

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2010

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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 six months ended 30th September 2010 (“the period”).

We continue to monitor the economy but with improving business outlook, the management teams continue to execute our business plan 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 period, the Company recorded an unaudited consolidated revenue of approximately HK\$1,733,694,000, representing an increase of approximately 15.3% from the same period last year.
- Total unaudited consolidated net profit attributable to owners of the Company for the period was approximately HK\$11,339,000, an improvement of 8,759% from the same period last year.
- Unaudited consolidated total equity attributable to owners (“Unaudited consolidated net asset value”) of the Company was approximately HK\$2,063,641,000 as at 30th September 2010, which was higher than the corresponding figure of approximately HK\$2,006,935,000 as at 31st March 2010 by approximately HK\$56,706,000.
- Unaudited consolidated net asset value per ordinary share of the Company was approximately HK\$0.1518 as at 30th September 2010, which was higher than the corresponding figure of approximately HK\$0.1476 as at 31st March 2010 by approximately HK\$0.0042.

Division Financial Highlights

- During the period, the Group shared 40% revenue and net profit of our jointly-controlled fishmeal and seafood product division of approximately HK\$224,111,000 and HK\$15,580,000 respectively.
- During the period, revenue and net profit generated from the hi-tech distribution and services division were approximately HK\$941,266,000 and HK\$24,957,000 respectively.
- During the period, revenue and net loss generated from the branded food division were approximately HK\$70,032,000 with narrowing loss of approximately HK\$16,084,000 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 six months and three months ended 30th September 2010 together with the comparative unaudited figures for the corresponding periods in 2009:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September		For the three months ended 30th September	
		2010	2009	2010	2009
	Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Continuing operations					
Revenue	3	1,235,409	681,512	779,141	408,042
Cost of sales		(1,069,572)	(580,247)	(685,203)	(345,485)
Gross profit		165,837	101,265	93,938	62,557
Other income and gains — net		18,873	10,795	11,365	1,456
Selling and distribution expenses		(105,907)	(71,828)	(57,600)	(37,562)
General and administrative expenses		(72,308)	(71,777)	(38,719)	(37,725)
Operating profit/(loss)		6,495	(31,545)	8,984	(11,274)
Finance income	4	2,792	3,188	1,410	1,674
Finance costs	4	(7,279)	(8,201)	(2,968)	(5,303)
Profit/(loss) before income tax		2,008	(36,558)	7,426	(14,903)
Income tax expense	5	(4,963)	(757)	(2,708)	(886)
(Loss)/profit for the period from continuing operations		(2,955)	(37,315)	4,718	(15,789)
Discontinued operation					
Profit for the period from the discontinued operation	6	14,200	37,337	—	20,599
Profit for the period		11,245	22	4,718	4,810
Profit/(loss) for the period attributable to:					
— Owners of the Company		11,339	128	4,810	4,816
— Non-controlling interests		(94)	(106)	(92)	(6)
		11,245	22	4,718	4,810

		For the six months ended 30th September		For the three months ended 30th September	
		2010	2009	2010	2009
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Notes		(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Earnings/(loss) per share attributable to owners of the Company (expressed in HK cents per share)					
Basic					
— For profit for the period	7	<u>0.08</u>	<u>0.13</u>	<u>0.04</u>	<u>5.03</u>
— For (loss)/profit for the period from continuing operation		<u>(0.02)</u>	<u>(38.84)</u>	<u>0.04</u>	<u>(16.47)</u>
Diluted					
— For profit for the period		<u>0.08</u>	<u>0.01</u>	<u>0.04</u>	<u>0.04</u>
— For (loss)/profit for the period from continuing operation		<u>(0.02)</u>	<u>(0.26)</u>	<u>0.04</u>	<u>(0.11)</u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September		For the three months ended 30th September	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Continuing operations				
(Loss)/profit for the period	<u>(2,955)</u>	<u>(37,315)</u>	<u>4,718</u>	<u>(15,789)</u>
Other comprehensive income/(loss):				
Disposal of the discontinued operation	50,420	—	50,420	—
Currency translation differences	20,915	226	20,746	185
Changes in fair value of available-for-sale financial assets	<u>(778)</u>	<u>621</u>	<u>(656)</u>	<u>21</u>
Other comprehensive income from continuing operations for the period, net of tax	<u>70,557</u>	<u>847</u>	<u>70,510</u>	<u>206</u>
Total comprehensive income/(loss) for the period, net of tax, from continuing operations	<u>67,602</u>	<u>(36,468)</u>	<u>75,228</u>	<u>(15,583)</u>
Discontinued operation				
Profit for the period	<u>14,200</u>	<u>37,337</u>	<u>—</u>	<u>20,599</u>
Other comprehensive (loss)/income:				
Currency translation differences	<u>(25,190)</u>	<u>35,978</u>	<u>—</u>	<u>20,909</u>
Other comprehensive (loss)/income from the discontinued operation for the period, net of tax	<u>(25,190)</u>	<u>35,978</u>	<u>—</u>	<u>20,909</u>
Total comprehensive (loss)/income for the period, net of tax, from the discontinued operation	<u>(10,990)</u>	<u>73,315</u>	<u>—</u>	<u>41,508</u>
Total comprehensive income for the period, net of tax	<u>56,612</u>	<u>36,847</u>	<u>75,228</u>	<u>25,925</u>
Attributable to:				
— Owners of the Company	56,706	36,953	75,320	25,931
— Non-controlling interests	<u>(94)</u>	<u>(106)</u>	<u>(92)</u>	<u>(6)</u>
Total comprehensive income for the period, net of tax	<u>56,612</u>	<u>36,847</u>	<u>75,228</u>	<u>25,925</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	9	143,782	704,313
Investment properties	9	2,175	2,183
Leasehold land and land use rights	9	20,803	20,835
Intangible assets	9	396,059	582,049
Available-for-sale financial assets		2,525	3,008
Deferred tax assets		26,513	28,550
Other non-current assets		9,046	12,416
		<u>600,903</u>	<u>1,353,354</u>
Current assets			
Inventories		281,935	231,220
Trade and other receivables	10	436,845	385,399
Derivative financial instruments		4,628	—
Pledged bank deposits		74,054	84,381
Cash and cash equivalents		1,448,567	1,133,181
		<u>2,246,029</u>	<u>1,834,181</u>
Total assets		<u><u>2,846,932</u></u>	<u><u>3,187,535</u></u>
EQUITY			
Equity attributable to owners of the Company:			
Share capital	13	135,968	135,968
Reserves	13	1,927,673	1,870,967
		<u>2,063,641</u>	<u>2,006,935</u>
Non-controlling interests	13	3,143	3,237
Total equity		<u><u>2,066,784</u></u>	<u><u>2,010,172</u></u>

		As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Borrowings	11	188,926	336,807
Trade and other payables	12	533,518	681,453
Derivative financial instruments		—	189
Current income tax liabilities		3,716	20,326
		<u>726,160</u>	<u>1,038,775</u>
Non-current liabilities			
Borrowings	11	50,219	50,668
Deferred tax liabilities		—	14,493
Retirement benefits obligation		423	62,834
Derivative financial instruments		—	6,900
Other non-current liabilities		3,346	3,693
		<u>53,988</u>	<u>138,588</u>
Total liabilities		<u><u>780,148</u></u>	<u><u>1,177,363</u></u>
Total equity and liabilities		<u><u>2,846,932</u></u>	<u><u>3,187,535</u></u>
Net current assets		<u><u>1,519,869</u></u>	<u><u>795,406</u></u>
Total assets less current liabilities		<u><u>2,120,772</u></u>	<u><u>2,148,760</u></u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				
	Attributable to owners of the Company			Non-controlling	Total
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	interests <i>HK\$'000</i>	<i>HK\$'000</i>
Balances at 1st April 2010	<u>135,968</u>	<u>1,870,967</u>	<u>2,006,935</u>	<u>3,237</u>	<u>2,010,172</u>
Comprehensive income/(loss)					
Profit/(loss) for the period	—	11,339	11,339	(94)	11,245
Other comprehensive income/(loss)					
Disposal of the discontinued operation	—	50,420	50,420	—	50,420
Currency translation differences	—	(4,275)	(4,275)	—	(4,275)
Changes in fair value of available-for-sale financial assets	<u>—</u>	<u>(778)</u>	<u>(778)</u>	<u>—</u>	<u>(778)</u>
Total comprehensive income/(loss)	<u>—</u>	<u>56,706</u>	<u>56,706</u>	<u>(94)</u>	<u>56,612</u>
Balances at 30th September 2010	<u><u>135,968</u></u>	<u><u>1,927,673</u></u>	<u><u>2,063,641</u></u>	<u><u>3,143</u></u>	<u><u>2,066,784</u></u>
Balances at 1st April 2009	<u>134,691</u>	<u>1,792,386</u>	<u>1,927,077</u>	<u>3,438</u>	<u>1,930,515</u>
Comprehensive income/(loss)					
Profit/(loss) for the period	—	128	128	(106)	22
Other comprehensive income					
Currency translation differences	—	36,204	36,204	—	36,204
Changes in fair value of available-for-sale financial assets	<u>—</u>	<u>621</u>	<u>621</u>	<u>—</u>	<u>621</u>
Total comprehensive income/(loss)	<u>—</u>	<u>36,953</u>	<u>36,953</u>	<u>(106)</u>	<u>36,847</u>
Capital contribution from non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>396</u>	<u>396</u>
Balances at 30th September 2009	<u><u>134,691</u></u>	<u><u>1,829,339</u></u>	<u><u>1,964,030</u></u>	<u><u>3,728</u></u>	<u><u>1,967,758</u></u>

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30th September	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(103,547)	223,113
Net cash generated from/(used in) investing activities	357,947	(131,820)
Net cash generated from/(used in) financing activities	<u>60,986</u>	<u>(33,726)</u>
Net increase in cash and cash equivalents	315,386	57,567
Cash and cash equivalents at 1st April	<u>1,133,009</u>	<u>1,063,483</u>
Cash and cash equivalents at 30th September	<u><u>1,448,395</u></u>	<u><u>1,121,050</u></u>

The notes are an integral part of this unaudited condensed consolidated interim 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); 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 (the “Stock Exchange”).

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

This unaudited condensed consolidated interim financial information has been approved for issue by the Company’s Board of Directors on 11th November 2010.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in compliance with Hong Kong Accounting Standards (“HKAS”) 34: *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and 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 interim 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 as at 31st March 2010.

The accounting policies adopted in the preparation of this unaudited condensed consolidated interim 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	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>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	Amendment to HKAS 32 <i>Financial Instruments: Presentation — Classification of Rights Issues</i>
HKAS 39 Amendment	Amendment to HKAS 39 <i>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	Amendments to HKFRS 5 <i>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>
Improvements to HKFRSs (issued in October 2008 and May 2009)	Amendments to a number of HKFRSs

3. TURNOVER, REVENUE AND SEGMENT INFORMATION

3.1 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 six months ended 30th September		For the three months ended 30th September	
	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Continuing operations				
Sales of goods	1,154,992	622,848	733,374	373,539
Revenue from branded food operation	70,032	52,042	39,044	30,531
Commission and other income	10,385	6,622	6,723	3,972
	<u>1,235,409</u>	<u>681,512</u>	<u>779,141</u>	<u>408,042</u>
Discontinued operation				
Sales of goods	498,285	821,615	—	429,825
	<u>1,733,694</u>	<u>1,503,127</u>	<u>779,141</u>	<u>837,867</u>

3.2 Operating Segment Information

For management purpose, the Group, including its jointly-controlled entities, is organised into four major reportable operating segments – hi-tech distribution and services, fishmeal and seafood product, branded food and chemical operations (discontinued). The hi-tech distribution and services, fishmeal and seafood product, and chemical operations segments derive revenue from the sale of goods. Branded food operation segment derives revenue from Burger King restaurants through the operation of quick service restaurants in Hong Kong under the Burger King brand.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, options liability as well as head office and corporate expenses are excluded from such measurement.

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, inventories, trade and other receivables. Unallocated assets comprise deferred tax assets, derivative financial instruments, pledged bank deposits, available-for-sale financial assets, cash and cash equivalents.

Capital expenditure comprises additions to property, plant and equipment, leasehold land and land use rights, and intangible assets.

	For the six months ended 30th September 2010 (Unaudited)					
	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation HK\$'000	Fishmeal and seafood product operation HK\$'000	Branded food operation HK\$'000	Sub-total HK\$'000	Chemical operation HK\$'000	Total HK\$'000
Revenue						
— Sales to external customers	941,266	224,111	70,032	1,235,409	498,285	1,733,694
Segment results before amortisation of intangible assets	32,079	23,169	(19,208)	36,040	39,727	75,767
Amortisation of intangible assets	—	(1,324)	(250)	(1,574)	(2,794)	(4,368)
Segment results	32,079	21,845	(19,458)	34,466	36,933	71,399
Finance income				2,792	247	3,039
Finance costs				(7,279)	(3,109)	(10,388)
Loss recognised on the remeasurement to fair value				—	(12,200)	(12,200)
Corporate and other unallocated expenses				(27,971)	—	(27,971)
Profit before income tax				2,008	21,871	23,879
Income tax expenses				(4,963)	(7,671)	(12,634)
(Loss)/profit for the period				(2,955)	14,200	11,245
Capital expenditure	2,727	5,291	4,471	12,489	—	12,489
Depreciation	6,565	2,334	5,979	14,878	11,209	26,087
Corporate and other unallocated depreciation				70	—	70
				14,948	11,209	26,157
Amortisation	—	1,324	250	1,574	2,794	4,368
Write down/(write-back) of inventories to net realisable value, net	4,654	(4,709)	—	(55)	507	452
Provision for/(write-back of) impairment of receivables	78	(138)	—	(60)	813	753

For the six months ended 30th September 2009 (Unaudited)

	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation HK\$'000	Fishmeal and seafood product operation HK\$'000	Branded food operation HK\$'000	Sub- total HK\$'000	Chemical operation HK\$'000	Total HK\$'000
Revenue						
— Sales to external customers	<u>309,404</u>	<u>320,066</u>	<u>52,042</u>	<u>681,512</u>	<u>821,615</u>	<u>1,503,127</u>
Segment results before amortisation of intangible assets	10,824	14,096	(17,296)	7,624	66,857	74,481
Amortisation of intangible assets	<u>(5,960)</u>	<u>(1,324)</u>	<u>(198)</u>	<u>(7,482)</u>	<u>(5,130)</u>	<u>(12,612)</u>
Segment results	<u>4,864</u>	<u>12,772</u>	<u>(17,494)</u>	142	61,727	61,869
Fair value gains on options liability				—	2,816	2,816
Finance income				3,188	66	3,254
Finance costs				(8,201)	(14,924)	(23,125)
Corporate and other unallocated expenses				<u>(31,687)</u>	<u>—</u>	<u>(31,687)</u>
(Loss)/profit before income tax				(36,558)	49,685	13,127
Income tax expenses				<u>(757)</u>	<u>(12,348)</u>	<u>(13,105)</u>
(Loss)/profit for the period				<u>(37,315)</u>	<u>37,337</u>	<u>22</u>
Capital expenditure	306	9,557	29,131	38,994	2,719	41,713
Corporate and other unallocated capital expenditure				<u>317</u>	<u>—</u>	<u>317</u>
				<u>39,311</u>	<u>2,719</u>	<u>42,030</u>
Depreciation	4,284	1,524	4,483	10,291	19,632	29,923
Corporate and other unallocated depreciation				<u>52</u>	<u>—</u>	<u>52</u>
				<u>10,343</u>	<u>19,632</u>	<u>29,975</u>
Amortisation	5,960	1,324	198	7,482	5,130	12,612
(Write-back)/write-down of inventories to net realisable value, net	(3,536)	1,353	—	(2,183)	30	(2,153)
Provision for impairment of receivables	567	1,189	—	1,756	117	1,873

The segment assets at the end of the reporting period are as follows:

	Continuing operations			Total <i>HK\$'000</i>
	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal and seafood product operation <i>HK\$'000</i>	Branded Food operation <i>HK\$'000</i>	
As at 30th September 2010 (unaudited)				
<i>Assets</i>				
Segment assets	780,395	439,711	67,951	1,288,057
Unallocated assets:				
Deferred tax assets				26,513
Cash and cash equivalents				1,448,567
Pledged bank deposits				74,054
Available-for-sale financial assets				2,525
Derivative financial instruments				4,628
Corporate and others				2,588
Total assets per statement of financial position				2,846,932

	Continuing operations				Discontinued operation	Total <i>HK\$'000</i>
	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal and seafood product operation <i>HK\$'000</i>	Branded Food operation <i>HK\$'000</i>	Sub- total <i>HK\$'000</i>	Chemical operation <i>HK\$'000</i>	
As at 31st March 2010 (Audited) (Restated)						
<i>Assets</i>						
Segment assets	608,938	321,664	70,382	1,000,984	934,891	1,935,875
Unallocated assets:						
Deferred tax assets						28,550
Cash and cash equivalents						1,133,181
Pledged bank deposits						84,381
Available-for-sale financial assets						3,008
Corporate and others						2,540
Total assets per statement of financial position						3,187,535

Geographical information

(a) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong, Mainland China and the Republic of Korea. Revenue by geographical location is determined on the basis of the destination of shipment of goods for hi-tech distribution and services, fishmeal and seafood product, and chemical operations as well as the location of service performed for branded food operation.

The following table provides an analysis of the Group's revenue by geographical location:

	For the six months ended 30th September			
	2010		2009	
	HK\$'000		HK\$'000	
	(Unaudited)		(Unaudited)	(Restated)
	Continuing operations	Discontinued operation	Continuing operations	Discontinued operation
Hong Kong	70,032	—	52,041	—
Mainland China	1,150,378	10,807	499,578	124,614
Republic of Korea	—	366,750	—	627,231
Asia — Others	929	58,689	28,424	69,770
Others	14,070	62,039	101,469	—
Total revenue	<u>1,235,409</u>	<u>498,285</u>	<u>681,512</u>	<u>821,615</u>

(b) Non-current assets

The non-current assets information is based on the location of assets and excludes financial instruments and deferred tax assets.

The following table provides an analysis of the Group's non-current assets by geographical location:

	As at 30th September 2010 HK\$'000 (Unaudited)	As at 31st March 2010 HK\$'000 (Audited)
Hong Kong	523,675	449,336
Mainland China	47,555	128,089
Republic of Korea	—	743,758
Asia — Others	<u>635</u>	<u>613</u>
Total non-current assets	<u>571,865</u>	<u>1,321,796</u>

Information about major customers

For the six months ended 30th September 2010, revenue from continuing operations of approximately HK\$123,858,000 was derived from sales by the hi-tech distribution and services operation segment to a single customer. There was no single customer accounted for 10% or more of the Group's revenue for the six month ended 30th September 2009.

4. FINANCE INCOME AND COSTS

	For the six months ended 30th September		For the three months ended 30th September	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Continuing operations				
Finance income:				
Interest income from bank deposits	2,792	3,188	1,410	1,674
Discontinued operation				
Finance income:				
Interest income from bank deposits	247	66	—	(54)
	3,039	3,254	1,410	1,620
Continuing operations				
Finance costs:				
Interest on bank loans wholly repayable within five years	3,680	4,277	1,312	2,294
Net foreign exchange losses on financing activities	1,988	3,031	46	2,546
Convertible bonds redeemable after five years	—	641	—	322
Interest on finance lease obligations	1,611	252	1,610	141
	7,279	8,201	2,968	5,303
Discontinued operation				
Finance costs:				
Interest on bank loans wholly repayable within five years	3,109	11,869	—	5,722
Amortisation of interest expense	—	3,055	—	1,533
	3,109	14,924	—	7,255
	10,388	23,125	2,968	12,558

5. INCOME TAX EXPENSE

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 six months ended 30th September		For the three months ended 30th September	
	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Continuing operations				
Current taxation				
Hong Kong profits tax				
— current period	(4,307)	—	(4,100)	—
— underprovision in prior periods	—	—	150	—
Mainland China enterprise income tax				
— current period	(4,192)	(2,082)	(2,049)	(2,119)
Overseas taxation	—	(79)	—	—
Deferred taxation	3,536	1,404	3,291	1,233
	<u>(4,963)</u>	<u>(757)</u>	<u>(2,708)</u>	<u>(886)</u>
Discontinued operation				
Current taxation				
Overseas taxation	(7,671)	(12,348)	—	(7,076)
	<u>(12,634)</u>	<u>(13,105)</u>	<u>(2,708)</u>	<u>(7,962)</u>

6. DISCONTINUED 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.

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

	For the six months ended 30th September		For the three months ended 30th September	
	2010	2009	2010	2009
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited) (Restated)
Revenue	498,285	821,615	—	429,825
Expenses	(461,105)	(757,006)	—	(394,895)
Finance costs	(3,109)	(14,924)	—	(7,255)
Profit of the discontinued operation	34,071	49,685	—	27,675
Loss recognised on the remeasurement to fair value	(12,200)	—	—	—
Profit before tax from the discontinued operation	21,871	49,685	—	27,675
Income tax expense	(7,671)	(12,348)	—	(7,076)
Profit for the period from the discontinued operation	<u>14,200</u>	<u>37,337</u>	<u>—</u>	<u>20,599</u>
Earnings per share:				
Basic, from the discontinued operation (<i>HK cents</i>)	0.10	38.97	—	21.50
Diluted, from the discontinued operation (<i>HK cents</i>)	<u>0.10</u>	<u>0.27</u>	<u>—</u>	<u>0.15</u>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of TKC is as follows:

	<i>HK\$’000</i> (Unaudited)
Consideration received	496,419
Cash and cash equivalents disposed of	(100,573)
Transaction costs paid	<u>(43,450)</u>
Net inflow of cash and cash equivalents in respect of the disposal of TKC	<u>352,396</u>

The net cash flows incurred by TKC are as follows:

	For the six months ended 30th September	
	2010	2009
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Operating activities	22,138	135,756
Investing activities	(5,593)	1,073
Financing activities	(2,982)	(76,820)
Net cash inflow	13,563	60,009

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	For the six months ended 30th September	
	2010	2009
Profit attributable to owners of the Company from the discontinued operation (HK\$'000)	14,200	37,337
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 earnings per share calculation	13,596,763,487	13,596,763,487

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 six months ended 30th September 2010			For the three months ended 30th September 2010		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)
(Loss)/profit for the period (HK\$'000)	(2,955)	14,200	11,245	4,718	—	4,718
Loss for the period attributable to non-controlling interests (HK\$'000)	94	—	94	92	—	92
(Loss)/profit attributable to owners of the Company (HK\$'000)	(2,861)	14,200	11,339	4,810	—	4,810
Weighted average number of ordinary shares in issue	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487
Basic (loss)/earnings per share (HK cents)	(0.02)	0.10	0.08	0.04	—	0.04

	For the six months ended 30th September 2009			For the three months ended 30th September 2009		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)
(Loss)/profit for the period (HK\$'000)	(37,315)	37,337	22	(15,789)	20,599	4,810
Loss for the period attributable to non-controlling interests (HK\$'000)	106	—	106	6	—	6
(Loss)/profit attributable to owners of the Company (HK\$'000)	(37,209)	37,337	128	(15,783)	20,599	4,816
Weighted average number of ordinary shares in issue	95,794,716	95,794,716	95,794,716	95,794,716	95,794,716	95,794,716
Basic (loss)/earnings per share (HK cents)	(38.84)	38.97	0.13	(16.47)	21.50	5.03

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share for the six months and three months ended 30th September 2009 are calculated by adjusting 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 profit/(loss) for the six months and three months ended 30th September 2009 are adjusted to eliminate the interest expense on convertible bonds.

	For the six months ended 30th September 2009			For the three months ended 30th September 2009		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) (note 6)	Total (Unaudited)
Adjusted (loss)/profit attributable to owners of the Company (HK\$'000)	(36,568)	37,337	769	(15,461)	20,599	5,138
Weighted average number of ordinary shares in issue for diluted profit per share	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487	13,596,763,487
Diluted (loss)/earnings per share (HK cents)	(0.26)	0.27	0.01	(0.11)	0.15	0.04

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

8. DIVIDENDS

Subsequent to the end of the reporting period, on 28th October 2010, the Directors have declared a special dividend of HK4.0 cents per issued ordinary share, subject to the Share Premium Cancellation (as defined in the Company's circular dated 5th November 2010) becoming effective and the approval by the shareholders at a special general meeting to be held on 1st December 2010.

Apart from this, the Directors do not recommend the payment of an interim dividend for the six months ended 30th September 2010 (2009: Nil).

9. CAPITAL EXPENDITURE

	Property, plant and equipment <i>HK\$'000</i> (Unaudited)	Investment properties <i>HK\$'000</i> (Unaudited)	Leasehold land and land use rights <i>HK\$'000</i> (Unaudited)	Intangible assets <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1st April 2010	704,313	2,183	20,835	582,049	1,309,380
Additions	12,294	—	—	195	12,489
Disposal of the discontinued operation	(510,510)	—	—	(175,028)	(685,538)
Disposals	(5,628)	—	—	(42)	(5,670)
Depreciation/amortisation	(25,913)	(39)	(205)	(4,368)	(30,525)
Transfer to inventories	(988)	—	—	—	(988)
Exchange realignments	(29,786)	31	173	(6,747)	(36,329)
At 30th September 2010	<u>143,782</u>	<u>2,175</u>	<u>20,803</u>	<u>396,059</u>	<u>562,819</u>
At 1st April 2009	560,213	2,257	21,684	583,161	1,167,315
Additions	40,478	—	—	1,552	42,030
Provision for impairment loss	(419)	—	—	—	(419)
Disposals	(1,012)	—	—	—	(1,012)
Depreciation/amortisation	(29,810)	(39)	(126)	(12,612)	(42,587)
Transfer from inventories	1,499	—	—	—	1,499
Exchange realignments	74,963	2	(88)	13,491	88,368
At 30th September 2009	<u>645,912</u>	<u>2,220</u>	<u>21,470</u>	<u>585,592</u>	<u>1,255,194</u>

10. TRADE AND OTHER RECEIVABLES

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
Trade and bills receivables	411,563	355,415
Less: Impairment of trade receivables	<u>(15,167)</u>	<u>(20,775)</u>
Trade and bills receivables — net	396,396	334,640
Prepayments	17,734	28,530
Deposits to suppliers	1,274	405
Rental deposits	3,891	3,012
Interest receivables	733	938
Finance lease receivables	339	1,014
Other receivables	<u>16,478</u>	<u>16,860</u>
	<u>436,845</u>	<u>385,399</u>

The Group generally requires letter of credit or documents against payment, with some cases granting a credit period of 30 to 90 days. Aging analysis of trade and bills receivables is as follows:

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
90 days or less	354,871	301,703
91 to 180 days	22,661	27,737
181 to 270 days	5,969	2,502
271 to 365 days	11,253	914
Over 365 days	<u>1,642</u>	<u>1,784</u>
	<u>396,396</u>	<u>334,640</u>

The Group's trading terms with its customers are mainly on letter of credit or documents against payment, except for new customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

11. BORROWINGS

Borrowings are analysed as follows:

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
Non-current		
Bank loans — secured	17,406	34,102
Bank loans — unsecured	31,807	15,473
Mortgage loans — secured	990	1,066
Finance lease obligations	16	27
	<u>50,219</u>	<u>50,668</u>
Current		
Discounted bills with recourse — secured	233	23,321
Trust receipt loans — secured	94,124	99,400
Bank loans and overdrafts — secured	87,348	211,524
Bank loans — unsecured	2,395	2,395
Other borrowings — unsecured	4,656	—
Mortgage loans — secured	150	148
Finance lease obligations	20	19
	<u>188,926</u>	<u>336,807</u>
Total borrowings	<u><u>239,145</u></u>	<u><u>387,475</u></u>

12. TRADE AND OTHER PAYABLES

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
Trade and bills payables	420,328	547,847
Accrual for operating expenses	53,307	30,483
Receipts in advance	46,657	52,337
Other payables	13,226	50,786
	<u><u>533,518</u></u>	<u><u>681,453</u></u>

The aging analysis of trade payables is as follows:

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
90 days or less	412,865	542,042
91 to 180 days	2,123	2,087
181 to 270 days	1,671	96
271 to 365 days	12	455
1 to 2 years	3,657	3,167
	<u>420,328</u>	<u>547,847</u>

13. SHARE CAPITAL AND RESERVES

Movements in share capital and reserves are as follows:

	(Unaudited)					
	Attributable to owners of the Company					
	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i> <i>(Note)</i>	(Accumulated losses)/ retained profit <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <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/(loss) for the period	—	—	11,339	11,339	(94)	11,245
Other comprehensive income/(loss):						
Disposal of the discontinued operation	—	50,420	—	50,420	—	50,420
Currency translation differences	—	(4,275)	—	(4,275)	—	(4,275)
Changes in fair value of available-for-sale financial assets	—	(778)	—	(778)	—	(778)
Total comprehensive income /(loss) for the six months ended 30th September 2010	—	45,367	11,339	56,706	(94)	56,612
Balances at 30th September 2010	135,968	2,055,504	(127,831)	2,063,641	3,143	2,066,784

	(Unaudited)						
	Attributable to owners of the Company						
	Ordinary share capital <i>HK\$'000</i>	Preference share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i> <i>(Note)</i>	(Accumulated losses)/ retained profit <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <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 income/(loss)							
Profit/(loss) for the period	—	—	—	128	128	(106)	22
Other comprehensive income:							
Changes in fair value of available-for-sale financial assets	—	—	621	—	621	—	621
Currency translation differences	—	—	36,204	—	36,204	—	36,204
Total comprehensive income/ (loss) for the six months ended 30th September 2009	—	—	36,825	128	36,953	(106)	36,847
Capital contribution from non- controlling interests	—	—	—	—	—	396	396
Balances at 30th September 2009	958	133,733	1,984,439	(155,100)	1,964,030	3,728	1,967,758

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 September 2010 and 2009 are as follows:

	As at 30th September	
	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	797	621
Cumulative translation adjustments	36,261	(24,189)
	<u>2,055,504</u>	<u>1,984,439</u>

14. RELATED PARTY TRANSACTIONS — GROUP AND COMPANY

For the six months ended 30th September 2010, before the conversion of the convertible bonds and preference shares on 28th February 2010, the Company had been owned by North Asia Strategic Acquisition Corp. (“NASAC”), a company incorporated in the Cayman Islands, and Mr. Moses Tsang Kwok Tai (“Mr. Tsang”) and his related parties as to approximately 46.1% and 21.1% respectively. NASAC and Mr. Tsang acquired their interests in the Company effective from 9th August 2005. Ajia Partners Inc. is the controlling company of North Asia Strategic Advisors (“NASA”) which in turn controls 100% voting capital of NASAC. Since 28th February 2010 and as at 30th September 2010, neither Mr. Tsang nor NASAC owns more than 5% of the Company and thus, neither of them has significant influence over the Company.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The following is a summary of the significant transactions carried out with related parties for the six months ended 30th September 2009:

For the six
months ended
30th September
2009
HK\$'000
(Unaudited)

Name of related party/Nature of transaction

Ajia Partners (HK) Limited (“APHK”) (i)

— Rental expense charged to the Group	1,142
— Administrative services fee charged to the Group	498

NASA (ii)

— Service fees charged to the Group	19,230
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Notes:

- (i) APHK is a fellow subsidiary of NASAC and associated with Mr. Tsang. When both Mr. Tsang and NASAC ceased to have significant influence over the Company since 28th February 2010, APHK is no longer a related party of the Group and the transactions with APHK subsequent to 28th February 2010 is not included in the amount disclosed above.

The Group entered into two administrative service agreements with APHK, under which APHK has agreed to provide general administrative services to the Group during the periods from 1st July 2008 to 30th June 2009 and from 1st July 2009 to 30th June 2010, for a monthly service fee of approximately HK\$83,000. In addition, the Group entered into a sub-tenancy agreement with, inter alia, APHK for sub-leasing of office space from 1st April 2008 to 31st March 2011 at a monthly rental of approximately HK\$190,000.

- (ii) NASA is the holding company of NASAC which was a substantial shareholder of the Company up to 28th February 2010.

The Group entered into a service agreement with NASA, under which the Group has agreed to pay NASA (i) an annual service fee of 2% of aggregate subscription price less aggregate amount of salaries and other remuneration paid to certain employees of the Group for the provision of services in capital raising, research, investor sourcing, investment sourcing, investment analysis or due diligence and financial advisory service by NASA; (ii) an annual incentive fee equals to 20% of the amount by which net assets at the end of each financial year exceed the greater of the highest level of the net assets of the Group and the aggregate amount of capital drawn down and injected into the Company arranged by NASA, compounded annually at the rate of 5%; and (iii) a placing fee of 0.5% of the gross proceeds of placement of preference shares or any other equity or equity-linked securities of the Group arranged by NASA.

15. COMPARATIVE AMOUNTS

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

BUSINESS REVIEW

Financial and Business Performance

The Group recorded an unaudited consolidated revenue of approximately HK\$1,733,694,000 for the 6-month period ended 30th September 2010 (the "half year period"), representing a growth of approximately 15.3% from the corresponding period last year. Coupled with management actions taken to grow sales, streamline operations and improve efficiency, three of the four business divisions were profitable in the half year period with the branded food division continued to narrow its operating loss per store with increasing scale. As a result, the Group recorded an unaudited consolidated net profit of approximately HK\$11,339,000 for the half year period, a substantial increase over the net profit of approximately HK\$128,000 for the corresponding period last year.

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.

Hi-tech Distribution and Services Division

With the sharp recovery in capital expenditure spending by both global and local electronics manufacturing companies, particularly in China, and management actions taken on sales and operation efficiency, revenue and net profit for the second quarter ended 30th September 2010 (the "second quarter") increased by about 89.4% and 504.3% respectively compared to the preceding quarter. As a result, the division recorded a record-high revenue of approximately HK\$941,265,000 and a net profit of approximately HK\$24,957,000 for the half year period, a significant growth over revenue of HK\$309,405,000 and net profit of HK\$5,446,000 for the corresponding period last year. Although increasing sales is a result of our dominant position in the market, we believe the second quarter's increase in sales is an exceptional one responding to pent up demand during the global downturn, and expect quarterly sales to return to historical levels.

During the half year period, 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

Fishmeal and Seafood Product Division

For our 40% jointly-controlled fishmeal and seafood product division conducted through Coland Group Limited (“Coland”), we shared revenue of approximately HK\$224,111,000 with a net profit of approximately HK\$15,580,000 for the half year period, versus revenue of approximately HK\$320,066,000 and a net profit of approximately HK\$9,713,000 for the corresponding period last year.

For fishmeal trading business, there was a seasonal increase of the demand and pricing for brown fishmeal and feeds in April, July and August 2010. But in May, June and September 2010 both demand and price was affected by the heavy rains in Southern China that impacted fish and shrimp breeding farms. Our fish oil business continued to grow in both domestic and export markets with stabilized demand and pricing during the half year period.

We continue programs to manage price volatility, by continuously monitoring demand/supply data and implementing smaller lot purchases.

Going forward, we foresee encouraging rebound in demand for our fish oil products in both domestic and export markets but seasonal decrease of the demand for fishmeal and feeds in the near term due to cold weather. We will continue to take a well balanced approach in monitoring our trading operation and growing our processed product businesses.

Chemical Operation Division

During the half year period, on 8th July 2010, the Company's shareholders approved the disposal of the entire 33.74% stake held by the Company through North Asia Strategic (Singapore) Pte. Ltd., an indirect subsidiary of the Company, in TK Chemical Corporation ("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 were no longer be consolidated into the Group's results. We shared TKC's revenue of approximately HK\$498,285,000 and net profit of approximately HK\$29,193,000 in the half year period, versus our share of TKC's revenue of approximately HK\$821,615,000 and net profit of approximately HK\$39,650,000 for the corresponding period in last year.

Branded Food Division

During the half year period, our branded food division added one restaurant in a renowned residential and shopping district in Tuen Mun of the New Territories. 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 26.7% in the second quarter compared to the preceding quarter.

The division recorded revenue of approximately HK\$70,032,000 with net loss of approximately HK\$16,084,000 for the half year period, versus a revenue of approximately HK\$52,042,000 with net loss of approximately HK\$14,773,000 for the corresponding period last year. The increase in net loss in the half year period was mainly due to the one-off closure cost associated with 1 restaurant as its lease expired in the second quarter. With the one time cost of the 1 restaurant closure excluded, the division would have had a net loss of approximately HK\$4,976,000 and HK\$12,228,000 for the second quarter and the half year period respectively.

As of the date of this announcement, we operated 15 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 and execute plans to accelerate financial performance improvement.

Financial Resources, Liquidity and Charges on Assets

As at 30th September 2010, the Group had bank and cash balance of approximately HK\$1,522,621,000 (31st March 2010: HK\$1,217,562,000), of which approximately HK\$74,054,000 (31st March 2010: HK\$84,381,000) was pledged to secure trade financing facilities of HK\$1,080,020,000 (31st March 2010: HK\$1,172,268,000) granted by banks to its Group companies for trust receipts loans, mortgage loans and bank borrowings. These banking facilities were also secured by (a) bank deposits, (b) corporate guarantees provided by NAS, (c) the Group's inventories held under trust receipts bank loan arrangement, (d) buildings, (e) investment properties, and (f) leasehold land and land use rights payments.

As at 30th September 2010, the Group had borrowings of approximately HK\$239,145,000 (31st March 2010: HK\$387,475,000). The gearing ratio (borrowings divided by equity attributable to owners holders of the Company) of the Group was 0.12 as at 30th September 2010, as compared to 0.19 as at 31st March 2010.

Foreign Currency Exposure

The business of the Group was primarily transacted in HK\$, US\$, Yen, KRW and Renminbi. The Group's cash and bank deposits, including pledged bank deposits, were mainly denominated in HK\$. The foreign currency exposure of the Group is mainly driven by its business divisions. The Group attempts to minimise its foreign currency exposure through (i) matching its payables for purchases against its receivables on sales and (ii) maintain sufficient foreign currency cash balances to settle the foreign currency payables. We will continue to monitor closely the exchange rate between US\$ and Yen and will make necessary hedging arrangements to minimise its foreign currency exposure arising from foreign currency fluctuation in the future.

Employee Information

As at 30th September 2010, the Group employed 1,046 staff (30th September 2009: 1,447). Total staff costs including contribution to retirement benefit schemes incurred during the six months ended 30th September 2010 amounted to approximately HK\$81,237,000 (2009: HK\$90,695,000).

Capital commitments

There was no material change in capital commitments since 31st March 2010.

Operating lease commitments

As at 30th September 2010, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30th September 2010 <i>HK\$'000</i> (Unaudited)	As at 31st March 2010 <i>HK\$'000</i> (Audited)
Not later than one year	31,520	32,391
Later than one year and not later than five years	18,768	23,608
	<u>50,288</u>	<u>55,999</u>

OUTLOOK

Although the global economy has rebounded and we remain cautiously optimistic the improving trend will be sustained, we continue to manage the business prudently given continuing uncertainties still in the world.

- We believe last quarter's demand for our surface mount technology equipments is an exceptional one responding to pent up demand during the global downturn and expect quarterly sales to return to normal levels. Customer demand from global electronics manufacturing companies, has pulled back from the peak demand in the second quarter but moderately strong demand from electronics manufacturing companies in China continues.
- Demand and pricing for our processed fish oil has started to rebound in October 2010 and we expect the positive trend to continue.
- Demand continues to improve for our branded food business with improving economy and increasing scale of our presence and we will continue to execute programs to enhance brand and cost 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 continue to execute our business plan 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 September 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 the 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. Göran Sture Malm ("Mr. Malm")	Interest of controlled corporation	94,127,499	0.69%	1
Mr. Moses Tsang Kwok Tai ("Mr. Tsang", resigned as a director on 4th October 2010)	Beneficial owner/Interest of controlled corporation/ Interest of a discretionary trust	62,897,651	0.46%	2

Notes:

1. Mr. Malm was beneficially interested in these shares through his controlling company Windswept Inc.
2. 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.

Save as disclosed above, as at 30th September 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 September 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	Note
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

Name	Capacity	Number of ordinary shares held	Approximate % of shareholdings	Note
BNP Paribas S.A.	Beneficial owner	1,218,951,032	8.97%	3
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 September 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 caliber 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 September 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 September 2010, no share options have been granted pursuant to the Best Creation Scheme.

COMPETING INTERESTS

As at 30th September 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 September 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	234,138
Inventories	650,973
Cash and cash equivalents	48,046
Other current assets	348,897
Borrowings	(487,672)
Other current liabilities	(353,241)
	<hr/>
Net assets	441,141
	<hr/> <hr/>

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 six months ended 30th September 2010.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavours in maintaining high standard 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 six months ended 30th September 2010 except for the following deviation:

Code provision A.4.1 stipulates that non-executive directors should be appointed for specific terms. However, Mr. Jason Matthew Brown, a non-executive director newly elected by the shareholders at the annual general meeting of the Company on 27th September 2010 has not been appointed for a specific terms but is subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard") as the code of conduct regarding securities transactions by the Directors of the Company and has complied with the Required Standard throughout the six months ended 30th September 2010. The Company, having made specific enquiry of the Company, confirmed that all the Directors had complied with the Required Standard.

DISCLOSURE ON CHANGE OF INFORMATION OF DIRECTOR(S) PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, set out below are the change in details of the directors of the Company since the date of the 2009/10 Annual Report of the Company:

Mr. Tam King Ching, Kenny was appointed on 29th July 2010 as an independent non-executive director of West China Cement Limited, a company formerly listed on the Alternative Investment Market of the London Stock Exchange plc. West China Cement Limited commenced listing on the Main Board of the Stock Exchange on 23rd August 2010 whereas the said company was delisted from the Alternative Investment Market of the London Stock Exchange plc on the same date.

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 six months ended 30th September 2010 of the Company now reported on have been reviewed by the audit committee.

OTHER INFORMATION

Special Dividend

On 28th October 2010, the Board has declared a special dividend of HK4.0 cents per issued ordinary share, subject to the Share Premium Cancellation (as defined in the Company's circular dated 5th November 2010) becoming effective and the approval by the shareholders at a special general meeting to be held on 1st December 2010.

Closure of Register of Members

The register of the members of the Company will be closed from 29th November 2010 to 1st December 2010, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the special dividend, all completed share transfer forms accompanied by the relevant Share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 26th November 2010. Subject to the Share Premium Cancellation becoming effective and the approval by the shareholders, the special dividend shall be paid on or about 10th December 2010.

On behalf of the Board

North Asia Strategic Holdings Limited

John Saliling

Executive Director and Chief Executive Officer

Hong Kong, 11th November 2010

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. Göran Sture Malm (Chairman) and Mr. John Saliling (Chief Executive Officer); three Non-executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota and Mr. Jason Matthew Brown; 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.