
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Forms of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in North Asia Strategic Holdings Limited, you should at once hand this Composite Document and the accompanying Forms of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Forms of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Forms of Acceptance.

This Composite Document should be read in conjunction with the accompanying Forms of Acceptance, the contents of which form part of the terms and conditions of the Offers.

SKY VIRTUE HOLDINGS LIMITED

(Incorporated in the British Virgin Islands

with limited liability)

North Asia Strategic Holdings Limited

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

**COMPOSITE DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF SKY VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
NORTH ASIA STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY SKY VIRTUE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS**

Financial adviser to the Offeror



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

Independent financial adviser to the Independent Board Committee



Gram Capital Limited
嘉林資本有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in this Composite Document.

A letter from Yu Ming containing, among other things, the details of the terms and conditions of the Offers are set out on pages 8 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offers to the Independent Shareholders and Independent Optionholders is set out on pages 24 to 26 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 27 to 42 of this Composite Document.

The procedures for acceptance and settlement of the Share Offer are set out on pages 43 to 47 in Appendix I to this Composite Document and in the accompanying Form(s) of Share Offer Acceptance. Acceptances of the Share Offer must be received by the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by no later than 4:00 p.m. on Friday, 23 August 2024, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

The procedures for acceptance and settlement of the Option Offer are set out on pages 43 to 47 in Appendix I to this Composite Document and in the accompanying Form(s) of Option Offer Acceptance. Acceptances of the Option Offer must be received by the company secretary of the Company, at Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong by no later than 4:00 p.m. on Friday, 23 August 2024, or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the section headed "Overseas Shareholders and Overseas Optionholders" in the "Letter from Yu Ming" and Appendix I to this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders and Overseas Optionholders wishing to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirement and the payment of any transfer or other taxes due in respect of such jurisdictions. Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers.

2 August 2024

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company.

2024

Despatch date of this Composite Document and the Forms of Acceptance and commencement date of the Offers (<i>Note 1</i>)	Friday, 2 August
Offers open for acceptance (<i>Notes 1 and 4</i>)	Friday, 2 August
Latest time and date for acceptance of the Offers (<i>Notes 3 and 4</i>)	4:00 p.m. on Friday, 23 August
Closing Date (<i>Notes 3 and 4</i>)	Friday, 23 August
Announcement of the results of the Offers (or their extension or revision, if any) to be posted on the website of the Stock Exchange (<i>Note 3</i>)	no later than 7:00 p.m. on Friday, 23 August
Latest date for posting of remittances in respect of valid acceptances received under the Offers (<i>Note 5</i>)	Tuesday, 3 September

Notes:

- 1. The Offers, which are unconditional in all respects, are made on the date of posting of this Composite Document, and are capable of acceptance on and from Friday, 2 August 2024, being the date of posting of this Composite Document, until 4:00 p.m. on the Closing Date, unless the Offeror decides to revise or extend the Offers in accordance with the Takeovers Code.*
- 2. Beneficial owners of Share(s) who hold their Share(s) in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (set out in Appendix I) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.*
- 3. In accordance with the Takeovers Code, the Offers must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance will be 4:00 p.m. on Friday, 23 August 2024 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on Friday, 23 August 2024 stating the results of the Offers and whether the Offers have been extended, revised or have expired. In the event that the Offeror decides to extend the Offers, an announcement of such extension will be published which will state either the next closing date of the Offers or that the Offers will remain open until further notice. In the latter case, at least 14 days' notice by way of an announcement will be given before the Offers are closed to those Independent Shareholders and Independent Optionholders who have not accepted the Offers.*
- 4. Acceptance of the Offers shall be irrevocable and is not capable of being withdrawn, except in the circumstances as set out in the paragraph headed "Right of withdrawal" in Appendix I to this Composite Document.*
- 5. Payment in cash in respect of the acceptances of the Offers (after deducting the accepting Independent Shareholders' share of stamp duty in the case of the Share Offer), will be despatched to the accepting Independent Shareholders and Independent Optionholders at his/her/its own risk as soon as possible but in any event, no later than seven (7) Business*

EXPECTED TIMETABLE

Days after the date on which the duly completed Forms of Acceptance and the relevant documents of title of the Shares and Share Options in respect of such acceptance are received by or for the Offeror to render each such acceptance of the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

6. *If there is a tropical cyclone warning signal number 8 or above, or “extreme conditions” or a “black rainstorm warning”, (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest time and date for acceptance of the Offers or the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers or the posting of remittances, as the case may be, will remain at 4:00 p.m. on the same Business Day; or (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers or the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time and date for acceptance of the Offers or the posting of remittances, as the case may be, will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time after 12:00 noon.*

All references to date and time contained in this Composite Document and the Forms of Acceptance refer to Hong Kong dates and time.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Closing Date”	Friday, 23 August 2024, being the closing date of the Offers, which is 21 days after the date of this Composite Document, or if the Offers are extended, any subsequent closing date of the Offers as may be determined by the Offeror and jointly announced by the Offeror and the Company with the approval of the Executive in accordance with the Takeovers Code
“Company”	North Asia Strategic Holdings Limited (Stock Code: 8080), a company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement, which took place on 28 June 2024
“Composite Document”	this composite offer and response document issued jointly by the Offeror and the Company to all the Independent Shareholders and Independent Optionholders in accordance with the Takeovers Code containing, amongst other things, the detailed terms of the Offers
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	HK\$31,815,652.00 for the purchase and sale of the Sale Shares
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect

DEFINITIONS

“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate
“Facility”	the standby loan facility in the amount of up to HK\$3,500,000 provided by Yu Ming to the Offeror for the sole purpose of settlement of the Share Offer pursuant to the Facility Letter
“Facility Letter”	the standby loan facility letter dated 28 June 2024 in respect of the Facility
“Forms of Acceptance”	collectively, the Forms of Option Offer Acceptance and the Forms of Share Offer Acceptance
“Form(s) of Option Offer Acceptance”	PINK form(s) of acceptance and cancellation of the Share Options in respect of the Option Offer accompanying this Composite Document
“Form(s) of Share Offer Acceptance”	WHITE form(s) of acceptance and transfer of the Shares in respect of the Share Offer accompanying this Composite Document
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising the non-executive Director, namely Mr. Pierre Tsui Kwong Ming, and the independent non-executive Directors, namely Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing, established for the purpose of advising the Independent Shareholders and the Independent Optionholders in respect of the Offers and in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers

DEFINITIONS

“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a corporation licensed under the SFO to carry out Type 6 (advising on corporate finance) regulated activity, being the independent financial adviser appointed by the Company and approved by the Independent Board Committee to advise the Independent Board Committee in respect of the Offers and in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers
“Independent Optionholders”	the Optionholders other than Ms. Zhang and Ms. Lu
“Independent Shareholders”	the Shareholders other than the Offeror and parties acting in concert with it
“Irrevocable Undertaking”	the irrevocable undertaking dated 28 June 2024 given by Ms. Lu in favor of the Offeror, further details of which are set out in the section headed “The Irrevocable Undertaking” in the “Letter from Yu Ming”
“Joint Announcement”	the announcement jointly issued by the Offeror and the Company dated 12 July 2024, in relation to, among other things, the Offers
“Last Trading Day”	28 June 2024, being the last trading day of the Shares on the Stock Exchange before the publication of the Joint Announcement
“Latest Practicable Date”	30 July 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Ms. Lu”	Ms. Lu Ying, the ultimate beneficial owner of the Vendor
“Ms. Zhang”	Ms. Zhang Yifan, the ultimate beneficial owner of the Offeror and the chairlady and an executive director of the Company
“Offers”	the Share Offer and the Option Offer
“Offer Period”	the period commencing from 12 July 2024, being the date of the Joint Announcement and ending on the date of the close of the Offers
“Offer Share(s)”	all of the Share(s) in issue, other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it
“Offeror”	Sky Virtue Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Ms. Zhang

DEFINITIONS

“Option Offer”	the unconditional mandatory cash offer made by Yu Ming for and on behalf of the Offeror to cancel all the outstanding Share Options in accordance with the terms and conditions set out in this Composite Document in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer is made, being HK\$0.0001 per Share Option
“Optionholder(s)”	holder(s) of the Share Option(s)
“Overseas Optionholder(s)”	Optionholder(s) whose address(es), as shown on the register of Optionholders of the Company, is/are outside Hong Kong
“Overseas Shareholder(s)”	Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Relevant Period”	the period commencing on 12 January 2024, being the date of falling six months before commencement of the Offer Period, up to and including the Latest Practicable Date
“Remuneration Committee”	the remuneration committee of the Board
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 June 2024 entered into between the Vendor and the Offeror for the sale and purchase of the Sale Shares
“Sale Shares”	127,262,607 Shares sold by the Vendor to the Offeror pursuant to the Sale and Purchase Agreement, and each a “Sale Share”
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SG\$”	the lawful currency of Singapore
“Share(s)”	ordinary share(s) of the Company of HK\$0.10 each

DEFINITIONS

“Share Offer”	the unconditional mandatory cash offer made by Yu Ming on behalf of the Offeror to acquire all the Offer Shares
“Share Offer price”	the price at which the Share Offer is made, being HK\$0.25 per Offer Share
“Shareholder(s)”	holder(s) of the Shares from time to time
“Share Option(s)”	the option(s) each carrying rights to subscribe for one new Share
“Share Option Schemes”	the share option schemes of the Company adopted on 4 September 2014 and 7 September 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“US\$”	the lawful currency of the United States of America
“Vendor”	Sincere Ardent Limited, a company incorporated in the British Virgin Islands with limited liability, and wholly owned by Ms. Lu
“voting right(s)”	has the meaning ascribed to it under the Takeovers Code
“Yu Ming”	Yu Ming Investment Management Limited, 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), being the financial adviser to the Offeror in respect of the Offers
“%”	per cent.

LETTER FROM YU MING



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

2 August 2024

To the Independent Shareholders and Independent Optionholders,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF SKY VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
NORTH ASIA STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY SKY VIRTUE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS**

INTRODUCTION

The Sale and Purchase Agreement

On 12 July 2024, the Company and the Offeror jointly announced that after trading hours on 28 June 2024, the Offeror and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Offeror agreed to acquire, the Sale Shares, being 127,262,607 Shares, for a total Consideration of HK\$31,815,652.00, equivalent to HK\$0.25 per Sale Share. The Sale Shares represented approximately 28.00% of the Shares in issue as at the Latest Practicable Date. Completion took place on 28 June 2024.

Immediately prior to Completion, save for the 104,540,000 Shares (representing approximately 23.00% of the voting rights of the Company at that time) directly held by the Offeror, the Offeror and parties acting in concert with it (excluding the Vendor who at that time held more than 20% voting rights of the Company and therefore was presumed to be acting in concert with the Offeror under the Takeovers Code) did not hold any Shares or voting rights of the Company. Immediately following Completion, the Offeror and parties acting in concert with it became interested in 231,802,607 Shares, representing approximately 51.00% of the voting rights of the Company. Accordingly, the Offeror was required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Offer Shares. The Offeror was also required to make the Option Offer to cancel all the outstanding Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code. As at the Latest Practicable Date, the Offeror and parties acting in concert with it were interested in 231,802,607 Shares, representing approximately 51.00% of the voting rights of the Company as at the Latest Practicable Date.

LETTER FROM YU MING

The Irrevocable Undertaking

Immediately following Completion and as at the Latest Practicable Date, the Vendor held 51,752,205 Shares, representing approximately 11.4% of the Shares in issue as at the Latest Practicable Date.

On 28 June 2024, the Offeror received the Irrevocable Undertaking from Ms. Lu, who is the sole shareholder of the Vendor, pursuant to which, Ms. Lu has unconditionally and irrevocably undertaken to the Offeror that she (i) will not accept the Option Offer, exercise any of the Share Options held by her or in any way deal with such Share Options; and (ii) will procure the Vendor to, inter alia, (a) not accept the Share Offer or sell any of the Shares held by the Vendor during the Offer Period; (b) not take any action to make the Shares held by it from time to time during the Offer Period available for acceptance under the Share Offer and shall hold such Shares until the close of the Offers; and (c) not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by it before the close of the Offers. The Irrevocable Undertaking will cease upon the close of the Offers.

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offers, the information of the Offeror and its intentions in relation to the Company. Further details of the terms of the Offers and the procedures of acceptance of the Offers are also set out in Appendix I to this Composite Document and in the accompanying Forms of Acceptance.

THE OFFERS

The Share Offer

Yu Ming, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For each Offer Share HK\$0.25 in cash

The Share Offer Price of HK\$0.25 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror to the Vendor under the Sale and Purchase Agreement.

The Option Offer

As the exercise prices of the outstanding Share Options are all above the Share Offer Price, the outstanding Share Options are out of the money. Yu Ming, for and on behalf of the Offeror, is making the Option Offer to the Independent Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options in exchange for cash on the following basis:

Exercise price of Share Options	Number of outstanding Share Options	Option Offer Price per Share Option
HK\$0.325	3,268,000	HK\$0.0001
HK\$0.339	9,860,000	HK\$0.0001
HK\$0.700	11,524,000	HK\$0.0001
HK\$1.137	7,404,388	HK\$0.0001

LETTER FROM YU MING

As at the Latest Practicable Date, there were a total of 32,056,388 outstanding Share Options, carrying rights to subscribe for 32,056,388 new Shares, out of which 8,279,817 Share Options were held by Ms. Zhang and 699,016 Share Options were held by Ms. Lu.

If any Share Option is exercised by the Independent Optionholders in accordance with the terms of the relevant Share Option Schemes prior to the close of the Share Offer, any Shares issued as a result of such exercise will be subject to the Share Offer.

As at the Latest Practicable Date, the Company had 454,509,311 Shares in issue. Except for the Share Options, the Company did not have in issue any other outstanding Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

The Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Share Options to be cancelled.

Comparison of value

The Share Offer Price of HK\$0.25 per Share represents:

- (i) a premium of approximately 25.63% over the closing price of HK\$0.199 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 25.63% over the average closing price of HK\$0.199 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 25.00% over the average closing price of approximately HK\$0.20 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 10.13% over the average closing price of approximately HK\$0.227 per Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.81% over the closing price of HK\$0.248 per Share on the Latest Practicable Date; and
- (vi) a discount of approximately 91.72% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$3.02 per Share as at 31 March 2024 calculated based on the information as set out in the Company's annual report for the year ended 31 March 2024 published on 25 July 2024.

LETTER FROM YU MING

Offer consideration

Assuming the Offers are accepted in full on the basis that (i) none of the Share Options are exercised prior to the close of the Offers; and (ii) there is no change in the number of issued Shares up to the close of the Offers, a total of 170,954,499 issued Shares (excluding the 231,802,607 Shares held by the Offeror and the 51,752,205 Shares held by the Vendor which are the subject of the Irrevocable Undertaking) will be subject to the Share Offer and a total of 23,077,555 outstanding Share Options held by the Independent Optionholders (excluding 8,279,817 Share Options held by Ms. Zhang and 699,016 Share Options held by Ms. Lu which are the subject of the Irrevocable Undertaking) will be subject to the Option Offer. The maximum cash consideration payable by the Offeror under the Share Offer and Option Offer would be approximately HK\$42,738,625 and HK\$2,308, respectively.

Assuming the Offers are accepted in full on the basis that (i) all of the 23,077,555 Share Options (excluding 8,279,817 Share Options held by Ms. Zhang and 699,016 Share Options held by Ms. Lu which are the subject of the Irrevocable Undertaking) subject to the Option Offer are exercised in full by the Independent Optionholders prior to the close of the Offers; and (ii) there is no other change in the number of issued Shares up to the close of the Offers, a total of 194,032,054 Shares (representing 170,954,499 Shares not already held or to be acquired by the Offeror and parties acting in concert with it and the Vendor, and 23,077,555 new Shares to be issued pursuant to the exercise of the Share Options in full by the Independent Optionholders) will be subject to the Share Offer. The maximum cash consideration payable by the Offeror under the Offers would amount to approximately HK\$48,508,014.

Confirmation of financial resources

The Offeror intends to finance the Offers by way of its internal resources and the Facility. Yu Ming has been appointed as the financial adviser to the Offeror in respect of the Offers and is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

Effect of accepting the Offers

By validly accepting the Share Offer, the Independent Shareholders will be selling their tendered Shares to the Offeror free from all Encumbrances and together with all rights attaching to them, including the rights to receive in full all dividends and other distributions, if any, declared, made or paid by reference to a record date on or after the date on which the Share Offer is made, being the despatch date of this Composite Document. As at the Latest Practicable Date, the Company had not declared any dividends which have not been distributed and the Company had no plan to declare, recommend, or pay any dividends or make any other distributions before the close of the Offers.

By accepting the Option Offer, the Independent Optionholders will agree to the cancellation of those outstanding Share Options, together with all rights attaching thereto with effect from the date on which the Option Offer is made, being the despatch date of this Composite Document.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

LETTER FROM YU MING

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all the Independent Shareholders and Independent Optionholders, including the Overseas Shareholders and Overseas Optionholders. However, the Offers are in respect of securities of a company incorporated in Bermuda and are subject to the procedural and disclosure requirements of Hong Kong which may be different from other jurisdictions.

Overseas Shareholders and Overseas Optionholders who wish to participate in the Offers are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offers. Overseas Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders and Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance by Independent Shareholders or Independent Optionholders and beneficial owners of the Shares or Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with. Independent Shareholders and Independent Optionholders should consult their respective professional advisers if in doubt. Independent Shareholders or Independent Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

Hong Kong Stamp Duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.10% of the consideration payable in respect of the relevant acceptance by the Independent Shareholders or if higher, the market value of the Shares, will be deducted from the cash amount payable by the Offeror to such Shareholders who accept the Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong stamp duty on behalf of the relevant Independent Shareholders accepting the Share Offer and pay the buyer's Hong Kong stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

Taxation advice

Independent Shareholders and Independent Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. The Offeror accepts no responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

LETTER FROM YU MING

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Zhang, who is also the sole director of the Offeror.

Ms. Zhang, aged 43, joined the Company in November 2014 as an executive Director. She was further appointed as the Chairlady of the Company on 23 June 2016. Ms. Zhang has completed a diploma in International Business from Shanghai Ocean University. She is also the chairlady of nomination committee and a member of remuneration committee of the Company.

Intentions of the Offeror in relation to the Group

The Offeror intends to continue the existing businesses of the Group and has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business.

The Offeror does not intend to nominate any new Directors to the Board after the close of the Offers and has no plan to terminate the employment of any other employees or other personnel of the Group.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it have no intention to enter into, nor have they entered into, any negotiation, arrangements or agreements concerning the injection or disposal of any businesses or assets of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

MAINTAINING THE LISTING STATUS OF THE COMPANY AND SUFFICIENT PUBLIC FLOAT

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued Shares will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares until the prescribed level of public float is restored.

LETTER FROM YU MING

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM of the Stock Exchange. The Group is principally engaged in (i) sales and distribution of hi-tech products, as well as the provision of related services; (ii) provision of finance through finance and operating lease arrangements and trading of lease assets (iii) provision of electronic payment solutions, and (iv) property and investment holding.

Your attention is drawn to the details of the information of the Group as set out under the section headed “Information on the Group” in the “Letter from the Board” and in Appendices II and IV to this Composite Document.

ACCEPTANCES OF THE OFFERS

Procedures for acceptance

To accept the Offers, the Independent Shareholders and/or Independent Optionholders should complete and sign the accompanying Forms of Acceptance (as applicable) in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offers.

In respect of the Share Offer, the duly completed and signed Form of Share Offer Acceptance, should be sent, together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, marked “**North Asia Strategic Holdings Limited – Share Offer**” on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

In respect of the Option Offer, the duly completed and signed Form of Option Offer Acceptance, should be sent, together with the relevant certificate(s) of Share Options or other documents (if any) evidencing the grant of the Share Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) to the company secretary of the Company at Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

No acknowledgment of receipt of any Forms of Acceptance, share certificate (s) and/or transfer receipt(s), certificate(s) of Share Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

Your attention is drawn to the paragraph headed “Procedures for acceptance” as set out on pages 43 to 46 in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

LETTER FROM YU MING

Settlement of the Offers

Payment in cash in respect of the acceptances of Offers (after deducting the accepting Independent Shareholders' share of stamp duty in the case of the Share Offer), will be despatched to the accepting Independent Shareholders and Independent Optionholder by ordinary post at his/her/its own risk as soon as possible but in any event, no later than seven (7) Business Days following the date on which the duly completed Forms of Acceptance and the relevant documents of title of the Shares and Share Options in respect of such acceptance are received by or for the Offeror to render each such acceptance of the Offers complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration will be rounded up to the nearest cent.

Nominee registration

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owners separately. In order for beneficial owners of Offer Shares, whose investments are registered in the names of nominees, to accept the Share Offer, it is essential that they provide instructions of their intentions with regard to the Share Offer to their nominees.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of the Shares after the close of the Offers.

GENERAL

All documents and remittances will be sent to the Independent Shareholders and Independent Optionholders by ordinary post at their own risk. Documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members, and in the case of joint holders, to the person whose name appear first in the said register of members, unless otherwise specified in the accompanying Form of Share Offer Acceptance duly completed, returned and received by the Registrar before the latest time for acceptance of the Share Offer. Documents and remittances will be sent to the Independent Optionholders at their respective addresses as they appear in the register of Optionholders maintained by the Company, unless otherwise specified in the accompanying Form of Option Offer Acceptance duly completed, returned and received by the Company Secretary of the Company before the latest time for acceptance of the Option Offer. None of the Offeror and parties acting in concert with it, the Company, Yu Ming, the Independence Financial Adviser, the Registrar or any of their ultimate beneficial owners, respective directors, officers, associates, agents or any other person involved in the Offers will be responsible for any loss or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

LETTER FROM YU MING

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers set out in the appendices to this Composite Document and the accompanying Forms of Acceptance, which form part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the letter of recommendation from the Independent Board Committee to the Independent Shareholders and Independent Optionholders as set out in the “Letter from the Independent Board Committee” and the letter of advice by the Independent Financial Adviser to the Independent Board Committee as set out in the “Letter from the Independent Financial Adviser” contained in this Composite Document.

Yours faithfully,
For and on behalf of
Yu Ming Investment Management Limited
Warren Lee
Managing Director

LETTER FROM THE BOARD

North Asia Strategic Holdings Limited

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

Board of Directors

Executive Directors

Ms. Zhang Yifan (*Chairlady*)

Mr. Kenneth Kon Hiu King

Non-executive Director

Mr. Pierre Tsui Kwong Ming

Independent Non-executive Directors

Mr. Joseph Liang Hsien Tse

Mr. Joseph Chan Nap Kee

Dr. Cai Qing

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business

Suite 1618, 16/F

Jardine House

1 Connaught Place, Central

Hong Kong

2 August 2024

To the Independent Shareholders and Independent Optionholders,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF SKY VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
NORTH ASIA STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY SKY VIRTUE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS**

INTRODUCTION

The Sale and Purchase Agreement

On 12 July 2024, the Company and the Offeror jointly announced that the Company was informed by the Offeror that after trading hours on 28 June 2024, the Offeror and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Offeror agreed to acquire, the

** for identification purpose only*

LETTER FROM THE BOARD

Sale Shares, being 127,262,607 Shares, for a total Consideration of HK\$31,815,652.00, equivalent to HK\$0.25 per Sale Share. The Sale Shares represented approximately 28.00% of the Shares in issue as at the Latest Practicable Date. The Company was informed that Completion took place on 28 June 2024.

The Offeror has confirmed that immediately prior to Completion, save for the 104,540,000 Shares (representing approximately 23.00% of the voting rights of the Company at that time) directly held by the Offeror, the Offeror and parties acting in concert with it (excluding the Vendor who at that time held more than 20% voting rights of the Company and therefore was presumed to be acting in concert with the Offeror under the Takeovers Code) did not hold any Shares or voting rights of the Company. The Offeror has further confirmed that immediately following Completion, the Offeror and parties acting in concert with it became interested in 231,802,607 Shares, representing approximately 51.00% of the voting rights of the Company. Accordingly, the Offeror was required to make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Offer Shares. The Offeror was also required to make the Option Offer to cancel all the outstanding Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

The Irrevocable Undertaking

The Company was informed that immediately following Completion and as at the Latest Practicable Date, the Vendor held 51,752,205 Shares, representing approximately 11.4% of the Shares in issue as at the Latest Practicable Date.

The Offeror also confirmed to the Company that on 28 June 2024, the Offeror received the Irrevocable Undertaking from Ms. Lu, who is the sole shareholder of the Vendor, pursuant to which, Ms. Lu has unconditionally and irrevocably undertaken to the Offeror that she (i) will not accept the Option Offer, exercise any of the Share Options held by her or in any way deal with such Share Options; and (ii) will procure the Vendor to, inter alia, (a) not accept the Share Offer or sell any of the Shares held by the Vendor during the Offer Period; (b) not take any action to make the Shares held by it from time to time during the Offer Period available for acceptance of the Share Offer and shall hold such Shares until the close of the Offers; and (c) not sell, transfer, dispose of or create or agree to create any encumbrance of or otherwise create any interests on the Shares held by it before the close of the Offers. The Company was informed that Irrevocable Undertaking will cease upon the close of the Offers.

This letter forms part of the Composite Document and sets out, among other things, details of the Offers, information on the Offeror, and the Offeror's intentions in relation to the Company. Further details on the terms and the procedures for acceptance of the Offers are set out in Appendix I to the Composite Document and the accompanying Forms of Acceptance.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising the non-executive Director, namely Mr. Pierre Tsui Kwong Ming, and the independent non-executive Directors, namely Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing, has been established to advise the Independent Shareholders and Independent Optionholders in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code, in particular as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

LETTER FROM THE BOARD

Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, in particular as to whether the Offers are fair and reasonable so far as the Independent Shareholders and the Independent Optionholders are concerned and as to the acceptance of the Offers. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

THE OFFERS

The Share Offer

As stated in the Letter from Yu Ming, Yu Ming, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For each Offer Share HK\$0.25 in cash

The Share Offer Price of HK\$0.25 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror to the Vendor under the Sale and Purchase Agreement.

The Option Offer

As the exercise prices of the outstanding Share Options are all above the Share Offer Price, the outstanding Share Options are out of the money. As further stated in the Letter from Yu Ming, Yu Ming, for and on behalf of the Offeror, is making the Option Offer to the Independent Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options in exchange for cash on the following basis:

Exercise price of Share Options	Number of outstanding Share Options	Option Offer Price per Share Option
HK\$0.325	3,268,000	HK\$0.0001
HK\$0.339	9,860,000	HK\$0.0001
HK\$0.700	11,524,000	HK\$0.0001
HK\$1.137	7,404,388	HK\$0.0001

As at the Latest Practicable Date, there were a total of 32,056,388 outstanding Share Options, carrying rights to subscribe for 32,056,388 new Shares, out of which 8,279,817 Share Options were held by Ms. Zhang and 699,016 Share Options were held by Ms. Lu.

If any Share Option is exercised by the Independent Optionholders in accordance with the terms of the relevant Share Option Schemes prior to the close of the Share Offer, any Shares issued as a result of such exercise will be subject to the Share Offer. Any Share Option not exercised on or before the Closing Date will automatically lapse under the terms of the relevant Share Option Schemes.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had 454,509,311 Shares in issue. Except for the Share Options, the Company did not have in issue any other outstanding Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

As stated in the Letter from Yu Ming, the Offers are unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number of Offer Shares and in respect of a minimum number of Share Options to be cancelled.

Further details of the Offers

Further details regarding the Offers, including the terms and procedures for acceptance of the Offers are set out in the “Letter from Yu Ming” and Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM of the Stock Exchange since 20 April 2000. The Group is principally engaged in (i) sales and distribution of hi-tech products, as well as the provision of related services; (ii) provision of finance through finance and operating lease arrangements and trading of lease assets (iii) provision of electronic payment solutions, and (iv) property and investment holding.

Set out below is the summary of financial information of the Group for the two years ended 31 March 2023 and 2024 as extracted from the annual report of the Company for the year ended 31 March 2024:

	For the year ended 31 March	
	2023	2024
	HK\$'000	HK\$'000
	(audited)	(audited)
Revenue	2,266,642	1,305,420
Profit/(loss) before income tax	4,551	(44,790)
Income tax expense	(3,463)	(3,945)
Net profit/(loss)	<u>1,088</u>	<u>(48,735)</u>
	As at 31 March	
	2023	2024
	HK\$'000	HK\$'000
Total assets	2,079,936	1,957,058
Net assets	<u>1,435,336</u>	<u>1,373,738</u>

LETTER FROM THE BOARD

The audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2024 were approximately HK\$1,373.74 million, equivalent to approximately HK\$3.02 per Share.

Shareholding Structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) upon Completion and as at the Latest Practicable Date, based on the records of the Company:

	Immediately prior to Completion		Upon Completion and as at the Latest Practicable Date	
	No. of Shares	%	No. of Shares	%
The Offeror ^{Note 1}	104,540,000	23.00%	231,802,607	51.00%
The Vendor ^{Note 2}	179,014,812	39.39%	51,752,205	11.39%
<i>The Offeror and parties acting in concert with it</i> ^{Note 3}	283,554,812	62.39%	231,802,607	51.00%
Public Shareholders	<u>170,954,499</u>	<u>37.61%</u>	<u>170,954,499</u>	<u>37.61%</u>
Total	<u>454,509,311</u>	<u>100.00%</u>	<u>454,509,311</u>	<u>100.00%</u>

Notes:

1. *The Offeror is a company wholly owned by Ms. Zhang.*
2. *The Vendor is a company wholly owned by Ms. Lu.*
3. *Pursuant to the Takeovers Code, the Vendor was presumed to be acting in concert with the Offeror under class (1) of the definition of “acting in concert” in the Takeovers Code immediately prior to Completion as each of them was interested in 20% or more of voting rights of the Company. The Vendor and the Offeror were no longer presumed to be acting in concert under class (1) of the definition of “acting in concert” in the Takeovers Code upon Completion and as such, the Shares held by the Vendor are no longer included in the Shares of the Offeror and parties acting in concert with it upon Completion and as at the Latest Practicable Date.*
4. *Save for Ms. Zhang and an aggregate of 12,332,868 Share Options held by other executive, non-executive and independent non-executive Directors, none of the Directors is interested in any Shares.*

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the letter from Yu Ming as set out in this Composite Document for further information about the Offeror.

INTENTIONS OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the paragraph headed “Intentions of the Offeror in relation to the Group” in the letter from Yu Ming set out in this Composite Document.

LETTER FROM THE BOARD

The Offeror has stated that it intends to continue the existing businesses of the Group and has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business.

The Offeror has also stated that it does not intend to nominate any new Directors to the Board after the close of the Offers and has no plan to terminate the employment of any other employees or other personnel of the Group.

As stated in the Letter from Yu Ming, at the Latest Practicable Date, the Offeror and parties acting in concert with it have no intention to enter into, nor have they entered into, any negotiation, arrangements or agreements concerning the injection or disposal of any businesses or assets of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

MAINTAINING THE LISTING STATUS OF THE COMPANY AND SUFFICIENT PUBLIC FLOAT

As stated in the Letter from Yu Ming, the Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued Shares will continue to be held by the public at all times.

The Stock Exchange has indicated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealing in the Shares until the prescribed level of public float is restored.

RECOMMENDATION AND ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 24 to 26 of this Composite Document and the letter from the Independent Financial Adviser set out on pages 27 to 42 of this Composite Document, which contain, among other things, their advice in relation to the Offers and the principal factors considered by them in arriving at their recommendations.

Your attention is also drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Forms of Acceptance for further details in respect of the procedures for the acceptance of the Offers.

LETTER FROM THE BOARD

The Independent Shareholders and Independent Optionholders are strongly advised to read and carefully consider the letter from the Independent Board Committee, the letter from the Independent Financial Adviser, the Letter from Yu Ming and the additional information contained in the appendices to this Composite Document and to consult their own professional advisers before taking any action in respect of the Offers.

By Order of the Board
NORTH ASIA STRATEGIC HOLDINGS LIMITED
Kenneth Kon Hiu King
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Set out below is the text of the letter of recommendation from the Independent Board Committee in respect of the Offers.

North Asia Strategic Holdings Limited

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

2 August 2024

To the Independent Shareholders and Independent Optionholders,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF SKY VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
NORTH ASIA STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY SKY VIRTUE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS**

We refer to the Composite Document dated 2 August 2024 jointly issued by the Offeror and the Company of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been constituted the Independent Board Committee by the Board to consider the terms of the Offers and to advise you as to whether, in our opinion, the Offers are fair and reasonable so far as the Independent Shareholders and Independent Optionholders are concerned and as to the acceptance of the Offers. We declare that we are independent and have no direct or indirect interest in the Offers (other than as holders of Share Options), and are able to consider the terms of the Offers and to make recommendation to the Independent Shareholders and Independent Optionholders.

Gram Capital Limited has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Offers and their terms and conditions. Details of its advice and the principal factors and reasons taken into consideration in arriving at its recommendation in respect of the Offers are set out in the letter from the Independent Financial Adviser on pages 27 to 42 of the Composite Document.

** for identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the letter from Yu Ming set out on pages 8 to 16 of the Composite Document which contains, among other things, information about the Offers, the letter from the Board set out on pages 17 to 23 of the Composite Document which contains information about the Group, the additional information set out in the appendices to the Composite Document, and the accompanying Forms of Acceptance in respect of the terms of the Offers and acceptance and settlement procedures for the Offers.

RECOMMENDATION

Having taken into account the advice and recommendation of the Independent Financial Adviser, in particular, the factors and reasons taken into consideration by it in arriving at its opinion as set out in the letter from the Independent Financial Adviser, we consider that the Offers are fair and reasonable so far as the Independent Shareholders and Independent Optionholders are concerned, and therefore we recommend the Independent Shareholders to accept the Share Offer and the Independent Optionholders to accept the Option Offer. The Independent Shareholders and Independent Optionholders are recommended to read the full text of the letter from the Independent Financial Adviser set out on pages 27 to 42 of this Composite Document.

There is no guarantee that the current market price of the Shares will or will not sustain and will or will not be higher than the Share Offer Price during and after the period for the acceptance of the Offers. The Independent Shareholders and Independent Optionholders who intend to accept the Offers are reminded to carefully and closely monitor the market price and the liquidity of the Shares during the period for the acceptance of the Offers and shall, having regard to their own circumstances and investment objectives, consider selling their Shares (including Shares that may fall to be issued upon exercise of their Share Options) in the open market, instead of accepting the Offers, if the net proceeds from the exercise (in relation to Share Options only) and sale of such Shares, in the open market would exceed the net amount receivable under the Offers.

Furthermore, the Independent Shareholders and Independent Optionholders are also reminded that their decisions to dispose of or hold their investment in the securities of the Company are subject to their individual circumstances and investment objectives. If in doubt, the Independent Shareholders and the Independent Optionholders should consult their own professional advisers for advice.

Notwithstanding our recommendation, the Independent Shareholders and Independent Optionholders should consider carefully the terms of the Offers and the "Letter from the Independent Financial Adviser" in the Composite Document. The Independent Shareholders and the Independent Optionholders who wish to accept

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

the Share Offer and the Option Offer, respectively, should read carefully the procedure for accepting the Share Offer and the Option Offer as detailed in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully,
For and on behalf of the
Independent Board Committee

Pierre Tsui Kwong Ming
Non-executive Director

Joseph Liang Hsien Tse
*Independent non-executive
Director*

Joseph Chan Nap Kee
*Independent non-executive
Director*

Cai Qing
*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offers for the purpose of inclusion in this Composite Document.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

2 August 2024

To: The independent board committee of North Asia Strategic Holdings Limited

Dear Sir/Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
YU MING INVESTMENT MANAGEMENT LIMITED
ON BEHALF OF SKY VIRTUE HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
NORTH ASIA STRATEGIC HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY SKY VIRTUE HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, details of which are set out in the Composite Document dated 2 August 2024 jointly issued by the Company and the Offeror to the Independent Shareholders and the Independent Optionholders, of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context requires otherwise.

With reference to the letter from the Board (the “**Board Letter**”) contained in the Composite Document, on 28 June 2024, the Offeror and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell, and the Offeror agreed to acquire, the Sale Shares, being 127,262,607 Shares, for the Consideration of HK\$31,815,652, equivalent to HK\$0.25 per Sale Share. The Sale Shares represented approximately 28.00% of the Shares in issue as at the Latest Practicable Date. The Completion took place on 28 June 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Immediately prior to the Completion, save for the 104,540,000 Shares (representing approximately 23.00% of the voting rights of the Company at that time) directly held by the Offeror, the Offeror and parties acting in concert with it (excluding the Vendor who at that time held more than 20% voting rights of the Company and therefore was presumed to be acting in concert with the Offeror under the Takeovers Code) did not hold any Shares or voting rights of the Company. Immediately following the Completion, the Offeror and parties acting in concert with it became interested in 231,802,607 Shares, representing 51.00% of the voting rights of the Company. Accordingly, the Offeror was required to (i) make an unconditional mandatory cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Offer Shares; and (ii) make the Option Offer to cancel all the outstanding Share Options (other than those already owned by the Offeror and/or parties acting in concert with it) pursuant to Rule 13 of the Takeovers Code.

The Independent Board Committee comprising Mr. Pierre Tsui Kwong Ming (non-executive Directors), Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing (independent non-executive Directors) has been established to advise the Independent Shareholders and the Independent Optionholders as to whether the Offers are, or are not, fair and reasonable and as to the acceptance of the Offers. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in this respect, and our opinion herein is solely for the assistance of the Independent Board Committee in connection with its consideration of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of Gram Capital as the Independent Financial Adviser has been approved by the Independent Board Committee.

INDEPENDENCE

There was no relationship or interests between Gram Capital and the Company during the past two years immediately preceding the Latest Practicable Date, or any other parties that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee, we have relied on the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations as provided to us by the Directors and the Offeror (where applicable). We have assumed that all information and representations that have been provided by the Directors and the Offeror (where applicable), for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors and the Offeror (where applicable) in the Composite Document were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors and the Offeror (where applicable), which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Offers. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 17.92 of the GEM Listing Rules and Rule 2 of the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Your attention is drawn to the responsibility statements as set out in the sections headed “1. RESPONSIBILITY STATEMENT” of Appendix III and “1. RESPONSIBILITY STATEMENT” of Appendix IV to the Composite Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Composite Document, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, the Offeror or their respective subsidiaries or associates (if applicable), nor have we considered the taxation implication on the Group or the Shareholders as a result of the Offers. The Company has been separately advised by its own professional advisers with respect to the Offers and the preparation of the Composite Document (other than this letter).

We have assumed that the Offers will be consummated in accordance with the terms and conditions set forth in the Composite Document without any waiver, amendment, addition or delay of any terms or conditions. We have assumed that in connection with the receipt of all the necessary governmental, regulatory or other approvals and consents as required for the Offers, no delay, limitation, condition or restriction will be imposed that would have a material adverse effect on the contemplated benefits expected to be derived from the Offers. In addition, our opinion is necessarily based on the financial, market, economic, industry-specific and other conditions as they existed on, and the information made available to us as at the Latest Practicable Date.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Offers, we have taken into consideration the following principal factors and reasons:

(1) Background and terms of the Offers

According to the Composite Document, Yu Ming, for and on behalf of the Offeror and in compliance with the Takeovers Code, is making the Share Offer on the following basis:

For each Offer Share HK\$0.25 in cash

The Share Offer Price of HK\$0.25 per Offer Share is the same as the purchase price per Sale Share paid by the Offeror to the Vendor under the Sale and Purchase Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the Composite Document, as the exercise prices of the outstanding Share Options are all above the Share Offer Price, the outstanding Share Options are out of the money. Yu Ming, for and on behalf of the Offeror, is making the Option Offer to the Independent Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options in exchange for cash on the following basis:

Exercise price of Share Options	Number of outstanding Share Options	Option Offer Price per Share Option
HK\$0.325	3,268,000	HK\$0.0001
HK\$0.339	9,860,000	HK\$0.0001
HK\$0.700	11,524,000	HK\$0.0001
HK\$1.137	7,404,388	HK\$0.0001

As at the Latest Practicable Date, there were a total of 32,056,388 outstanding Share Options, carrying rights to subscribe for 32,056,388 new Shares, out of which 8,279,817 Share Options were held by Ms. Zhang and 699,016 Share Options were held by Ms. Lu.

As at the Latest Practicable Date, the Company had 454,509,311 Shares in issue. Except for the Share Options, the Company did not have in issue any other outstanding Shares, options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the Latest Practicable Date.

Assuming the Offers are accepted in full on the basis that (i) none of the Share Options are exercised prior to the close of the Offers; and (ii) there is no change in the number of issued Shares up to the close of the Offers, a total of 170,954,499 issued Shares (excluding the 231,802,607 Shares held by the Offeror and the 51,752,205 Shares held by the Vendor which are the subject of the Irrevocable Undertaking) will be subject to the Share Offer and a total of 23,077,555 outstanding Share Options held by the Independent Optionholders (excluding 8,279,817 Share Options held by Ms. Zhang and 699,016 Share Options held by Ms. Lu which are the subject of the Irrevocable Undertaking) will be subject to the Option Offer. The maximum cash consideration payable by the Offeror under the Share Offer and Option Offer would be approximately HK\$42,738,625 and HK\$2,308, respectively.

Assuming the Offers are accepted in full on the basis that (i) all of the 23,077,555 Share Options (excluding 8,279,817 Share Options held by Ms. Zhang and 699,016 Share Options held by Ms. Lu which are the subject of the Irrevocable Undertaking) subject to the Option Offer are exercised in full by the Independent Optionholders prior to the close of the Offers; and (ii) there is no other change in the number of issued Shares up to the close of the Offers, a total of 194,032,054 Shares (representing 170,954,499 Shares not already held or to be acquired by the Offeror and parties acting in concert with it and the Vendor, and 23,077,555 new Shares to be issued pursuant to the exercise of the Share Options in full by the Independent Optionholders), will be subject to the Share Offer. The maximum cash consideration payable by the Offeror under the Offers would amount to approximately HK\$48,508,014.

Further details of the Offers are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(2) Information on the Group

With reference to the Board Letter, the Company is an investment holding company incorporated in Bermuda with limited liability, the Shares of which are listed on GEM of the Stock Exchange since 20 April 2000. The Group is principally engaged in (i) sales and distribution of hi-tech products and provision of related services; (ii) provision of finance through finance and operating lease arrangements and trading of lease assets; (iii) provision of electronic payment solutions; and (iv) property and investment holding.

Set out below are the audited financial information of the Group for the three years ended 31 March 2024 as extracted from the Company's annual reports for the year ended 31 March 2023 (the "2022/23 Annual Report") and 31 March 2024 (the "2023/24 Annual Report"):

	For the year ended 31 March 2024 ("FY2023/24") HK\$'000	For the year ended 31 March 2023 ("FY2022/23") HK\$'000	For the year ended 31 March 2022 ("FY2021/22") HK\$'000	Changes from FY2022/23 to FY2023/24 %	Changes from FY2021/22 to FY2022/23 %
Revenue	1,305,420	2,266,642	2,445,150	(42.41)	(7.30)
– <i>Hi-tech distribution and services operation</i>	1,147,992	2,130,305	2,339,140	(46.11)	(8.93)
– <i>Leasing operation</i>	154,346	136,337	106,010	13.21	28.61
– <i>Electronic payment solution (Note)</i>	3,082	Nil	Nil	N/A	N/A
Gross profit	205,567	333,992	396,457	(38.45)	(15.76)
Operating profit/(loss)	(55,216)	2,889	108,488	N/A	(97.34)
Profit/(loss) for the year	(48,735)	1,088	79,793	N/A	(98.64)

Note: Completion of acquisition of this new business by the Group took place in April 2023.

As illustrated in the table above, the Group's revenue decreased from approximately HK\$2,445 million for FY2021/22 to approximately HK\$2,267 million for FY2022/23, and further decreased to approximately HK\$1,305 million for FY2023/24, representing year-on-year decreases of approximately 7.30% and 42.41% respectively, primarily attributed to decrease in the Group's revenue from hi-tech distribution and services operation. With reference to the 2022/23 Annual Report and the 2023/24 Annual Report, the decreases in revenue from the Group's hi-tech distribution and services operation was mainly due to continued sluggish demand in global mobile phone market during FY2022/23 and FY2023/24 which directly impacted the Group's mobile phone manufacturing customers.

Along with the decrease in the Group's revenue for FY2022/23; and the increase in the Group's operating costs, the Group's net profit for FY2022/23 decreased significantly by approximately 98.64% as compared to that for FY2021/22.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Along with the significant decrease in the Group's revenue for FY2023/24 and that the Group's operating costs did not reduce at the same rate as its revenue, the Group recorded net loss of approximately HK\$49 million for FY2023/24 as opposed to the net profit of approximately HK\$1 million for FY2022/23.

According to the 2023/24 Annual Report, the Group's total assets and net assets were approximately HK\$1,957 million and HK\$1,374 million respectively as at 31 March 2024.

With reference to the 2023/24 Annual Report, the Group will continue to build its businesses in Hong Kong and the Greater Bay Area. In response to the trend of the Group's customers relocating their manufacturing bases as US-China decoupling continues, the Group's offices in Southeast Asia countries will continue to expand its sales and engineering cohort to be able to serve those customers outside the PRC. At the same time, the Group will also continue to monitor and where appropriate continue to set up operations in other parts of Asia, to seek to serve those of its customers that may continue to diversify their manufacturing bases to locations outside the PRC. In respect of the Group's leasing operation, the Group will continue to focus on improving equipment utilization rates and diversifying leasing offerings. It will provide value-added services through self-developed and customized modifications, and maintain customer relationships through the Group's core competencies and exclusivity. In respect of the Group's electronic payment solution business, the Group will continue to enhance its systems and application technologies, including both online and offline payment modes, and put more effort in expansion of its merchant portfolio.

As illustrated in the above table, majority of the Group's revenue was derived from the Group's hi-tech distribution and services operation. We noted from the 2023/24 Annual Report and we understood from the Directors that the Group conducts its hi-tech distribution and services operation through its wholly-owned subsidiary, American Tec Company Limited (a leading distributor and after-market services provider of surface-mount technology ("SMT") assembly machineries and semiconductor manufacturing equipment for mobile phones manufacturers in Asia (mainly the PRC)). As such, the prospects of the Group's operation are substantively dependent on prospects of the mobile phone production industry.

Set out below are the production volume of mobile phone in the PRC for the five years ended 31 December 2023, as extracted from the Statistical Communique of the PRC on the National Economic and Social Development published by the National Bureau of Statistics of the PRC on 28 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024:

	2019	2020	2021	2022	2023
Production volume of mobile phone in the PRC					
<i>(million units)</i>	1,701	1,470	1,662	1,561	1,566
<i>Year-on-year change (%)</i>		(13.60)	13.06	(6.06)	0.36

The production volume of mobile phone in the PRC fluctuated from 2019 to 2023. In general, the production volume of mobile phone in the PRC decreased from approximately 1,701 million units in 2019 to approximately 1,566 million units in 2023, representing a negative compound annual growth rate of approximately 2.04%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the export value and volume of mobile phone of the PRC, as extracted from the Statistical Communique of the PRC on the National Economic and Social Development published by the National Bureau of Statistics of the PRC on 28 February 2020, 28 February 2021, 28 February 2022, 28 February 2023 and 29 February 2024:

	2019	2020	2021	2022	2023
Export value of mobile phone of the PRC					
<i>(RMB billion)</i>	861.1	864.7	944.7	952.7	979.7
<i>Year-on-year change (%)</i>		0.42	9.25	0.85	2.83
Export volume of mobile phone of the PRC					
<i>(million units)</i>	994.3	966.4	954.2	822.2	802.1
<i>Year-on-year change (%)</i>		(2.81)	(1.26)	(13.83)	(2.45)

The export value of mobile phone of the PRC had been increasing moderately from approximately RMB861.1 million for 2019 to approximately RMB979.7 million for 2023, except for an increase of approximately 9.25% in 2021; while the export volume of mobile phone of the PRC had been decreasing from approximately 994.3 million unit for 2019 to approximately 802.1 million unit for 2023, representing a negative compound annual growth rate of approximately 5.23%.

The above findings, particularly (i) downturn in production volume and export volume of mobile phone; and (ii) low growth rate of export value of mobile phone for 2020 and significantly lower growth rates for 2022 and 2023 as compared to that for 2021, indicated uncertainty of mobile phone production industry in the PRC in recent years.

(3) Information on the Offeror

With reference to the section headed “Letter from Yu Ming” of the Composite Document, the Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Zhang, who is also the sole director of the Offeror.

Ms. Zhang joined the Company in November 2014 as an executive Director. She was further appointed as Chairlady of the Company on 23 June 2016. Ms. Zhang has completed a diploma in International Business from Shanghai Ocean University. She is also the chairlady of nomination committee and a member of remuneration committee of the Company.

(4) Intentions of the Offeror in relation to the Group

With reference to the section headed “Letter from Yu Ming” of the Composite Document:

- The Offeror intends to continue the existing businesses of the Group and has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- The Offeror does not intend to nominate any new Directors to the Board after the close of the Offers and has no plan to terminate the employment of any other employees or other personnel of the Group.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it have no intention to enter into, nor have they entered into, any negotiation, arrangements or agreements concerning the injection or disposal of any businesses or assets of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

(5) Share Offer Price

Share Offer Price comparison

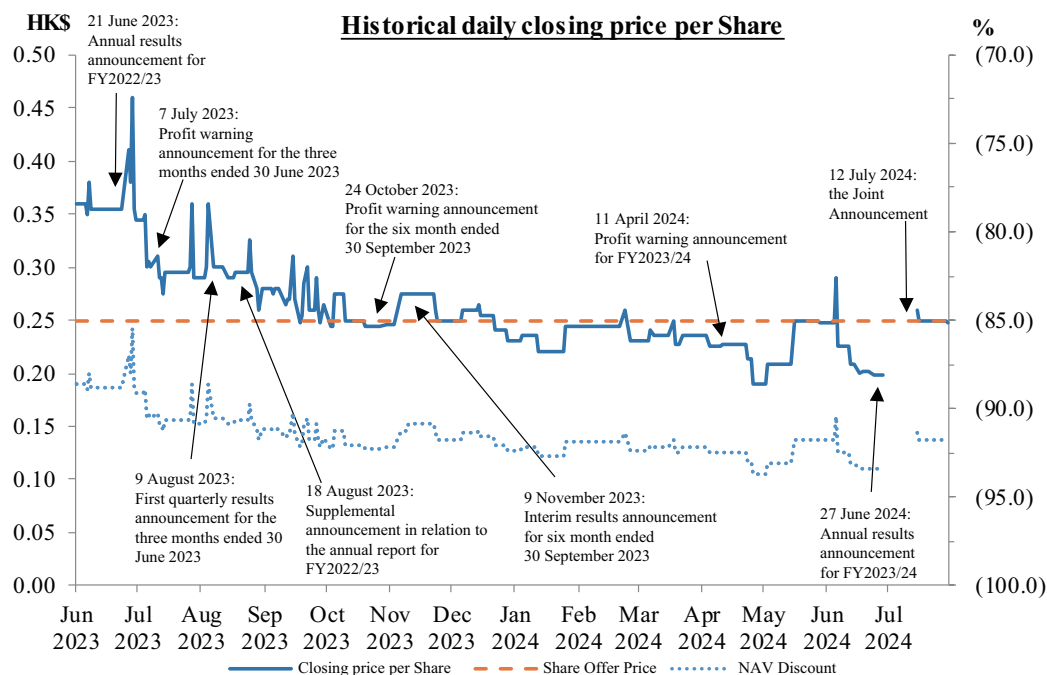
The Share Offer Price of HK\$0.25 represents:

- (i) a premium of approximately 0.81% over the closing price of HK\$0.248 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a premium of approximately 25.63% over the closing price of HK\$0.199 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 25.63% over the average closing prices of HK\$0.199 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 25.00% over the average closing prices of approximately HK\$0.200 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 10.13% over the average closing prices of approximately HK\$0.227 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (vi) a discount of approximately 91.72% (the “NAV Discount”) to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$3.02 per Share (the “NAV per Share”) as at 31 March 2024, calculated based on the net assets attributable to owners of the Company of approximately HK\$1,373,738,000 as at 31 March 2024 and the 454,509,311 Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Historical price performance of the Shares

Set out below is a chart showing the movement of the closing prices of the Shares during the period from 1 June 2023 (being approximately one year prior to Last Trading Day) up to the Latest Practicable Date (the “**Review Period**”), being an adequate and representative review period, to illustrate the general trend and level of movement of the closing prices of the Shares.



Source: the Stock Exchange’s website

Note: Trading in Shares was halted from 9:00 a.m. on 2 July 2024 and resumed at 9:00 a.m. on 15 July 2024.

During the Review Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.46 recorded on 28 June 2023 and HK\$0.19 recorded on 26 April 2024, 29 April 2024, 30 April 2024 and 2 May 2024 respectively. The Share Offer Price of HK\$0.25 falls within the closing price range of the Shares as quoted on the Stock Exchange during the Review Period and is higher than the closing prices of Shares for 140 trading days out of the total of 277 trading days during the Review Period. In addition, the Share Offer Price of HK\$0.25 is higher than the closing prices of Shares for 122 trading days out of the total of 133 trading days during the period from 2 January 2024 up to the Latest Practicable Date.

From the start of the Review Period, the closing price of Shares fluctuated between HK\$0.35 per Share to HK\$0.38 per Share before the closing price of Shares increased sharply and reached the highest closing price of HK\$0.46 per Share on 28 June 2023. Thereafter, the closing price of Shares sharply decreased formed a decreasing trend and reached HK\$0.265 per Share on 29 September 2023.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

From 3 October 2023, the closing price of Shares fluctuated between HK\$0.21 per Share to HK\$0.28 per Share before the closing price of Shares dropped and reached the lowest of HK\$0.19 per Share on 26 April 2024, 29 April 2024, 30 April 2024 and 2 May 2024. After reaching the lowest closing prices of Shares during the Review Period and up to the Last Trading Day, the closing price of Shares fluctuated between HK\$0.199 per Share to HK\$0.290 per Share.

Following the publication of the Joint Announcement and up to the Latest Practicable Date, the closing price of Shares ranged between HK0.248 and HK\$0.26.

As also illustrated in the chart above, the closing price of Shares had been traded at deep discount (ranging from discount of approximately 85.44% to 93.71%) to the net assets value per Share attributable to owners of the Company during the entire Review Period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Historical trading liquidity of the Shares

The number of trading days, the average daily number of the Shares traded per month, and the respective percentages of the Shares' monthly trading volume as compared to (i) the total number of issued Shares held by the Independent Shareholders as at the Latest Practicable Date; and (ii) the total number of issued Shares as at the Latest Practicable Date during the Review Period are tabulated as below:

Month	No. of trading days	Average daily trading volume (the "Average Volume") <i>(Note 1)</i> <i>Shares</i>	% of the Average Volume to total number of issued Shares held by Independent Shareholders as at Latest Practicable Date <i>%</i>	% of the Average Volume to total number of issued Shares as at Latest Practicable Date <i>%</i>
2023				
June	21	17,890	0.010	0.004
July	20	13,770	0.008	0.003
August	23	17,470	0.010	0.004
September	19	63,961	0.037	0.014
October	20	40,735	0.024	0.009
November	22	1,655	0.001	0.000
December	19	24,195	0.014	0.005
2024				
January	22	3,155	0.002	0.001
February	19	12,690	0.007	0.003
March	20	5,400	0.003	0.001
April	20	1,155	0.001	0.000
May	21	9,794	0.006	0.002
June	19	10,501	0.006	0.002
July (up to and including the Latest Practicable Date) <i>(Note 3)</i>	12	242,203	0.142	0.053

Source: the Stock Exchange website

Notes:

- 1. Based on 170,954,499 Shares held by the Independent Shareholders as at the Latest Practicable Date.*
- 2. Based on 454,509,311 Shares in issue as at the Latest Practicable Date.*
- 3. Trading in Shares was halted from 9:00 a.m. on 2 July 2024 and resumed at 9:00 a.m. on 15 July 2024.*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted from the above table that the Average Volume was exceptionally thin during the Review Period. During the Review Period (except for July 2024 after commencement of the Offer Period), the Average Volume was (i) below 0.05% of the total number of issued Shares held by the Independent Shareholders as at the Latest Practicable Date; and (ii) below 0.02% of the total number of issued Shares as at the Latest Practicable Date.

On 15 July 2024 and 16 July 2024 (shortly after the publication of the Joint Announcement), the daily trading volume of Shares were 522,900 Shares and 2,275,640 Shares respectively, representing approximately 0.31% and 1.33% of Shares held by the Independent Shareholders as at the Latest Practicable Date. Subsequently, the daily trading volume of Shares ranged from nil Shares to 60,000 Shares up to the Latest Practicable Date.

We also noted that the Shares recorded zero trading volume in 161 trading days out of the total of 277 trading days during the Review Period.

Trading multiples analysis

We noted that trading multiples analysis (including price-to-earnings ratio and price-to-book ratio (“**PBR**”)) is a commonly adopted method for the purpose of assessing the fairness and reasonableness of the Share Offer Price. Given that the Group was loss-making for FY2023/24, we consider price-to-earnings ratio is not applicable for our analysis and therefore we adopted PBR for analysis purpose. In this regard, we searched for Hong Kong listed companies that (i) engaged in the sale of SMT assembly machineries and derived majority of their revenue from such business; and (ii) had market capitalisation of below HK\$1 billion as at the Latest Practicable Date, for comparison. We found 3 companies listed below which met the aforesaid criteria and they are exhaustive (the “**Comparable Companies**”).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below are the PBR of the Comparable Companies based on their closing prices as at the Latest Practicable Date and their latest published financial information:

Company name (Stock code)	Principal business	Market capitalisation of shares listed on the Stock Exchange as at the Latest Practicable Date HK\$ million	PBR
Sino ICT Holdings Limited (365)	Production and sales of SMT equipment and other industrial products	170.2	0.65
Wong's Kong King International (Holdings) Limited (532)	Trading and distribution of chemicals, materials and equipment (including SMT equipment) and the manufacture of electrical and electronic products	324.8	0.21
Renze Harvest International Limited (1282)	Distribution of automation manufacturing equipment (including SMT production equipment), property investment and development, financial services, and securities investment	281.4	0.06
	Maximum:		0.65
	Minimum:		0.06
	Average:		0.30
	Median:		0.21
The Company		113.6	0.08

Source: the Stock Exchange's website

Notes:

1. *The PBR of the Comparable Companies were calculated based on their respective then latest published net asset value attributable to the shareholders, their respective closing prices as quoted on the Stock Exchange and the total issued shares as at the Latest Practicable Date.*
2. *The implied market capitalisation of the Company was calculated based on the Share Offer Price and the number of Shares in issue as at the Latest Practicable Date.*
3. *The implied PBR of the Company was calculated based on the Share Offer Price and the NAV per Share.*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As depicted in the above table, the PBRs of the Comparable Companies ranged from approximately 0.06 times to 0.65 times, with average of approximately 0.30 times and median of approximately 0.21 times. The implied PBR of the Company is within the PBR range of the Comparable Companies but close to the lower end of the PBR range.

Despite that the implied PBR of the Company of approximately 0.08 times (the “**Implied PBR**”) is close to the lower end of the PBR range of the Comparable Companies, having considered that:

- (i) the closing price of Shares were traded at deep discount (ranging from discount of approximately 85.44% to 93.71%) to the net assets value per Share attributable to owners of the Company during the entire Review Period;
- (ii) the Share Offer Price falls within the closing price range of the Shares as quoted on the Stock Exchange during the Review Period;
- (iii) the Share Offer Price is higher than the closing prices of Shares for 140 trading days out of the total of 277 trading days during the Review Period. In addition, the Share Offer Price of HK\$0.25 is higher than the closing prices of Shares for 122 trading days out of the total of 133 trading days during the period from 2 January 2024 up to the Latest Practicable Date,

we are of the view that the Share Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

(6) Option Offer Price

According to the Composite Document, as the exercise prices of the outstanding Share Options are all above the Share Offer Price, the outstanding Share Options are out of the money. Yu Ming, for and on behalf of the Offeror, is making the Option Offer to the Independent Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all outstanding Share Options in exchange for cash on the following basis:

Exercise price of Share Options	Number of outstanding Share Options	Option Offer Price per Share Option
HK\$0.325	3,268,000	HK\$0.0001
HK\$0.339	9,860,000	HK\$0.0001
HK\$0.700	11,524,000	HK\$0.0001
HK\$1.137	7,404,388	HK\$0.0001

With reference to the Board Letter, if any Share Option is exercised by the Independent Optionholders in accordance with the terms of the relevant Share Option Schemes prior to the close of the Share Offer, any Shares issued as a result of such exercise will be subject to the Share Offer. Any Share Option not exercised on or before the Closing Date will automatically lapse under the terms of the relevant Share Option Schemes.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 published by the SFC, the Option Offer Price would normally represent the “see-through” price, being the difference between the Share Offer Price and the exercise price for each outstanding Share Option. Given that the exercise prices of the outstanding Share Options are all higher than the Share Offer Price, the outstanding Share Options are therefore out-of-money with nil “see-through” value. Accordingly, the Option Offer Price for each outstanding Share Options is at a nominal value of HK\$0.0001. Given that the “see-through” value of the outstanding Share Options is nil, we consider the Option Offer Price of HK\$0.0001 offered to the Independent Optionholders is fair and reasonable so far as the Independent Optionholders are concerned.

RECOMMENDATION

Having considered the factors and reasons set out above, in particular:

- (i) the worsen financial performance of the Group as indicated by the decrease in revenue for FY2023/24 as compared to that for FY2022/23, and the turnaround from profit-making for FY2022/23 to loss-making for FY2023/24;
- (ii) the uncertainty of mobile phone production industry in the PRC in recent years;
- (iii) (a) the Share Offer Price falls within the closing price range of the Shares as quoted on the Stock Exchange during the Review Period; (b) the Share Offer Price is higher than the closing prices of Shares for 140 trading days out of the total of 277 trading days during the Review Period. In addition, the Share Offer Price of HK\$0.25 is higher than the closing prices of Shares for 122 trading days out of the total of 133 trading days during the period from 2 January 2024 up to the Latest Practicable Date;
- (iv) despite the NAV Discount and that the Implied PBR is close to the lower end of the PBR range of the Comparable Companies, the closing price of Shares were traded at deep discount (ranging from discount of approximately 85.44% to 93.71%) to the net assets value per Share attributable to owners of the Company during the entire Review Period;
- (v) although the closing prices of Shares increased after the publication of the Joint Announcement and were close to the Share Offer Price during the Offer Period, there is no guarantee that the Share price will sustain at a level close to the Share Offer Price after the Closing Date given the trend of closing price of the Shares before commencement of the Offer Period;
- (vi) the trading volume of the Shares was exceptionally thin during the Review Period. Independent Shareholders (especially those with relatively sizeable shareholdings) may not be able to realise their investments in the Shares at a price close to the Share Offer Price, particularly those who are going to dispose of their entire holdings; and
- (vii) the exercise prices of the outstanding Share Options are all greater than the Share Offer Price, the “see-through” price for the outstanding Share Options is therefore nil and the Share Options are out-of-money, the Option Offer Price at a nominal value of HK\$0.0001 is considered to be fair and reasonable so far as the Independent Optionholders are concerned,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

we are of the view that the Offers (including the Share Offer Price and the Option Offer Price) are fair and reasonable so far as the Independent Shareholders and the Independent Optionholders are concerned. Accordingly, we recommend the Independent Board Committee to (1) advise the Independent Shareholders to accept the Share Offer; and (2) advise the Independent Optionholders to accept the Option Offer.

In light of that the closing price of Shares ranged between HK\$0.248 and HK\$0.26 following the publication of the Joint Announcement and up to the Latest Practicable Date, Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Share Offer.

As different Independent Shareholders or Independent Optionholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders or Independent Optionholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. PROCEDURES FOR ACCEPTANCE**The Share Offer**

- (a) To accept the Share Offer, you should complete and sign the Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer. You should insert the total number of Shares for which the Share Offer is accepted. If no number is specified or if the total number of Shares specified in the Form of Share Offer Acceptance is greater or smaller than that represented by the certificate of Shares tendered for acceptance of the Share Offer and you have signed the Form of Share Offer Acceptance, your Form of Share Offer Acceptance in respect of the Share Offer will be considered to be incomplete and accordingly, your acceptance of the Share Offer will be invalid. The Form of Share Offer Acceptance will be returned to you for correction and re-submission. Any corrected Form of Share Offer Acceptance must be re-submitted and received by the Registrar on or before the latest time of acceptance of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in an envelope marked "**North Asia Strategic Holdings Limited – Share Offer**", as soon as possible, and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer (whether in full or in part), you must either:
- (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver in an envelope marked "**North Asia Strategic Holdings Limited – Share Offer**" the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar by no later than 4:00 p.m. on the Closing Date; or

- (ii) arrange for the Shares to be registered in your name by through the Registrar, and deliver in an envelope marked “**North Asia Strategic Holdings Limited – Share Offer**” the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar by no later than 4:00 p.m. on the Closing Date; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Shares have been lodged with your investor participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Share Offer in respect of your Shares, the Form of Share Offer Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked “**North Asia Strategic Holdings Limited – Share Offer**” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the Form of Share Offer Acceptance and deliver it in an envelope marked “**North Asia Strategic Holdings Limited – Share Offer**” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of Yu Ming, the Offeror and/or any of their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar

and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the Form of Share Offer Acceptance.

- (f) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and the Company and the Offeror may jointly announce with the consent of the Executive in accordance with the Takeovers Code and the Registrar has recorded that the Form of Share Offer Acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (g) If the Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.
- (h) In Hong Kong, seller's ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.10% of the consideration payable in respect of the relevant acceptance by the Independent Shareholders or if higher, the market value of the Shares, will be deducted from the cash amount payable by the Offeror to such Independent Shareholders who accept the Share Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's Hong Kong stamp duty on behalf of the relevant Independent Shareholders accepting the Share Offer and pay the buyer's Hong Kong stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

The Option Offer

- (a) To accept the Option Offer, you should complete and sign the Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) If you are an Independent Optionholder and you wish to accept the Option Offer in respect of your Share Options (whether in full or in part), you must send duly completed and signed Form of Option Offer Acceptance, together with the relevant certificate(s) of the Share Options (if applicable) and/or other document(s) of title or entitlement (and/or satisfactory indemnity or indemnities required in respect thereof) for the aggregate principal amount of Share Options which you hold that you wish to tender to the Option Offer, by post or by hand, to the company secretary of the Company, at Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.
- (c) Unexercised Share Options will lapse automatically after the Closing Date and you will not receive the Option Offer Price.
- (d) No stamp duty is payable in connection with the acceptances of the Option Offer.
- (e) No acknowledgement of receipt of any Form of Option Offer Acceptance, certificate(s) of the Share Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities required in respect thereof) will be given.

2. SETTLEMENT**The Share Offer**

Provided that a valid Form of Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by 4:00 p.m. on the Closing Date, a cheque for the amount due to each of the Independent Shareholders who accepts the Share Offer less seller's stamp duty in respect of the Offer Shares tendered by him/her/it under the Share Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed and signed Form of Share Offer Acceptance and the relevant documents of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid.

The Option Offer

Provided that a valid Form of Option Offer Acceptance and the relevant certificate(s) of Share Options or other documents (if any) evidencing the grant of the Share Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Share Options are complete and in good order in all respects and have been received by the company secretary of the Company by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Independent Optionholders who accept the Option Offer in respect of the Share Options tendered by him/her under the Option Offer will be despatched to such Independent Optionholder by ordinary post at his/her own risk as soon as possible but in any event no later than seven (7) Business Days following the date on which the duly completed Form of Option Offer Acceptance and the relevant documents of title in respect of such acceptances are received by the company secretary of the Company of to render each such acceptance complete and valid.

Settlement of the consideration to which any Shareholder or Optionholder is entitled under the Share Offer or the Option Offer, as the case may be, will implemented in full in accordance with its terms (save in respect of the payment of the seller's stamp duty in respect of the Share Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholder or Independent Optionholder.

No fraction of a cent will be payable and the amount of cash consideration payable to an Independent Shareholder or Independent Optionholder who accepts the Share Offer or the Option Offer, as the case may be, will be rounded up to the nearest cent.

3. ACCEPTANCE PERIOD AND REVISION

- (a) Unless the Offers have previously been revised or extended, with the consent of the Executive, in accordance with the Takeovers Code, the Forms of Acceptance must be received by the Registrar (in respect of the Share Offer) or the company secretary of Company (in respect of the Option Offer) by 4:00 p.m. on the Closing Date in accordance with the instructions printed on the relevant Form of Acceptance, and the Offers will be closed on the Closing Date. The Offers are unconditional.
- (b) The Offeror and the Company will jointly issue an announcement in accordance with the Takeovers Code through the websites of the Stock Exchange and the Company no later than 7:00 p.m. on the Closing Date stating whether the Offers have been extended, revised or has expired.
- (c) In the event that the Offeror decides to extend the Offers, at least fourteen (14) days' notice by way of announcement will be given, before the latest time and date for acceptance of the Offers, to those Independent Shareholders or Independent Optionholders who have not accepted the Offers.

- (d) If the Offeror revises the terms of the Offers, all Independent Shareholders and Independent Optionholders, whether or not they have already accepted the Offers will be entitled to the revised terms. The revised Offers must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.
- (e) If the Closing Date of the Offers is extended, any reference in this Composite Document and in the Forms of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers so extended.

4. EXERCISE OF SHARE OPTIONS

Independent Optionholders who wish to accept the Share Offer may (i) exercise his/her Share Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Share Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Share Options to the company secretary of the Company before the Offers close; and (ii) at the same time, or in any event no later than 4:00 p.m. on the Closing Date, complete and sign the Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the company secretary of the Company for exercising the Share Options. Exercise of the Share Options is subject to the respective terms and conditions of the relevant Share Option Schemes and the terms attaching to the grant of the relevant Share Options. Delivery of the completed and signed Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Share Options but will only be deemed to be an irrevocable authority to the Offeror and/or Yu Ming and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her behalf the relevant share certificate(s) when issued on exercise of the Share Options as if it/they were delivered to the Registrar with the Form of Share Offer Acceptance. If the Optionholder fails to exercise his/her Share Options as aforesaid and in accordance with the respective terms and conditions of the Share Option Schemes, there is no guarantee that the Company may issue the relevant share certificate in respect of the Shares allotted pursuant to his/her exercise of the Share Option(s) to such Optionholder in time for him/her to accept the Share Offer as a Shareholder of such Shares under the terms of the Share Offer.

5. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owner of the Shares whose investments are registered in the names of a nominee to provide instructions to their nominee of their intentions with regards to the Share Offer.

6. ANNOUNCEMENT

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the

Closing Date stating the results of the Offers and whether, amongst other information required under Rule 19.1 of the Takeovers Code, the Offers have been revised, extended or has expired. The announcement must state the following:

- (i) the total number of Offer Shares for which acceptances for the Share Offer have been received;
- (ii) the total number of Share Options for which acceptances of the Option Offer have been received;
- (iii) the number of Shares and rights over Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and
- (iv) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and persons acting in concert with it.

The announcement must also include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number or principal amount of Shares and Share Options represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in section 1 of this Appendix, and which have been received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) respectively no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the GEM Listing Rules.

7. RIGHT OF WITHDRAWAL

Acceptance of the Offers tendered by the Independent Shareholders and the Independent Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the next paragraph.

If the Offeror is unable to comply with the requirements set out in the paragraph headed “6. Announcement” in this appendix, the Executive may require, pursuant to Rule 19.2 of the Takeovers Code, that the Independent Shareholders and the Independent Optionholders who have tendered acceptances of the Offers, be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements of Rule 19 of the Takeovers Code are met.

In such case, when the Independent Shareholders and/or Independent Optionholders withdraw their acceptances, the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Offer Shares and/or Share Options (as the case may be) lodged with the Form(s) of Acceptance to the relevant Independent Shareholders and the Independent Optionholders (as the case may be) at their own risk.

8. OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

Overseas Shareholders and Overseas Optionholders who wish to participate in the Offers are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offers. Overseas Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders and Overseas Optionholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders and Overseas Optionholders in respect of the acceptance of the Offers in such jurisdictions).

Any acceptance by Independent Shareholders or Independent Optionholders and beneficial owners of the Shares or Share Options who are citizens, residents or nationals of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such persons to the Offeror that the local laws and requirements have been complied with, and such Overseas Shareholder or Overseas Optionholder is permitted under all applicable laws and regulations to receive and accept the Offers, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranties.

Independent Shareholders or Independent Optionholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

9. TAX IMPLICATIONS

Independent Shareholders and Independent Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror and/or parties acting in concert with it, the Company, Yu Ming, the Independent Financial Adviser, the Registrar nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

10. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipts(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Shareholders and/or Optionholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror, its beneficial owners, the Company, Yu Ming, the Independent Financial Adviser, the Registrar or any of their respective directors and professional advisers or the company secretary of the Company, and any other parties involved in the Offers and any of their respective agents do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate either the Share Offer or the Option Offer in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror, Yu Ming or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or the Share Options in respect of which such person or persons has/have accepted the Offers.
- (f) Acceptance of the Offers by any Independent Shareholders or Independent Optionholders will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that their Shares or Share Options under the Offers (as the case may be) are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including in the case of the Shares, the right to receive in full all dividends and distributions recommended, declared, made or paid on or after the date of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. As at the Latest Practicable Date, the Company has not declared any dividends which have not been distributed and the Company has no plan to declare, recommend, or pay any dividends or make any other distributions before the close of the Offers. In the event of any declaration of dividend/distribution by the Company, such dividend/distribution will not be used to set off against the Share Offer Price (or any part thereof) payable to the Independent Shareholders under the Share Offer.

- (g) References to the Offers in this Composite Document and the Form(s) of Acceptance shall include any revision and/or extension thereof.
- (h) Acceptances of the Offers by any nominee will be deemed to constitute a warranty by such nominee to that the number of the Shares or Share Options in respect of which as indicated in the Form(s) of Acceptance is the aggregate number of Shares or Share Options held by such nominee for such beneficial owner who is accepting the Offers.
- (i) In making their decision, the Independent Shareholders and Independent Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Share Offer and the Option Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of the Offeror, its beneficial owners, the Company, Yu Ming, or the Independent Financial Adviser or their respective professional advisers. The Independent Shareholders and Independent Optionholders should consult their own professional advisers for professional advice.
- (j) All acceptances, instructions, authorities and undertakings given by the Independent Shareholders and Independent Optionholders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.
- (k) Unless otherwise expressly stated in this Composite Document and/or the Forms of Acceptance, no person other than the Offeror and the accepting Independent Shareholders and Independent Optionholders may enforce any terms of the Offers that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).
- (l) The English text of this Composite Document and the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain consolidated financial information of the Group for the financial years ended 31 March 2022, 2023 and 2024 as disclosed in the annual reports of the Company.

	For the year ended 31 March		
	2022	2023	2024
	HK\$'000	HK\$'000	HK\$'000
Revenue	2,445,150	2,266,642	1,305,420
Cost of sales	<u>(2,048,693)</u>	<u>(1,932,650)</u>	<u>(1,099,853)</u>
Gross profit	396,457	333,992	205,567
Other income and gains, net	10,474	13,174	13,731
Selling and distribution expenses	(131,508)	(148,107)	(112,197)
General and administrative expenses	<u>(166,935)</u>	<u>(196,170)</u>	<u>(162,317)</u>
Operating (loss)/profit	108,488	2,889	(55,216)
Finance income	2,398	5,950	13,350
Finance costs	<u>(2,224)</u>	<u>(4,288)</u>	<u>(3,104)</u>
Profit/(Loss) before taxation	108,662	4,551	(44,790)
Income tax expenses	<u>(28,869)</u>	<u>(3,463)</u>	<u>(3,945)</u>
Profit/(Loss) for the year attributable to ordinary shareholders of the Company	79,793	1,088	(48,735)
Other comprehensive income/(loss) net of tax of nil	<u>17,177</u>	<u>(23,704)</u>	<u>(13,728)</u>
Total comprehensive income/(loss) for the year attributable to ordinary shareholders of the Company	<u>96,970</u>	<u>(22,616)</u>	<u>(62,463)</u>
(Loss)/earnings per share attributable to ordinary shareholders of the Company			
Basic (<i>HK cents</i>)	21.9	0.3	(10.7)
Diluted (<i>HK cents</i>)	<u>21.9</u>	<u>0.3</u>	<u>(10.7)</u>

No dividend was paid or proposed for each of the year ended 31 March 2022, 2023 and 2024, nor has any dividend been proposed since 31 March 2024.

The auditors' reports issued by Ernst & Young in respect of the consolidated financial statements of the Group for each of the year ended 31 March 2022, 2023 and 2024 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern. Save as disclosed above, there are no other items of income or expense or non-controlling interests which are material for each of the year ended 31 March 2022, 2023 and 2024.

2. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the financial years ended 31 March 2022, 2023 and 2024 are set out in the following documents which have been published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.nasholdings.com>:

- (i) for the year ended 31 March 2022, on pages 70 to 208 of the 2021/22 annual report of the Company released on 28 June 2022 at <https://www1.hkexnews.hk/listedco/listconews/gem/2022/0628/2022062800348.pdf>;
- (ii) for the year ended 31 March 2023, on pages 73 to 212 of the 2022/23 annual report of the Company released on 29 June 2023 at <https://www1.hkexnews.hk/listedco/listconews/gem/2023/0629/2023062901053.pdf>; and
- (iii) for the year ended 31 March 2024, on pages 79 to 216 of the 2023/24 annual report of the Company released on 25 July 2024 at <https://www1.hkexnews.hk/listedco/listconews/gem/2024/0725/2024072500921.pdf>.

3. INDEBTEDNESS

As at the close of business on 31 May 2024, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Composite Document, the Group's indebtedness is set out below:

- (i) unsecured and unguaranteed lease liabilities of approximately HK\$58,008,000;
- (ii) pledged deposits of approximately HK\$1,487,000 held as security at a bank in respect of performance bonds in favour of certain contract customers; and
- (iii) guarantee given by the Group to a bank in respect of a performance bond of a supplier amounted to approximately HK\$4,271,000.

Save as disclosed above and apart from intra-group liabilities, as at the close of business on 31 May 2024, the Group did not have any loan capital issued and outstanding or agreed to be issued, other debt securities or other similar indebtedness, liabilities under acceptance (other than normal trade bills and payables) or acceptance credits, debentures, mortgages, charges, hire purchase or other finance lease commitments, guarantees or other contingent liabilities.

4. MATERIAL CHANGE

The Directors confirm that there was no material change in the financial or trading position or outlook of the Group since 31 March 2024, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Group) and confirms, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in (i) 231,802,607 Shares directly held by the Offeror, representing approximately 51.00% of the voting rights of the Company; and (ii) 8,279,817 Share Options held by Ms. Zhang.

During the Relevant Period, save for the Sale Shares under the Sale and Purchase Agreement and the transfer of 3,268,000 Shares from Ms. Zhang to the Offeror at a total consideration of HK\$745,104 (representing HK\$0.228 per Share) on 18 April 2024, none of the Offeror, the sole director of the Offeror or any parties acting in concert with any of them had dealt for value in any Share or convertible securities, options, warrants or derivatives of the Company during the Relevant Period.

3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS AND OTHER ARRANGEMENTS

The Offeror confirms that:

- (a) save as disclosed in the section headed “2. DISCLOSURE OF INTERESTS” above, neither the Offeror nor any person acting in concert with it has dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period;
- (b) save as disclosed in the section headed “2. DISCLOSURE OF INTERESTS” above, neither the Offeror nor the parties acting in concert with it owned or had control or direction over any voting rights or rights over any Shares or convertible securities, warrants, options of the Company or any other relevant securities (as defined in Note 4 of Rule 22 of the Takeovers Code) of the Company as at the Latest Practicable Date;
- (c) save for the Irrevocable Undertaking, none of the Offeror, its ultimate beneficial owner or parties acting in concert with any of them have received any irrevocable commitment to accept or reject the Offers;
- (d) none of the Offeror or parties acting in concert with it had entered into any arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons as at the Latest Practicable Date;

- (e) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror (or the parties acting in concert with it) has borrowed or lent;
- (f) there was no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or parties acting in concert with it and any Directors, recent Directors, Independent Shareholders, recent Independent Shareholder, Independent Optionholders or recent Independent Optionholders having any connection with or dependence upon the Offers;
- (g) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons;
- (h) there was no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers;
- (i) no material contracts had been entered into by the Offeror in which any Director (other than Ms. Zhang, as sole shareholder of the Offeror) had a material personal interest;
- (j) no benefit (other than statutory compensation required under the applicable laws) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offers;
- (k) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror or the parties acting in concert with it on one hand, and the Shareholder or Optionholder;
- (l) other than the Consideration under the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them have not paid and will not pay any other consideration, compensation or benefit in whatever from to the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares;
- (m) save and except for any service and/or employment contract(s) entered into with members of the Group, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner and/or parties acting in concert with them on one hand and the Vendor, its ultimate beneficial owner and/or parties acting in concert with any of them on the other hand;
- (n) the Offeror did not intend that the payment of interest on, repayment of or securities of any liability (contingent or otherwise) will depend to any significant extent on the business of the Group; and
- (o) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between any Independent Shareholder, Independent Optionholder and the Offeror and/or the parties acting in concert with it.

4. MARKET PRICES

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price per Share HK\$
2024	
31 January	0.245
29 February	0.230
28 March	0.235
30 April	0.190
31 May	0.248
28 June, being the Last Trading Day	0.199
Latest Practicable Date	0.248

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.29 per Share on 5 June 2024; and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.19 per Share from 26 April 2024 to 2 May 2024.

5. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who have given opinions or advice which are contained in this Composite Document:

Name	Qualification
Yu Ming	a licensed corporation permitted to carry out types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities under the SFO

Yu Ming has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the text of its letter and references to its name in the form and context in which they respectively appear.

6. MISCELLANEOUS

- (a) The Offeror is wholly-owned by Ms. Zhang.
- (b) Ms. Zhang is the sole director of the Offeror and a principal member of the Offeror's concert group.

- (c) The registered office of the Offeror is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- (d) The correspondence address of the Offeror and Ms. Zhang is at Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (e) Yu Ming is the financial adviser to the Offeror and is making the Offers on behalf of the Offeror. The registered office of Yu Ming is at Room 1801 18/F Allied Kajima Building, 138 Gloucester Road, Wanchai, Hong Kong.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the website of the Company at <http://www.nasholdings.com> and the website of the SFC at <http://www.sfc.hk> from the date of this Composite Document up to and including the Closing Date:

- (i) the memorandum and articles of association of the Offeror;
- (ii) the Sale and Purchase Agreement;
- (iii) the Irrevocable Undertaking;
- (iv) the Facility Letter;
- (v) the letter from the Yu Ming, the text of which is set out on pages 8 to 16 of this Composite Document; and
- (vi) the written consent referred to in the section headed “Qualification and Consent of Expert” in this Appendix III to this Composite Document.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offers, the Offeror and the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date were as follows:

Authorised:

4,000,000,000 Shares	HK\$400,000,000.00
3,000,000,000 convertible preference shares	HK\$300,000,000.00

Issued and fully paid:

454,509,311 Shares	HK\$45,450,931.10
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All the Shares in issue rank pari passu in all respects with each other, including the rights in respect of capital and dividends and voting.

The Company had not issued any Share since 31 March 2024 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 32,056,388 outstanding Share Options and the details of those are set out below:

Date of Grant	Exercise price per Share Option HK\$	Exercise period	Outstanding as at Latest Practicable Date
7 November 2022	0.325	7 November 2022 to 6 November 2032	3,268,000
6 July 2023	0.339	6 July 2023 to 5 July 2033	9,860,000
24 December 2021	0.700	24 December 2021 to 23 December 2031	11,524,000
16 August 2017	1.137	16 August 2017 to 15 August 2027	7,404,388

Save as disclosed above, the Company had no outstanding options, warrants, derivatives or securities convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

3. DISCLOSURE OF INTERESTS BY THE DIRECTORS

As at the Latest Practicable Date, based on the records of the Company, including notices received pursuant to Part XV of the SFO, the Directors have the following interest in Shares:

Name of Director	Capacity/Nature of interest	Number of Shares	Number of Share Options	Approximate percentage of shareholding
Ms. Zhang	Interest in a controlled corporation ^{Note 1}	231,802,607	—	51.00%
	Beneficial owner	—	8,279,817	1.82%
Kenneth Kon Hiu King	Beneficial owner	—	8,994,217	1.98%
Pierre Tsui Kwong Ming	Beneficial owner	—	1,182,217	0.26%
Joseph Chan Nap Kee	Beneficial owner	—	1,078,217	0.24%
Joseph Liang Hsien Tse	Beneficial owner	—	1,078,217	0.24%

Note 1: The 231,802,607 Shares in which Ms. Zhang was interested were directly held by the Offeror, a company directly wholly-owned by Ms. Zhang.

4. DISCLOSURE OF INTERESTS OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, information currently available and, so far as is known to the Directors, the persons or entities who had an interest or a short position in the Shares or the underlying shares of the

Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name of Shareholder	Capacity/Nature of interest	Number of Shares	Number of Share Options	Approximate percentage of shareholding
Ms. Zhang	Interest in a controlled corporation ^{Note 1}	231,802,607	—	51.00%
	Beneficial owner	—	8,279,817	1.82%
Ms. Lu	Interest in a controlled corporation ^{Note 2}	51,752,205	—	11.39%
	Beneficial owner	—	699,016	0.15%
Sun Ciyang	Beneficial owner	39,861,357	—	8.77%

Notes:

1. The 231,802,607 Shares by Ms. Zhang interested were directly held by the Offeror, a company directly wholly-owned by Ms. Zhang.
2. The 51,752,205 Shares in which Ms. Lu was interested were directly held by the Vendor, a company directly wholly-owned by Ms. Lu and are subject to the Irrevocable Undertaking.

Save as disclosed above so far as is known to the Directors, as at the Latest Practicable Date, no other person had any interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

5. DEALINGS IN SECURITIES OF THE COMPANY

During the Relevant Period, so far as the Directors are aware:

- (a) save for the Sale Shares under the Sale and Purchase Agreement and the transfer of 3,268,000 Shares from Ms. Zhang to the Offeror at a total consideration of HK\$745,104 (representing HK\$0.228 per Share) on 18 April 2024, none of the Directors have dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (b) none of (i) subsidiary of the Company; (ii) pension fund of the Company or any of its subsidiaries; or (iii) person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code (but excluding exempt principal traders and exempt fund managers) owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect

of any Shares or securities of the Company, and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

- (c) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (d) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (e) save for the Irrevocable Undertaking, no person had irrevocably committed himself/herself to accept or reject the Offers;
- (f) none of the Company nor any Directors had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (g) save and except for any service and/or employment contract(s) entered into with members of the Group, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholders or Optionholders and the Company, its subsidiaries or associated companies; and
- (h) save as disclosed in the paragraph headed “3. Disclosure of interests by the Directors” in this Appendix, none of Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offers. Each of the Directors who are Optionholders intended to accept the Option Offer.

6. SHAREHOLDINGS AND DEALINGS IN SHARES OF THE OFFEROR

The Offeror has confirmed that the entire equity interest of the Offeror is beneficially owned by Ms. Zhang, none of the Company nor any other Director had any interest in the shares of the Offeror, and no such person (including the Company) had dealt in the shares of the Offeror during the Relevant Period.

7. OTHER DISCLOSURE OF INTERESTS

As at the Latest Practicable Date:

- a) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;
- b) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and
- c) no material contracts had been entered into by the Offeror in which any Director (other than Ms. Zhang, as sole shareholder of the Offeror) had a material personal interest.

8. MATERIAL CONTRACT

Save for the sale and purchase agreement dated 21 December 2022, entered into between New Creation Ventures Limited (a wholly-owned subsidiary of the Company), Aigniter Holdings Limited, Aigniter Technologies Limited and the covenantors (namely Aigniter Holdings Limited, Mr. Ho Long Hei and Mr. Lai Ka Wai) regarding the acquisition by New Creation Ventures Limited of the entire issued share capital of Jarvix (Hong Kong) Limited, certain technology and intellectual properties from Aigniter Technologies Limited, and the amount due to Aigniter Technologies Limited from Jarvix (Hong Kong) Limited as at the completion date of the acquisition for an initial consideration of US\$2,400,000 (approximately HK\$18,840,000), subject to a downward adjustment mechanism (details of which were set out in the announcement of the Company dated 21 December 2022), no contract has been entered into by the members of the Group within two years immediately preceding the date on which the Offer Period commenced and up to the Latest Practicable Date, which are or may be material.

9. DIRECTORS' SERVICE CONTRACTS

Save as disclosed in this section, as at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) had been entered into or amended within six months before the date of commencement of the Offer Period; (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period.

Director	Terms of the service contract(s)/ appointment(s)	Amount of remuneration	Variable remuneration
Ms. Zhang	A term of three years from 6 November 2023	HK\$5,925,252 per annum ^{Note 1}	A discretionary cash bonus as the Board and Remuneration Committee may determine.
	A term of three years from 6 November 2023	SG\$130,000 per annum ^{Note 2}	A discretionary bonus as the management of a subsidiary of the Company may determine.
Mr. Kenneth Kon Hiu King	A term of three years from 23 December 2021	HK\$3,470,000 per annum ^{Note 3}	A discretionary cash bonus as the Board and Remuneration Committee may determine.
Mr. Pierre Tsui Kwong Ming	A term of three years from 9 February 2023	HK\$480,000 per annum	N/A
Mr. Joseph Liang Hsien Tse	A term of three years from 19 February 2022	HK\$480,000 per annum	N/A
Mr. Joseph Chan Nap Kee	A term of three years from 4 March 2022	HK\$480,000 per annum	N/A
Dr. Cai Qing	A term of three years from 23 December 2021	HK\$480,000 per annum	N/A

Notes:

1. This service contract was amended on 6 February 2024, prior to which the amount of fixed remuneration payable under the contract was HK\$6,000,000 per annum. The remaining particulars disclosed above remained unchanged before and after such amendment.

2. *This service contract was amended on 6 February 2024, prior to which the amount of fixed remuneration payable under the contract was SG\$117,000 per annum. The remaining particulars disclosed above remained unchanged before and after such amendment.*
3. *This service contract was amended on 9 May 2024. There was no change of the particulars disclosed above before and after such amendment.*

10. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who have given opinions or advice which are contained in this Composite Document:

Name	Qualification
Gram Capital Limited	A corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of their letters or opinions and/or references, as the case may be, to its name in the form and context in which they appear.

11. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration or claims which would materially and adversely affect the operations of Group, and no litigation, arbitration or claims which would materially and adversely affect the operations of the Group was known to the Directors to be pending or threatened against any members of the Group.

12. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The principal place of business of the Company in Hong Kong is at Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.
- (c) The company secretary of the Company is Mr. Law Wai Fai.
- (d) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The registered office of the Independent Financial Adviser, is at 1209, 12/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.
- (f) The English text of this Composite Document and the accompanying Forms of Acceptance shall prevail over their Chinese text in case of any inconsistency.

13. DOCUMENTS ON DISPLAY

Copies of the following documents are available for inspection on the website of the Company at <http://www.nasholdings.com> and the website of the SFC at <http://www.sfc.hk> from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the financial years ended 31 March 2022, 2023 and 2024;
- (c) the letter from the Board, the text of which is set out in this Composite Document;
- (d) the letter from the Independent Board Committee, the text of which is set out in this Composite Document;
- (e) the letter from the Independent Financial Adviser, the text of which is set out in this Composite Document;
- (f) the written consent referred to under the paragraph headed “Qualification and Consent of Expert” in this Appendix;
- (g) the material contract referred to under the paragraph headed “Material Contract” in this Appendix;
- (h) the service contracts referred to under the paragraph headed “Directors’ Service Contracts” in this Appendix; and
- (i) this Composite Document and the accompanying Forms of Acceptance.