

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

STATUS OF COMPLETION OF THE PLACEMENT AND MONTHLY UPDATE ON OUTSTANDING CONVERTIBLE BONDS

The Board is pleased to announce that all the conditions precedent for completion of each of the 21 Subscription Agreements have been fulfilled or waived by 28th February 2006. Completion of 18 Subscription Agreements has taken place during 28th February to 2nd March 2006. Completion of the remaining 3 Subscription Agreements with Anchor Investor IV and two independent Placees has been deferred to a date on or before 15th March 2006 and 30th March 2006 respectively.

The Board also wishes to announce that none of the Convertible Bonds have been converted during the period from 1st to 28th February 2006. The Convertible Bonds outstanding remain to be HK\$20 million as at 28th February 2006.

COMPLETION OF PLACEMENT

Reference is made to (i) the announcements of the Company dated 30th December 2005 and 16th January 2006 in relation to the proposed Placement, Services Agreement, increase in authorised share capital, creation of a new class of Preference Shares and amendments to the Bye-laws of the Company; (ii) the announcement of the Company dated 23rd January 2006 in relation to the waiver of adjustment of conversion price of Convertible Bonds; (iii) the circular of the Company (the “January Circular”) dated 24th January 2006 containing details of the aforesaid proposed transactions; and (iv) the announcement of the Company dated 20th February 2006 relating to the results of voting at the Special General Meeting at which the relevant resolutions in respect of the aforesaid transactions were duly approved. Capitalised terms used herein have the same meanings as defined in the January Circular unless specified otherwise.

The Board is pleased to announce that all the conditions precedent to completion of each of the 21 Subscription Agreements (except condition (xiii) as disclosed in the January Circular) have been fulfilled by 28th February 2006. Condition (xiii) relating to the simultaneous completion of subscriptions with minimum aggregate subscription amount of HK\$1,000,000,000 referred to in the January Circular was

** For identification purpose only*

waived by the Anchor Investor II on 28th February 2006. Completion of certain of the Subscription Agreements has taken place as follows:

| Completion Date | | No. of Preference Shares |
|------------------------|--|---------------------------------|
| 28th February 2006 | 15 Subscription Agreements (including the AICV Subscription Agreement) | 6,440,638,056 |
| 1st March 2006 | 2 Subscription Agreements | 347,892,721 |
| 2nd March 2006 | the Timeless Subscription Agreement | 99,106,003 |
| TOTAL | 18 Subscription Agreements | 6,887,636,780 |

According to the terms of the Subscription Agreements, one-fourth of the subscription price for the Preference Shares has been paid by the relevant Placees on the respective Completion Dates.

As extra time is needed for Anchor Investor IV (which has agreed to subscribe for 495,530,013 Preference Shares) to complete the banking remittances procedures and due to certain outstanding local legal and regulatory issues involving two other independent overseas Placees who have agreed to subscribe for a total of 247,760,000 Preference Shares (the “Relevant Placees”), completion of the relevant Subscription Agreements with Anchor Investor IV and the Relevant Placees has not yet taken place. According to the terms of the relevant Subscription Agreements, the Company may either defer the Completion Date to a date not more than 30 days after the original Completion Date; or proceed to Completion as far as practicable; or terminate the Subscription Agreements by notice in writing to the defaulting party. In the circumstances, the Company has agreed to defer completion of the Subscription Agreements with Anchor Investor IV and the Relevant Placees to a date on or before 15th March 2006 and 30th March 2006 respectively. Further announcement(s) will be made by the Company on the status of completion of these remaining three Subscription Agreements as and when appropriate.

The follow table sets out the share capital structure of the Company upon completion of the 18 Subscription Agreements:

| | Number of shares | HK\$ |
|--|-------------------------|--------------------|
| <i>Authorised :</i> | | |
| Ordinary Shares | 40,000,000,000 | 400,000,000 |
| Preference Shares | 30,000,000,000 | 300,000,000 |
| | | 700,000,000 |
| <i>Issued and paid up:</i> | | |
| Fully paid ordinary Shares | 95,794,716 | 957,947 |
| Partly paid Preference Shares (1/4 of the par value of the Preference Shares, i.e. HK\$0.0025 each, have been paid up) | 6,887,636,780 | 17,219,092 |
| | | 18,177,039 |

MONTHLY UPDATE ON OUTSTANDING CONVERTIBLE BONDS

References are also made to the joint announcement dated 19th May 2005 issued by the Company, NASAC and Mr. Tsang, and the announcements of the Company dated 14th July 2005 and 8th August 2005 and the circular of the Company dated 20th June 2005 (the “June Circular”).

On 8th August 2005, the Proposals (as defined in the June Circular) were completed, pursuant to which 63,856,960 ordinary Shares and the Convertible Bonds with principal value of HK\$20 million were issued to the Ajia Parties. The Board wishes to update the Shareholders and the public investors on details of conversion of the Convertible Bonds, if any, as follows:

The Board announces that:

- (i) none of the Convertible Bonds have been converted during the period from 1st to 28th February 2006;
- (ii) the Convertible Bonds outstanding remain to be HK\$20 million as at 28th February 2006;
- (iii) save for the issue of the 6,440,638,056 Preference Shares upon completion of the 15 Subscription Agreements on 28th February 2006 as described above, there have been no ordinary Shares or other securities of the Company issued pursuant to other transactions during the same period, including ordinary Shares issued pursuant to the exercise of options under any share option scheme(s) of the Company; and
- (iv) the total issued share capital of the Company as at 1st February 2006 was 95,794,716 ordinary Shares; while the issued share capital of the Company as at 28th February 2006 comprised 95,794,716 ordinary Shares and 6,440,638,056 Preference Shares.

By order of the Board
North Asia Strategic Holdings Limited
Savio Chow Sing Nam
Executive Director and Chief Executive Officer

Hong Kong, 6th March 2006

As at the date of this announcement, the board of Directors comprises Mr. Göran Sture Malm (Chairman), Mr. Savio Chow Sing Nam (Chief Executive Officer), Mr. Henry Cho Kim, Mr. Andrew Yao Cho Fai and Mr. Desmond Fu Hay Ching (being the executive Directors), Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching and Mr. Edgar Kwan Chi Ping (being the independent non-executive Directors).

This announcement, 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 that:— (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and on the Company’s website at www.nasholdings.com.