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NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

ISSUE OF NEW PREFERENCE SHARES TO INDEPENDENT PLACEEES

Financial adviser to North Asia Strategic Holdings Limited



Further to the proposed placement of 2,868,335,640 New Preference Shares as announced by the Company on 2 November 2007, the Company has further entered into a total of 3 Batch 2 Agreements with the Batch 2 Placees (including NNL), pursuant to which the Company has conditionally agreed to issue, and the Batch 2 Placees have conditionally agreed to subscribe for, a total of 2,328,904,398 additional New Preference Shares at an issue price of HK\$0.191 per New Preference Share. The principal terms of the Batch 2 Agreements are summarised below.

Pursuant to the terms of the NNL Agreement, NNL shall have the right to nominate a member to the Investment Committee.

The proceeds from the Batch 2 Placement are estimated to amount to approximately HK\$444.8 million (or approximately HK\$442.5 million after deducting related expenses) and are intended to be used for future investment and working capital purposes.

The Batch 2 Placement is subject to a number of conditions and Shareholders' approval in the Special General Meeting. No Shareholder is required to abstain from voting on the resolution regarding the Batch 2 Placement.

The Waiver Agreement to be entered into by the Company and the Ajia Parties shall take into account the effect of both Batch 1 Placement and Batch 2 Placement. The Company will also convene a separate meeting of the holders of the Existing Preference Shares to consider a resolution to approve the Preference Shares Waiver taking into account the Batch 1 Placement and the Batch 2 Placement.

Reference is made to the Announcement in relation to the Batch 1 Placement. Capitalised terms used herein have the same meanings as defined in the Announcement unless otherwise specified.

* *For identification purpose only*

The Board is pleased to announce that the Company has further entered into a total of 3 Batch 2 Agreements with the Batch 2 Placees for the additional placement of a total of 2,328,904,398 New Preference Shares. The principal terms of the Batch 2 Agreements are substantially identical to the Batch 1 Agreements, except for the date and parties to the respective agreements, the number of New Preference Shares to be subscribed, the completion date and the additional rights given to NNL as described below:

BATCH 2 AGREEMENTS

Date of the Batch 2 Agreements:

20 November 2007

Parties to the Batch 2 Agreements:

Issuer : the Company
 Subscribers : the Batch 2 Placees (including NNL)

NNL is a nominee for the Australian Defence Forces' pension scheme and was established by the Military Superannuation and Benefits Act 1991 of Australia. The other Batch 2 Placees are professional investors. The Batch 2 Placees are chiefly solicited by NASA which has been providing various exclusive services, including fund raising and investor sourcing, to the Company pursuant to the Service Agreement.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Batch 2 Placees, their respective associates and ultimate beneficial owners are Independent Third Parties, and none of the Batch 2 Placees and their respective associates has any beneficial interests in any shares or other securities in the Company prior to the Batch 2 Placement.

Securities to be subscribed by the Batch 2 Placees:

Subscribers	No. of New Preference Shares	% to total New Preference Shares
<i>Batch 1 Placees</i>		
NASAC 2	98,502,618	1.9
NASAC 3	58,210,000	1.1
The other 12 independent Batch 1 Placees	2,711,623,022	52.2
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	2,868,335,640	55.2
<i>Batch 2 Placees</i>		
The other 2 independent Batch 2 Placees	287,019,581	5.5
NNL	2,041,884,817	39.3
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	2,328,904,398	44.8
Total	<hr/> <hr/>	<hr/> <hr/>
	5,197,240,038	100.0

The New Preference Shares to be issued to the Batch 2 Placees carry identical terms as those to be issued to the Batch 1 Placees and are securities within the same class as the Existing Preference Shares.

Principal terms of the New Preference Shares:

The New Preference Shares and the Existing Preference Shares are securities within the same class and shall have and enjoy the following rights and be subject to the following restrictions:

Redemption and Conversion: The New Preference Shares are not redeemable.

Subject to the following paragraph, the New Preference Shares shall be automatically convertible into Ordinary Shares on the listing of the Ordinary Shares on the Main Board of the Stock Exchange, or on 28 February 2010, whichever occurs earlier, at the conversion ratio of one Preference Share to one Ordinary Share, subject to usual anti-dilution adjustments. The adjustment events will arise as a result of certain changes in the share capital of the Company including any capital reorganisation involving consolidation, sub-division or re-classification of shares, bonus issue by way of capitalisation of profits or reserves, capital distributions and subsequent issue of rights, options, warrants and other convertible securities in the Company.

In the event that the conversion of any holder's New Preference Shares would result in such holder holding 30% or more of the issued Ordinary Shares, or otherwise result in such holder being required to make a mandatory general offer for the Ordinary Shares under the Takeovers Code, the holder shall be entitled to elect to convert such number of New Preference Shares as will cause it to hold (a) 29% of the issued Ordinary Shares; or (b) if applicable, the maximum whole number of percentage of the issued Ordinary Shares it could hold without being required to make a mandatory general offer for the Ordinary Shares under the Takeovers Code. Any remaining New Preference Shares held by such holder may be converted by such holder by giving not less than 45 days' prior notice to the Company.

The Conversion Shares, when issued, shall rank pari passu in all respects with all other Ordinary Shares in issue on the date of conversion including the right to any dividends or distributions declared, made or paid after the date of the conversion.

Transferability: The New Preference Shares may only be transferred with the prior approval of the Board and in compliance with applicable law and regulatory requirements. Save as disclosed herein, there are no other provisions regarding transferability of the New Preference Shares.

The Company has undertaken to the Stock Exchange that it shall notify the Stock Exchange if it becomes aware of any dealings in the New Preference Shares by connected persons of the Company.

Voting: Holders of the New Preference Shares will have the right to receive notice of all general meetings of the Ordinary Shareholders but will not be entitled to vote at such meeting, except when the business of the meeting includes resolution(s) for (i) the winding up of the Company; (ii) renewing the Services Agreement, amending, modifying or supplementing its terms, or approving the settlement of any fees payable to NASA by way of an issue of Ordinary Shares; or (iii) varying or abrogating the rights or privileges of the holders of the New Preference Shares. Holders of the New Preference Shares are also entitled to vote on the election of a chairman of any general meeting at which they are entitled to vote or any motion for adjournment of such meeting.

When the holders of the New Preference Shares are entitled to vote at a general meeting, each New Preference Share shall confer on its holder one vote.

All or any of the rights or privileges attached to the New Preference Shares may be varied or abrogated only with the sanction of a resolution passed at a separate meeting of the holders of the Preference Shares by 75% votes cast at such meeting of the holders of the Preference Shares present and entitled to vote at such meeting.

The above voting rights of the holders of the New Preference Shares are applicable to partly paid New Preference Shares as if such shares were fully paid.

Listing: The New Preference Shares will not be listed on the Stock Exchange or any other stock exchange. An application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.

Ranking: The New Preference Shares will rank *pari passu* as to dividends with the Ordinary Shares and Existing Preference Shares. In the event of liquidation or winding up of the Company, the holders of the New Preference Shares, like the holders of Existing Preference Shares, will be entitled to receive an amount equal to 100% of the subscription monies, respectively, paid by them before a return of capital is made to the holders of the Ordinary Shares. Thereafter, the remaining assets of the Company will be distributed to the Ordinary Shareholders and holders of the Preference Shares *pro-rata* on an *as-if-converted* basis.

Subscription price:

HK\$0.191 per New Preference Share, which is the same as the subscription price payable by the Batch 1 Placees under the Batch 1 Placement. For the reasons set out in the Announcement, the Directors consider that the issue of the New Preference Shares at the subscription price of HK\$0.191 per New Preference Share is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The payment terms and schedule of the New Preference Shares to be issued to the Batch 2 Placees are identical to those of Batch 1 Placees, except that the first installment shall be payable on the Batch 2 Completion Date of the respective Batch 2 Agreements.

The subscription price of HK\$0.191 per New Preference Share:

- (i) represents a premium of approximately 28.3% over the audited net asset value per issued share of HK\$0.1489 as at 31 March 2007 (calculated based on the audited consolidated net assets of the Group of approximately HK\$1,231.3 million and 8,271,809,529 shares of the Company comprising 95,794,716 Ordinary Shares and 8,176,014,813 Existing Preference Shares in issue as at 31 March 2007);
- (ii) represents a premium of approximately 97.7% over the audited net tangible asset value per issued share of HK\$0.0966 as at 31 March 2007 (calculated based on the audited consolidated net tangible assets of the Group of approximately HK\$799.1 million and 8,271,809,529 shares of the Company comprising 95,794,716 Ordinary Shares and 8,176,014,813 Existing Preference Shares in issue as at 31 March 2007);
- (iii) represents a premium of approximately 22.0% over the subscription price of the Existing Preference Shares at HK\$0.1566 each under the First Round Placement; and
- (iv) equals to the subscription price per New Preference Share under the Batch 1 Placement;

The subscription price of the New Preference Shares was agreed following arm's length negotiations between the Company and the Batch 2 Placees with reference to the subscription price for the First Round Placement and is equal to the subscription price under the Batch 1 Placement. The Directors consider that the premium represented by the subscription price of the New Preference Shares over the subscription price for the Existing Preference Shares under the First Round Placement reflects the shorter conversion period as well as the value of the investments undertaken by the Group since the First Round Placement. Notwithstanding that the Directors do not consider a formal valuation of the shares of the Company is necessary, the Directors consider that the current market price of the Ordinary Shares is not relevant in determining the subscription price of the New Preference Shares given the fact that the Preference Shares and the Ordinary Shares are two different classes of securities and the holders thereof enjoy different rights and are subject to different restrictions. By the time when the Preference Shares shall be converted into Ordinary Shares (i.e. on the listing of the Ordinary Shares on the Main Board of the Stock Exchange, or on 28 February 2010, whichever occurs earlier), the fundamentals and

shareholding structure of the Company are expected to be different from the current status. Therefore, despite the discount of 85.4% to the closing price of HK\$1.31 per Ordinary Share on the 20 November 2007 (being the last trading day of the Ordinary Shares prior to the release of this announcement), given the non-redeemable and unlisted features of the Preference Shares and the significant premium represented by the subscription price over the net asset value per share and net tangible asset per share, the Directors consider that the issue of the New Preference Shares at the subscription price of HK\$0.191 per New Preference Share is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions:

Completion of the Batch 2 Agreements is subject to the following conditions being fulfilled or waived on or before 31 January 2008 (for the NNL Agreement) and 31 December 2007 (for the other two Batch 2 Agreements) (which conditions are identical to those of the Batch 1 Agreements):

- (i) receipt of all necessary approvals of applicable authorities (including the GEM Listing Division) and necessary resolutions having been passed by (a) the Shareholders authorising the Company to enter into the Batch 2 Agreements and the issue of the New Preference Shares; and (b) by the holders of the Existing Preference Shares approving the Preference Shares Waiver;
- (ii) the Company having received duly completed and executed application forms for the New Preference Shares together with such other documents as are required to be delivered by the Batch 2 Placees in connection with the Batch 2 Placement; and
- (iii) the Batch 2 Placees having received duly certified true copies of (a) the approvals specified in (i) above; and (b) the resolutions of the Directors approving the registration of the Batch 2 Placees as a member of the Company.

Completion of any one of the Batch 2 Agreements is not conditional on completion of the other Batch 2 Agreements or the Batch 1 Agreements.

Additional rights to NNL:

As disclosed in the announcements of the Company dated 30 December 2005 and 17 August 2006 and the circulars of the Company dated 24 January 2006 and 17 August 2006 in relation to the First Round Placement, the Company has entered into legally binding agreements with certain initial placees who agree to subscribe a very substantial amount of the Preference Shares (who are regarded as Anchor Investors) to set out a framework for strategic co-operation between the Company and the respective Anchor Investors. Pursuant to the agreements, the Company has agreed, for a term of ten years commencing on 28 February 2006, to give the Anchor Investors the rights, among other things, to co-invest in potential investment targets of the Company, to be offered deal referral opportunities on investment projects which are deemed to be outside the investment focus of or are not pursued by the Company, and to provide financing and investment banking or corporate finance services to the Company or its investment portfolio. Certain Anchor Investors have the right to nominate members or observers to the Investment Committee.

As the subscription made by NNL amounted to US\$50 million, NNL was nominated by the Ajia Parties as an Anchor Investor. Pursuant to the terms of the NNL Agreement, NNL shall have the right to designate an individual to attend meetings of the Investment Committee as a member. Save as aforesaid, the NNL Agreement does not provide for any right for NNL to appoint any representative to the Board or to the management team of the Group. Similar to the members of or observers to the Investment Committee appointed by the other Anchor Investors, NNL shall procure that the member gives reasonable undertakings to the Company to observe all internal guidelines of the Company, if any, applicable to the Directors in respect of maintaining confidentiality of information disclosed to them. The member is also required to observe the relevant provisions of Part XIII and Part XIV of the Securities and Futures Ordinance of Hong Kong in respect of insider dealing and market misconduct, and the applicable provisions contained in Chapter 5 of the GEM Listing Rules (or in the event that the Ordinary Shares become listed on the Main Board, the applicable provisions contained in the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules) in respect of restrictions on directors' transactions in securities of the Company while in possession of unpublished price-sensitive information. In the event of a breach of confidentiality by the member, the Company may bring legal action against NNL and/or the member including seeking a court order of specific performance to prevent the observe from any unauthorised disclosure of confidential information.

Should any transactions with NNL or the other Anchor Investors materialise in future as a result of them exercising their rights under the aforesaid agreements, the Company shall comply with the applicable requirements of the GEM Listing Rules in due course.

SHAREHOLDING STRUCTURE

Details of the Company's Ordinary Share capital (including the individual holdings of the connected persons) (i) as at the date of this announcement and immediately upon completion of the Second Round Placement; (ii) upon completion of the Second Round Placement and full conversion of the Existing Preference Shares at the 1-to-1 conversion ratio; and (iii) upon completion of the Second Round Placement and full conversion of the Existing Preference Shares and New Preference Shares at the 1-to-1 conversion ratio; and (iv) upon completion of the Second Round Placement and full conversion of the Existing Preference Shares and New Preference Shares at the 1-to-1 conversion ratio and the Convertible Bonds at the initial conversion price of HK\$0.1566 is shown below:

	As at the date of this announcement and immediately upon completion of the Second Round Placement		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares and the New Preference Shares		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares, the New Preference Shares and the Convertible Bonds	
	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%
NASAC	44,163,474	46.1	44,163,474	0.5	44,163,474	0.3	132,490,421	1.0
Mr. Tsang	20,202,886	21.1	20,202,886	0.3	20,202,886	0.2	59,589,859	0.5
Huge Top (Note 1)	1,598,113	1.7	1,598,113	0.0	1,598,113	0.0	1,598,113	0.0
Right Action Offshore Inc. (Note 2)	1,024,000	1.0	1,024,000	0.0	1,024,000	0.0	1,024,000	0.0
TN Development Limited (Note 3)	1,633,676	1.7	1,633,676	0.0	1,633,676	0.0	1,633,676	0.0
Asia Internet Capital Ventures LP (Note 4)	—	—	148,659,004	1.8	148,659,004	1.1	148,659,004	1.1
Timeless Enterprises Limited (Note 5)	—	—	99,106,003	1.2	99,106,003	0.8	99,106,003	0.8
NASAC 2	—	—	—	—	98,502,618	0.7	98,502,618	0.7
NASAC 3	—	—	—	—	58,210,000	0.4	58,210,000	0.4
ABN AMRO Asset Management Holding N.V.	—	—	1,238,825,032	15.0	1,238,825,032	9.2	1,238,825,032	9.1
Goldman Sachs (Asia) Finance (Note 6)	—	—	2,477,650,064	30.0	2,477,650,064	18.4	2,477,650,064	18.2
NNL	—	—	—	—	2,041,884,817	15.2	2,041,884,817	15.0
	68,622,149	71.6	4,032,862,252	48.8	6,231,459,687	46.3	6,359,173,607	46.8

	As at the date of this announcement and immediately upon completion of the Second Round Placement		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares and the New Preference Shares		Upon completion of the Second Round Placement and full conversion of the Existing Preference Shares, the New Preference Shares and the Convertible Bonds	
	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%	Ordinary Shares	%
Other holders of the Existing Preference Shares (Note 7)	—	—	4,211,774,710	50.9	4,211,774,710	31.3	4,211,774,710	31.0
Batch 1 Placees (excluding NASAC 2 and NASAC 3) (Note 7)	—	—	—	—	2,711,623,022	20.1	2,711,623,022	19.9
Batch 2 Placees (excluding NNL) (Note 7)	—	—	—	—	287,019,581	2.1	287,019,581	2.1
Other public Shareholders	27,172,567	28.4	27,172,567	0.3	27,172,567	0.2	27,172,567	0.2
Total public Shareholders	27,172,567	28.4	4,238,947,277	51.2	7,237,589,880	53.7	7,237,589,880	53.2
Total	<u>95,794,716</u>	<u>100.0</u>	<u>8,271,809,529</u>	<u>100.0</u>	<u>13,469,049,567</u>	<u>100.0</u>	<u>13,596,763,487</u>	<u>100.0</u>

Notes:

1. Mr. Yao, an executive Director, holds approximately 11.9% direct and 42.9% indirect interests in the issued share capital of Huge Top and is entitled to exercise more than one-third of the voting rights at general meetings of Huge Top.
2. Mr. Yao is the registered holder of the entire issued share capital of Right Action Offshore Inc.
3. The issued share capital of TN Development Limited is owned as to 54% by Van Shung Chong (B.V.I.) Limited (“VSC BVI”) and as to 10% by Mr. Yao. The issued share capital of VSC BVI is indirectly owned as to approximately 45.9% by Huge Top.
4. Asia Internet Capital Ventures LP is a venture capital fund with 10 limited partners organised for the object and purpose of making private equity investments in internet and technology-oriented companies and managed by Mr. Tsang.
5. Timeless Enterprises Limited is a company wholly owned by Mr. Henry Cho Kim, an executive Director and the deputy chairman of the Company.

6. Goldman Sachs (Asia) Finance is entitled to elect to convert such number of Preference Shares as will cause it to hold (a) 29% of the issued Ordinary Shares or (b) if applicable, the maximum whole number of percentage of the issued Ordinary Shares it could hold without being required to make a mandatory general offer for the Ordinary Shares under the Takeovers Code.
7. None of the other holders of the Existing Preference Shares, the Batch 1 Placees or the Batch 2 Placees will hold more than 10% of the issued Ordinary Shares upon full conversion of the Preference Shares (whether or not the Convertible Bonds are converted) and be treated as a connected person of the Company for the purposes of the GEM Listing Rules.

Save for the Existing Preference Shares and the Convertible Bonds, the Company does not have any other outstanding options, warrants or other securities in issue which carry rights to be convertible into Ordinary Shares as at the date of this announcement.

Each of the Ajia Parties has previously undertaken to the Stock Exchange that for so long as it remains a connected person of the Company, it will not exercise the conversion rights attached to the Convertible Bonds if the public float of the Company falls below 15% upon exercise of the conversion rights of the Convertible Bonds. Based on the existing shareholding structure of the Company as set out above, there will be sufficient public float for the Ordinary Shares (being 15% if the Ordinary Shares remain listed on GEM or 25% if the Ordinary Shares then become listed on the Main Board of the Stock Exchange) immediately upon completion of the Second Round Placement (assuming no conversion of the Convertible Bonds) and after conversion of the Preference Shares (whether before or after the conversion of the Convertible Bonds).

The Stock Exchange has indicated that should the Second Round Placement be completed and the Preference Shares be converted, it will closely monitor trading in the Company's shares if less than 15% of the Ordinary Shares (if the Ordinary Shares remain listed on GEM) or the requisite minimum percentage of the Ordinary Shares (as required under the Rules Governing the Listing of Securities on the Stock Exchange if the Ordinary Shares are then listed on the Main Board) are held by the public. If the Stock Exchange comes to believe that a false market exists or may exist in the trading in the Ordinary Shares, or there are too few Ordinary Shares in public hands to maintain an orderly market, then it may consider exercising its discretion to suspend trading in the Ordinary Shares until a sufficient level of public float is attained.

REASONS FOR THE BATCH 2 PLACEMENT

The Group is principally engaged in the trading of surface mount technology assembly equipment, machinery and spare parts and provision of related installation, training, repair and maintenance services; processing and sale of fishmeal, refining and sale of fish oil, manufacturing and sale of aquatic feed products and trading of other raw materials relating to aquatic feeds; and investment holding. The Group ceased its steel trading operations after August 2007.

The Batch 2 Placement forms part of the Second Round Placement. Due to the time take for the Company to negotiate and finalise the terms of the investment by the Batch 2 Placees, the Batch 2 Agreements were executed subsequent to the Announcement to allow the Company to maximise the amount of capital to be raised from the Second Round Placement. The Second Round Placement is intended to raise capital for the Group for its future investment and working capital purposes. The proceeds from the Batch 2 Placement amounts to approximately HK\$444.8 million (or approximately HK\$442.5 million after deducting related expenses). Together with the Batch 1 Placement, an aggregate proceeds of approximately HK\$992.7 (or approximately HK\$984.7 million after deducting related expenses) will be raised from the Second Round Placement.

WAIVER OF ADJUSTMENTS OF THE CONVERSION PRICE OF THE CONVERTIBLE BONDS AND THE CONVERSION RATIO OF THE EXISTING PREFERENCE SHARES

As disclosed in the Announcement, pursuant to the instrument constituting the Convertible Bonds, the conversion price for the Convertible Bonds is subject to customary anti-dilution adjustments if certain events, which include, among other things, the issue by the Company of convertible securities, take place. Subject to the approval by Independent Shareholders and the approval of the Second Round Placement at the Special General Meeting, the Company and the Ajia Parties shall enter into the Waiver Agreement before completion of the Second Round Placement to waive any requirement to adjust the conversion price of the Convertible Bonds arising from the Second Round Placement (taking into account both the Batch 1 Placement and the Batch 2 Placement), including any subsequent conversion of the Existing Preference Shares into Ordinary Shares. The Directors (including the independent non-executive Directors) consider that the terms of the Waiver Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As further disclosed in the Announcement, pursuant to the terms of the Existing Preference Shares, the conversion ratio for the Existing Preference Shares is also subject to customary anti-dilution adjustments if certain events, which include, among other things, the issue by the Company of convertible securities, take place. In order to have a consistent conversion ratio for all the Preference Shares in issue and to be issued, the Company will convene a separate meeting of the holders of the Existing Preference Shares to consider a resolution to approve the Preference Shares Waiver taking into account the Batch 1 Placement and the Batch 2 Placement. The Directors (including the independent non-executive Directors) consider that the terms of the Preference Shares Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

On 26 July 2006, the Company announced the issue of 792,848,020 Existing Preference Shares to an Independent Third Party at a price of HK\$0.1566 each, raising approximately HK\$124.2 million for future investment use. The issue was completed in September 2006 as part of the First Round Placement and three quarters of the subscription monies (HK\$93.2 million) have been received by the Company in accordance with the terms of the issue of the Existing Preference Shares and used as intended.

The remaining quarter of the subscription monies from the aforesaid issue and the Existing Preference Shares issued under the First Round Placement which amounts to approximately HK\$320.1 million would be received by the Company on 28 February 2009 unless a call for payment is made by the Company on an earlier date in accordance with the terms of the Existing Preference Shares.

As announced by the Company on 2 November 2007, the Company entered into a total of 14 subscription agreements with the Batch 1 Placees (including NASAC 2 and NASAC 3) for the placement of 2,868,335,640 New Preference Shares at an issue price of HK\$0.191 each subject to certain conditions precedent and approval by the Shareholders or the Independent Shareholders (as the case may be) at the Special General Meeting. The Batch 1 Placement, which forms another part of the Second Round Placement, is expected to raise approximately HK\$547.9 million for the Group's future investment and working capital purposes.

Apart from the above, the Company has not conducted any fund raising activities in the past twelve months.

GEM LISTING RULES IMPLICATIONS

The Second Round Placement (including the Batch 1 Placement and the Batch 2 Placement) is subject to Shareholders' approval in the Special General Meeting. As no Shareholders or their respective associates have interests in the Batch 2 Placement different from other Shareholders, no Shareholder is required to abstain from voting at the Special General Meeting on the relevant resolution regarding the Batch 2 Placement.

DEFINITIONS

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

“Anchor Investors” such holders of the Preference Shares (a) as nominated by the Ajia Parties; and (b) who invest a very substantial amount (US\$50 million (equivalent to approximately HK\$390 million) in respect of the Second Round Placement) in the New Preference Shares. As at the date of this announcement, there are a total of 6 such Anchor Investors (including NNL)

“Announcement” the announcement dated 2 November 2007 issued by the Company in relation to the Batch 1 Placement

“Batch 1 Agreements”	a total of 14 subscription agreements entered into between the Company and each of the Batch 1 Placees in relation to the Batch 1 Placement
“Batch 1 Placees”	a total of 14 subscribers (including NASAC 2 and NASAC 3) of New Preference Shares under the Batch 1 Placement
“Batch 1 Placement”	the private placing of 2,868,335,640 New Preference Shares by the Company to the Batch 1 Placees pursuant to the Batch 1 Agreements as announced by the Company on 2 November 2007
“Batch 2 Agreements”	a total of 3 subscription agreements (including the NNL Agreement) entered into between the Company and each of the Batch 2 Placees in relation to the Batch 2 Placement
“Batch 2 Placees”	a total of 3 subscribers (including NNL) of the New Preference Shares pursuant under the Batch 2 Placement
“Batch 2 Placement”	the private placing of 2,328,904,398 New Preference Shares by the Company to the Batch 2 Placees pursuant to the Batch 2 Agreements
“Batch 2 Completion Date”	the date of closing of the respective Batch 2 Agreements, which shall occur on such date conditional upon the satisfaction of the conditions precedent set out in this announcement
“Investment Committee”	the committee constituted by the Board from time to time for the purposes of evaluating potential acquisition and disposition of investments, which currently comprises 6 members
“New Preference Shares”	a total of 5,197,240,038 non-voting convertible preference shares to be issued by the Company and subscribed by the Batch 1 Placees and Batch 2 Placees under the respective Second Round Agreements
“NNL”	National Nominees Limited, a company incorporated in Australia and is a nominee for an Australian pension fund
“NNL Agreement”	the subscription agreement entered into between the Company and NNL dated 20 November 2007

“Second Round Placement” the private placing of the New Preference Shares pursuant to the Second Round Agreements

“Second Round Agreements” the Batch 1 Agreements and the Batch 2 Agreements

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

Hong Kong, 20 November 2007

As at the date of this announcement, the Board comprises Mr. Göran Sture Malm (Chairman), Mr. Henry Cho Kim (Deputy Chairman), Mr. Savio Chow Sing Nam (Chief Executive Officer) and Mr. Andrew Yao Cho Fai (being the executive Directors), Mr. Takeshi Kadota (being the non-executive Director), Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching, Mr. Edgar Kwan Chi Ping and Mr. Yu Wang Tak (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 Announcement” page for at least seven days from the date of its posting and on the Company’s website at www.nasholdings.com.