is tabled at the meeting and marked "A" and initialed by the chairman of the meeting for identification purpose), which is supplemental to the services agreement dated 26th September 2005 (as amended and restated on 30th December 2005) entered into between the Company and North Asia Strategic Advisors, pursuant to which the Company engaged North Asia Strategic Advisors to provide services (as more particularly described in the circular of the Company dated 7th April 2009 (the "Circular")) subject to the terms and conditions therein, and the terms thereof and the transactions contemplated under the Supplemental Services Agreement be and are hereby approved, confirmed and ratified in all respects;

(b) the proposed Cap Amounts (as defined in the Circular) in relation to the continuing connected transactions under the Supplemental Services Agreement for each of the financial years ending 31st March 2010, 2011 and 2012 being HK$75 million, HK$75 million and HK$150 million respectively be and are hereby approved and confirmed; and

(c) the Directors be and are hereby generally and unconditionally authorised to do all such further acts and things and to sign and execute all such other documents, instruments and agreements and to take all such steps which in the opinion of the Directors may be necessary, appropriate, desirable or expedient to implement and/or give effect to the terms of the Supplemental Services Agreement and the transactions contemplated thereunder."

By Order of the Board
North Asia Strategic Holdings Limited
Lam Yee Fan
Company Secretary

Hong Kong, 7th April 2009

* *For identification purpose only*

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business in Hong Kong:
78th Floor, The Center
99 Queen's Road Central
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or, if he/she holds two or more shares, more than one proxy to attend and to vote instead of him/her. A proxy need not be a member of the Company.

2. To be valid, this form of proxy, together with the relevant power of attorney or other authority (if any) under which it is signed (or a certified true copy thereof) must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or any adjourned meeting, as the case may be.

3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the authority of the proxy shall be deemed to be revoked.

4. In case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto. If more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.