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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PAYMENT BUSINESS**

#### **Financial Adviser**



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司

On 21 December 2022, the Purchaser (a wholly-owned subsidiary of the Company) entered into the SPA pursuant to which: (a) the Share Vendor agrees to sell, and the Purchaser agrees to purchase the Sale Shares; and (b) ATL agrees to sell, and the Purchaser agrees to purchase the Tech and IP Rights and the ATL Receivables, for an initial consideration of US\$2,400,000 (approximately HK\$18,840,000), subject to adjustments according to terms of the SPA.

As one of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 21 December 2022, the Purchaser (a wholly-owned subsidiary of the Company) entered into the SPA pursuant to which: (a) the Share Vendor agrees to sell, and the Purchaser agrees to purchase the Sale Shares; and (b) ATL agrees to sell, and the Purchaser agrees to purchase the Tech and IP Rights and the ATL Receivables, for an initial consideration of US\$2,400,000 (approximately HK\$18,840,000), subject to adjustments according to terms of the SPA. Upon completion of the Acquisition, the Group will have acquired through ownership of the Target Company, a credit card and mobile payment and collection application using AirWallex's payment platform and the sale of receipt printers and thermal paper to merchants that use the Target Company's application under the "Jarvix" brand and the rights attached to the proprietary technology know-how for that application.

*\* For identification purpose only*

## THE ACQUISITION

In connection with the Acquisition, the Purchaser entered into the SPA and is the beneficiary of the Deed of Covenant on 21 December 2022.

The date, parties and key commercial terms of the SPA are as follows:

- Date : 21 December 2022
- Parties : (i) New Creation Ventures Limited, being purchaser of the Sale Shares, the Tech and IP Rights and the ATL Receivables.
- (ii) Aigniter Holdings Limited, being vendor of the Sale Shares.
- (iii) Aigniter Technologies Limited, being vendor of the Tech and IP Rights and the ATL Receivables.
- (iv) AHL Cayman, Mr. Ho Long Hei and Mr. Lai Ka Wai, being covenantors that give certain covenants, undertakings, representations and warranties and guarantors that guarantee the Vendors' obligations, in favour of the Purchaser.

The Purchaser is an investment holding company wholly-owned by the Company. Further information on the other Parties to the SPA are set out under "Information on the Vendors and the Covenantors" below.

- Subject matter of the Acquisition : The Purchaser is to purchase:
- (i) the Sale Shares representing 100% of the issued shares of the Target Company;
- (ii) the Tech and IP Rights which ATL is required under the SPA to assign to the Target Company at Completion; and
- (iii) the ATL Receivables.

Consideration : US\$2,400,000 (approximately HK\$18,840,000), subject to adjustments.

The initial Consideration shall be reduced on a dollar for dollar basis by the aggregate of the amount of (i) liabilities (other than trade liabilities and the ATL Receivables) shown in the completion accounts and (ii) the amount of Reserves disbursed (the “**Disbursed Amounts**”).

The Consideration is determined after arm’s length negotiations between the Parties. During the negotiation, the Company took into account, amongst other things, (i) the operating performance of the Target Company and the predecessor operator of its business, Jarvix Pay; (ii) the exclusive use of the Tech and IP Rights by the Target Company and the assignment of the Tech and IP Rights to the Target Company at Completion; (iii) the valuation of the Sale Shares as at 31 October 2022 (based on assumptions disclosed under “Implications under the GEM Listing Rules” below, including that the Tech and IP Rights had been assigned to the Target Company on or before that date) by an independent valuer, RSM Consulting (Hong Kong) Limited (“**RSM**”), at approximately HK\$20,610,000; and (iv) the operating environment and market prospects of the Target Company. The Group will fund the consideration by internal resources.

No later than two business days after fulfilment (or waiver) of conditions (iv) and (vii) set out under “Conditions Precedent” below and certain secondees selected by the Purchaser having been given access to certain systems of the Vendor Group, US\$720,000 is payable by way of refundable deposit.

Subject to Completion taking place, the Purchaser shall pay the Consideration as follows:

- (i) no later than two business days following Completion date, subject to the Vendors’ delivery of pre-completion accounts, an amount equal to 60% of the estimated Consideration (inclusive of the deposit paid which will be applied in and towards that payment obligation);
- (ii) no later than two business days following the completion accounts being final and binding on the Parties, an amount equal to 80% of the Consideration less the amounts already paid under paragraph (i) above;

- (iii) on the business day following the Purchaser's receipt of a certificate of registration issued by the Hong Kong Trademark Registry in respect of the Jarvix trademark, an amount equal to 10% of the Consideration;
- (iv) on the business day following the Purchaser's written confirmation to ATL of its satisfaction with the transition support services, an amount equal to 10% of the Consideration less the Reserves; and
- (v) within three business days following release of the entire amount of Reserves by AirWallex, an amount equal to the Reserves less the Disbursed Amounts.

Conditions precedent : Completion is subject to and dependent upon the fulfilment of a number of conditions precedent summarised as follows:

- (i) the Purchaser having conducted and being satisfied with the results of, its financial, legal and operational due diligence on the Target Company, the Sale Shares, the Tech and IP Rights and any other matters related to the transactions contemplated under the transaction documents;
- (ii) completion of the migration of the Tech and IP Rights pursuant to an agreed plan;
- (iii) completion of the restructuring of all amounts due to/from the Target Company from/to member of the Vendor Group to the extent that there remains one single amount outstanding between the Target Company and ATL and no other amounts outstanding between the Target Company and any other member of Vendor Group (except for certain trade payables to members of the Vendor Group);
- (iv) no claims were received by Jarvix Pay or the Target Company in relation to the transfer of business up and until 24 December 2022 other than claims that are acceptable to the Purchaser and are taken into account the adjustment of the Consideration;

- (v) no citation or objection being raised by the Hong Kong Trademarks Registry or any third party in respect of the Target Company's application to the Hong Kong Trademarks Registry for registration of the Jarvix trademark within 3 months following such application;
- (vi) legal opinion(s) to be addressed to the Purchaser on due incorporation, due execution and enforceability of the transaction documents by and against each of the parties to the transaction documents (other than the Purchaser) being in a form acceptable to the Purchaser; and
- (vii) the Purchaser receiving evidence that all consents and/or waivers that required from shareholders of AHL Cayman in relation to the transaction contemplated under the SPA and the winding up of Jarvix Pay have been obtained.

Any one of more of the above conditions may be fully or partially waived by the Purchaser.

In respect of the condition referred to in (v) above, an application for registration of the relevant trademarks was made on 7 December 2022.

Completion : Subject to the continuing fulfilment of the above conditions up to Completion (to the extent not wholly or partially waived by the Purchaser, with or without conditions), Completion shall take place on 3 April 2023 or such other date as the Vendors and the Purchaser may agree. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its financial results will be consolidated into that of the Group.

Post Completion obligations : ATL has agreed to provide (at its own cost) continuing transitional operational support for a period of three months from the completion of migration of Tech and IP Rights (which is scheduled to take place on or around 1 March 2023).

The Vendors and the Covenantors have agreed, amongst other things, not to compete with the Target Company and/or the Payment Business and not to solicit its customers, suppliers and personnel/contractors, for a period of 24 months commencing on the Completion date.

Termination : The SPA may be terminated by the Purchaser at any time prior to Completion if any of the following occurs:

- (i) any of the confirmations, undertakings, covenants, representations, warranties and agreement given by any of the Vendors and the Covenantors under the SPA has become untrue, incomplete, inaccurate or misleading or has been breached by any of the Vendors and the Covenantors in any respect;
- (ii) there being any material adverse change to the Target Company (including but not limited to its business, operations, financial performance and position and/or prospects, legal and regulatory compliance, operating conditions and/or prospects) or the Payment Business; or
- (iii) any of the conditions precedent set out above are not fulfilled (to the extent not waived by the Purchaser) or cannot reasonably be expected by the Purchaser to be fulfilled by 31 March 2023.

Upon termination for the above reasons, the Vendors and the Covenantors are required to refund the deposit paid and pay the Purchaser an additional amount equal to the deposit by way of liquidated damages, subject to which all substantive rights and obligations of the Parties shall cease upon termination.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was incorporated in Hong Kong on 20 January 2022. It is principally engaged in operating the Payment Business (using the Tech and IP Rights) which provides merchants with a payment solution that bridges online payment acquirers (that operate payment platforms with a wide range of credit card issuers) and such merchants. It allows the merchants to receive payment for sales from credit card users generally much quicker compared to local bank based credit card clearance services.

The Target Company targets and works with small to medium-sized merchants in Hong Kong. Its customer base currently comprises mainly health and beauty spas and sports and recreation camps. Until 2022, that business was operated by its sister company, Jarvis Pay (incorporated in Hong Kong on 7 November 2018). Jarvis Pay transitioned its active customers to the Target Company during 2022 and has applied in October 2022 for winding up. The Tech and IP Rights for the Target Company's application was developed by and belonged to ATL and was used exclusively by the Target Company.

The unaudited turnover and loss (before and after taxation) of the Target Company from its incorporation to 30 September 2022 was approximately HK\$8,808,000 and HK\$344,600 respectively. During this period aggregate fees of approximately HK\$3,077,000 were payable by the Target Company to ATL (the unpaid portion of which will be included in the ATL Receivables) for the use of the Tech and IP Rights (which form part of the Acquisition), which arrangement will be terminated with effect from Completion. As at 30 September 2022, the Target Company had net deficit of approximately HK\$344,600.

The turnover and net loss (before and after taxation) of Jarvix Pay for the two years ended 31 March 2022 and the 3 months ended 30 June 2022 (being the latest available management accounts) are set out below:

	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2022</b>	<b>For the 3 months ended 30 June 2022</b>
	<i>(HK\$)</i>	<i>(HK\$)</i>	<i>(HK\$)</i>
	(audited)	(audited)	(unaudited)
Turnover	9,220,185	15,319,720	2,060,676
Net loss before and after taxation	(389,773)	(2,185,073)	(277,140)

*Notes:*

1. The fees payable by Jarvix Pay to ATL for the technology support of Jarvix Pay's payment platform for the year ended 31 March 2021, the year ended 31 March 2022 and the 3 months ended 30 June 2022 was approximately HK\$2,853,000, HK\$5,307,000 and HK\$709,000 respectively. The rate by which ATL charges Jarvix Pay and the Target Company is the same.
2. Based on the enquiries of the Company, the Vendor Group decided in early 2022 to focus their resources in developing its e-commerce and logistics technologies platforms, instead of the payment application of Jarvix Pay despite the satisfactory growth of that business.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in (i) the trading of SMT assembly equipment, machinery and spare parts and provision of related installation, training, repair and maintenance services for SMT assembly equipment; (ii) the provision of finance to its customers via a wide array of assets under finance lease arrangements and operating lease arrangements, and trading of lease assets; and (iii) investment holding.

In tandem with managing the continuing impact of the pandemic or post-pandemic policies and geopolitical tensions between different countries on world economy and the markets in which the Group operates and taking into account the fact that the Group's core business relies on continued capital investment by its customers, the Group has pro-actively been exploring investment opportunities. The Acquisition would not only allow the Group to build a business that is consumer spending (as opposed to capital expenditure) driven but would also allow it to use Hong Kong "home grown" businesses and technologies to support the development of the businesses of small business owners or entrepreneurs for whom the Target Company's payment application is readily accessible and considerably more attractive in terms of cashflow management than conventional payment systems.

Although the Target Company is reporting losses and net deficit, the Group has seen material and sustained improvements in transactions volume after the COVID-19 pandemic related restrictions on health and beauty spas and sports service providers were lifted in late April 2022. The Group expects further growth in terms of spending with existing merchants of the Target Company and new merchants in existing and possibly other new sectors in the post pandemic period, new consumer businesses being established as rentals are at a relatively low level which the Group can tap into with focused business development efforts, compared to the costs of and time required for developing a new bespoke application, brand and customer base.

In view of the above and the fact that initial Consideration being in line with independent valuation, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE VENDORS AND THE COVENANTORS**

The Share Vendor is an investment holding vehicle and the holder of the Sale Shares and the 100% holding company of ATL and Jarvix Pay. ATL is the member of the Vendor Group that develops and operates the technology and IT backbone for different business activities of the Vendor Group including the Payment Business and e-commerce and logistics business. AHL Cayman is an investment holding company and the 100% holding company of Share Vendor and ATL. It is owned as to 20.59% by each of Mr. Ho Long Hei and Mr. Lai Ka Wai, being two of the Covenantors and the founders of the Vendor Group. The remaining 58.82% of AHL Cayman is held by a number of investment companies that one primarily focused on the investment in early and growth stage business in the technology, media and telecom sector in Asia. None of these companies individually owns more than 12% of the shares in issue.

To the best of the Directors' knowledge, information and beliefs, and having made all reasonable enquiries, the Covenantors, the Vendors and their ultimate beneficial owners are Independent Third Parties.



## **IMPLICATIONS UNDER THE GEM LISTING RULES**

As one of the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

### **Valuation – profit forecast**

According to the valuation report issued by RSM, an independent valuer, the fair value of the Sale Shares (including the Tech and IP Rights and certain intangible assets of the Target Company), as at 31 October 2022 was approximately HK\$20,610,000. As RSM has adopted the income approach in the valuation report, the valuation constitutes a “profit forecast” under Rule 19.61 of the GEM Listing Rules. Accordingly, the Company makes the following disclosures as required by the GEM Listing Rules.

The principal assumptions, including commercial assumptions adopted by the valuer in the valuation as stated in the valuation report:

### **General Assumptions**

1. There will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business of the Target Company.
2. There will be no significant deviation in the industry trend and market condition of the sector relevant to the Target Company from the current market expectation.
3. There will be no material change in interest rates or foreign currency exchange rates from those currently prevailing.
4. There will be no major change in the current taxation law in Hong Kong and the countries of origin of our comparable companies.
5. All relevant legal approvals, business certificates or licenses for the normal course of operation are formally obtained, in good standing and that no additional costs or fees are needed to procure such during the application.
6. The Target Company will retain competent management, key personnel and technical staff to support the on-going business operations.

## Special Assumptions

1. The assignment of the technology know-how for the Jarvis App to the Target Company by ATL, its fellow subsidiary, had taken place on or before the valuation date.
2. The technology know-how which was developed by ATL, has been used exclusively by the Target Company and is to be assigned to the Target Company on completion of purchase of 100% equity interest in the Target Company by the Purchaser.

AOGB CPA Limited (“**AOGB**”), the reporting accountants of the Company, has examined the arithmetical accuracy of the discounted future estimated cash flows on which the valuation report is based. Yu Ming Investment Management Limited (“**Yu Ming**”), the financial advisor of the Company, has reviewed the principal assumptions upon which the discounted future estimated cash flows is based and is of the view that the profit forecast has been made after due and careful enquiry. Letters from AOGB and Yu Ming are included as the appendices I and II to this announcement.

The following are the qualifications of the experts who have given their opinion and advice included in this announcement.

<b>Name</b>	<b>Qualification</b>
Yu Ming	A corporation licensed under the SFO to carry out regulated activities of type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management)
RSM	Independent professional valuer
AOGB	Certified Public Accountants

As at the date of this announcement, each of the Yu Ming, RSM and AOGB,

- (a) does not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person to subscribe for securities in any member of the Group; and
- (b) has given and has not withdrawn its consent to the publication of this announcement with inclusion of its report and all reference to its name in the form and context in which it appears.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Acquisition”	acquisition of the Sale Shares, the Tech and IP Rights and the ATL Receivables pursuant to the terms and conditions of the SPA
“AHL Cayman”	Aigniter Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“AirWallex”	means AirWallex (Hong Kong) Limited or its associate
“ATL”	Aigniter Technologies Limited, a company incorporated in Hong Kong with limited liability
“ATL Receivables”	the amount due to ATL from the Target Company as at the Completion date
“Board”	the board of Directors of the Company
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued shares are listed on GEM (stock code: 8080)
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the SPA
“Consideration”	consideration for the Acquisition of which initial amount is US\$2,400,000 (approximately HK\$18,840,000)
“Covenantors”	AHL Cayman, Mr. Ho Long Hei and Mr. Lai Ka Wai
“Deed of Covenant”	means the deed of covenant dated 21 December 2022 entered into between Jarvis Pay, the Target Company, the Vendors, AHL Cayman and the Purchaser
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules)
“Jarvix App”	means the credit card and mobile payment application under the “Jarvix” brand
“Jarvix Pay”	Beta Delta Technologies Limited (formerly known as Jarvix Pay Limited), a company incorporated in Hong Kong with limited liability
“Parties”	all of the parties to the SPA
“Payment Business”	the business of operating a credit card and mobile payment application and the sale of receipt printers and thermal paper to merchants that use the application
“Purchaser”	New Creation Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Reserves”	certain amounts placed and held on the Target Company and the merchants pursuant to the terms and conditions of master agreement between the Target Company and AirWallex as at Completion date
“SPA”	the sale and purchase agreement dated 21 December 2022 entered into between the Purchaser, the Vendors and the Covenantors in relation to the Acquisition
“Sale Shares”	the entire issued share capital of the Target Company
“Share Vendor”	Aigniter Holdings Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of AHL Cayman
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jarvix (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability

“Tech and IP Rights”	all rights, title and interest, including copyright in and to all graphic, artistic and other creative works in and associated with all software, technology and/or social media presence used in connection with the Payment Business
“US\$”	US dollars, the lawful currency of the United States of America
“Vendors”	the Share Vendor and ATL
“Vendor Group”	the Covenantors, the Vendors and their associates (as defined in the SPA)
“%”	per cent

*Notes:*

1. *For the purpose of this announcement and for illustrative purpose only, US\$ is converted into HK\$ at the rate of US\$1:HK\$7.85. No representation is made that any amounts in HK\$ has been or could be converted at the above rates or at any other rates.*
2. *Certain figures set out in this announcement have been subject to rounding adjustments to the nearest thousand.*

On behalf of the Board  
**NORTH ASIA STRATEGIC HOLDINGS LIMITED**  
**Zhang Yifan**  
*Chairlady and Executive Director*

Hong Kong, 21 December 2022

*As at the date of this announcement, the Board comprises Ms. Zhang Yifan (Chairlady and Executive Director), Mr. Pierre Tsui Kwong Ming and Mr. Kenneth Kon Hiu King (being Executive Directors); Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing (being Independent Non-executive Directors).*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in the 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Listed Company Information” 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).*

## APPENDIX I – LETTER FROM AOGB

*The following is the text of a letter from AOGB prepared for the purpose of incorporation in this announcement.*

21 December 2022

The Board of Directors  
North Asia Strategic Holdings Limited  
Suite 1618, 16th Floor,  
Jardine House,  
1 Connaught Place,  
Central, Hong Kong

Dear Sirs,

### **INDEPENDENT ASSURANCE REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS USED IN CONNECTION WITH VALUATION OF JARVIX (HONG KONG) LIMITED AS AT 31 OCTOBER 2022**

#### **TO THE BOARD OF DIRECTORS OF NORTH ASIA STRATEGIC HOLDINGS LIMITED**

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by RSM Consulting (Hong Kong) Limited dated 21 December 2022 of Jarvix (Hong Kong) Limited (the “**Target Company**”) as at 31 October 2022 (the “**Valuation**”) is based. The Valuation, based on the discounted future estimated cash flows, is regarded as a profit forecast under paragraph 19.61 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and will be included in a discloseable transaction announcement to be issued by North Asia Strategic Holdings Limited (the “**Company**”) dated 21 December 2022 (the “**Discloseable Transaction Announcement**”).

#### **Directors’ Responsibilities for the Discounted Estimated Future Cash Flows**

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors as set out in *Valuation – profit forecast* of the Discloseable Transaction Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (“HKSQM”) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Reporting Accountant’s Responsibilities**

Our responsibility is to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by paragraph 19.62(2) of the GEM Listing Rules, and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work. We are not reporting on the appropriateness and validity of the Assumptions on which the Valuation is based and our work does not constitute any valuation of the Target Company.

We conducted our work in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimate cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. We reviewed the arithmetical calculations and the compilation of the discounted future estimated cash flows in accordance with the Assumptions.

Because the Valuation relates to the discounted estimated future cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from those used in the Valuation and the variation may be material. Accordingly we have not reviewed, considered or conducted any work on the completeness, reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

## **Opinion**

In our opinion, based on the foregoing, the discounted future estimated cash flows, so far as the calculations are concerned, has been properly compiled, in all material respects, in accordance with the Assumptions made by the directors of the Company.

## **Other Matters**

Without modifying our opinion, we draw your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of Jarvix (Hong Kong) Limited or an expression of an audit or review opinion on the Valuation.

The preparation of the discounted future estimated cash flows on which the Valuation is based does not involve the adoption of accounting policies. The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Our work has been undertaken for the purpose of reporting solely to you under paragraph 19.62(2) of the GEM Listing Rules and for no other purpose. We accept no responsibility to any other party in respect of, arising out of or in connection with our work.

Yours faithfully,

**AOGB CPA Limited**

*Certified Public Accountants*

Hong Kong



## APPENDIX II – LETTER FROM YU MING

*The following is the text of a letter from Yu Ming prepared for the purpose of incorporation in this announcement.*



YU MING INVESTMENT MANAGEMENT LIMITED  
禹銘投資管理有限公司

21 December 2022

The Board of Directors  
North Asia Strategic Holdings Limited  
Suite 1618, 16th Floor  
Jardine House, 1 Connaught Place  
Central, Hong Kong

Dear Sirs,

We refer to the report of business valuation (the “**Valuation**”) prepared by RSM Consulting (Hong Kong) Limited (the “**Valuer**”) in relation to the appraisal of the Valuation of Jarvix (Hong Kong) Limited (the “**Target Company**”) as at 31 October 2022. The Valuation is prepared based on the discounted future cash flows and is regarded as a profit forecast (the “**Forecast**”) under Rule 19.61 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

We have reviewed the Forecast upon which the Valuation has been made for which you as the director of the Company (the “**Directors**”) are responsible and discussed with you and the Valuer, the information and documents provided by you which formed part of the bases and assumptions upon which the Forecast has been prepared. We have also considered the letter from AOGB CPA Limited (“**AOGB**”) dated 21 December 2022 addressed to you as set out in Appendix I to the announcement of the Company dated 21 December 2022 regarding the calculations upon which the Forecast has been made. We noted in the opinion of AOGB that the discounted future cash flows, so far as the calculations are concerned, have been properly compiled in all material respects in accordance with the bases and assumptions as cited in the Valuation report and adopted by the Directors. The Forecast is based on a number of bases and assumptions pertaining to the businesses of the Target Company. As the relevant bases and assumptions are about future events which may or may not occur, the actual financial performance of the businesses of the Target Company may or may not achieve as expected and the variation may be material.

On the basis of the foregoing and in the absence of unforeseeable circumstances, the bases and assumptions made by the Directors and the arithmetical accuracy of the calculations reviewed by AOGB, we are of the opinion that the Forecast, for which the Directors are solely responsible, has been prepared after due and careful enquiry.

Our opinion has been given for the sole purpose of compliance with Rule 19.62(3) of the GEM Listing Rules and for no other purpose.

Yours faithfully,

For and on behalf of

**Yu Ming Investment Management Limited**

**Warren Lee**

*Managing Director*