

# NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

## THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 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 have continued its positive earnings growth trend in the three months ended 31st December 2010 (“the third quarter”) and the nine months ended 31st December 2010 (“the 9-month period”). Our management continues to execute portfolio strategic business plans to enhance company value and market positions by adding product and other new revenue streams, while managing costs and productivity.

Our companies have enhanced and increased our market positions in the sectors they serve and continue to see opportunities for business growth in North Asia and other regions. We will continue to build our portfolio companies and look for synergistic investment opportunities to enhance shareholder value.

## **HIGHLIGHTS**

### **NAS Financial Highlights**

#### ***9-Month***

- During the 9-month period, the Group recorded unaudited consolidated revenue of approximately HK\$2,268,009,000, representing a slight decrease of approximately 1% from the corresponding period last year.
- During the 9-month period, total unaudited consolidated net profit attributable to owners of the Company was approximately HK\$18,842,000, an increase of approximately 118% from the corresponding period last year.
- Excluding the Group’s 33.74% share of the revenue and net profit of TK Chemical Corporation (“TKC”), which was disposed by the Group in July 2010, the three existing business divisions of the Group recorded an aggregate net profit of approximately HK\$28,090,000 on revenue of approximately HK\$1,769,724,000, an increase of approximately 329% and 73% respectively from the corresponding period last year.
- Unaudited consolidated net asset value attributable to owners of the Company per ordinary share was approximately HK\$0.1117 as at 31st December 2010 which reflected an increase of HK\$0.0041 from the corresponding adjusted figure as at 31st March 2010 of HK\$0.1076 (equal to HK\$0.1476 as previously reported less the distribution of a special dividend of HK4.0 cents per issued ordinary share in December 2010).

### ***3-Month***

- During the third quarter, the Group recorded unaudited consolidated revenue of approximately HK\$534,315,000, representing an increase of approximately 57% from the corresponding period last year.
- During the third quarter, total unaudited consolidated net profit attributable to owners of the Company was approximately HK\$7,503,000, a decrease of approximately 12% from the corresponding period last year, mainly due to the delayed shipment of Coland processed oil contracts to the upcoming fourth quarter.
- The three existing business divisions of the Group (excluding TKC) recorded an aggregate net profit of approximately HK\$3,638,000 on revenue of approximately HK\$534,315,000, versus an aggregate net profit of approximately HK\$6,161,000 on revenue of approximately HK\$339,636,000 in the corresponding period last year.

### **Division Financial Highlights**

#### ***9-Month***

- During the 9-month period, revenue and net profit generated from the hi-tech distribution and services division were approximately HK\$1,334,149,000 and HK\$34,725,000 respectively, which reflected an increase of approximately 165% and 377% from the corresponding period last year.
- During the 9-month period, revenue and net loss generated from the branded food division were approximately HK\$103,167,000 and HK\$19,036,000 (excluding one-off closure cost of 1 restaurant in the period) respectively, which reflected an increase in revenue of approximately 27% and a decreased loss of approximately 14% from the corresponding period last year.
- During the 9-month period, the Group shared 40% revenue and net profit of our jointly-controlled fishmeal and seafood product division of approximately HK\$332,408,000 and HK\$15,747,000 respectively, which reflected a decrease of approximately 24% and 27% from the corresponding period last year. The decrease was mainly due to negative impact of unseasonal rainy weather in China in the first 6 months of current fiscal year on demand and price of brown fishmeal which we expect to be countered by the strong demand and price pickup of processed fish oil in the latter part of the current fiscal year.

### ***3-Month***

- During the third quarter, revenue and net profit generated from the hi-tech distribution and services division were approximately HK\$392,884,000 and HK\$9,768,000 respectively, which reflected an increase of approximately 102% and 431% from the corresponding period last year.
- During the third quarter, revenue and net loss generated from the branded food division were approximately HK\$33,135,000 and HK\$6,808,000 (excluding the write-back of one-off closure cost of 1 restaurant in the third quarter) respectively, which reflected an increase in revenue of approximately 14% and a decreased loss of approximately 8% from the corresponding period last year.
- During the third quarter, the Group shared 40% revenue and net profit of our jointly-controlled fishmeal and seafood product division of approximately HK\$108,296,000 and HK\$168,000 respectively, which reflected a decrease of approximately 6% and 99% from corresponding period last year, mainly due to the delayed shipment of Coland processed oil contracts to the upcoming fourth quarter and lower fishmeal prices continuing into the third quarter.

## 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 nine months and three months ended 31st December 2010 together with the comparative unaudited figures for the corresponding periods in 2009:

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the nine months ended 31st December		For the three months ended 31st December	
		2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited) (Restated)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited) (Restated)
<b>Continuing operations</b>					
Revenue	3	1,769,724	1,021,148	534,315	339,636
Cost of sales		(1,537,137)	(853,164)	(467,565)	(272,917)
Gross profit		232,587	167,984	66,750	66,719
Other income and gains, net		41,777	11,282	22,904	487
Selling and distribution expenses		(156,372)	(110,033)	(50,465)	(38,205)
General and administrative expenses		(102,521)	(107,666)	(30,213)	(35,889)
Operating profit/(loss)		15,471	(38,433)	8,976	(6,888)
Finance income	4	4,241	4,528	1,449	1,340
Finance costs	4	(10,196)	(9,521)	(2,917)	(1,320)
Profit/(loss) before income tax		9,516	(43,426)	7,508	(6,868)
Income tax expense	5	(5,017)	(3,428)	(54)	(2,671)
Profit/(loss) for the period from continuing operations		4,499	(46,854)	7,454	(9,539)
<b>Discontinued operation</b>					
Profit for the period from the discontinued operation	6	14,200	55,379	—	18,042
Profit for the period		18,699	8,525	7,454	8,503
Profit/(loss) for the period attributable to:					
— Owners of the Company		18,842	8,660	7,503	8,532
— Non-controlling interests		(143)	(135)	(49)	(29)
		18,699	8,525	7,454	8,503
Earnings/(loss) per share attributable to owners of the Company (expressed in HK cents per share)	7				
Basic					
— For profit for the period		0.14	9.04	0.06	8.91
— For profit/(loss) for the period from continuing operations		0.04	(48.77)	0.06	(9.93)
Diluted					
— For profit for the period		0.14	0.07	0.06	0.07
— For profit/(loss) for the period from continuing operations		0.04	(0.34)	0.06	(0.07)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For the nine months ended 31st December		For the three months ended 31st December	
	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited) (Restated)	2010 HK\$'000 (Unaudited)	2009 HK\$'000 (Unaudited) (Restated)
<b>Continuing operations</b>				
Profit/(loss) for the period	<u>4,499</u>	<u>(46,854)</u>	<u>7,454</u>	<u>(9,539)</u>
Other comprehensive income/(loss):				
Cumulative translation adjustments reserve realised upon disposal of the discontinued operation	50,420	—	—	—
Currency translation differences	11,184	518	(9,731)	292
Changes in fair value of available-for-sale financial assets	<u>(138)</u>	<u>710</u>	<u>640</u>	<u>89</u>
Other comprehensive income/(loss) from continuing operations for the period, net of income tax	<u>61,466</u>	<u>1,228</u>	<u>(9,091)</u>	<u>381</u>
Total comprehensive income/(loss) for the period, net of income tax, from continuing operations	<u>65,965</u>	<u>(45,626)</u>	<u>(1,637)</u>	<u>(9,158)</u>
<b>Discontinued operation</b>				
Profit for the period	<u>14,200</u>	<u>55,379</u>	<u>—</u>	<u>18,042</u>
Other comprehensive (loss)/income:				
Currency translation differences	<u>(25,190)</u>	<u>40,449</u>	<u>—</u>	<u>4,471</u>
Other comprehensive (loss)/income from the discontinued operation for the period, net of income tax	<u>(25,190)</u>	<u>40,449</u>	<u>—</u>	<u>4,471</u>
Total comprehensive (loss)/income for the period, net of income tax, from the discontinued operation	<u>(10,990)</u>	<u>95,828</u>	<u>—</u>	<u>22,513</u>
<b>Total comprehensive income/(loss) for the period, net of income tax</b>	<u><b>54,975</b></u>	<u><b>50,202</b></u>	<u><b>(1,637)</b></u>	<u><b>13,355</b></u>
Attributable to:				
— Owners of the Company	<u>55,118</u>	<u>50,337</u>	<u>(1,588)</u>	<u>13,384</u>
— Non-controlling interests	<u>(143)</u>	<u>(135)</u>	<u>(49)</u>	<u>(29)</u>
Total comprehensive income/(loss) for the period, net of income tax	<u><b>54,975</b></u>	<u><b>50,202</b></u>	<u><b>(1,637)</b></u>	<u><b>13,355</b></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); 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 financial information is 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 27th January 2011.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial information has been prepared in compliance 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 the following 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>
HKFRS 5 Amendments <i>included in Improvements to HKFRSs issued in October 2008</i>	<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>Amendment to HK Interpretation 4 Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases</i>
HK Interpretation 5	<i>Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>
Improvements to HKFRSs 2009	<i>Amendments to a number of HKFRSs issued in May 2009</i>

### 3. REVENUE

Revenue 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 nine months ended		For the three months ended	
	31st December		31st December	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
<b>Continuing operations</b>				
Sales of goods	1,649,478	932,498	494,486	309,650
Revenue from branded food operation	103,167	81,060	33,135	29,018
Commission and other income	17,079	7,590	6,694	968
	<u>1,769,724</u>	<u>1,021,148</u>	<u>534,315</u>	<u>339,636</u>
<b>Discontinued operation</b>				
Sales of goods	<u>498,285</u>	<u>1,278,724</u>	<u>—</u>	<u>457,109</u>
	<u><b>2,268,009</b></u>	<u><b>2,299,872</b></u>	<u><b>534,315</b></u>	<u><b>796,745</b></u>



#### 4. FINANCE INCOME AND COSTS

	For the nine months ended 31st December		For the three months ended 31st December	
	2010 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited) (Restated)	2010 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited) (Restated)
Finance income:				
<b>Continuing operations</b>				
Interest income from bank deposits	4,241	4,528	1,449	1,340
<b>Discontinued operation</b>				
Interest income from bank deposits	247	161	—	95
	<u>4,488</u>	<u>4,689</u>	<u>1,449</u>	<u>1,435</u>
Finance costs:				
<b>Continuing operations</b>				
Interest on bank loans	7,939	6,383	2,650	2,009
Net foreign exchange losses on financing activities	2,254	2,018	266	(1,013)
Interest on convertible bonds redeemable after five years	—	963	—	322
Interest on finance lease obligations	3	157	1	2
	<u>10,196</u>	<u>9,521</u>	<u>2,917</u>	<u>1,320</u>
<b>Discontinued operation</b>				
Interest on bank loans	3,109	16,284	—	4,415
Increase in discounted amounts of borrowings arising from the passage of time	—	4,678	—	1,623
	<u>3,109</u>	<u>20,962</u>	<u>—</u>	<u>6,038</u>
	<u>13,305</u>	<u>30,483</u>	<u>2,917</u>	<u>7,358</u>

## 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 corporate 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 nine months ended		For the three months ended	
	31st December		31st December	
	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)
<b>Continuing operations</b>				
Current taxation				
Hong Kong profits tax				
— current period	160	—	264	—
Mainland China corporate income tax				
— current period	(4,328)	(5,168)	(136)	(3,086)
Overseas taxation	—	(670)	—	(591)
Deferred taxation	(849)	2,410	(182)	1,006
	<u>(5,017)</u>	<u>(3,428)</u>	<u>(54)</u>	<u>(2,671)</u>
<b>Discontinued operation</b>				
Current taxation				
Overseas taxation	(7,671)	(21,360)	—	(9,012)
	<u>(7,671)</u>	<u>(21,360)</u>	<u>—</u>	<u>(9,012)</u>
	<u><b>(12,688)</b></u>	<u><b>(24,788)</b></u>	<u><b>(54)</b></u>	<u><b>(11,683)</b></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 nine months ended		For the three months ended	
	31st December		31st December	
	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)
Revenue	498,285	1,278,724	—	457,109
Expenses	(461,105)	(1,181,023)	—	(424,017)
Finance costs	(3,109)	(20,962)	—	(6,038)
Profit of the discontinued operation	34,071	76,739	—	27,054
Loss recognised on the remeasurement to fair value	(12,200)	—	—	—
Profit before income tax from the discontinued operation	21,871	76,739	—	27,054
Income tax expense	(7,671)	(21,360)	—	(9,012)
Profit for the period from the discontinued operation	<u>14,200</u>	<u>55,379</u>	<u>—</u>	<u>18,042</u>
Earnings per share:				
Basic, from the discontinued operation ( <i>HK cents</i> )	0.10	57.81	—	18.84
Diluted, from the discontinued operation ( <i>HK cents</i> )	<u>0.10</u>	<u>0.41</u>	<u>—</u>	<u>0.14</u>

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

	For the nine months ended		For the three months ended	
	31st December		31st December	
	2010	2009	2010	2009
Profit attributable to owners of the Company from the discontinued operation ( <i>HK\$ '000</i> )	14,200	55,379	—	18,042
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	13,596,763,487	95,794,716
Weighted average number of ordinary shares used in the diluted earnings per share calculation	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>

## 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 nine months ended			For the three months ended		
	31st December 2010			31st December 2010		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) ( <i>note 6</i> )	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) ( <i>note 6</i> )	Total (Unaudited)
Profit for the period ( <i>HK\$ '000</i> )	4,499	14,200	18,699	7,454	—	7,454
Loss for the period attributable to non-controlling interests ( <i>HK\$ '000</i> )	<u>143</u>	<u>—</u>	<u>143</u>	<u>49</u>	<u>—</u>	<u>49</u>
Profit attributable to owners of the Company ( <i>HK\$ '000</i> )	4,642	14,200	18,842	7,503	—	7,503
Weighted average number of ordinary shares in issue	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>	<u>13,596,763,487</u>
Basic earnings per share ( <i>HK cents</i> )	<u>0.04</u>	<u>0.10</u>	<u>0.14</u>	<u>0.06</u>	<u>—</u>	<u>0.06</u>

	For the nine months ended 31st December 2009			For the three months ended 31st December 2009		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) <i>(note 6)</i>	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) <i>(note 6)</i>	Total (Unaudited)
(Loss)/profit for the period <i>(HK\$'000)</i>	(46,854)	55,379	8,525	(9,539)	18,042	8,503
Loss for the period attributable to non-controlling interests <i>(HK\$'000)</i>	135	—	135	29	—	29
(Loss)/profit attributable to owners of the Company <i>(HK\$'000)</i>	(46,719)	55,379	8,660	(9,510)	18,042	8,532
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 <i>(HK cents)</i>	(48.77)	57.81	9.04	(9.93)	18.84	8.91

#### **Diluted earnings/(loss) per share**

Diluted earnings/(loss) per share for the nine months and three months ended 31st December 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 nine months and three months ended 31st December 2009 are adjusted to eliminate the interest expense on convertible bonds.

	For the nine months ended 31st December 2009			For the three months ended 31st December 2009		
	Continuing operations (Unaudited)	Discontinued operation (Unaudited) <i>(note 6)</i>	Total (Unaudited)	Continuing operations (Unaudited)	Discontinued operation (Unaudited) <i>(note 6)</i>	Total (Unaudited)
Adjusted (loss)/profit attributable to owners of the Company <i>(HK\$'000)</i>	(45,756)	55,379	9,623	(9,188)	18,042	8,854
Weighted average number of ordinary shares in issue for diluted earnings/(loss) 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 <i>(HK cents)</i>	(0.34)	0.41	0.07	(0.07)	0.14	0.07

No adjustment has been made to the basic earnings per share amount presented for the nine months and three months ended 31st December 2010 as the Group had no potentially dilutive ordinary shares in issue during the nine months and three months ended 31st December 2010.

## 8. DIVIDENDS

On 28th October 2010, the Directors have declared a special dividend of HK4.0 cents per ordinary share. This special dividend became effective after it was approved by the Company's shareholders at a special general meeting held on 1st December 2010. At the end of the reporting period, the special dividend of HK\$543,871,000 (2009: Nil) had been fully paid.

Apart from this, the Directors do not recommend the payment of an interim dividend for the nine months ended 31st December 2010 (2009: Nil).

## 9. 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 profits <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total equity <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	—	—	18,842	18,842	(143)	18,699
Other comprehensive income/(loss):						
Cumulative translation adjustments reserve realised upon disposal of the discontinued operation	—	50,420	—	50,420	—	50,420
Currency translation differences	—	(14,006)	—	(14,006)	—	(14,006)
Changes in fair value of available-for-sale financial assets	—	(138)	—	(138)	—	(138)
Total comprehensive income/(loss) for the nine months ended 31st December 2010	—	36,276	18,842	55,118	(143)	54,975
Cancellation of share premium and elimination of accumulated losses	—	(234,337)	234,337	—	—	—
Special dividend ( <i>note 8</i> )	—	(543,871)	—	(543,871)	—	(543,871)
<b>Balances at 31st December 2010</b>	<b>135,968</b>	<b>1,268,205</b>	<b>114,009</b>	<b>1,518,182</b>	<b>3,094</b>	<b>1,521,276</b>

(Unaudited)

	Attributable to owners of the Company						Total equity <i>HK\$'000</i>
	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 profits <i>HK\$'000</i>	Total <i>HK\$'000</i>	Non-controlling interests <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	—	—	—	8,660	8,660	(135)	8,525
Other comprehensive income:							
Currency translation differences	—	—	40,967	—	40,967	—	40,967
Changes in fair value of available-for-sale financial assets	—	—	710	—	710	—	710
Total comprehensive income/(loss) for the nine months ended 31st December 2009	—	—	41,677	8,660	50,337	(135)	50,202
Capital contribution from non-controlling interests	—	—	—	—	—	532	532
Balances at 31st December 2009	<u>958</u>	<u>133,733</u>	<u>1,989,291</u>	<u>(146,568)</u>	<u>1,977,414</u>	<u>3,835</u>	<u>1,981,249</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 31st December 2010 and 2009 are as follows:

	As at 31st December	
	2010 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)
Share premium	—	1,992,635
Contributed surplus	1,240,240	8,984
Equity portion of convertible bonds	—	6,388
Investment revaluation reserve	1,437	710
Cumulative translation adjustments	26,528	(19,426)
	<u>1,268,205</u>	<u>1,989,291</u>

## 10. COMPARATIVE AMOUNTS

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

### BUSINESS REVIEW

#### Financial and Business Performance

The Group recorded an unaudited consolidated net profit of approximately HK\$18,842,000 on revenue of approximately HK\$2,268,009,000 for the nine months ended 31st December 2010 ("the 9-month period"), a substantial increase over unaudited consolidated net profit of approximately HK\$8,660,000 on revenue of approximately HK\$2,299,872,000 in the corresponding period last year. Coupled with management actions taken to grow sales, streamline operations and improve efficiency, three of the four business divisions (including TKC) were profitable in the 9-month period. During the three months ended 31st December 2010 ("the third quarter"), the Group recorded an unaudited consolidated net profit of approximately HK\$7,503,000, representing a growth of approximately 56% over the net profit of approximately HK\$4,810,000 for the preceding quarter.

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

After an exceptionally demand for surface mount technology equipments in the preceding quarter responding to pent up demand during the global downturn, sales and net profit had returned to normal level in the third quarter although higher than corresponding historical periods. With strong demand from electronics manufacturing companies in China, the third quarter's unaudited revenue of approximately HK\$392,884,000 and net profit of approximately HK\$9,768,000 of this division increased by approximately 102% and 431% respectively compared to the corresponding quarter last year. For the 9-month period, the division recorded a net profit of approximately HK\$34,725,000 on revenue of approximately HK\$1,334,149,000, a significant growth over net profit of approximately HK\$7,286,000 on revenue of approximately HK\$504,373,000 for the corresponding period last year.

During the 9-month period, we have captured the leading position in markets we serve. Going forward, our management team will continue to focus 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
- Execute on 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\$332,408,000 with a net profit of approximately HK\$15,747,000 for the 9-month period, versus revenue of approximately HK\$435,715,000 and a net profit of approximately HK\$21,440,000 for the corresponding period last year. For fishmeal trading business, there was a seasonal increase of the demand and pricing for brown fishmeal 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. During the third quarter, there was gradual rebound of the demand for brown fishmeal but price remained volatile affecting our margins in this segment. We continue programs to manage price volatility, by continuously monitoring demand/supply data and implementing smaller lot purchases.

Our fish oil business continued to grow in both domestic and export markets with stabilized demand and pricing during the 9-month period. Going forward, we foresee strong 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.

### **Branded Food Division**

The division recorded revenue of approximately HK\$103,167,000 with net loss of approximately HK\$22,382,000 for the 9-month period, versus a revenue of approximately HK\$81,060,000 with net loss of approximately HK\$22,183,000 for the corresponding period last year. The increase in net loss in the 9-month period was mainly due to the one-off closure cost associated with 1 restaurant as its lease expired in the second quarter ended 30th September 2010. With the one time cost of the 1 restaurant closure excluded, the division would have had a net loss of approximately HK\$19,036,000 for the 9-month period, versus the HK\$22,183,000 for the corresponding period last year. In response to the rising cost pressure under current inflationary environment for food and the competitive response to our growth, we continue to prudently build out our Burger King brand presence and improve operating efficiency to maintain our competitiveness for local customers.

During the third quarter in mid-December 2010, our branded food division added one restaurant in a renowned shopping district in Mongkok. As of the date of this announcement, we operated 16 restaurants in renowned retail spots, commercial districts and residential districts in Hong Kong, including Tsim Sha Tsui, Wanchai, Mongkok, Fortress Hill, Hungghom, Shatin, Causeway Bay, Admiralty, Tsuen Wan, Wong Tai Sin, Sheung Shui, Tseung Kwan O, Tsz Wan Shan and Tuen Mun. We will continue to execute plans to accelerate financial performance improvement.

## **Chemical Operation Division**

During the 9-month 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 9-month period, versus our share of TKC's revenue of approximately HK\$1,278,724,000 and net profit of approximately HK\$60,850,000 for the corresponding period last year.

## **OUTLOOK**

Although the global economy has recovered and we remain cautiously optimistic on the improving trend we continue to manage the business prudently given continuing uncertainties still in the world and growing global inflation pressure.

- For the hi-tech distribution and service business we expect moderately strong demand from electronics manufacturing companies in China with the proliferation of mobile phones and other new electronic products but will have margin pressures from the strong Japanese Yen and lower customer margin.
- Demand and pricing for our fish oil products from overseas customers have started to rebound since December 2010 and we expect this will help increase our profitability in the coming quarters. However, we do expect a seasonal dip in demand for fishmeal and feeds in the near term due to cold weather.
- We expect our branded food business will face on-going challenges from our competitors and the global food supply inflation in the coming quarters. 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 31st December 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

*Note:*

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

Save as disclosed above, as at 31st December 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 31st December 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
C.L Davids Fond og Samling	Beneficial owner	1,061,780,105	7.81%	
Woori Bank	Beneficial owner	792,848,020	5.83%	3
Woori Finance Holdings Co., Ltd.	Interest of controlled corporation	792,848,020	5.83%	3
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. 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 31st December 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 31st December 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 31st December 2010, no share options have been granted pursuant to the Best Creation Scheme.

## **COMPETING INTERESTS**

As at 31st December 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 31st December 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	253,732
Inventories	617,458
Cash and cash equivalents	76,790
Other current assets	368,536
Bank borrowings	(756,435)
Other current liabilities	<u>(114,698)</u>
Net assets	<u><u>445,383</u></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 nine months ended 31st December 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 nine months ended 31st December 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 and Mr. James Tsiolis, non-executive directors elected by the shareholders at the annual general meeting and special general meeting of the Company on 27th September 2010 and 1st December 2010 respectively have not been appointed for a specific terms but are subject to retirement by rotation and re-election at annual general meeting in accordance with the Bye-laws of the Company.

## AUDIT COMMITTEE

The Company 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 nine months ended 31st December 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, 27th January 2011

*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); four Non-executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota, Mr. Jason Matthew Brown and Mr. James Tsiolis; and four Independent Non-executive Directors, namely Mr. Yu Wang Tak (Deputy Chairman), Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching and Mr. Edgar Kwan Chi Ping.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://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](http://www.nasholdings.com).*