

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30TH JUNE 2010

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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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This announcement, for which the directors (the “Directors” or the “Board”) of North Asia Strategic Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to North Asia Strategic Holdings Limited. 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.

* For identification purpose only

We are continuing to see strengthening and stabilisation of customer demand and prices across our businesses experienced in the last quarter. With actions taken in the past quarters our businesses have continued its earnings improvement trend in the three months ended 30th June 2010 (“the quarter”).

We continue to monitor the economy but with improving business outlook, the management teams are accelerating the growth plans that were in execution before the downturn to add product and business to add new revenue streams. Our continuing goal is to increase company value for all of our stakeholders.

HIGHLIGHTS

NAS Financial Highlights

- During the quarter, the Company recorded an unaudited consolidated revenue of approximately HK\$954,553,000, representing an increase of approximately 43.5% from the same period last year.
- Total unaudited consolidated net profit attributable to owners of the Company for the quarter was approximately HK\$6,529,000, an improvement of 239.3% from the same period last year.
- Unaudited consolidated total equity attributable to owners of the Company was approximately HK\$1,988,321,000 as at 30th June 2010, which was less than the corresponding figure of approximately HK\$2,006,935,000 as at 31st March 2010 by approximately HK\$18,614,000.

Division Financial Highlights

- During the quarter, the Group shared 40% revenue and net profit of our jointly-controlled fishmeal and seafood product division of approximately HK\$100,019,000 and HK\$11,703,000 respectively.
- During the quarter, revenue and net profit generated from the hi-tech distribution & services division were approximately HK\$325,260,000 and HK\$3,709,000 respectively.
- During the quarter, the Group shared 33.74% revenue and net profit of our jointly-controlled chemical operation division of approximately HK\$498,285,000 and HK\$29,193,000 respectively. With the disposal of TKC completed on 13th July 2010, the turnover and earnings from TKC will no longer be included in the Group results subsequent to the completion of disposal.
- During the quarter, revenue and net loss generated from the branded food division were approximately HK\$30,988,000 and with narrowing loss of HK\$7,252,000 respectively.

RESULTS

The following are the unaudited condensed consolidated results of North Asia Strategic Holdings Limited (the “Company” or “NAS”) and its subsidiaries and jointly-controlled entities (collectively, the “Group”) for the three months ended 30th June 2010 together with the comparative unaudited figures for the corresponding period in 2009:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the three months ended 30th June	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited) (Restated)
Continuing operations			
Revenue	3	456,268	273,470
Cost of sales		(384,369)	(234,762)
Gross profit		71,899	38,708
Other income and gains — net		7,508	11,155
Selling and distribution expenses		(48,307)	(34,266)
General and administrative expenses		(33,589)	(34,053)
Operating loss		(2,489)	(18,456)
Finance income	4	1,382	1,514
Finance costs	4	(4,311)	(2,898)
Loss before income tax		(5,418)	(19,840)
Income tax (expense)/credit	5	(2,255)	130
Loss for the period from continuing operations		(7,673)	(19,710)
Discontinuing operation			
Profit for the period from a discontinuing operation	6	14,200	14,922
Profit/(loss) for the period		6,527	(4,788)
Profit/(loss) for the period attributable to:			
— Owners of the Company		6,529	(4,688)
— Minority interests		(2)	(100)
		6,527	(4,788)
Earnings/(loss) per share attributable to owners of the Company (expressed in HK cents per share)			
Basic			
— For profit/(loss) for the period		0.05	(4.89)
— For loss from continuing operations		(0.05)	(20.47)
Diluted			
— For profit/(loss) for the period		0.05	(4.89)
— For loss from continuing operations		(0.05)	(20.47)

The notes are an integral part of this unaudited condensed consolidated financial information.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended	
	30th June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Loss for the period	<u>(7,673)</u>	<u>(19,710)</u>
Other comprehensive income:		
Currency translation differences	169	42
Changes in fair value of available-for-sale financial assets	<u>(122)</u>	<u>600</u>
Other comprehensive income from continuing operations for the period, net of tax	<u>47</u>	<u>642</u>
Total comprehensive loss for the period, net of tax, from continuing operations	<u>(7,626)</u>	<u>(19,068)</u>
Discontinuing operation		
Profit for the period	<u>14,200</u>	<u>14,922</u>
Other comprehensive (loss)/income:		
Currency translation differences	<u>(25,190)</u>	<u>15,068</u>
Other comprehensive (loss)/income from a discontinuing operation for the period, net of tax	<u>(25,190)</u>	<u>15,068</u>
Total comprehensive (loss)/income for the period, net of tax, from a discontinuing operation	<u>(10,990)</u>	<u>29,990</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(18,616)</u>	<u>10,922</u>
Attributable to:		
— Owners of the Company	(18,614)	11,022
— Minority interests	<u>(2)</u>	<u>(100)</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(18,616)</u>	<u>10,922</u>

The notes are an integral part of this unaudited condensed consolidated financial information.

Notes:

1. General information

North Asia Strategic Holdings Limited (the “Company”) and its subsidiaries and jointly-controlled entities (collectively, the “Group”) are principally engaged in the following businesses:

- **hi-tech distribution and services:** trading of surface mount technology (“SMT”) assembly equipment, machinery and spare parts and provision of related installation, training, repair and maintenance services for SMT assembly equipment;
- **fishmeal and seafood product:** processing and sale of fishmeal, refining and sale of fish oil, manufacturing and sale of aquatic feed products and trading of other raw materials relating to aquatic feeds;
- **branded food:** developing and operating Burger King restaurants in Hong Kong and Macau;
- **chemical:** manufacturing and sale of polyester fiber, PET resin and spandex (discontinued on 13th July 2010); and
- investment holding.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and of its principal place of business is 78th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

The Company’s ordinary shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

This unaudited condensed consolidated financial information are presented in thousand of Hong Kong dollars, unless otherwise stated.

This unaudited condensed consolidated financial information has been approved for issue by the Company’s Board of Directors on 5th August 2010.

2. Basis of preparation

The unaudited condensed consolidated financial information has been prepared to comply with the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

This unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31st March 2010.

The accounting policies adopted in the preparation of this unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March 2010, except for the adoption of new and revised standards and interpretations for the first time for the current period’s financial information.

HKFRS 1 (Revised)	<i>First time Adoption of Hong Kong Financial Reporting Standards</i>
HKFRS 1 Amendments	<i>Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	<i>Amendments to HKFRS 2 Share-based Payment — Group Cash-settled Share-based Payment Transactions</i>
HKFRS 3 (Revised)	<i>Business Combinations</i>
HKAS 27 (Revised)	<i>Consolidated and Separate Financial Statements</i>
HKAS 32 Amendment	<i>Amendment to HKAS 32 Financial Instruments: Presentation — Classification of Rights Issues</i>
HKAS 39 Amendment	<i>Amendment to HKAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items</i>
HK(IFRIC) — Int 17	<i>Distributions of Non-cash Assets to Owners</i>
Amendments to HKFRS 5 included in <i>Improvements to HKFRSs</i> issued in October 2008	<i>Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations — Plan to Sell the Controlling Interest in a Subsidiary</i>
HK Interpretation 4 (Revised in December 2009)	<i>Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
<i>Improvements to HKFRSs</i> (issued in October 2008 and May 2009)	Amendments to a number of HKFRSs

3. Turnover and revenue

Turnover represents sales of goods, revenue from branded food operation, commission and other income. The amount of each category of revenue recognised during the period are as follows:

	For the three months ended	
	30th June	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Sales of goods	421,618	249,309
Revenue from branded food operation	30,988	21,511
Commission and other income	3,662	2,650
	456,268	273,470
Discontinuing operation		
Sales of goods	498,285	391,790
	954,553	665,260

4. Finance income and costs

	For the three months ended 30th June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited) (Restated)
Continuing operations		
Finance income:		
Interest income from bank deposits	<u>1,382</u>	<u>1,514</u>
Discontinuing operation		
Finance income:		
Interest income from bank deposits	<u>247</u>	<u>120</u>
	<u>1,629</u>	<u>1,634</u>
Continuing operations		
Finance costs:		
Interest on bank loans wholly repayable within five years	2,368	1,983
Net foreign exchange losses on financing activities	1,942	485
Convertible bond redeemable within five years	—	319
Interest on finance lease obligations	<u>1</u>	<u>111</u>
	<u>4,311</u>	<u>2,898</u>
Discontinuing operation		
Finance costs:		
Interest on bank loans wholly repayable within five years	3,109	6,146
Amortisation of interest expense	<u>—</u>	<u>1,522</u>
	<u>3,109</u>	<u>7,668</u>
	<u>7,420</u>	<u>10,566</u>

5. Income tax (expense)/credit

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period.

Subsidiaries established in the Mainland China are subject to the Mainland China enterprise income tax at the standard rate of 25% (2009: 25%). A five-year transitional period with a progressive tax rate from 15% to 25% has been granted from 1st January 2008.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profit for the period at the applicable rates of taxation prevailing in the countries/ jurisdictions in which the Group operates.

The amounts of income tax (expense)/credit recorded in the unaudited condensed consolidated income statement represent:

	For the three months ended	
	30th June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
		(Restated)
Continuing operations		
Current taxation		
Hong Kong profits tax		
— current period	(207)	—
— overprovision in prior periods	(150)	—
Mainland China enterprise income tax		
— current period	(2,143)	37
Overseas taxation	—	(78)
Deferred taxation	<u>245</u>	<u>171</u>
	<u>(2,255)</u>	<u>130</u>
Discontinuing operation		
Current taxation		
Overseas taxation	<u>(7,671)</u>	<u>(5,273)</u>
	<u>(7,671)</u>	<u>(5,273)</u>
	<u><u>(9,926)</u></u>	<u><u>(5,143)</u></u>

6. Discontinuing Operation

On 30th April 2010, the Group entered into an agreement to dispose of its entire shareholding in TK Chemical Corporation (“TKC”) in the Republic of Korea (the “Transaction”). Details of the Transaction are disclosed in the Company’s announcement dated 4th May 2010 and the Company’s circular dated 22nd June 2010. The disposal of TKC was completed on 13th July 2010.

With the disposal of TKC completed on 13th July 2010, the turnover and earnings from TKC will no longer be included in the Group results subsequent to the completion of disposal.

The shared revenue and expenses of TKC are set out as below:

	For the three months ended	
	30th June	
	2010	2009
	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)
Revenue	498,285	391,790
Expenses	(461,105)	(363,927)
Finance costs	(3,109)	(7,668)
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Profit of the discontinuing operation	34,071	20,195
Loss recognised on the remeasurement to fair value	(12,200)	—
	<hr/>	<hr/>
Profit before tax from the discontinuing operation	21,871	20,195
Income tax expense	(7,671)	(5,273)
	<hr/>	<hr/>
Profit for the period from the discontinuing operation	14,200	14,922
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share:		
Basic, from discontinuing operation (<i>HK cents</i>)	0.10	15.58
Diluted, from discontinuing operation (<i>HK cents</i>)	0.10	15.58
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The calculation of basic and diluted earnings per share from the discontinuing operation are based on:

	2010	2009
Profit attributable to owners of the Company from the discontinuing operation (<i>HK\$’000</i>)	14,200	14,922
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	13,596,763,487	95,794,716
Weighted average number of ordinary shares used in the diluted basic earnings per share calculation	13,596,763,487	95,794,716
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7. Earnings/(loss) per share

Basis earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the Group's profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the three months ended 30th June					
	2010			2009		
	Continuing Operations (Unaudited)	Discontinuing Operation (Unaudited) <i>(Note 6)</i>	Total (Unaudited)	Continuing Operations (Unaudited)	Discontinuing Operation (Unaudited) <i>(Note 6)</i>	Total (Unaudited)
Profit/(loss) for the period <i>(HK\$'000)</i>	(7,673)	14,200	6,527	(19,710)	14,922	(4,788)
Loss for the period attributable to minority interests <i>(HK\$'000)</i>	2	—	2	100	—	100
(Loss)/profit attributable to owners of the Company <i>(HK\$'000)</i>	(7,671)	14,200	6,529	(19,610)	14,922	(4,688)
Weighted average number of ordinary shares in issue	13,596,763,487	13,596,763,487	13,596,763,487	95,794,716	95,794,716	95,794,716
Basic earnings/(loss) per share <i>(HK cents)</i>	<u>(0.05)</u>	<u>0.10</u>	<u>0.05</u>	<u>(20.47)</u>	<u>15.58</u>	<u>(4.89)</u>

Diluted earnings/(loss) per share

For the three months ended 30th June 2009, diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and non-redeemable preference shares. The convertible bonds and non-redeemable preference shares are assumed to have been converted into ordinary shares, and the net loss is adjusted to eliminate the interest expense on convertible bonds less tax effect, if any. No adjustment has been made to basic loss per share is presented for the period ended 30th June 2009 in respect of a dilution as the potential ordinary shares are anti-dilutive.

No adjustment has been made to the basic earnings per share is presented for the three months ended 30th June 2010 as the Group had no potentially dilutive ordinary shares in issue during the three months ended 30th June 2010.

8. Dividends

The Directors do not recommend the payment of an interim dividend for the three months ended 30th June 2010 (2009: Nil).

9. Share capital and reserves

Movements in share capital and reserves are as follows:

	(Unaudited)						
	Attributable to owners of the Company					Minority interests	Total
	Share capital	Other reserves	(Accumulated losses)/retained		Sub-total		
			<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note)</i>		<i>HK\$'000</i>	<i>HK\$'000</i>
Balances at 1st April 2010	135,968	2,010,137	(139,170)	2,006,935	3,237	2,010,172	
Comprehensive income/(loss)							
Profit for the period	—	—	6,529	6,529	(2)	6,527	
Other comprehensive loss:							
Changes in fair value of available-for-sale financial assets	—	(122)	—	(122)	—	(122)	
Currency translation differences	—	(25,021)	—	(25,021)	—	(25,021)	
Total comprehensive income/(loss) for the three months ended 30th June 2010	—	(25,143)	6,529	(18,614)	(2)	(18,616)	
Balances at 30th June 2010	<u>135,968</u>	<u>1,984,994</u>	<u>(132,641)</u>	<u>1,988,321</u>	<u>3,235</u>	<u>1,991,556</u>	

	(Unaudited)						
	Attributable to owners of the Company					Minority interests	Total
	Ordinary share capital	Preference share capital	Other reserves	Accumulated losses			
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Note)</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balances at 1st April 2009	958	133,733	1,947,614	(155,228)	1,927,077	3,438	1,930,515
Comprehensive loss							
Loss for the period	—	—	—	(4,688)	(4,688)	(100)	(4,788)
Other comprehensive income:							
Changes in fair value of available-for-sale financial assets	—	—	600	—	600	—	600
Currency translation differences	—	—	15,110	—	15,110	—	15,110
Total comprehensive income/(loss) for the three months ended 30th June 2009	—	—	15,710	(4,688)	11,022	(100)	10,922
Balances at 30th June 2009	<u>958</u>	<u>133,733</u>	<u>1,963,324</u>	<u>(159,916)</u>	<u>1,938,099</u>	<u>3,338</u>	<u>1,941,437</u>

Note:

Other reserves comprise share premium, contributed surplus, equity portion of convertible bonds, investment revaluation reserve and cumulative translation adjustments. The respective balances as at 30th June 2010 and 2009 are as follows:

	As at 30th June	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Share premium	2,009,462	1,992,635
Contributed surplus	8,984	8,984
Equity portion of convertible bonds	—	6,388
Investment revaluation reserve	1,454	600
Cumulative translation adjustments	(34,906)	(45,283)
	<u>1,984,994</u>	<u>1,963,324</u>

10. Events after the reporting period

Subsequent to the quarter end, on 8th July 2010, the Company's shareholders approved the disposal of the entire stake held by the Company through North Asia Strategic (Singapore) Pte. Ltd., an indirect subsidiary of the Company, in TKC for a cash consideration of KRW77 billion and the disposal was completed on 13th July 2010.

11. Comparative Amounts

Certain comparative amounts have been adjusted to conform with current period's presentation.

BUSINESS REVIEW

Financial and Business Performance

Our management teams' focus on actively capturing sales from new customers, closely monitoring costs and risks from the economy has resulted in our portfolio companies emerging stronger in their respective sectors with increasing turnover and profits in the quarter compared to the preceding quarter.

As a result, the Group recorded an unaudited consolidated revenue of approximately HK\$954,553,000 for the quarter, representing a 43.5% and a 10.0% growth respectively from the corresponding period last year and the preceding quarter. Coupled with management actions taken to streamline operations and improve efficiency, three of the four business divisions were profitable in the quarter with the branded food division continued to narrow its operating loss per store with increasing scale.

Below is a summary of the financial and business performance of each major business division. Their unaudited profit/loss figures disclosed below do not include any intra-group charges, as they are eliminated upon consolidation.

Fishmeal and Seafood Product Division

For our 40% jointly-controlled fishmeal and seafood product division conducted through Coland Group Limited ("Coland"), we shared a revenue of approximately HK\$100,019,000 with a net profit of approximately HK\$11,703,000 in the quarter, versus revenue of approximately HK\$130,435,000 and a net profit of approximately HK\$978,000 for the corresponding period last year.

For the fishmeal trading business, there was a seasonal increase of the demand for brown fishmeal and pricing. But beginning in May both demand and price was affected by the heavy rains in Southern China that impacted fish and shrimp breeding farms. We continue programs to manage pricing and demand, by continuously monitoring market data and implementing smaller lot purchases (made possible by the change in the fishing policies in South America).

We are pleased with the continuing growth of our value added businesses in feeds and fish oil in both domestic and export markets.

Going forward, we foresee encouraging rebound in demand for our products in the near term and we will continue to take a well balanced approach in monitoring our trading operation and growing our processed product businesses.

Hi-tech Distribution and Services Division

With improving customer orders and management actions taken on cost control and operation efficiency, this division recorded a revenue of approximately HK\$325,260,000 and a net profit of approximately HK\$3,709,000 for the quarter. The quarter's sales increased by about 167.7% and 19.8% respectively compared to the corresponding period last year and preceding quarter.

The consumers' sentiment continues to improve after the quarter end with increasing demand from global accounts as global electronics manufacturing companies are increasing capacities with a rapid rate. We expect positive earnings and revenue trend of the division to continue in the coming months.

Coming out of the recession, we have captured the leading position in markets we serve. Going forward, our management team is focused on the following areas to further build on our great distribution and sales capability in China, Vietnam and India which serve majority of leading manufacturing customers in hi-tech industry in the world:

- Continue to strengthen and consolidate our leading position in our market sector
- Reaccelerate our strategic growth plans in services/solutions, new products and complementary segments
- Continue to monitor and manage our costs as we grow
- Invest in our internal processes to enhance our support to our customers and suppliers

Chemical Operation Division

For our chemical operation division conducted through TKC, we shared 33.74% of its revenue of approximately HK\$498,285,000 with a net profit of approximately HK\$29,193,000 for the quarter, versus a revenue of approximately HK\$391,790,000 with a net profit of approximately HK\$17,438,000 for the corresponding period in last year. During the quarter, demand and pricing improved across TKC's product lines, especially spandex.

Subsequent to 30th June 2010, on 8th July 2010, the Company's shareholders approved the disposal of the entire stake held by the Company through North Asia Strategic (Singapore) Pte. Ltd., an indirect subsidiary of the Company, in TKC for a cash consideration of KRW77 billion (equivalent to approximately HK\$500.5 million as disclosed in the Company's circular dated 22nd June 2010). The Company acquired the stake in TKC in June 2008 at a consideration of KRW50 billion (equivalent to approximately HK\$325.0 million as disclosed in the Company's circular dated 22nd June 2010). The disposal was successfully completed on 13th July 2010.

With the disposal of TKC completed on 13th July 2010, the turnover and earnings from TKC will no longer be included in the Group results subsequent to the completion of disposal.

Branded Food Division

During the quarter, our branded food division continued to gain good momentum with opening of 1 restaurant in a renowned residential district in Tuen Mun of the New Territories. The division recorded a revenue of approximately HK\$30,988,000 with narrowing loss of approximately HK\$7,252,000 for the quarter. With the improved economies and increasing presence in the Hong Kong market arising from increased number of our restaurants and management actions taken to streamline operations and managing efficiency, operating loss at restaurant level per restaurant was further reduced by approximately 8.8% in the quarter compared to the preceding quarter.

As of the date of this announcement, we have opened 16 restaurants in renowned retail spots, commercial districts and residential districts in Hong Kong, including Tsim Sha Tsui, Wanchai, Mongkok, Fortress Hill, Hunghom, Shatin, Causeway Bay, Admiralty, Tsuen Wan, Wong Tai Sin, Sheung Shui, Tseung Kwan O, Tsz Wan Shan and Tuen Mun. We will continue to look for attractive locations to grow our business.

OUTLOOK

Although the global economy has not fully stabilised and we continue to monitor the risks to the business, we are continuing to observe continual improvement in customer demand:

- Electronics manufacturing market in China, India and Vietnam has continued to improve with strong orders from multinational corporations and local customers in China
- Demand for our fishmeal has started to rebound in July 2010 and the market price has been stabilised
- Demand continues to improve for our branded food business with improving economy and increasing scale of our presence, focus to execute plans to accelerate financial performance improvement

Our focus will continue to be active management to capture new sales, continue to align costs and closely monitor risks. Our companies are leaders in their respective markets and we will continue to build their strength by working with their management teams to improve capability and efficiency.

OUR INVESTMENT STRATEGY

With the improved business outlook, the management teams are accelerating the growth plans that were in execution before the downturn to augment organic growth with new businesses/products and/or complementary acquisitions. We are also actively seeking investment targets in middle-market profitable and cash-flow positive companies in North Asia in other growth sectors which have a unique and sustainable market position in their own industry that is potentially scalable either nationally or regionally.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th June 2010, the Directors and chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors:

Long positions in the shares and underlying shares of the Company

Name of Director	Capacity	Number of ordinary shares held	Approximate % of shareholdings	Note
Mr. Henry Kim Cho ("Mr. Cho")	Beneficial owner	124,010,218	0.91%	1
Mr. Göran Sture Malm ("Mr. Malm")	Interest of controlled corporation	94,127,499	0.69%	2
Mr. Moses Tsang Kwok Tai ("Mr. Tsang")	Beneficial owner/Interest of controlled corporation/ Interest of a discretionary trust	62,897,651	0.46%	3
Mr. Savio Chow Sing Nam	Beneficial owner	28,987,985	0.21%	
Mr. Andrew Yao Cho Fai ("Mr. Yao")	Interest of controlled corporation	4,255,789	0.03%	4

Notes:

1. Mr. Cho retired as a director of the Company at the general meeting held on 8th July 2010.
2. Mr. Malm was beneficially interested in these shares through his controlling company Windswept Inc.
3. Mr. Tsang was beneficially interested in 57,024,265 shares and 2,565,594 shares through his controlling company Oboe Development Trading Limited. He was also deemed to be interested in 3,307,791 shares by virtue of his being a founder of a discretionary trust, the trustee of which was HSBC International Trustee Limited. Mr. Tsang was therefore deemed, under the SFO, to be interested in an aggregate of 62,897,651 shares of the Company.

4. Mr. Yao was deemed to be interested in 1,598,113 shares of the Company through his controlling company Huge Top Industrial Ltd. and 1,633,676 shares of the Company through his controlling company TN Development Limited. Mr. Yao was beneficially interested in 1,024,000 shares of the Company through his wholly-owned company Right Action Offshore Inc.. Mr. Yao was therefore deemed, under the SFO, to be interested in an aggregate of 4,255,789 shares of the Company.

Save as disclosed above, as at 30th June 2010, none of the Directors and the chief executive of the Company or their respective associates had any interests or short positions in the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed companies to be notified to the Company and the Stock Exchange.

INTERESTS OR SHORT POSITIONS OF OTHER PERSONS

As at 30th June 2010, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company whose interests were disclosed above) had interests or short positions in the shares and/or underlying shares of the Company which were recorded in the register required to be kept under section 336 of the SFO:

Long positions in the shares and underlying shares of the Company

Substantial shareholders of the Company

Name	Capacity	Number of ordinary shares held	Approximate % of shareholdings	<i>Note</i>
The Goldman Sachs Group, Inc.	Interest of controlled corporation	2,477,650,064	18.22%	1
Military Superannuation and Benefits Board of Trustees No 1	Trustee	2,041,884,817	15.02%	2

Other Shareholders of the Company

BNP Paribas S.A.	Beneficial owner	1,218,951,032	8.97%	3
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Name	Capacity	Number of ordinary shares held	Approximate % of shareholdings	<i>Note</i>
C.L Davids Fond og Samling	Beneficial owner	1,061,780,105	7.81%	
Woori Bank	Beneficial owner	792,848,020	5.83%	4
Woori Finance Holdings Co., Ltd.	Interest of controlled corporation	792,848,020	5.83%	4
United Overseas Bank Limited	Beneficial owner	743,295,019	5.47%	

Notes:

1. The Goldman Sachs Group, Inc. was deemed to be interested in these shares through its indirect subsidiary, Goldman Sachs (Asia) Finance.
2. These shares were held by Military Superannuation and Benefits Board of Trustees No 1 as a trustee for an Australian pension scheme.
3. BNP Paribas S.A. was deemed to be interested in these shares through its indirect subsidiary, BNP Paribas Investment Partners NL Holding NV.
4. Woori Finance Holdings Co., Ltd. was deemed to be interested in these shares through its controlling company, Woori Bank.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30th June 2010.

SHARE OPTION SCHEME

On 10th June 2002, the shareholders approved the adoption of a share option scheme (the “2002 Scheme”). Under the terms of the 2002 Scheme, the Board may at its discretion offer share options to any employee, agent, consultant or representative, including any executive or non-executive Director, of any member of the Group or any other person who satisfies the selection criteria as set out in the 2002 Scheme. The principal purpose of the 2002 Scheme is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high calibre employees and attract human resources that are valuable to the Group. The 2002 Scheme shall be valid and effective for a period of ten years commencing on the adoption date. As at 30th June 2010, no share options have been granted by the Company pursuant to the 2002 Scheme.

On 31st October 2006, the Company approved a share option scheme (the “Best Creation Scheme”) adopted by Best Creation Investments Limited (“Best Creation”), a wholly-owned subsidiary of the Company, allowing its board of directors to grant options to subscribe for shares in Best Creation to the selected participants under such scheme as incentives or rewards for their contribution to the Best Creation group. The Best Creation Scheme has a life of ten years commencing on the adoption date of 31st October 2006. As at 30th June 2010, no share options have been granted pursuant to the Best Creation Scheme.

COMPETING INTERESTS

As at 30th June 2010, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

CONTINUING DISCLOSURE UNDER RULE 17.24 OF THE GEM LISTING RULES

The following is an unaudited condensed consolidated statement of financial position as at 30th June 2010 of Coland Group Limited, a jointly-controlled entity, of which the Group has an equity interest of 40%, as required therein under rule 17.24 of GEM Listing Rules:

	<i>HK\$'000</i>
Non-current assets	224,906
Inventories	533,686
Cash and cash equivalents	63,824
Other current assets	356,905
Bank borrowings	(641,024)
Other current liabilities	(110,775)
	<hr/>
Net assets	<u>427,522</u>

PURCHASES, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities for the three months ended 30th June 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 15 of the GEM Listing Rules. The Company has complied with the code provisions set out in the Code throughout the three months ended 30th June 2010.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference that set out the authorities and duties of the committee adopted by the Board. The committee comprises four Independent Non-executive Directors and is chaired by Mr. Kenny Tam King Ching who has appropriate professional qualifications and experience in financial matters. The terms of reference of the audit committee are aligned with the provisions set out in the Code. The committee's principal duties are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The unaudited condensed consolidated financial information for the three months ended 30th June 2010 of the Company now reported on have been reviewed by the audit committee.

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

Hong Kong, 5th August 2010

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Göran Sture Malm (Chairman), Mr. Savio Chow Sing Nam (Deputy Chairman) and Mr. John Saliling (Chief Executive Officer); three Non-executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota and Mr. Moses Tsang Kwok Tai; and four Independent Non-executive Directors, namely Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching, Mr. Edgar Kwan Chi Ping and Mr. Yu Wang Tak.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and on the Company's website at www.nasholdings.com.