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## **NORTH ASIA STRATEGIC HOLDINGS LIMITED**

**北亞策略控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8080)**

**(I) SUBSCRIPTION OF CONVERTIBLE PREFERENCE SHARES WITH  
UNLISTED WARRANTS UNDER SPECIFIC MANDATE;  
(II) PROPOSED APPOINTMENT OF DIRECTORS;  
(III) PROPOSED AMENDMENTS TO THE BYE-LAWS; AND  
(IV) RESUMPTION OF TRADING**

### **THE SUBSCRIPTION**

On 3rd April 2013, after trading hours, the Company entered into a conditional Subscription Agreement with the Subscriber pursuant to which the Subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue 1,400,000,000 CPS (with Warrants) at HK\$0.228 per CPS for an aggregate subscription price of HK\$319.2 million payable at Completion. The CPS is convertible into CPS Conversion Shares at the initial conversion ratio of one CPS to one CPS Conversion Share (effectively, therefore at HK\$0.228 per CPS Conversion Share), subject to adjustments.

In consideration of the subscription of the CPS by the Subscriber, the Warrants which entitle the holders to subscribe Warrant Shares up to HK\$75,320,000 will be granted by the Company to the Subscriber upon Completion. Each Warrant entitles the holder thereof to subscribe for one Warrant Share at an initial subscription price of HK\$0.28 (subject to adjustments) per Warrant Share for a period of 3 years commencing from the date of issue of the Warrants. Based on an initial subscription price of HK\$0.28 (subject to adjustments) per Warrant Share, an aggregate of 269,000,000 Warrant Shares will be allotted and issued by the Company upon full exercise of the subscription rights attached to the Warrants. Such Warrant Shares represent approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement.

The CPS Conversion Shares and the Warrant Shares will be allotted and issued pursuant to a specific mandate to be approved by the Shareholders at the SGM by ordinary resolution.

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the CPS Conversion Shares and the Warrant Shares which may fall to be allotted and issued upon exercise of the conversion rights attached to the CPS and the subscription rights attached to the Warrants. No listing of the CPS and the Warrants will be sought on the Stock Exchange or any other stock exchanges.

\* *For identification purpose only*

## **GENERAL**

The SGM will be held for the Shareholders to consider and, if thought fit, pass (i) an ordinary resolution to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the CPS and the Warrants and the allotment and issue of the CPS Conversion Shares and the Warrant Shares under the Specific Mandate; (ii) ordinary resolutions to elect Mr. Tung Shum, Mr. Nicholas Robert Sallnow-Smith and Mr. Edwin Keh Yee Man as new Directors to take effect on the day immediately following the Completion; and (iii) a special resolution to approve the necessary amendments to the Bye-laws by replacing the terms of existing preference shares with the terms of the CPS as set out in the Subscription Agreement.

In addition, ordinary resolutions will also be put forward to the Shareholders for the re-election of existing Directors, namely Mr. Ding Yi, Mr. Joseph Chan Nap Kee, Mr. Stephen Luk Kai Ming, Mr. Kenneth Kon Hiu King and Mr. Joseph Liang Hsien Tse as Directors in accordance with the requirement of the Bye-laws and the GEM Listing Rules.

A circular containing, among other things, details of the Subscription Agreement and transactions contemplated thereunder, terms of the CPS and the Warrants, proposed appointment of Directors, proposed amendments to the Bye-laws, information on the re-election of Directors, and the notice convening the SGM is expected to be despatched to the Shareholders as soon as practicable. To the best knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM relating to the Subscription Agreement and transactions contemplated thereunder.

**The Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement, which may or may not complete. Potential investors are advised to exercise caution when dealing in the securities of the Company.**

## **TRADING HALT AND RESUMPTION OF TRADING**

Pending the release of this announcement, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5th April 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8th April 2013.

## **THE SUBSCRIPTION**

On 3rd April 2013, after trading hours, the Company entered into a conditional Subscription Agreement with the Subscriber pursuant to which the Subscriber conditionally agreed to subscribe and the Company conditionally agreed to allot and issue 1,400,000,000 CPS (with Warrants) for an aggregate subscription price of HK\$319.2 million payable at Completion.

## **The Subscription Agreement**

Date: 3rd April 2013

Parties: (i) the Company as the issuer; and  
(ii) the Subscriber

The Subscriber is a company incorporated under the laws of the British Virgin Islands with limited liability on 16th November 2012. The principal business of the Subscriber is investment holding. Mr. Tung Shum beneficially and wholly owns the Subscriber through GO Finance Limited, which is an investment holding company incorporated under the laws of the British Virgin Islands with limited liability on 16th November 2012 and wholly owned by Mr. Tung Shum. Save for the proposed subscription of the CPS (with Warrants), none of the Subscriber or GO Finance Limited carried out any business operations since their incorporation. Detailed information on Mr. Tung Shum is set out in the paragraph headed “Proposed Appointment of Directors” below.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties and they do not hold any Shares as at the date of this announcement.

### **Principal Terms of the CPS**

Issuer	: The Company
Par value	: HK\$0.01 each
Number of CPS	: 1,400,000,000 CPS
Subscription price	: HK\$0.228 per CPS
Conversion rights	: Each CPS is convertible at the election of its holder into CPS Conversion Share at the initial conversion ratio of one CPS to one CPS Conversion Share, subject to certain customary adjustments summarised further below. A holder of CPS may convert all or part of its holding of CPS in denominations of 5,000,000 CPS or integral multiples thereof.
Conversion period	: Perpetual, any Business Day after the issue date of the CPS to the extent permitted by law.
Conversion limitation	: The Company is not obliged to issue any CPS Conversion Shares on conversion if and to the extent that immediately after conversion the Company will fail to comply with public float requirement under the GEM Listing Rules.

Conversion ratio adjustments	: The CPS conversion ratio may be adjusted upon occurrence of certain events including but not limited to the following: <ul style="list-style-type: none"> <li>(i) an alteration to the nominal value of the Shares as a result of consolidation or subdivision;</li> <li>(ii) any issue of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves, other than Shares issued in lieu of the whole or part of a cash dividend;</li> <li>(iii) the payment or making of any capital distribution to the Shareholders;</li> <li>(iv) the offer to Shareholders of Shares or any securities convertible into or carrying right to subscribe for Shares by way of rights, or the issue of any Shares or securities convertible into or carrying rights to subscribe for new Shares at a price or total effective price per Share which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant; and</li> <li>(v) other customary events which an investment bank appointed by the Company certifies to warrant an adjustment.</li> </ul>
Dividend	: The CPS does not carry any right to any dividend.
Redemption	: The CPS is not redeemable.
Ranking	: The CPS will rank <i>pari passu</i> among themselves. The CPS Conversion Shares, when issued, will rank <i>pari passu</i> with the Shares then in issue.
Rights in liquidation	: Each CPS shall rank in priority to the ordinary shares of the Company as to a distribution of assets of the Company on a return of capital on liquidation up to the amount of HK\$0.228 per CPS (being the subscription price for each CPS) and will not thereafter participate in further distributions.
Voting	: The CPS does not carry any voting rights.
Transferability	: Each holder of CPS may freely transfer all or part (in denominations of 10,000,000 CPS or integral multiples) of its holding of CPS, except that any transfer to connected persons of the Company will require prior written consent from the Company and is subject to the requirements of the GEM Listing Rules.
Listing	: The Company will apply to the Listing Committee for the listing of, and permission to deal in, the CPS Conversion Shares which fall to be allotted and issued upon exercise of the conversion right of the CPS. No listing of the CPS on the Stock Exchange or any other exchanges will be sought.

## **The Subscription Price of the CPS**

As the CPS is initially convertible on the basis of one CPS to one CPS Conversion Share (subject to adjustments), the effective conversion price per CPS Conversion Share is the same as the subscription price per CPS, i.e. HK\$0.228, which represents:

- (i) a premium of approximately 5.07% over the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 4.11% over the average of the closing prices of approximately HK\$0.219 per Share for the last five trading days immediately prior to and including the Last Trading Date; and
- (iii) a premium of approximately 2.24% over the average of the closing prices of approximately HK\$0.223 per Share for the last ten trading days immediately prior to and including the Last Trading Date.

The subscription price and the conversion ratio of the CPS were arrived at after arm's length negotiations between the Company and the Subscriber with reference to the the closing price of HK\$0.217 per Share on the Last Trading Date, average closing price of approximately HK\$0.219 per Share for the last five trading days prior to and including the Last Trading Date, and the prospect of the Company.

## **The CPS Conversion Shares**

Upon full conversion of the CPS at the initial conversion ratio, the Company will issue a maximum of 1,400,000,000 CPS Conversion Shares, which represents:

- (i) approximately 104.02% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 50.98% of the issued share capital of the Company as enlarged by the issue and allotment of the CPS Conversion Shares (based on the initial conversion ratio of the CPS); and
- (iii) approximately 46.44% of the issued share capital of the Company as enlarged by the issue and allotment of the CPS Conversion Shares (based on the initial conversion ratio of the CPS) and the Warrant Shares (based on the initial subscription price of the Warrants).

## Principal Terms of the Warrants

- Issuer : The Company
- Issue price : Nil (issued in consideration of the Subscriber's subscription of CPS)
- Subscription price : HK\$0.28 per Warrant Share, subject to certain customary adjustments summarised further below
- Subscription rights : The Warrants entitle the holder(s) to subscribe for Warrant Shares up to a maximum amount of HK\$75,320,000.
- Subscription period : Any time after the issue date until the day immediately preceding the third anniversary of the issue date.
- Subscription limitation : The Company is not obliged to issue any Warrant Shares upon exercise of subscription rights by any holder(s) of the Warrants if and to the extent that it will result in the Company failing to comply with public float requirement under the GEM Listing Rules.
- Subscription price adjustments : The subscription price per Warrant Share may be adjusted upon occurrence of certain events including but not limited to the following:
- (i) an alteration to the nominal value of the Shares as a result of consolidation or subdivision;
  - (ii) any issue of Shares credited as fully paid to the Shareholders by way of capitalization of profits or reserves, other than Shares issued in lieu of the whole or part of a cash dividend;
  - (iii) the payment or making of any capital distribution to the Shareholders;
  - (iv) the offer to Shareholders of Shares or any securities convertible into or carrying right to subscribe for Shares by way of rights, or the issue of any Shares or securities convertible into or carrying rights to subscribe for new Shares at a price or total effective price per Share which is less than 90% of the market price on the date of the announcement of the terms of the offer or grant; and
  - (v) other customary events which an investment bank appointed by the Company certifies to warrant an adjustment.

- Ranking : The Warrants will rank *pari passu* among themselves. The Warrant Shares, when issued, will rank *pari passu* with the Shares then in issue.
- Voting : The Warrants do not carry any right to attend or vote at any general meeting of the Company.
- Rights in liquidation : The holder(s) of the Warrants will not be entitled to participate in the assets of the Company on its liquidation.
- Other participation rights : The holder(s) of Warrants will not be entitled to participate in any distribution and/or offers of further securities made by the Company.
- Transferability : Each holder of the Warrants may freely transfer all or part (in denominations of 5,000,000 Warrants or integral multiples) of its holding of Warrants, except that any transfer to connected persons of the Company will require prior written consent from the Company and is subject to the requirements of the GEM Listing Rules.
- Listing : The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Warrant Shares which fall to be allotted and issued upon exercise of the subscription right of the Warrant. No listing of the Warrants on the Stock Exchange or any other exchanges will be sought.

### **The Subscription Price of the Warrant Shares**

The initial subscription price of HK\$0.28 per Warrant Share represents:

- (i) a premium of approximately 29.03% over the closing price of HK\$0.217 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a premium of approximately 27.85% over the average of the closing prices of approximately HK\$0.219 per Share for the last five trading days immediately prior to and including the Last Trading Date; and
- (iii) a premium of approximately 25.56% over the average of the closing prices of approximately HK\$0.223 per Share for the last ten trading days immediately prior to and including the Last Trading Date.

The initial subscription price per Warrant Share was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the closing price of HK\$0.217 per Share on the Last Trading Date, average closing price of approximately HK\$0.219 per Share for the last five trading days prior to and including the Last Trading Date, the subscription period of the Warrants and the effective initial conversion price per CPS Conversion Share, which took the prospects of the Company into account.

### **The Warrant Shares**

Upon full exercise of the subscription rights attached to the Warrants at the initial subscription price of HK\$0.28 per Warrant Share, the Company will issue a maximum of 269,000,000 Warrant Shares which represent:

- (i) approximately 19.99% of the issued share capital of the Company as at the date of this announcement;
- (ii) approximately 16.66% of the issued share capital of the Company as enlarged by the issue and allotment of the Warrant Shares (based on the initial subscription price of the Warrants); and
- (iii) approximately 8.92% of the issued share capital of the Company as enlarged by the issue and allotment of the CPS Conversion Shares (based on the initial conversion ratio of the CPS) and the Warrant Shares (based on the initial subscription price of the Warrants).

### **Conditions of the Subscription**

Completion is conditional upon the fulfillment of all the following conditions:

- (a) the passing by the Shareholders in the SGM of:
  - (i) an ordinary resolution to approve, among others, the Subscription Agreement and transactions contemplated thereunder, including the issue of the CPS, the Warrants and the allotment and issue of the CPS Conversion Shares and Warrant Shares; and
  - (ii) a special resolution to approve the necessary amendments to the Bye-laws by replacing the terms of existing preference shares with the terms of the CPS as set out in the Subscription Agreement.
- (b) the Listing Committee having granted approval (either unconditionally or subject only to conditions to which neither the Company nor the Subscribers has any reasonable objection) for the listing of, and permission to deal in the CPS Conversion Shares and the Warrant Shares;



- (c) all consents and approvals considered necessary by the Company (including the Bermuda Monetary Authority) in connection with the Subscription, the issue of the CPS and the Warrants and the allotment and issue of the CPS Conversion Shares and Warrant Shares and the transactions contemplated under the Subscription Agreement having been obtained; and
- (d) the Company not having received any objection from the Stock Exchange in respect of the issue of the relevant CPS and the Warrants.

If the above conditions are not fulfilled on or before 4:00 p.m. on 30th June 2013 (or such later date as may be agreed between the Company and the Subscriber), the Subscription Agreement shall thereupon lapse and become null and void and the parties will automatically be released from all obligations hereunder, save for any liability arising out of any antecedent breaches thereof.

### **Completion**

Completion shall take place at 5:00 p.m. on the fifteenth Business Day following the date on which the above conditions are fulfilled (or such earlier time and/or date after fulfillment of the conditions as notified by the Subscriber to the Company by giving no less than one Business Day advance written notice).

### **Termination**

If there is any breach of any warranties made by the Company in any material respect before Completion, the Subscriber may issue a written notice to the Company to terminate the Subscription Agreement.

### **Specific Mandate for the CPS Conversion Shares and the Warrant Shares**

The CPS Conversion Shares and the Warrant Shares will be allotted and issued pursuant to the Specific Mandate. The Company will seek the grant of the Specific Mandate from the Shareholders to allot and issue the CPS Conversion Shares and the Warrant Shares at the SGM.

### **Reasons for the Subscription**

The Group is principally engaged in (i) trading of surface mount technology assembly equipment and provision of related services; (ii) refining and sale of fish oil, processing and sale of fishmeal and manufacturing and sale of aquatic feed products; and (iii) developing and operating Burger King restaurants in Hong Kong.

After the change in the substantial shareholder of the Company and the Board in December 2012 and February 2013, the current Board is conducting a strategic review on the existing operations of the Group to consider if streamlining of non-core businesses of the Group is necessary and at the same time identifying new business opportunities for future expansions, in particular possible projects in the infrastructure and logistics sectors. However, the Company is still at the stage of assessing possible opportunities and has not entered into any definitive agreement to pursue specific projects.

The Company distributed special dividend to the Shareholders at HK\$543.9 million for the year ended 31st March 2011 and HK\$269.2 million for the interim period ended 31st September 2012. The Board considers the proposed Subscription would provide a good opportunity for the Company to replenish funds and improve its financial position for future development and expansion without any immediate dilution effect. Moreover, the Board also considers the possible exercise of the conversion rights attached to the CPS and the exercise of the subscription rights attached to the Warrants will substantially enlarge the share capital base of the Company and thus allow the Company to be in a position to fully take advantage of any identified investment opportunities.

The Board views Mr. Tung Shum, the ultimate beneficial owner of the Subscriber, as a strategic investor which can lend his established expertise and know-how in infrastructure and logistics sectors to support the Group's vision for growth. In this regard, Mr. Shum also introduced a number of candidates who are willing to serve the Company as directors after Completion, and whom the Board believes will be able to bolster the capabilities of the Board in exploring possible investment projects in the infrastructure and logistics sector, including particularly airport city development projects. Further information regarding these candidates are set out in the paragraph headed "Proposed Appointment of Directors" below.

The Board is of the view that the terms of the Subscription Agreement are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole despite the potential dilution effect on the Shareholders.

### **Use of Proceeds**

The gross proceeds from the 1,400,000,000 CPS based on the subscription price of HK\$0.228 per CPS is approximately HK\$319.2 million. Assuming the subscription right attached to the Warrants are fully exercised at the initial subscription price of HK\$0.28 per Warrant Share, the gross proceeds from the subscription of the Warrant Shares will be approximately HK\$75.32 million.

The net proceeds (after deducting all applicable costs and expenses of the Subscription) is estimated to be HK\$316.2 million (net subscription price of approximately HK\$0.226 per CPS) from the issue of the CPS and HK\$75.32 million (net subscription price of approximately HK\$0.28 per Warrant Share) from the issue and allotment of Warrant Shares assuming the Warrants are fully exercised, which is intended for general working capital of the Group and possible investments in infrastructure and logistics projects, including particularly airport city development projects, if and when identified.

### **Equity Fund Raising Activities in the Past Twelve Months**

The Company has not conducted any equity fund raising activities in the past twelve months before the date of this announcement.

## Changes of Shareholding Structure

As at the date of this announcement, the Company has 1,345,938,948 Shares in issue. The following table sets out the shareholding structure of the Company: (i) as at the date of this announcement; (ii) assuming only the CPS Conversion Shares are fully issued upon conversion at its initial conversion ratio of one CPS into one CPS Conversion Share; (iii) assuming only the Warrant Shares are fully issued upon exercise of the subscription rights attached to the Warrants; and (iv) assuming both of the CPS Conversion Shares and the Warrant Shares are fully issued at their respective initial conversion ratio and initial subscription price, respectively:

	As at the date of this announcement		Assuming only the CPS Conversion Shares are fully issued		Assuming only the Warrant Shares are fully issued		Assuming both of the CPS Conversion Shares and the Warrant Shares are fully issued	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Subscriber —								
CPS (Note 1)	—	—	1,400,000,000	50.98%	—	—	1,400,000,000	46.44%
Warrants (Note 1)	—	—	—	—	269,000,000	16.66%	269,000,000	8.92%
<b>Subtotal</b>	<b>—</b>	<b>—</b>	<b>1,400,000,000</b>	<b>50.98%</b>	<b>269,000,000</b>	<b>16.66%</b>	<b>1,669,000,000</b>	<b>55.36%</b>
Celestial Wealth Investments Limited (Note 2)	402,445,296	29.90%	402,445,296	14.66%	402,445,296	24.92%	402,445,296	13.35%
<b>Public Shareholders</b>								
C.L Davids Fond og Samling	106,178,010	7.89%	106,178,010	3.87%	106,178,010	6.57%	106,178,010	3.52%
United Overseas Bank Limited	69,457,701	5.16%	69,457,701	2.53%	69,457,701	4.30%	69,457,701	2.30%
Other public Shareholders	767,857,941	57.05%	767,857,941	27.96%	767,857,941	47.55%	767,857,941	25.47%
<b>Subtotal — Public float</b>	<b>943,493,652</b>	<b>70.10%</b>	<b>943,493,652</b>	<b>34.36%</b>	<b>943,493,652</b>	<b>58.42%</b>	<b>943,493,652</b>	<b>31.29%</b>
<b>Total</b>	<b>1,345,938,948</b>	<b>100.00%</b>	<b>2,745,938,948</b>	<b>100.00%</b>	<b>1,614,938,948</b>	<b>100.00%</b>	<b>3,014,938,948</b>	<b>100.00%</b>

Note:

- As stated in the paragraph headed “Takeovers Code implications” below, the Subscriber has informed the Company that prior to exercising the conversion rights under the CPS and the subscription right under the Warrant to the extent that would oblige the Subscriber to make a mandatory general offer, the Subscriber may or may not make an application to the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code for the Whitewash Waiver. No decision has been made by the Subscriber on the application of the Whitewash Waiver as at the date of this announcement. The

granting of the Whitewash Waiver will be subject to, inter alia, the approval of the Independent Shareholders taken by way of a poll at the SGM. The Whitewash Waiver may or may not be granted. If the Whitewash Waiver is not obtained in due course, the Subscriber or the holders of the CPS Conversion Shares and/or the Warrant Shares will be required to fully comply with the rules of the Takeovers Code.

2. Celestial Wealth Investments Limited is wholly and beneficially owned by Mr. Ding Yi, an executive Director and the chairman of the Company.

## **Public Float**

The Company confirms that it will continue to monitor closely and ensure the Company is maintaining the minimum public float percentage as prescribed under the GEM Listing Rules from time to time. Pursuant to the terms and conditions of the Subscription Agreement, should there be a possibility that the public float of the Company will fall below the minimum percentage prescribed under the GEM Listing Rules upon the exercise of the conversion rights attached to the CPS and the subscription right attached to the Warrants, the Company will not issue such CPS Conversion Shares and the Warrant Shares.

## **Proposed Appointment of Directors**

As set out in the paragraph headed “Reasons for the Subscription” above, the Board proposes to seek Shareholders’ approval at the SGM for the appointment of Mr. Tung Shum as an executive Director, Mr. Nicholas Robert Sallnow-Smith and Mr. Edwin Keh Yee Man as independent non-executive Directors to bolster the capabilities of the Board for the future growth of the Company. Biographical information of the proposed Directors is set out below:

**Mr. Tung Shum (“Mr. Shum”)**, aged 44, has over 20 years’ experience spanning private equity and real estate in China. He is the Chairman of the Great Ocean Group, an integrated enterprise engaging in city center mixed-use real estate development and airport cities, since 2002.

Mr. Shum has led in establishing the Airport City Development Co. Ltd. (“ACL”) in December 2004. He played a critical leadership role in developing the pioneering Airport City Logistic Park (“ACLP”) in Beijing, including the establishment of the PRC’s first airport-based bonded B logistic center. ACL was fully in charge of the planning, construction and operation management of the ACLP. The development was one of the earliest private-public partnerships in PRC’s airport related sector and is considered a breakthrough model to follow. ACL has gained approval in 2008 establishing the Beijing Tianzhu Free Trade Zone, the first airport-based free trade zone in the PRC, and extending the functionality of ACLP’s air cargo bonded logistics services. Mr. Shum is considered an expert in the field and regularly delivers keynote addresses at major aviation industry-related conferences, including the 10th Airport Cities World Conference and Exhibition, which ACL hosted in Beijing.

Mr. Shum is also an Honorary Trustee of Tsinghua University and a member of the 12th session of Beijing Political Consultative Conference.

Mr. Shum is actively engaged in philanthropy, established the Kaifeng Foundation in 2007. Kaifeng Foundation is one of China's earliest privately-funded charity foundations under the Ministry of Civil Affairs. It supports the humanities, social sciences and arts and its initiatives include donating the Kaifeng Humanities Library at Tsinghua University, establishing the Classical Chinese Studies department, and sponsoring fellowships and scholarships. In 2011, Mr. Shum established the Kaifeng Family Heritage Center, organizing programs for influential family leaders to help them build an enduring family heritage and give back to society.

Mr. Shum holds a Bachelor's Degree in Finance and Accounting from the University of Wisconsin-Madison in the United States, and is a graduate of the joint-EMBA program by Northwestern University of the United States and Hong Kong University of Science & Technology. Mr. Shum is also a titleholder of Chartered Financial Analyst and a Henry Crown Fellow of Aspen Institute.

**Mr. Nicholas Robert Sallnow-Smith ("Mr. Sallnow-Smith")**, aged 63, is the Chairman of the board of directors of the Link Management Limited, manager of the Link REIT and the independent non-executive director of the Link REIT (a company listed on the Main Board of the Stock Exchange) since April 2007. He has over 30 years of experience in the finance and treasury field in the United Kingdom and Hong Kong, including 7 years as a finance director & treasurer with the Jardine Matheson Group, Mr. Sallnow-Smith has extensive knowledge of the property investment/management industry in Hong Kong. He was Chief Executive of Hongkong Land Limited between 2000 and 2007.

Mr. Sallnow-Smith is also an independent non-executive director of Wynn Macau, Limited (a company listed on the Main Board of the Stock Exchange) and Unitech Corporate Parks PLC (a company listed on AIM of the London Stock Exchange), and a non-executive director of Aviva Life Insurance Company Limited (Hong Kong).

Mr. Sallnow-Smith has been actively involved in public service and is currently a member of the Board of Governors of the Hong Kong Philharmonic Society, Chairman of the Hong Kong Youth Arts Foundation, a member of the council of the Treasury Markets Association and Chairman of the general committee of the British Chamber of Commerce in Hong Kong. He is also a director of AFS Intercultural Exchanges Limited, a Councillor of Foundation for the Arts and Music in Asia Limited, and a director of the Photographic Heritage Foundation Limited. He became a member of the Financial Reporting Council of Hong Kong in December 2012.

Mr. Sallnow-Smith was educated at Gonville & Caius College, Cambridge and the University of Leicester and is a Fellow of the Association of Corporate Treasurers. He holds a Master of Arts degree at Cambridge University and a Master of Arts degree in the Sociology of Education at University of Leicester.

*Mr. Edwin Keh Yee Man* (“**Mr. Keh**”), aged 56, has over 20 years’ experience in logistics for consumer products. He is currently the Chief Executive Officer of Hong Kong Research Institute of Textile and Apparel, a public-private fund engaged in applied industrial research, since July 2012. He is also on Faculty at the Wharton School, University of Pennsylvania where he teaches supply chain operations since October 2010.

Mr. Keh was SVP COO of Wal-Mart Global Procurement from April 2008 until April 2010. During the period, he managed offices in over 20 countries and sourcing activities in over 50 countries. Apart from acting as the supply chain spokesman on numerous occasions of Wal-Mart, Mr. Keh helped put together the 2008 Global CEO Summit on Sustainability in Beijing, China.

Prior to Wal-Mart Global Procurement, Mr. Keh managed a consulting group that provided consulting services for companies in the supply chain, manufacturing, and product design sectors since 2006. During the period, Mr. Keh also provided consulting services to non-profit organizations and charities. His client includes Berkshire Hathaway and Payless Shoes Australia amongst others. His non-profit work took him to Burma, Thailand, the Philippines, Laos and China where he worked with schools, orphanages, tribal peoples, and people afflicted by leprosy.

He was also a senior executive of several US consumer goods and retail companies, including being managing director of Payless Shoesource International, Donna Karan International, and Country Road Australia. Mr. Keh started up sourcing for Abercrombie & Fitch and Structure stores.

Mr. Keh is the Vice Chairman of the board of Whittier College, California since 2007. He is also an Advisory Board Member of Hong Kong Chinese University’s System Engineering & Engineering Management Department. He is on the board of directors of Footwear Association Charity Event, a shoe industry charity, and Handa, an non-governmental organization that serves the needs of people afflicted with leprosy in China. He advises several social enterprises and has spoken or taught recently at events of multiple universities in Asia and the United States.

Mr. Keh is the 2011 recipient of the Production and Operations Management Society’s Martin K. Starr Excellence in Production and Operations Management Practice Award.

Mr. Keh has graduated from Whittier College with a Bachelor of Arts degree in Political Science, Sociology, and Urban Design. He has also done graduate work at Claremont College’s Drucker School.

## TAKEOVERS CODE IMPLICATIONS

The Subscriber can potentially hold approximately 50.98% of the enlarged issued share capital of the Company upon full conversion of the CPS into CPS Conversion Shares (based on its initial conversion ratio) and 55.36% upon further subscription of the Warrant Shares (based on initial subscription price) upon full exercise of the subscription rights attached to the Warrants assuming no disposals of any such Shares. The Subscriber or the holder of the CPS (with Warrants) will upon acquiring 30% or more of the voting rights in the Company become obliged to make an unconditional mandatory general offer for all the Shares not already owned or acquired by the Subscriber or the holder as the case maybe and their respective parties acting in concert under Rule 26.1 of the Takeovers Code upon such conversion and subscription unless a waiver from strict compliance with Rule 26.1 has been obtained from the Executive. The Subscriber has informed the Company that prior to exercising the conversion rights under the CPS and the subscription right under the Warrants to the extent that would oblige the Subscriber to make a mandatory general offer, the Subscriber may or may not make an application to the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code for the Whitewash Waiver. No decision has been made by the Subscriber on the application of the Whitewash Waiver as at the date of this announcement. The granting of the Whitewash Waiver will be subject to, inter alia, the approval of the Independent Shareholders taken by way of a poll at the SGM. The Whitewash Waiver may or may not be granted. If the Whitewash Waiver is not obtained in due course, the Subscriber or the holders of the CPS Conversion Shares and/or Warrant Shares will be required to fully comply with the rules of the Takeovers Code. Further announcement(s) will be made by the Company in this regard as and when appropriate.

## GENERAL

The Company confirms that the issue of the Warrants complies with rules 21.02(1) and 21.02(2) of the GEM Listing Rules.

**The Subscription is subject to the satisfaction of the conditions precedent to the Subscription Agreement, which may or may not complete. Potential investors are advised to exercise caution when dealing in the securities of the Company.**

The SGM will be held for the Shareholders to consider and, if thought fit, pass: (i) an ordinary resolution to approve the Subscription Agreement and the transactions contemplated thereunder, including the issue of the CPS and the Warrants and the allotment and issue of the CPS Conversion Shares and the Warrant Shares under the Specific Mandate; (ii) ordinary resolutions to elect Mr. Tung Shum, Mr. Nicholas Robert Sallnow-Smith and Mr. Edwin Keh Yee Man as new Directors to take effect on the day immediately following the Completion; and (iii) a special resolution to approve the necessary amendments to the Bye-laws by replacing the terms of existing preference shares with the terms of the CPS as set out in the Subscription Agreement.

In addition, ordinary resolutions will be put forward to the Shareholders for re-election of existing Directors, namely Mr. Ding Yi, Mr. Joseph Chan Nap Kee, Mr. Stephen Luk Kai Ming, Mr. Kenneth Kon Hiu King and Mr. Joseph Liang Hsien Tse as Directors in accordance with the requirement of the Bye-laws and the GEM Listing Rules.

A circular containing, among other things, details of the Subscription Agreement and transactions contemplated thereunder, the terms of the CPS and the Warrants, proposed appointment of Directors, proposed amendments to the Bye-laws, information on the re-election of Directors, and the notice convening the SGM is expected to be despatched to the Shareholders as soon as practicable. To the best knowledge, information and belief of the Directors, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM relating to the Subscription Agreement and transactions contemplated thereunder.

## **TRADING HALT AND RESUMPTION OF TRADING**

Pending the release of this announcement, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 5th April 2013 at the request of the Company. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 8th April 2013.

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors of the Company
“Bye-laws”	the bye-laws of the Company
“Business Day”	a day (other than a Saturday, Sunday, public holidays and days on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on GEM (stock code: 8080)
“Completion”	Completion of Subscription under the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto in Chapters 1 and 20 of the GEM Listing Rules
“CPS”	the 1,400,000,000 convertible preference shares of HK\$0.01 each to be issued by the Company
“CPS Conversion Share(s)”	new Share(s) to be allotted and issued upon the exercise of the conversion rights attached to the CPS



“Director(s)”	director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC of Hong Kong or any of his delegates
“Group”	the Company and its subsidiaries
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	holders of the Shares, other than the Subscriber and the parties acting in concert with it
“Independent Third Party(ies)”	being third parties independent of the Company and connected persons of the Company
“Last Trading Date”	3rd April 2013, being the last trading day for the Share on the Stock Exchange prior to the entering into of the Subscription Agreement when the subscription price of the CPS is determined
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve the Subscription Agreement and the transactions contemplated thereunder amongst other things as disclosed in this announcement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandate”	the specific mandate proposed to be sought at the SGM to authorize the Directors to allot and issue the CPS Conversion Shares and the Warrant Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	GO Global Investments Limited, a company incorporated under the laws of the British Virgin Islands and the subscriber of the CPS (with Warrants) under the Subscription Agreement
“Subscription”	the issue by the Company and the subscription by the Subscriber for the CPS (with Warrants) on the terms and subject to the conditions set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement entered into between the Company and the Subscriber dated 3rd April 2013 in relation to the Subscription
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“Warrant(s)”	warrants carrying the right to subscribe up to HK\$75,320,000 for Shares at an initial subscription price of HK\$0.28 per Warrant Share (subject to adjustments)
“Warrant Share(s)”	new Share(s) to be allotted and issued upon the exercise of the subscription rights attached to the Warrants
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on the Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber and its concert parties to make a mandatory general offer for all the Shares not already owned or will be acquired by them which would otherwise arise as a result of the issue of the CPS Conversion Shares and the Warrant Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**North Asia Strategic Holdings Limited**  
**Ding Yi**  
*Chairman and Executive Director*

Hong Kong, 5th April 2013

*As at the date of this announcement, the Board comprises Mr. Ding Yi (Chairman and Executive Director); Mr. James Tsiolis (Deputy Chairman and Non-executive Director) and Mr. Joseph Chan Nap Kee (Non-executive Director); and Mr. Stephen Luk Kai Ming, Mr. Kenneth Kon Hiu King and Mr. Joseph Liang Hsien Tse (being Independent Non-executive Directors).*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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