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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)**

### **CONTINUING CONNECTED TRANSACTIONS RELATING TO THE SUPPLEMENTAL SERVICES AGREEMENT**

**Financial adviser to North Asia Strategic Holdings Limited**



**Optima Capital Limited**

On 2nd March 2009, the Company and NASA entered into the Supplemental Services Agreement whereby the parties have agreed to renew the Existing Services Agreement for an additional term 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. Details of the terms of the Supplemental Services Agreement are set out below.

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 on which voting shall be taken by poll. NASAC, Mr. Tsang, AICV, Timeless, NASAC 2, NASAC 3, Mr. Cho and Mr. Chow and their respective associates shall abstain from voting on the resolutions relating to the Supplemental Services Agreement and the Cap Amounts at the Special General Meeting.

An independent Board committee, comprising all the independent non-executive Directors, has been constituted to make recommendations to the Independent Shareholders on the voting as regards to the Supplemental Services Agreement and the Cap Amounts. Access Capital has been appointed as independent financial adviser of the Company to advise the independent Board committee and the Independent Shareholders in this connection. A circular containing details of the Supplemental Services Agreement, the recommendations and advice of the independent Board committee and Access Capital, and a notice of the Special General Meeting will be despatched to the Shareholders and the Preference Shareholders as soon as practicable.

\* *For identification purpose only*

## **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 is due to expire on 31st March 2009. As the Company considers it desirable 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) engaging and supervising professionals to provide 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 and HK\$5.2 million for the year ended 31st March 2008 and is estimated to be approximately HK\$6.9 million for the year ending 31st March 2009). 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 on identifying capital sources and managing the investments made out of the funds raised by NASA for the Company.

**(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 in equal shares; 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.

**REASONS FOR THE SUPPLEMENTAL SERVICES AGREEMENT**

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 Services Agreement was entered into with NASA against this background.

API 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. Its management team comprises individuals with extensive experience in investment, banking, private equity and managing and operating sizeable companies in Asia. 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 will support 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.

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.

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. Valuations of potential investment targets are expected to come down and well-managed companies are looking for capital from sources other than traditional bank borrowings. As the capital raised through the issue of Preference Shares has not been fully utilised in the Group's investment program, the Group will continue to seek attractive investments to grow shareholders' value and capabilities that can complement the existing businesses of the Group. In addition, most of the investments made by the Group since 2006 are yet to reach a mature stage in the investment life cycle. In such circumstances, the Directors are of the view that it is in the interests of the Company to retain the services of NASA which is familiar with the Group's investments to assist it in the ongoing monitoring of the investments, and to enable the Group to continue to capitalise on the wealth of experience of NASA's management team 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 the 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 date of this announcement. 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 date of this announcement. 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, but none of the shareholders of API hold or control more than 30% of 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 date of this announcement.

## **GEM LISTING RULES IMPLICATIONS FOR THE SUPPLEMENTAL SERVICES AGREEMENT AND THE ANNUAL 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 ending 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. 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 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;
- (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 provides 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, holders of the Preference Shares 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 holders of the Preference Shares. 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 date hereof. Voting at the Special General Meeting will 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 holders of the Preference Shares or their associates having material interest in the Supplemental Services Agreement which are different from other Shareholders or holders of the Preference Shares and who are required to abstain from voting.

An independent committee of the Board, 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 Independent Shareholders in this connection. A circular containing details of the Supplemental Services Agreement, the recommendations and advices of the independent Board committee and Access Capital, and a notice of the Special General Meeting will be despatched to the Shareholders and holders of the Preference Shares as soon as practicable.

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.

## DEFINITIONS

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

“Access Capital”	Access Capital Limited, a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 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
“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 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
“Mr. Cho”	Mr. Henry Cho Kim, 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)
“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 to be held to consider and, if thought fit, approve, 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 States of America
“%”	per cent.

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

Hong Kong, 4th March 2009

*For the purpose of this announcement, unless otherwise stated, translation of US\$ into HK\$ have been made at the rate of US\$1 to HK\$7.76. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in US\$ or HK\$ have been, could have been, or may be converted at such or any other rate.*

*As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Göran Sture Malm (Chairman), Mr. Savio Chow Sing Nam (Deputy Chairman) and Mr. John Saliling (Chief Executive Officer); 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.*

*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](http://www.hkgem.com) on the “Latest Company Announcement” page for at least seven days from the date of its posting and on the Company’s website at [www.nasholdings.com](http://www.nasholdings.com).*