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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)

VERY SUBSTANTIAL DISPOSAL RELATING TO THE DISPOSAL OF A JOINTLY CONTROLLED ENTITY AND RESUMPTION OF TRADING

The Board is pleased to announce that after Stock Exchange trading hours on 30th April 2010, NASS, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which NASS has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares for an aggregate cash consideration of KRW77 billion (equivalent to approximately HK\$545.9 million). NASS acquired the Sale Shares in June 2008 at a consideration of KRW50 billion (equivalent to approximately HK\$354.5 million).

The Disposal contemplated under the Agreement constitutes a very substantial disposal of the Company under the GEM Listing Rules and is therefore subject to the approval of the Shareholders at a special general meeting of the Company. A circular containing details of the Agreement, financial information of the Group and other information as required under the GEM Listing Rules as well as the notice of the special general meeting will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

Trading of the Shares on GEM has been suspended with effect from 9:30 a.m. on 3rd May 2010 pending the release of this announcement. An application has been made by the Company for the resumption of trading of the Shares on GEM with effect from 9:30 a.m. on 5th May 2010.

Reference is made to the announcement of the Company dated 7th April 2010 in which the Company announced that it was in discussions with potential buyer(s) in relation to a potential realisation of interest in an investee company of the Group. The Board is pleased to announce that after Stock Exchange trading hours on 30th April 2010, NASS, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which NASS has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares. Details of the terms of the Agreement are set out below.

* *For identification purpose only*

THE AGREEMENT

Date

30th April 2010

Parties

- (i) NASS, as vendor; and
- (ii) Samra Holdings Co., Ltd., as purchaser.

To the best of the Directors' knowledge, information and belief after making reasonable enquiries, (i) the Purchaser is a company ultimately controlled, directly and indirectly through various affiliated companies, by Mr. Oh Heun Woo who is a director of TKC. Mr. Woo also controls through various affiliated companies SMT Chemical Co., Ltd. and TK Chemical Holdings Co., Ltd., which together hold 84.91% of all the issued common shares of TKC and 56.26% of all the issued shares (common shares and redeemable convertible preferred shares) of TKC. Apart from this, the Purchaser and its ultimate beneficial owners are otherwise third parties independent of the Company and its connected persons; and (ii) the Purchaser is engaged principally in investment holding.

Subject matter

Pursuant to the Agreement, NASS has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, being 2,699,347 redeemable convertible preferred shares of TKC.

The Group completed the acquisition of the Sale Shares on 30th June 2008 and TKC has been accounted for as a jointly controlled entity. The Sale Shares represent all the redeemable convertible preferred shares of TKC in issue and 33.74% of all the issued common shares and redeemable convertible preferred shares of TKC. The Sale Shares are convertible into common shares of TKC on a 1-to-1 basis upon the listing of TKC on Korea Exchange, Korean Securities Dealers Automated Quotations or any other reputable international stock exchange taking place with a market capitalisation of not less than KRW300 billion (equivalent to approximately HK\$2.1 billion). The Sale Shares are redeemable at the request of NASS if the aforesaid listing does not take place within 36 months from the date of the purchase of the Sale Shares by NASS (i.e. by 30th June 2011) at a price which represents a yield of 20.5% compound per annum.

Consideration

The Consideration for the Sale Shares is KRW77 billion (equivalent to approximately HK\$545.9 million), which shall be satisfied by the Purchaser in cash in the following manner:

- (i) on the third Business Day following the date on which the Purchaser received the notification from NASS that the Stock Exchange has been notified of the signing of the Agreement and the announcement in relation to the Disposal has been submitted to the Stock Exchange for review in accordance with the GEM Listing Rules, the Purchaser shall pay the Initial Payment of KRW7.7 billion (equivalent to approximately HK\$54.6 million and 10% of the Consideration) to NASS' bank account in Korea; and
- (ii) the balance of the Consideration of KRW69.3 billion (equivalent to approximately HK\$491.3 million), after withholding the securities transaction tax and corporation income tax on the capital gains (if any) payable by NASS to the relevant Korean tax authorities as a result of the Disposal, shall be payable by the Purchaser to an account designated in writing by NASS on the date of Closing.

The Consideration was determined after arm's length negotiations between the parties with reference to an estimated market capitalisation of TKC if it were to undergo an initial public offering. In determining the Consideration, the Directors have also taken into account the following factors: (i) the average trailing price-earnings multiples of other listed companies in Korea which are engaged in similar business; and (ii) the gain that would be realised from the Disposal as further described in the paragraph headed "Reasons for the Disposal" below. In light of the above, the Directors (including the independent non-executive Directors) consider the Consideration to be fair and reasonable.

Conditions and Closing

Closing is conditional on the satisfaction or waiver of the following conditions:

- (i) the respective representations and warranties given by NASS and the Purchaser shall be true and correct in all material respects as at Closing, and NASS and the Purchaser each has performed in all material respects all obligations required to be performed by it prior to Closing; and
- (ii) the Company shall have obtained all of the regulatory approvals required pursuant to applicable law, statute, regulation or ordinance including the approval of the Shareholders as required under the GEM Listing Rules in order for NASS to sell the Sale Shares to the Purchaser as contemplated in the Agreement.

Closing shall take place on the third Business Day after the satisfaction or waiver of the above conditions. If the above conditions are not satisfied or waived on or before 15th July 2010 or if the Purchaser fails to pay the Initial Payment in accordance with the terms of the Agreement, the Agreement may be terminated by NASS.

If the Purchaser fails to timely make payment of the Initial Payment in accordance with the terms of the Agreement, the Purchaser shall immediately pay to the Seller an amount equal to the Initial Payment as liquidated damages, and if the Purchaser fails to timely make payment of the Balance Payment pursuant to the terms of the Agreement, the Initial Payment plus interest accrued thereon shall be forfeited to NASS as liquidated damages.

If the Agreement is terminated due to the default of NASS, the Initial Payment plus interest accrued thereon shall be returned by NASS to the Purchaser.

INFORMATION ON TKC

TKC is principally engaged in the business of manufacturing of (i) polyester fiber; (ii) spandex; and (iii) PET resin, which are materials widely used in the manufacturing of synthetic fabrics, yarns and plastic bottles.

According to the financial statements of TKC prepared under accounting principles generally accepted in Korea (“Korean GAAP”), for the year ended 31st December 2008, TKC recorded audited loss (both before and after tax) of approximately KRW13.98 billion (equivalent to approximately HK\$99.1 million). For the year ended 31st December 2009, TKC recorded unaudited profit before tax of approximately KRW37.69 billion (equivalent to approximately HK\$267.2 million) and profit after tax of approximately KRW31.94 billion (equivalent to approximately HK\$226.5 million) under Korean GAAP. The unaudited total equity of TKC under Korean GAAP as at 31st December 2009 was approximately KRW57.37 billion (equivalent to approximately HK\$406.8 million).

REASONS FOR THE DISPOSAL

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 Group acquired the Sale Shares in June 2008 at a consideration of KRW50 billion (equivalent to approximately HK\$354.5 million). Since then, TKC has taken various actions to reduce foreign exchange exposure and enhance operations by cutting costs. As disclosed in the paragraph headed “Information on TKC” above, TKC managed to turnaround and recorded significant improvement in results in 2009. In light of this and the current improved macro environment, the Board believes that the Disposal provides a good opportunity to realise the value that has been created at TKC. The Disposal also provides certainty and acceleration with respect to the Group’s exit and return, as

compared to the other alternatives such as an initial public offering of TKC where exit can only be achieved earliest in late 2011 or redemption of the Sale Shares in June 2011. In addition, the Disposal would allow the Group to minimise its risk exposure to the high volatility of the Korean stock market and exchange rate of KRW against other major currencies.

Based on the Consideration of KRW77 billion (equivalent to approximately HK\$545.9 million), the carrying value of the Group's investment in TKC as at 31st March 2010 which amounted to approximately HK\$414.2 million, the exchange and other reserves recorded by the Company in respect of TKC as at 31st March 2010 which amounted to approximately HK\$25.2 million, the estimated expenses relating to the Disposal (including legal and professional fee and Korean withholding tax on capital gain) of approximately HK\$49.7 million, the Group is expected to record a gain from the Disposal of approximately HK\$56.8 million. Shareholders and investors should note that the exact amount of gain on the Disposal may differ from the aforesaid figure and is dependent on, among other things, the carrying value of TKC as at the date of Closing and the exchange rate of KRW as at the date of Closing.

The cash proceeds receivable from the Disposal, after deducting expenses directly attributable to the Disposal, are estimated to amount to approximately HK\$496.2 million and are intended to be used as to about 70% for future investment purpose and the remaining 30% for general working capital purposes. The Company confirms that whilst it has been looking at various investment opportunities from time to time, it has not as at the date hereof identified any specific target(s) the investment in which may utilise the net proceeds from the Disposal.

Taking into account the substantial amount of cash to be recouped and the gain expected to accrue to the Group as a result of the Disposal, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

After Closing, the Group will cease to hold any common shares or redeemable convertible preferred shares in TKC.

GEM LISTING RULES IMPLICATION

The Disposal contemplated under the Agreement constitutes a very substantial disposal of the Company under the GEM Listing Rules and is therefore subject to the approval of the Shareholders at a special general meeting of the Company. A circular containing details of the Agreement, financial information of the Group and other information as required under the GEM Listing Rules as well as the notice of the special general meeting will be despatched to the Shareholders as soon as practicable in compliance with the GEM Listing Rules.

GENERAL

Trading of the Shares on GEM has been suspended with effect from 9:30 a.m. on 3rd May 2010 pending the release of this announcement. An application has been made by the Company for the resumption of trading of the Shares on GEM with effect from 9:30 a.m. on 5th May 2010.

DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 30th April 2010 entered into between NASS and the Purchaser in relation to the Disposal
“Balance Payment”	the balance payment of KRW69.3 billion (equivalent to approximately HK\$491.3 million and 90% of the Consideration) payable by the Purchaser for the Sale Shares under the terms of the Agreement
“Board”	the board of Directors
“Business Day”	any days on which commercial banks are open for business in Hong Kong and Korea
“Closing”	the consummation of the Disposal contemplated by the Agreement
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on GEM (stock code: 8080)
“Consideration”	the consideration for the Sale Shares of KRW77 billion (equivalent to approximately HK\$545.9 million) pursuant to the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by NASS pursuant to the terms and conditions of the Agreement
“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

“Initial Payment”	the initial payment of KRW7.7 billion (equivalent to approximately HK\$54.6 million and 10% of the Consideration) payable by the Purchaser for the Sale Shares under the terms of the Agreement
“NASS”	North Asia Strategic (Singapore) Pte. Ltd., a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company
“Purchaser”	Samra Holdings Co., Ltd., a company incorporated under the laws of Korea
“Sale Shares”	2,699,347 issued redeemable convertible preferred shares of TKC
“Shares”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TKC”	TK Chemical Corporation, a joint stock corporation established under the laws of Korea
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KRW”	Korean Won, the lawful currency of Korea
“%”	per cent.

For illustration purposes, amounts denominated in KRW in this announcement has been translated into HK\$ at the exchange rate of KRW1,000 = HK\$7.09. Such translation should not be construed as a representation that the amounts quoted could have been or could be or will be converted at the stated rate or at any other rates at all.

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

Hong Kong, 4th May 2010

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); four Non-executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota, Mr. Moses Tsang Kwok Tai and Mr. Henry Kim Cho; 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 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.