NORTH ASIA STRATEGIC HOLDINGS LIMITED
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

FURTHER TERMS IN THE SHAREHOLDERS' AGREEMENT RELATING TO THE VERY SUBSTANTIAL ACQUISITION AND POSSIBLE VERY SUBSTANTIAL DISPOSALS

Financial adviser to North Asia Strategic Holdings Limited

OPTIMA CAPITAL

Optima Capital Limited

As stated in the First Announcement relating to the Acquisition, it is one of the conditions precedent to Completion that SMG and NASS shall enter into the Shareholders' Agreement before Completion to regulate the respective shareholders' rights of NASS and SMG in TKC with certain preliminary major terms stated in the First Announcement. Following the First Closing, the details of the Shareholders' Agreement are confirmed.

The exercise of each of the rights under the Non-listing Redemption, the NASS Put Options and the TKC Breach Redemption constitutes a possible very substantial disposal for the Company under the GEM Listing Rules. In addition to the Non-conversion Put and the SMG Call Option, the Directors also propose to seek Shareholders' approval for the exercise of the rights under the Non-listing Redemption, the NASS Put Options and the TKC Breach Redemption at the Special General Meeting.

Reference is made to the announcement of the Company dated 21st May 2008 (the "First Announcement") in relation to, among other things, the proposed acquisition by NASS of the Sale Shares, representing 33.74% of the total issued TKC Common Shares. Terms used herein shall have the same meanings as those defined in the First Announcement unless the context otherwise requires.

As mentioned in the First Announcement, SMG and NASS shall enter into the Shareholders' Agreement before Completion to regulate the respective shareholders' rights of NASS and SMG in TKC, with certain preliminary major terms stated in the First Announcement. In particular, the Shareholders' Agreement shall contain provisions such as the Non-conversion Put, the SMG Call Option and other rights of NASS to require SMG to purchase all of the TKC Shares held by NASS in the event that TKC does not have sufficient distributable income or is otherwise unable to redeem the TKC Preferred Shares held by NASS, or in the event that the Shareholders' Agreement is terminated due to a breach by SMG.

* *For identification purpose only*

It is also one of the conditions precedent to Completion that the acquisition by SMG and DIC of 56.26% and 10.00% of the total issued TKC Common Shares under the SSPA having been completed (the "First Closing"). The Company was informed that the First Closing had taken place on 30th May 2008 and condition (i) as set out in the paragraph headed "Conditions" in the First Announcement has accordingly been fulfilled. Following the First Closing, the details of the Shareholders' Agreement among NASS and SMG to be signed before Completion are confirmed and further details of the Shareholders' Agreement are set out below.

NON-CONVERSION PUT

As disclosed in the First Announcement, NASS shall be granted the Non-conversion Put such that in the event the conversion of its TKC Common Shares into TKC Preferred Shares does not occur within 30 days of the Closing Date due to SMG's default or due to the applicable laws or regulations, NASS shall have the right to require SMG to purchase all of the TKC Common Shares held by NASS.

If the Non-conversion Put is exercised due to SMG's default, the purchase price shall be calculated as the original purchase price paid by NASS for the TKC Shares (being KRW18,523 per TKC Share) plus a yield of 30% compound per annum accrued for a period of 36 months from the Closing Date. If the Non-conversion Put is exercised due to applicable laws or regulations, the purchase price shall be calculated as the original purchase price paid by NASS for the TKC Shares (being KRW18,523 per TKC Share) plus a yield of 30% compound per annum accrued from the Closing Date to the closing of the sale and purchase of the TKC Common Shares pursuant to the Non-conversion Put together with relevant expenses incurred by NASS or the Company. Accordingly, the maximum price receivable by NASS on exercise of the Non-conversion Put shall be KRW109.85 billion (equivalent to approximately HK$856.83 million).

Date of closing for the sale and purchase of the TKC Common Shares pursuant the Non-conversion Put shall be a date no later than 60 days from the date of notification by NASS of its intention to exercise the Non-conversion Put.

SMG CALL OPTION

As disclosed in the First Announcement, NASS shall grant to SMG the SMG Call Option pursuant to which SMG shall have the right but not the obligation to purchase up to 50% of the TKC Shares held by NASS after receipt of the approval from the relevant stock exchange for the Qualified Offering or in the event that Qualified Offering does not occur within 36 months from the issue of the TKC Preferred Shares.

The SMG Call Option Exercise Price shall be calculated as the original purchase price paid by NASS for the TKC Shares (being KRW18,523 per TKC Share) plus a yield of 30% compound per annum (inclusive of dividends received) accrued from the Closing Date and up to the date of the exercise of the SMG Call Option. Accordingly, the maximum SMG Call Option Exercise Price receivable by NASS shall be KRW54.93 billion (equivalent to approximately HK$428.45 million).

NON-LISTING REDEMPTION

As a term of the TKC Preferred Shares and subject to any legal restrictions, in the event that a Qualified Offering does not occur within 36 months from the date of the purchase of the TKC Preferred Shares, holders of the TKC Preferred Shares may require TKC to redeem all or part of the TKC Preferred Shares (the "Non-listing Redemption"). The redemption price shall be calculated as the original purchase price paid for the TKC Shares (being KRW18,523 per TKC Share for NASS) plus a yield of 20.5% compound per annum accrued from the date of purchase of the TKC Preferred Shares up to and including the redemption date. Accordingly, the maximum redemption price of the TKC Preferred Shares receivable by NASS shall be KRW87.58 billion (equivalent to approximately HK$683.12 million).

PUT OPTIONS TO BE GRANTED TO NASS

NASS shall be granted the options to dispose of all its TKC Shares (the "NASS Put Options") exercisable in the following manner:

(i) in the event that TKC does not have sufficient distributable income or is otherwise unable to redeem all of the TKC Preferred Shares held by NASS according to the terms of the TKC Preferred Shares as described in the paragraph headed "Non-listing Redemption" above, NASS shall have the right to require SMG to purchase all the TKC Shares held by NASS at the original purchase price (being KRW18,523 per TKC Share) plus a yield of 20.5% compound per annum accrued from the date of purchase of the TKC Preferred Shares up to and including the redemption date. Accordingly, the maximum consideration receivable by NASS shall be KRW87.58 billion (equivalent to approximately HK$683.12 million); and

(ii) in the event that the Shareholders' Agreement is terminated due to a breach by SMG of certain material terms of the Shareholders' Agreement, such as transfer restrictions of the TKC Shares, terms of the TKC Preferred Shares (including dividend policy), the maintenance of sufficient balance in a designated bank account for the purpose of dividend payment and redemption and certain other rights of NASS as a shareholder of TKC, NASS shall have the right to require SMG to purchase all the TKC Shares held by NASS at its original purchase price (being KRW18,523 per TKC Share) plus a yield of 30% compound per annum (inclusive of dividends received) accrued for a period of 36 months from the Closing Date. Accordingly, the maximum consideration receivable by NASS shall be KRW109.85 billion (equivalent to approximately HK$856.83 million).

REDEMPTION FOR BREACH BY TKC

It is a term of the Shareholders' Agreement that upon the written request of NASS, SMG shall cause TKC to accede to the Shareholders' Agreement and abide by the terms thereof. If NASS exercises such right and in the event that the Shareholders' Agreement is terminated due to a breach by TKC, NASS shall have the right to require TKC to redeem all the TKC Shares held by NASS (the "TKC Breach Redemption") at its original purchase price (being KRW18,523 per TKC Share) plus a yield of 30% compound per annum (inclusive of dividends received) accrued for a period of 36 months from the Closing Date. Accordingly, the maximum consideration receivable by NASS from TKC shall be KRW109.85 billion (equivalent to approximately HK$856.83 million).

BASIS OF DETERMINATION OF CONSIDERATION

The respective percentage yield used in the calculation of the consideration under each of the Non-Listing Redemption, the NASS Put Options and the TKC Breach Redemption was determined based on arm's length negotiations among the parties. The Directors consider the terms of the Non-Listing Redemption, the NASS Put Options and the TKC Breach Redemption are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The exercise of each of the rights under the Non-Listing Redemption, the NASS Put Options and the TKC Breach Redemption by NASS constitutes a possible very substantial disposal of the Company under the GEM Listing Rules and requires approval of the Shareholders. In addition to the Non-conversion Put and the SMG Call Option, the Directors also propose to seek Shareholders' approval of the exercise of the rights under the Non-listing Redemption, the NASS Put Options and the TKC Breach Redemption at the Special General Meeting.

GENERAL

A circular containing, among other things, details of the Agreement and the Shareholders' Agreement, the financial information of the Group and TKC and a notice of the Special General Meeting will be dispatched to the Shareholders as soon as practicable.

By Order of the Board
North Asia Strategic Holdings Limited
Henry Kim Cho
Deputy Chairman and Executive Director

Hong Kong, 3rd June 2008

For illustration only, amounts in KRW have been translated into HK$ at the exchange rate of KRW1,000 = HK$7.8 and amounts in US$ have been translated into HK$ at the exchange rate of US$1.0 = HK$7.8.

As at the date of this announcement, the Board comprises Mr. Göran Sture Malm (Chairman), Mr. Henry Kim Cho (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 "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least seven days from the date of its posting and on the Company's website at www.nasholdings.com.