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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)**

## **MAJOR TRANSACTION DISPOSAL OF INTEREST IN A JOINT VENTURE**

### **Financial Adviser**



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

On 8th July 2013 (after trading hours), the Vendor and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Preferred Shares at the Consideration of US\$18 million (equivalent to approximately HK\$140.4 million). The Consideration will be satisfied by cash of US\$6 million (equivalent to approximately HK\$46.8 million) and the issue of the Notes in the principal amount of US\$12 million (equivalent to approximately HK\$93.6 million). The Preferred Shares represent the entire preferred share capital of Coland held by the Company and are convertible into 40% of the enlarged ordinary shares of Coland upon full conversion.

Upon Completion, the Company will not hold any interest in the Coland Group, which will cease to be a joint venture of the Company.

As relevant percentage ratios (calculated according to the GEM Listing Rules) of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the GEM Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules.

A circular containing, amongst other things, (i) further information regarding the Disposal; (ii) a notice of SGM; and (iii) other information as required under the GEM Listing Rules will be despatched to the Shareholders on or before 29th July 2013.

**The Disposal is subject to the satisfaction of the condition precedent to the Sale and Purchase Agreement, which may or may not complete. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

\* For identification purpose only

## **THE DISPOSAL**

Reference is made to the announcement of the Company dated 7th May 2013 in relation to the offer from the Purchaser for the possible acquisition of the Preferred Shares held by the Company for US\$16 million (equivalent to approximately HK\$124.8 million). After further negotiation with the Purchaser, the Board announces that on 8th July 2013 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Sale and Purchase Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Preferred Shares of Coland for a consideration of US\$18 million (equivalent to approximately HK\$140.4 million) with detailed terms set out in this announcement.

### **The Sale and Purchase Agreement**

The principal terms of the Sale and Purchase Agreement are set out below:

Date: 8th July 2013 (after trading hours)

Parties: (i) Good Tactics Limited as the Vendor; and

(ii) Mr. Wong Chun as the Purchaser

The Purchaser is a director and major shareholder of Coland, holding 120,000,000 ordinary shares of Coland, representing approximately 80% of the ordinary share capital of Coland as at the date of this announcement. To the best knowledge, information and belief of the Directors having made all reasonable enquiries and so far as the Directors are aware, the Purchaser is an Independent Third Party.

### **Assets to be disposed**

The Preferred Shares, which represent the entire preferred share capital of Coland and are convertible into 40% of the enlarged ordinary shares of Coland upon full conversion.

### **Consideration**

The Consideration of US\$18 million (equivalent to approximately HK\$140.4 million) shall be payable by the Purchaser to the Vendor as follows:

- i. US\$6 million (equivalent to approximately HK\$46.8 million) by cash upon Completion;
- ii. US\$6 million (equivalent to approximately HK\$46.8 million) by the issuing of Note A to the Vendor upon Completion; and
- iii. US\$6 million (equivalent to approximately HK\$46.8 million) by the issuing of Note B to the Vendor upon Completion.

Further details of the Notes are set out in the paragraph headed “Principal terms of the Notes” below.

The Consideration represents a price-to-earnings ratio of approximately 68.4 times based on the earnings of Coland Group for the year ended 31st March 2013, which was arrived at after arm’s length negotiations between the Vendor and the Purchaser after taking into account (i) the deteriorate and fluctuate operating results of the Coland Group for the years ended 31st March 2012 and 2013 which resulted net loss attributable to the Company at approximately HK\$31.2 million and net profit attributable to the Company of approximately HK\$2.1 million respectively as compared to past operating performance of the Coland Group; (ii) the carrying value of the investment in Coland Group at HK\$137.7 million as at 31st March 2013 and the estimated gain on the Disposal (before deducting the related transaction costs) of approximately HK\$1.9 million; (iii) the audited net asset value of the Coland Group attributable to the Group of approximately HK\$176.4 million as at 31st March 2013; (iv) the price-to-earnings ratio of approximately 68.4 times, which is well above the range of price-to-earnings ratio of approximately 4.6 to 30.2 times of the market peers listed on the stock exchanges of Hong Kong, the PRC and Singapore; and (v) the future prospects and earnings outlook of the business of Coland Group.

### **Condition precedent**

Completion is conditional upon the passing by the Shareholders at the SGM an ordinary resolution to approve the Disposal and the transactions contemplated under the Sale and Purchase Agreement in accordance with the GEM Listing Rules and the applicable laws and regulations.

If the above condition is not fulfilled on or before the Long Stop Date, the Sale and Purchase Agreement shall on that date cease to have any force and effect and no party shall have any rights or obligations under the Sale and Purchase Agreement save for any antecedent breaches of the terms thereof.

### **Undertakings to release guarantee**

The Purchaser has undertaken to procure that all outstanding guarantees and/or indemnities provided by the Vendor, and/or the Company, or any other affiliate to the Vendor, if any, to secure banking facilities of any member of the Coland Group be completely, unconditionally and irrevocably released as soon as possible after the signing of the Sale and Purchase Agreement, but in no event later than the later of (i) 15 weeks immediately following the fulfillment of the condition precedent to the Sale and Purchase Agreement; and (ii) 31st December 2013.

As set out in the annual report of the Company for the year ended 31st March 2013, the Company had provided guarantee of approximately HK\$121.8 million with respect to banking facilities made available to the Coland Group. As at 31st March 2013, the banking facilities granted to the Coland Group subject to guarantees given to banks by the Company were utilized to the extent of HK\$51.8 million.

## **Waiver of Guarantee Fee**

Pursuant to the Sale and Purchase Agreement, the Original Coland Shareholders will enter into the Original Shareholders' Guarantee Fee Waiver and the Company will enter into the NAS Guarantee Fee Waiver, with Coland respectively upon Completion to waive the outstanding guarantee fees payable by Coland to them. The outstanding guarantee fee owed by the Coland Group to the Company is approximately HK\$0.8 million as at the date of the Sale and Purchase Agreement.

## **Termination of Shareholders' Agreement**

On 7th December 2006, the Shareholders' Agreement was entered into between the shareholders of Coland, including the Company and the Vendor to, inter alia, setting out rights and obligations of the Vendor and each of the Original Coland Shareholders.

On Completion, the Deed of Termination will be entered into by the parties to the Shareholders' Agreement to terminate the Shareholders' Agreement and to release each party of the Shareholders' Agreement from all obligations owed to the other party thereof.

Pursuant to the Deed of Termination, each of Coland, the Purchaser and Ms. Tung Ching undertakes to procure that all outstanding guarantees and/or indemnities provided by the Vendor, the Company or any other affiliate of the Vendor to secure banking facilities of any member of the Coland Group be completely, unconditionally and irrevocably released as soon as possible but in no event later than the later of (i) 15 weeks immediately following the fulfillment of the condition precedent to the Sale and Purchase Agreement; and (ii) 31st December 2013, and no party to the Shareholders' Agreement shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Shareholders' Agreement.

## **Guarantee and security for the Notes**

The Purchaser's payment obligations under the Notes are to be secured by the Charged Shares, and the Coland Guarantee. Upon repayment of Note A, 50% of the Charged Shares subject to the Share Charge is to be released to the Purchaser.

## **Completion**

Completion shall take place at 11 a.m. on the tenth Business Day after the date on which the all the conditions have been satisfied (or such other time and/or date as the Vendor and the Purchaser may agree in writing).

## PRINCIPAL TERMS OF THE NOTES

Save for maturity dates, the principal terms of Note A and Note B are the same, which are set out as follows:

Issuer:	The Purchaser
Principal Amount:	US\$6 million (equivalent to approximately HK\$46.8 million) for each of Note A and Note B
Issue Date:	The date of Completion
Maturity:	(i) 12 months from the date of issue of Note A; and (ii) 24 months from the date of issue of Note B
Interest:	1% per annum payable on maturity of the Notes. The interest shall accrue on the basis of 360 days per year. In case of event of default not being remedied within the Remedy Period the Purchaser shall pay interest to the Noteholder on all amounts then outstanding under the Note from the date of default of payment of any amount that becomes due to the date of actual payment in full (both before and after judgment) calculated at the rate of 10% per annum
Repayment:	Unless previously repaid or redeemed, 100% of the outstanding principal amount on the respective maturity dates of the Notes
Early redemption:	The Purchaser may redeem the whole or any part of the Note (in an integral multiple of US\$1 million) together with all accrued and unpaid interest by giving notice of not less than ten Business Days (or such shorter period as the Noteholder may agree in writing)
Securities and guarantee:	The Notes are secured by the Share Charge and guaranteed by the Coland Guarantee
Covenants:	<p>Key covenants under the Notes are summarized below:</p> <p>So long as the Note is outstanding, unless the Noteholder gives its prior written approval otherwise and such consent shall not be unreasonably withheld:</p> <p>(i) The Purchaser may not enter a contract for the sale or lease, withdraw, transfer or otherwise dispose of the Charged Shares;</p>

- (ii) The Purchaser shall procure that the Coland Group will not materially change the nature of its business and to make material disposals or commitments except in the ordinary course of business;
- (iii) The Purchaser shall ensure or otherwise procure that Coland not to issue any new shares of any class;
- (iv) The Purchaser shall provide the Noteholder with the following financial statements of Coland:
  - a. quarterly and annual consolidated financial statements and other information of the Coland Group and other information in a form mutually agreed by the Purchaser and the Noteholder (and similar to information provided to the banks of Coland); and
  - b. a written monthly statement confirming that Coland is in good standing in respect of all financial covenants under covenant (vii).
- (v) The Purchaser will provide semi-annual personal financial statements in a simple form as agreed by the Purchaser and the Noteholder;
- (vi) The Purchaser shall procure the release of outstanding guarantees and/or indemnities provided by the Vendor or the Group to secure bank facilities for the Coland Group (the “**Outstanding Guarantee**”) no later than the later of (a) 15 weeks immediately following the fulfillment of the condition precedent to the Sale and Purchase Agreement; and (b) 31st December 2013;
- (vii) The Purchaser will undertake to ensure that the following financial covenants are met by Coland at all times:
  - a. The consolidated tangible net worth (as defined under the Notes) shall not be not less than HK\$300 million;
  - b. The ratio of consolidated total net debt (as defined under the Notes) to the Consolidated Tangible Net Worth shall not be higher than 2.5 times; and
  - c. The ratio of current assets divided by current liabilities shall not be less than 0.9 times.

- (viii) The Purchaser shall ensure that Coland does not declare or pay any dividends unless: (a) the Purchaser immediately thereafter repays at least 50% of the principal amount of the Notes then outstanding; and (b) there will not be any breach of any covenant or representation contained in the Notes or any event of default immediately after payment of such dividends; and
- (ix) The Purchaser shall procure that the Coland Group shall not repay any shareholders loan (whether due to a shareholder or a director of Coland or any of their associates) nor pay any interest thereon.

From the date that all Outstanding Guarantees are released in accordance with the conditions of the Notes, the Purchaser shall not be obliged to provide the written monthly statement as required under the conditions of the Notes or to comply with covenant (vii) above in relation to the financial covenants provided by Coland.

Transferability:

The Notes may be assigned or transferred to any transferee provided that: (i) the Noteholder shall give prior notice of its intention to transfer to the Purchaser; (ii) prior written consent of the Purchaser shall be obtained if the proposed transferee is engaged in the business of the processing and sale of fishmeal, the refining and sale of fish oil or the manufacturing, the sale of feed products and the sale of aquatic products; and (iii) no proposed transferee(s) whom the Purchaser would reasonably consider as competitor(s).

Any assignment or transfer of the Notes shall be of the whole (but not in part) of the outstanding principal amount of the Notes and be accompanied by a transfer of the whole (but not in part) of the outstanding principal amount of Note B to the same transferee.

Events of Default:

Key events of default includes:

- (i) The Purchaser fails to pay the principal amount and/or any interest under the Notes;
- (ii) The Purchaser fails to perform or comply with covenants, obligations or undertakings under the Notes;
- (iii) The Purchaser defaults in performance or observance or compliance with any of its material obligations contained in the conditions of the Notes or in the Share Charge;



- (iv) A demand is made by the Vendor, the Company or any of their affiliate under any Outstanding Guarantee;
- (v) Either the Purchaser, Coland or any of its subsidiaries is party to any litigation, arbitration, prosecutions, or other legal proceedings which is material in the reasonable opinion of the Noteholder;
- (vi) The occurrence of any event or any action taken or omission made by the Purchaser so as to render unlawful the performance or observance or compliance by the Purchaser with of any of his material obligations under conditions of the Notes, or would otherwise result in any material terms contained in the conditions of the Notes be or becoming unenforceable, or would otherwise render the Notes inadmissible as evidence in court;
- (vii) Any usual events, including matters relating insolvency, bankruptcy, winding-up, appointment of receivers, being taken possession or seizure of assets, any moratorium for compulsory purchases or expropriates any material part of the assets, cross defaults, occurs involving the Purchaser or the Coland Group; and
- (viii) Any situation occurs which results in a material adverse change in the business or financial condition of the Purchaser, Coland or any of its subsidiaries or that the ability of the Purchaser to perform his obligations under the Notes have been or will be materially affected.

The Purchaser shall give written notice of an event of default to the Noteholder immediately upon the occurrence of such event. The Purchaser shall have 60 days from the first occurrence of an event of default to remedy any event of default and the Noteholder may only serve a default redemption notice (as defined under the Notes) to the Purchaser in relation to such event of default after the expiry of the Remedy Period, provided that (i) the Purchaser and the Coland Group are not in default under other agreements with any of their respective lenders; and (ii) the granting of the Remedy Period to the Purchaser would not otherwise limit, impair or prejudice the Noteholder's rights relative to other creditors of the Coland Group or the Purchaser.

The Purchaser shall give written notice of an event of default to the Noteholder immediately upon the occurrence of such event or if such an event can reasonably be expected to arise on the elapse of time. He shall also give a monthly written confirmation confirming that no event of default has occurred and is then subsisting.



If any of the above events of default occurs, subject to the Remedy Period allowed, the Noteholder may give notice in writing to the Purchaser that the principal amount of the outstanding Notes (together with all accrued interest) has, on the giving of such notice, become immediately due and payable, whereupon (i) the outstanding principal amount of the Notes shall become immediately due and payable in an amount which is 100% of the principal amount of the Notes then outstanding; and (ii) the Purchaser irrevocably undertakes to appoint such person as nominated by the Noteholder to the board of Coland as soon as practicable.

## INFORMATION OF COLAND

The Coland Group is principally engaged in the refining and sale of fish oil, processing and sale of fishmeal and manufacturing and sale of aquatic feed products. As at the date of this announcement, Coland is held as to 80% by Mr. Wong Chun and 20% by Ms. Tung Ching, the spouse of Mr. Wong Chun. The Group is interested in the Preferred Shares which are convertible into 40% of the enlarged ordinary shares of Coland upon full conversion. Pursuant to the Shareholders' Agreement between the Group with the Original Coland Shareholders, the Group will share joint control with the Original Coland Shareholders as all matters relating to Coland require joint approval by all the parties including the Company. Accordingly, Coland is accounted for as a joint venture by the Group. However, the Group's rights in Coland are limited to dividends or distributions of the net assets of Coland without having direct rights to any operating assets, liabilities or production output.

The audited consolidated financial information of the Coland Group for the years ended 31st March 2012 and 2013 attributable to the 40% interest of the Group are set out in the following table:

	<b>For the year ended 31st March</b>	
	<b>2013</b>	<b>2012</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(Restated)</b>
		<b>(Note)</b>
Revenue	<b>597,664</b>	744,236
Net profit/(loss) before tax, extraordinary items and non-controlling interest	<b>15,458</b>	(37,353)
Net profit/(loss) after tax, extraordinary items and non-controlling interest	<b>2,052</b>	(31,238)
Net assets	<b>176,386</b>	173,566

*Note:*

Restatement of financial figures for the year ended 31st March 2012 was due to early adoption of Hong Kong Financial Reporting Standard 11 Joint Arrangements.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Upon Completion, the Company will not hold any interest in the Coland Group, which will cease to be a joint venture of the Company. The Group will discontinue its business carried out through Coland Group in refining and sale of fish oil, processing and sale of fishmeal and manufacturing and sale of aquatic feed products upon Completion. It is expected that the Company will record a gain on disposal (before deducting the related transaction costs) of approximately HK\$1.9 million which is calculated based on the Consideration less the waiver of the Guarantee Fee of approximately HK\$0.8 million as at the date of the Sale and Purchase Agreement pursuant to the NAS Guarantee Fee Waiver and the carrying value of investment in the Coland Group of approximately HK\$137.7 million as at 31st March 2013. The proceeds from the Disposal are intended to be used for general working capital of the Group.

## **REASONS FOR THE DISPOSAL**

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

In recent years, the business of the Coland Group is facing various challenges including volatility of global fishmeal price, increase in global supply and adverse weather condition in the PRC, which negatively affected the price and demand of fishmeal product. Due to the adverse business environment, the Group suffered a share of net loss of approximately HK\$31.2 million from the Coland Group for the year ended 31st March 2012.

For the year ended 31st March 2013, there was a rebound of the demand for brown fishmeal and its market price due to increase in seasonal demand from the aquaculture industry in the PRC in the first three quarters. Demand for Coland's processed fish oil products remained strong in the first three quarters with stable market price. However, there was a significant drop in the market prices of brown fishmeal and fish oil in the fourth quarter due to increase in global supply and downward trend in market price. As a result, the Group shared 40% of Coland's net profit of approximately HK\$2.1 million on revenue of approximately HK\$597.7 million for 2013 versus a net loss of approximately HK\$31.2 million on revenue of approximately HK\$744.2 million in 2012. As set out in the annual report of the Company for the year ended 31st March 2013, the Board foresees the demand for brown fishmeal in the PRC will rebound due to a warmer weather in the short term, but the market price of brown fishmeal is expected to be in downward trend due to forecast increase in global supply in the longer term.

For the year ended 31st March 2013, an impairment of approximately HK\$45.3 million was provided for the Group's total investment in Coland. The impairment on the investment in Coland was estimated based on the present value of the estimated future cash flows expected to arise from dividend to be received and its ultimate disposal which was lower than the carrying value of the Group's investment in Coland.

After the change in the substantial Shareholder and the Board in December 2012 and February 2013, the current Board has conducted a strategic review on the business operations of the Group in order to identify new business opportunities for future expansions and consider if streamlining non-core business of the Group is necessary. In light of the unsatisfactory operating results and the uncertain future performance of the Coland Group due to anticipated increase in global supply in the business of Coland and climate issues set out in the foregoing paragraph, the Directors consider the Disposal a good opportunity for the Group to divest its investment in Coland which enables the Group to reserve more resources to focus on its other business and explore future investments to enhance Shareholders' value. The cash consideration of US\$6 million (equivalent to approximately HK\$46.8 million) as part of the Consideration would also improve the liquidity of the Group.

Having considered all of the above factors, including recent results and performances of the Coland Group and the basis on which the Consideration was arrived at, in particular, the price-to-earnings ratio of approximately 68.4 times being well above the market peers ranging from approximately 4.6 to 30.2 times, the Board is of the view that the terms of the Sale and Purchase Agreement are fair and reasonable and the entering into of the Sale and Purchase Agreement is in the interest of the Company and Shareholders as a whole.

#### **GEM LISTING RULES IMPLICATIONS**

As relevant percentage ratios (calculated according to the GEM Listing Rules) of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the GEM Listing Rules and is therefore subject to reporting, announcement and Shareholders' approval requirements under the GEM Listing Rules. To the best knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholders is required to abstain from voting for the resolution to be proposed at the SGM to approve the Disposal and the transactions contemplated under the Sale and Purchase Agreement.

A circular containing, among other things, (i) further information regarding the Disposal; (ii) a notice of SGM; and (iii) other information as required under the GEM Listing Rules will be despatched to the Shareholders on or before 29th July 2013.

**The Disposal is subject to the satisfaction of the condition precedent to the Sale and Purchase Agreement, which may or may not complete. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Board”	the board of Directors of the Company
“Business Day(s)”	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 hosted 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
“Charged Shares”	all present and future fully participating and voting shares which in any event represents 40% of the entire issued share capital of Coland, including without limitation to those Preferred Shares and rights attached thereto from the date of enforcement
“Coland”	Coland Group Limited, a company incorporated in Bermuda with limited liability
“Coland Group”	Coland and its subsidiaries
“Coland Guarantee”	the guarantee to be provided by Coland in favour of the Vendor pursuant to Deed of Guarantee
“Company”	North Asia Strategic Holdings Limited, a company incorporated in Bermuda with limited liability whose issued Shares are listed on GEM (stock code: 8080)
“Completion”	completion of the Sale and Purchase Agreement
“Consideration”	the total consideration payable by the Purchaser for acquiring the Preferred Shares amounted to US\$18 million (equivalent to approximately HK\$140.4 million)
“Deed of Guarantee”	the deed of guarantee to be entered into between Coland and the Vendor upon Completion pursuant to which Coland will provide guarantee in favour of the Vendor for all the payment obligations of the Purchaser under the Notes
“Deed of Share Charge”	the deed of Share Charge to be entered into between the Purchaser and the Vendor upon Completion in relation to the charge over the Charged Shares by the Purchaser in favour of the Vendor as continuing security for the payment obligations of the Purchaser under the Notes

“Deed of Termination”	the deed of termination to be entered into between the Vendor, the Purchaser, Ms. Tung Ching, Coland and the Company upon Completion in relation to the termination of the Shareholders’ Agreement
“Director(s)”	director(s) of the Company from time to time
“Disposal”	disposal of the Preferred Shares pursuant to the terms and conditions of the Sale and Purchase Agreement
“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
“Group”	the Company and its subsidiaries
“Guarantee Fee”	the guarantee fees due and payable by Coland Group to the Company and/or the Original Coland Shareholders (as the case may be) for provision of guarantees to secure banking facilities of the Coland Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	persons(s) or company(ies) together with its/their beneficial owner(s) who or which is/are, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, are not connected person(s) (as defined in the GEM Listing Rules) to the Company
“Long Stop Date”	31st October 2013, or such other date as may be agreed by the Purchaser and the Vendor in writing
“NAS Guarantee Fee Waiver”	the deed of waiver to be executed by the Company and Coland upon Completion
“Notes” and individually as “Note”	Note A and Note B, taken together
“Note A”	the secured guaranteed loan note in a principal amount of US\$6 million (equivalent to approximately HK\$46.8 million) to be issued by the Purchaser to the Vendor to satisfy part of the Consideration upon Completion and with a maturity date of 12 months from the date of issue

“Note B”	the secured guaranteed loan note in a principal amount of US\$6 million (equivalent to approximately HK\$46.8 million) to be issued by the Purchaser to the Vendor to satisfy part of the Consideration upon Completion and with a maturity date of 24 months from the date of issue
“Noteholder”	the holder of the Notes from time to time
“Original Coland Shareholders”	namely Mr. Wong Chun and Ms. Tung Ching, being the spouse of Mr. Wong Chun, who held 80% and 20% of the ordinary share capital of Coland, respectively, as at the date of this announcement
“Original Shareholders’ Guarantee Fee Waiver”	the deed of waiver to be executed by the Original Coland Shareholders and Coland upon Completion to waive the outstanding Guarantee Fee payable by Coland to the Original Coland Shareholders up to the date of the deed
“PRC”	the People’s Republic of China
“Preferred Shares”	100,000,000 non-redeemable convertible preferred shares of HK\$0.1 each in the share capital of Coland which is convertible into 40% of the enlarged ordinary shares of Coland upon full conversion
“Remedy Period”	in respect of an event of default under the Notes, the remedy period is 60 days from the first occurrence of an event of default
“Purchaser”	Mr. Wong Chun
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 8th July 2013 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Preferred Shares
“SGM”	the special general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated under the Sale and Purchase Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Charge”	the charge over the Charged Shares by the Purchaser to the Noteholder pursuant to the Deed of Share Charge
“Shareholder(s)”	holder(s) of the Shares

“Shareholders’ Agreement”	the shareholders’ agreement dated 7th December 2006 entered into between the Vendor, Coland, the Original Coland Shareholders and the Company in order to regulate the respective rights of the Vendor and the Original Coland Shareholders on Coland
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Good Tactics Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

*(The exchange rate used for the purpose of this announcement is at US\$1 = HK\$7.8)*

By Order of the Board  
**NORTH ASIA STRATEGIC HOLDINGS LIMITED**  
**Ding Yi**  
*Chairman and Executive Director*

Hong Kong, 8 July 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 GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the 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).*