NORTH ASIA STRATEGIC HOLDINGS LIMITED
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH 2011

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.

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*

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board"), I hereby present the consolidated results of North Asia Strategic Holdings Limited (the "Company" or "NAS"), its subsidiaries and jointly-controlled entities (collectively the "Group" or "NAS Group") for the year ended 31st March 2011 (the "year" or "current year").

Coming out of the challenges of the global recession the previous year, the focus for our team in 2010 was to strengthen the existing businesses and execute strategic plans and operational activities to grow revenue, earnings and shareholder value for the longer term. During the year, the positive financial momentum continued across our existing business divisions with increasing revenue and earnings for American Tec Company Limited ("American Tec"), Coland Group Limited ("Coland") and TK Chemical Corporation ("TKC"). We accomplished this by successfully adding new capabilities, products, capacity and partners as well as continuing to monitor and reduce costs. For Burger King, we continued to scrutinize operations, resulting in reduced losses and increasing year-on-year sales and traffic. During the year, with the successful execution of the Company's improvement plan in TKC in Korea, we sold our 33.74% stake in July 2010, with a special dividend paid to our shareholders in the third quarter of the year.

With management's effective actions to improve sales and control cost, the Group recorded an increase in net profit from approximately HK$16,711,000 in the previous year to approximately HK$21,892,000 in the current year, equating to a 31.0% growth. Revenue was reduced from approximately HK$3,167,965,000 in the last year to approximately HK$2,666,341,000 in the current year mainly due to the disposal of the stake in TKC, a significant contributor to the Group's revenue over the years. Excluding TKC's contribution, the Group's existing three business divisions recorded an aggregate net profit of approximately HK$7,692,000 on revenue of approximately HK$2,168,056,000, an increase of approximately 114% and 53% respectively from last year.

Our priority is to enhance shareholder value, and we will continue to execute plans to grow our businesses internally as well as to augment the value for NAS with investments in synergistic and other attractive sectors. Without further turbulence in global financial markets, we believe the coming year will provide good opportunities for the Group to continue its positive momentum.

On behalf of the Board of Directors, I would like to express my sincere gratitude to our worldwide customers, business partners and stakeholders for their trust and support of our products, services and businesses throughout the year. I also wish to take this opportunity to offer my appreciation to our shareholders for their confidence in our Group, as well as our staff for their hard work, dedication and continuous commitment to excellence.

Göran Sture Malm
Chairman

Hong Kong, 2nd June 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Our Strategy

Our Company is focused in identifying and investing in high potential, mid-market companies in North Asia (Greater China, Korea and Japan). Our aim is to work with our portfolio companies to grow and build the next level of value in terms of size, cross-border access, new products/technologies, management capabilities and partnership/alliances. We believe in an active, close working relationship with our investee companies, where we can assist with experience, network and capital. We continuously look for good companies with partnership minded owners and management teams — especially synergistic companies where we can add value to the business.

Financial and Business Performance

With improvement in the global economy during the year, our businesses continued its positive momentum for growth and earnings. As we continue to monitor costs and productivity, the focus for the year was on reaccelerating the growth plans that were temporarily affected by the downturn. Each of our businesses executed plans to add new products, capabilities and skills to increase new revenue streams and market position.

For the year under review, the Group recorded a consolidated net profit of approximately HK$21,892,000 on revenue of approximately HK$2,666,341,000, up 31.0% from the consolidated net profit of approximately HK$16,711,000 on revenue of approximately HK$3,167,965,000 in the 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 year.

Below is a summary of the financial and business highlights 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

Our hi-tech distribution and services division conducted business through our wholly-owned subsidiary, American Tec. American Tec is a leader in Asia in the distribution, sales and service of surface mounted technology (SMT) equipment, with a history of more than 20 years serving its customers in the hi-technology sector. Our team of more than 250 engineers and customer care staff are located in more than 25 cities in China, Vietnam and India. Customers include most of the major telecom and electronic equipment manufacturers in the world. We are especially well positioned with the growing base of Chinese manufacturers. Our suppliers include leading equipment and solutions manufacturers from Asia, the United States and Europe.

For the current year, with the rebound in the economy and new product introductions such as smart phones and tablets, the demand for SMT equipment in the first half of the year reached an historical high, with sales returning to more normal levels in the second half of the year. During this time, we have built an industry leader position in China, Vietnam and India by focusing on the following:

- Continuing to strengthen and consolidate the Group's leading position in the SMT sector and adding new suppliers and partners, including some world class suppliers for win-win

- Accelerating services/solutions, new products and complementary segments

- Continuing to monitor and manage costs as businesses grow

- Investing in internal processes to enhance the Group's service and support to customers and suppliers

With the return of customer demand, strong market position and additional capabilities, American Tec had a net profit of approximately HK$39,635,000 on revenue of approximately HK$1,565,247,000, increased by approximately 270% and 102% respectively in the current year compared to last year's net profit of approximately HK$10,708,000 on revenue of approximately HK$775,870,000.

American Tec is seen as a leader in this sector, servicing most of the global and domestic telecom and electronics manufacturers. We have invested in internal company capability and executive skills to support the next stage of growth, including new Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) systems and new hires in executive management with global, logistics and service experience.

We anticipate demand to be moderate in the telecom and electronics sector, with orders led by domestic customers rather than global players. The demand will be driven by the continued proliferation of mobile phones and other new electronic products. We expect price and margin pressures from the strong Japanese yen and increasing bargains from domestic customers.

Fishmeal and Seafood Product Division

Our fishmeal and seafood product division conducted business through our 40% jointly-controlled company, Coland. Coland continues to focus on serving the growing need for its products in the aquatic and pig farms and consumer sector in the Chinese, American and European markets. Today, it is one of the leading providers and processors of fishmeal, aquatic feed and fish oil in Asia. Coland invested heavily in building new fish oil refinery and storage facilities. With the added refining capacity and capabilities in fish oil processing, Coland is a leader in product quality and has one of the largest fish oil storage and processing capabilities in Asia today.

During the year, the fishmeal market in China was affected by the rain and cold weather, especially the heavy rains in Southern China, which impacted fish and shrimp breeding farms. This led to price volatility which affected our margins in this segment. For processed fish oil products, there was a significant increase in demand, particularly from the salmon farms around the world. The sales of our high quality products were particularly strong in the fourth quarter. With the addition of new feed and processed oil capacity, we were able to take advantage of demand from the higher margin segment.

We continue to execute programs to serve the increasing demand for processed and refined aquatic products and manage price volatility in the global markets.

- Expand our fish oil processing capacity to take advantage of the growing demand in overseas and domestic markets, especially with high grade processing capacity

- Expand our feed processing capacity to take advantage of the growing aquaculture industry in China

- Expand aquaculture farming to value chain, for example, abalone aquaculture

- Monitor the global supply and demand for the fishmeal business and closely manage inventory

- Evaluate strategic partners to increase our export business

During the year, we shared 40% net profit of approximately HK$26,723,000 on revenue of approximately HK$465,187,000, up 10.6% from last year's net profit of approximately HK$24,159,000 on revenue of approximately HK$526,413,000.

Going forward, we anticipate a strong demand for our fish oil products from both overseas and domestic markets and a rebound in demand for fishmeal in the near term.

Branded Food Division

Burger King is a leading global brand that provides one of the best burgers and other quick service foods in the restaurant market. The Group has the franchise rights to grow the business in Hong Kong and Macau. Today, we operate 15 restaurants in renowned retail locations, commercial districts and residential areas 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 and Tuen Mun. We have also won a number of awards in Hong Kong as one of the best quick service restaurants and best tasting burgers in the city.

The business is still working to reach breakeven, which will come with increasing the scale and the number of stores, which will lead to more brand awareness and reduced costs. The management team has been focusing on a number of key areas:

- Increasing year-on-year sales with ticket count up more than 20%

- Innovative area and local store marketing

- New product introductions

- Cost reduction on supply chain

- Skill and staff enhancement

The division recorded a revenue of approximately HK$137,622,000 with a net loss of approximately HK$29,162,000 for the year, versus a revenue of approximately HK$110,699,000 with a net loss of approximately HK$28,513,000 in the last year. The increase in net loss was mainly due to the one-time closure costs associated with two restaurants. Without the one-time closure costs, net loss would have been approximately HK$23,932,000 for the year, versus HK$28,513,000 for the last year. With continuous improvement of the business by the management team, net loss per restaurant was significantly reduced by approximately 37.0% in the year over last year.

In response to the rising cost pressure under the current inflationary environment for food, the minimum wage law enacted this year and the competitive response to our growth, we continue to prudently build our Burger King brand presence and improve operating efficiency. Burger King continues to provide superior product in the market place with a great brand, and we will continue to execute plans to achieve financial performance improvement.

Chemical Operation Division

Our chemical operation division conducted business through our 33.74% jointly-controlled company TKC. TKC is a manufacturer of man-made fiber products based in Korea. With the successful execution of the improvement plan, the Board agreed to the sale of our 33.74% stake in July 2010.

On 8th July 2010, the Company's shareholders approved the disposal of the entire 33.74% stake in TKC held by the Company through its indirect subsidiary, North Asia Strategic (Singapore) Pte. Ltd., 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 same circular.

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$14,200,000 in the year, versus our share of TKC's full year revenue of approximately HK$1,754,983,000 and net profit of approximately HK$71,892,000 in last year.

Outlook

With a more stable global economy and improving business environment, year 2011 will be a year with new opportunities and greater development for the Group and its portfolio companies. The Group has confidence that the portfolio companies are in a strong position to take advantage of the growth of their respective sectors and will continue to build up momentum to grow from strength to strength. The Group itself will prudently leverage on its core competence, strengths and expertise to tap the investment opportunities in other attractive sectors in North Asia in a dynamic, yet meticulous, manner to create values and maximize returns for shareholders and the Group.

Financial Resources, Liquidity and Charges on Assets

As at 31st March 2011, NAS Group had bank and cash balances of approximately HK$1,079,965,000 (2010: HK$1,217,562,000), of which approximately HK$96,416,000 (2010: HK$84,381,000) was pledged to secure trade financing facilities of approximately HK$857,899,000 (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, (f) leasehold land and prepaid land, (g) the Government of Hong Kong Special Administrative Region, (h) personal guarantees provided by certain directors of a jointly-controlled entity, (i) property and bank deposits of certain directors of a jointly-controlled entity, (j) discounted bills receivable with recourse, and (k) corporate guarantees provided by independent third parties.

As at 31st March 2011, the Group had borrowings of approximately HK$246,203,000 (2010: HK$387,475,000). The gearing ratio (borrowings divided by equity attributable to shareholders of the Company) of the Group was 0.16 as at 31st March 2011, as compared to 0.19 as at 31st March 2010.

Significant Investments Held and Material Acquisition and Disposals of Investments and Subsidiaries

On 30th April 2010, the Group entered into an agreement to dispose of its entire shareholding in TKC (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.

As at 31st March 2011, the Group had no significant investments. Except for the Transaction, there were no material acquisitions or disposals of investments and subsidiaries during the year.

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.

Contingent Liabilities

As at 31st March 2011, the Company had provided guarantees of approximately HK$486,700,000 (2010: HK$518,068,000) with respect to banking facilities made available to its subsidiaries and jointly-controlled entities.

Net Asset Value

Consolidated net asset value attributable to ordinary shareholders of the Company per ordinary share was approximately HK$0.1114 as at 31 March 2011 which reflected an increase of HK$0.0038 from the corresponding adjusted figure as at 31 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).

Number of Employees and Remuneration Policies

As at 31st March 2011, NAS Group employed 1,017 (2010: 1,299) staff. Salaries and annual bonuses are determined according to positions and performance of the employees. Remuneration policies are reviewed annually by the management and remuneration packages are structured to take into account the comparable level of the market. The Group provides on-the-job training and training subsidies to its employees in addition to pension schemes and medical insurance. Total staff costs including contribution to retirement benefit schemes incurred during the year under review amounted to approximately HK$135,916,000 (2010: HK$211,342,000).

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31st March 2011 HK$'000	2010 HK$'000 (Restated)
CONTINUING OPERATIONS			
Revenue	3	**2,168,056**	1,412,982
Cost of sales		**(1,852,361)**	(1,200,174)
Gross profit		**315,695**	212,808
Other income and gains, net	8	**39,356**	24,972
Selling and distribution expenses		**(199,694)**	(161,084)
General and administrative expenses		**(135,400)**	(132,700)
Operating profit/(loss)		**19,957**	(56,004)
Finance income	9	**5,568**	5,698
Finance costs	9	**(10,576)**	(13,109)
Profit/(loss) before income tax from continuing operations		**14,949**	(63,415)
Income tax credit/(expense)	11	**(6,832)**	7,759
Profit/(loss) for the year from continuing operations		**8,117**	(55,656)
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	12	**14,200**	71,892
Profit for the year		**22,317**	16,236
Profit for the year attributable to:			
— Shareholders of the Company		**21,892**	16,711
— Non-controlling interests		**425**	(475)
		22,317	16,236
Earnings/(loss) per share attributable to ordinary shareholders of the Company	13		
Basic and diluted			
— For profit for the year *(HK cents)*		**0.16**	1.31
— For profit/(loss) for the year from continuing operations *(HK cents)*		**0.16**	(4.31)

Details of the dividends payable and proposed for the year are disclosed in note 14.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
Profit for the year	**22,317**	16,236
Other comprehensive income/(loss):		
Available-for-sale financial assets:		
Changes in fair value	**244**	1,575
Reclassification adjustments for gains included in the consolidated income statement as a result of the disposal	**(676)**	—
Actuarial loss on retirement benefit obligations	**—**	(653)
Currency translation differences:		
Reclassification adjustments for exchange difference included in the consolidated income statement upon the disposal of a jointly-controlled entity	**50,420**	—
Currency translation differences of foreign operations	**(18,664)**	50,509
Other comprehensive income for the year, net of income tax of nil	**31,324**	51,431
Total comprehensive income for the year	**53,641**	67,667
Total comprehensive income/(loss) for the year attributable to:		
— Shareholders of the Company	**52,843**	68,142
— Non-controlling interests	**798**	(475)
	53,641	67,667

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31st March 2011** *HK$'000*	31st March 2010 *HK$'000* (Restated)	1st April 2009 *HK$'000* (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment		**148,364**	709,641	565,694
Investment property		**2,172**	2,183	2,257
Leasehold land under operating leases and land use rights		**17,721**	15,568	16,264
Intangible assets		**394,946**	582,049	583,161
Available-for-sale financial assets		**2,109**	3,008	1,357
Deferred tax assets		**27,089**	28,550	18,810
Other non-current assets		**11,316**	12,416	20,972
		603,717	1,353,415	1,208,515
Current assets				
Inventories		**248,138**	252,426	279,986
Biological assets		**8,499**	—	—
Trade and other receivables	*4*	**201,937**	378,013	194,431
Subscription receivables		—	—	13,000
Non-current assets held for sale		—	—	6,264
Income tax recoverable		—	—	170
Pledged bank deposits		**96,416**	84,381	58,552
Cash and cash equivalents		**983,549**	1,133,181	1,063,583
		1,538,539	1,848,001	1,615,986
Total assets		**2,142,256**	3,201,416	2,824,501
EQUITY				
Equity attributable to shareholders of the Company:				
Share capital	*6*	**135,968**	135,968	134,691
Reserves	*7*	**1,378,675**	1,870,967	1,792,386
		1,514,643	2,006,935	1,927,077
Non-controlling interests		**4,416**	3,237	3,438
Total equity		**1,519,059**	2,010,172	1,930,515

	Note	**31st March 2011** *HK$'000*	31st March 2010 *HK$'000* (Restated)	1st April 2009 *HK$'000* (Restated)
Current liabilities				
Borrowings		**234,300**	351,370	361,357
Trade and other payables	*5*	**365,313**	695,334	361,483
Derivative financial instruments		**1,089**	189	—
Income tax liabilities		**4,577**	20,326	3,267
		605,279	1,067,219	726,107
Non-current liabilities				
Borrowings		**11,903**	36,105	75,939
Convertible bonds		—	—	18,267
Deferred tax liabilities		**545**	14,493	13,792
Retirement benefit obligations		—	62,834	48,926
Derivative financial instruments		—	6,900	9,069
Deferred income		**1,666**	—	—
Other non-current liabilities		**3,804**	3,693	1,886
		17,918	124,025	167,879
Total liabilities		**623,197**	1,191,244	893,986
Total equity and liabilities		**2,142,256**	3,201,416	2,824,501
Net current assets		**933,260**	780,782	889,879
Total assets less current liabilities		**1,536,977**	2,134,197	2,098,394

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				
	Share capital *HK$'000*	**Reserves** *HK$'000*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
Balances at 1st April 2009	134,691	1,792,386	1,927,077	3,438	1,930,515
Comprehensive income/(loss)					
Profit/(loss) for the year	—	16,711	16,711	(475)	16,236
Other comprehensive income/(loss)					
Available-for-sale financial assets:					
Changes in fair value	—	1,575	1,575	—	1,575
Actuarial loss from retirement benefit obligations	—	(653)	(653)	—	(653)
Currency translation differences:					
Currency translation differences of foreign operations	—	50,509	50,509	—	50,509
Total other comprehensive income for the year	—	51,431	51,431	—	51,431
Total comprehensive income/(loss) for the year	—	68,142	68,142	(475)	67,667
Receipt of treasury shares	—	(12,941)	(12,941)	—	(12,941)
Disposal of treasury shares	—	4,657	4,657	—	4,657
Conversion of convertible bonds	1,277	18,723	20,000	—	20,000
Capital contribution from non-controlling interests	—	—	—	274	274
Balances at 31st March 2010 and at 1st April 2010	135,968	1,870,967	2,006,935	3,237	2,010,172

	Attributable to shareholders of the Company				
	Share capital	Reserves	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Comprehensive income/(loss)					
Profit for the year	—	**21,892**	**21,892**	**425**	**22,317**
Other comprehensive income/(loss)					
Available-for-sale financial assets:					
Changes in fair value	—	**244**	**244**	—	**244**
Reclassification adjustments for exchange differences included in the consolidated income statement as a result of disposal	—	**(676)**	**(676)**	—	**(676)**
Currency translation differences:					
Reclassification adjustments for exchange differences included in the consolidated income statement upon the disposal of a jointly-controlled entity	—	**50,420**	**50,420**	—	**50,420**
Currency translation differences of foreign operations	—	**(19,037)**	**(19,037)**	**373**	**(18,664)**
Total other comprehensive income for the year	—	**30,951**	**30,951**	**373**	**31,324**
Total comprehensive income for the year	—	**52,843**	**52,843**	**798**	**53,641**
Share repurchase	—	**(1,264)**	**(1,264)**	—	**(1,264)**
Special dividend *(note 14)*	—	**(543,871)**	**(543,871)**	—	**(543,871)**
Capital contribution from non-controlling interests	—	—	—	**381**	**381**
Balances at 31st March 2011	**135,968**	**1,378,675**	**1,514,643**	**4,416**	**1,519,059**

NOTES TO FINANCIAL STATEMENTS

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:** refining and sale of fish oil, processing and sale of fishmeal, manufacturing and sale of aquatic feed products, aquaculture and processing and sale of seafood;

- **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 during the year); and

- investment holding.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Bermuda Companies Act 1981. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and of its principal place of business is 11th Floor, The Centrum, 60 Wyndham Street, Central, Hong Kong.

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

These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

These financial statements have been approved for issue by the Company's Board of Directors on 2nd June 2011.

2. Accounting polices and methods of computation

2.1 Changes in accounting policy and disclosures

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale financial assets, biological assets and derivative financial instruments, which have been measured at fair value or fair value less cost to sell, where appropriate.

The accounting policies and basis of preparation adopted in the preparation of the consolidated financial statements are the same as those used in the financial statements for the year ended 31st March 2011, except in relation to the changes in accounting policy and disclosure and accounting estimates as detailed below.

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statement:

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

Other than as further explained below regarding the impact of HKFRS 3 (Revised), HKAS 27 (Revised), amendments to HKAS 7 and HKAS 17 included in *Improvements to HKFRSs 2009* and HK Interpretation 4 (Revised in December 2009), the adoption of the new and revised HKFRSs has had no significant financial effect on these financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(i) HKFRS 3 (Revised) *Business Combinations* and HKAS 27 (Revised) *Consolidated and Separate Financial Statements*

HKFRS 3 (Revised) introduces a number of changes in the accounting for business combinations that affect the initial measurement of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

HKAS 27 (Revised) requires that a change in the ownership interest of a subsidiary without loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore, the revised standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Consequential amendments were made to various standards, including, but not limited to HKAS 7 *Statement of Cash Flows*, HKAS 12 *Income Taxes*, HKAS 21 *The Effects of Changes in Foreign Exchange Rates*, HKAS 28 *Investments in Associates* and HKAS 31 *Interests in Joint Ventures*.

The changes introduced by these revised standards are applied prospectively and affect the accounting of acquisitions, loss of control and transactions with non-controlling interests after 1st April 2010.

(ii) *Improvements to HKFRSs 2009* issued in May 2009 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments results in changes in accounting policies, none of these amendments has had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 7 *Statement of Cash Flows*: Requires that only expenditures that result in a recognised asset in the statement of financial position can be classified as a cash flow from investing activities.

- HKAS 17 *Leases*: Removes the specific guidance on classifying land as a lease. As a result, leases of land should be classified as either operating or finance leases in accordance with the general guidance in HKAS 17.

Amendment to HK Interpretation 4 *Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases* is revised as a consequence of the amendment to HKAS 17 *Leases* included in *Improvements to HKFRSs 2009*. Following this amendment, the scope of HK Interpretation 4 has been expanded to cover all land leases, including those classified as finance leases. As a result, this Interpretation is applicable to all leases of property accounted for in accordance with HKAS 16, HKAS 17 and HKAS 40.

The Group has reassessed its leases in Hong Kong and Mainland China, previously classified as operating leases, upon the adoption of the amendments. The classification of leases in Mainland China remained as operating leases. As substantially all the risks and rewards associated with the leases in Hong Kong have been transferred to the Group, the leases in Hong Kong have been reclassified from "leasehold land under operating leases and land use rights" to finance leases under "property, plant and equipment". The corresponding amortisation has also been reclassified to depreciation. The effects of the above changes are summarised below:

Consolidated income statement for the year ended 31st March

	2011	2010
	HK$'000	*HK$'000*
Decrease in amortisation of leasehold land under operating leases and land use rights	**(152)**	(153)
Increase in depreciation of property, plant and equipment	**152**	153
	—	—

Consolidated statement of financial position as at

	31st March	31st March	1st April
	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*
Decrease in leasehold land under operating leases and land use rights	**(5,176)**	(5,328)	(5,481)
Increase in property, plant and equipment	**5,176**	5,328	5,481
	—	—	—

(iii) HK Interpretation 5 *Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause*

The interpretation requires a term loan that contains a clause that gives the lender the unconditional right to call the loan at any time shall be classified in total by the borrower as current in the statement of financial position. This is irrespective of whether a default event has occurred and notwithstanding any other terms and maturity stated in the loan agreement. Prior to the adoption of this interpretation, the Group's term loans was classified in the statement of financial position as a non-current liability based on the maturity date of repayment. The interpretation has been applied by the Group retrospectively and comparative amounts have been restated. The effects of the application of the interpretation on these financial statements are summarised below:

	31st March	31st March	1st April
	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*
Current Liabilities			
Increase in borrowings	**34,318**	14,563	—
Non-current Liabilities			
Decrease in borrowings	**(34,318)**	(14,563)	—

There was no impact on the net assets of the Group.

Due to the retrospective application of the amendments to HK Interpretation 4 and HK Interpretation 5 which have resulted in the restatement of items in the consolidated statement of financial position, a consolidated statement of financial position as at 1st April 2009 has been presented in these financial statements.

3. Turnover, revenue and segment information

3.1 Turnover and revenue

Turnover represents sales of goods, revenue from branded food operation, commission and other service income. The amounts of each category of revenue recognised during the year from continuing operations are as follow service:

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Sales of goods	**2,009,223**	1,287,294
Revenue from branded food operation	**137,622**	110,699
Commission and other service income	**21,211**	14,989
	2,168,056	1,412,982

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 during the year). The hi-tech distribution and services, fishmeal and seafood product, and chemical operating segments derive revenue from the sale of goods. Branded food operation segment derives revenue from through the operation of quick food hamburger restaurants in Hong Kong under the Burger King brand.

Management monitors the results of the Group's 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 finance income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets consist primarily of property, plant and equipment, investment property, leasehold land and land use rights, intangible assets, non-current deposits, inventories, biological assets, trade and other receivables, and non-current assets held for sale. Unallocated assets comprise deferred tax assets, income tax recoverable, pledged bank deposits, available-for-sale financial assets, cash and cash equivalents, and corporate and others.

Segment liabilities consist primarily of trade and other payables, retirement benefits obligations, provision for reinstatement costs, and other non-current liabilities. Unallocated liabilities comprise deferred tax liabilities, income tax liabilities, borrowings, and corporate and others.

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

There are no significant sales between these operating segments during the year (2010: Nil). The operating result for the year are as follows:

	Year ended 31st March 2011					
	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation *HK$'000*	Fishmeal and seafood product operation *HK$'000*	Branded food operation *HK$'000*	Subtotal *HK$'000*	Chemical operation *HK$'000*	Total *HK$'000*
Revenue						
— Sales to external customers	1,565,247	465,187	137,622	2,168,056	498,285	2,666,341
Segment results before amortisation of intangible assets	50,715	38,340	(35,314)	53,741	39,727	93,468
Amortisation of intangible assets	—	(2,115)	(498)	(2,613)	(2,794)	(5,407)
Segment results	50,715	36,225	(35,812)	51,128	36,933	88,061
Finance income				5,568	247	5,815
Finance costs				(10,576)	(3,109)	(13,685)
Loss recognised on the remeasurement of assets held for sales to fair value				—	(12,200)	(12,200)
Corporate and other unallocated expenses				(31,171)	—	(31,171)
Profit before income tax				14,949	21,871	36,820
Income tax expense				(6,832)	(7,671)	(14,503)
Profit for the year				8,117	14,200	22,317
Capital expenditure	3,141	24,839	8,972	36,952	5,752	42,704
Corporate and other unallocated capital expenditure				822	—	822
				37,774	5,752	43,526
Depreciation	9,449	4,691	11,660	25,800	11,209	37,009
Corporate and other unallocated depreciation				149	—	149
				25,949	11,209	37,158
Amortisation	—	2,467	498	2,965	2,794	5,759
Write-down of inventories to net realisable value, net	—	1,296	—	1,296	(700)	596
Provision for impairment/(write-back of impairment) of receivables, net	83	(1,084)	—	(1,001)	910	(91)

	Year ended 31st March 2010					
	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation *HK$'000*	Fishmeal and seafood product operation *HK$'000* (Restated)	Branded food operation *HK$'000*	Subtotal *HK$'000* (Restated)	Chemical operation *HK$'000* (Restated)	Total *HK$'000* (Restated)
Revenue						
— Sales to external customers	775,870	526,413	110,699	1,412,982	1,754,983	3,167,965
Segment results before amortisation of intangible assets	16,281	35,262	(34,537)	17,006	135,697	152,703
Amortisation of intangible assets	(6,953)	(2,648)	(430)	(10,031)	(10,720)	(20,751)
Segment results	9,328	32,614	(34,967)	6,975	124,977	131,952
Finance income				5,698	318	6,016
Finance costs				(13,109)	(27,810)	(40,919)
Corporate and other unallocated expenses				(62,979)	—	(62,979)
Profit/(loss) before income tax				(63,415)	97,485	34,070
Income tax credit/(expenses)				7,759	(25,593)	(17,834)
Profit/(loss) for the year				(55,656)	71,892	16,236
Capital expenditure	514	31,564	37,068	69,146	7,451	76,597
Corporate and other unallocated capital expenditure				317	—	317
				69,463	7,451	76,914
Depreciation	9,568	3,665	10,209	23,442	41,343	64,785
Corporate and other unallocated depreciation				130	—	130
				23,572	41,343	64,915
Amortisation	6,953	3,026	430	10,409	10,720	21,129
Write-down/(write-back) of inventories to net realisable value, net	5,794	7,715	—	13,509	(559)	12,950
Provision for impairment of receivables, net	2,089	3,340	—	5,429	463	5,892

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

	Continuing operations			
	Hi-tech distribution and services operation *HK$'000*	Fishmeal and seafood product operation *HK$'000*	Branded food operation *HK$'000*	Total *HK$'000*
At 31st March 2011				
Assets				
Segment assets	**512,851**	**449,393**	**65,173**	**1,027,417**
Unallocated assets:				
Deferred tax assets				**27,089**
Cash and cash equivalents				**983,549**
Pledged bank deposits				**96,416**
Available-for-sale financial assets				**2,109**
Corporate and others				**5,676**
Total assets per consolidated statement of financial position				**2,142,256**
Liabilities				
Segment liabilities	**202,707**	**146,001**	**19,648**	**368,356**
Unallocated liabilities:				
Deferred tax liabilities				**545**
Income tax liabilities				**4,577**
Borrowings				**246,203**
Corporate and others				**3,516**
Total liabilities per consolidated statement of financial position				**623,197**

	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation *HK$'000*	Fishmeal and seafood product operation *HK$'000* (Restated)	Branded food operation *HK$'000*	Subtotal *HK$'000*	Chemical operation *HK$'000*	Total *HK$'000* (Restated)
At 31st March 2010						
Assets						
Segment assets	608,938	335,545	70,382	1,014,865	934,891	1,949,756
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 consolidated statement of financial position						3,201,416
Liabilities						
Segment liabilities	262,792	112,285	22,442	397,519	369,396	766,915
Unallocated liabilities:						
Deferred tax liabilities						14,493
Income tax liabilities						20,326
Borrowings						387,475
Corporate and others						2,035
Total liabilities per consolidated statement of financial position						1,191,244

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, fishmeal and seafood products, and chemicals, as well as the location of service performed for branded food.

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

	2011			2010		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operation	Discontinued operation	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	**156,671**	**—**	**156,671**	110,699	—	110,699
Mainland China	**1,931,259**	**10,807**	**1,942,066**	1,225,510	53,332	1,278,842
Republic of Korea	**—**	**366,750**	**366,750**	—	1,338,210	1,338,210
Asia — Others	**80,126**	**58,689**	**138,815**	40,913	190,455	231,368
Others	**—**	**62,039**	**62,039**	35,860	172,986	208,846
Total revenue	**2,168,056**	**498,285**	**2,666,341**	1,412,982	1,754,983	3,167,965

(b) Non-current assets

The non-current asset 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:

	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Hong Kong	**437,726**	449,397
Mainland China	**136,256**	128,089
Republic of Korea	**—**	743,758
Asia — Others	**537**	613
	574,519	1,321,857

Information about major customers

During each of the years ended 31st March 2011 and 2010, there was no single customer that contributed for 10% or more of the Group's revenue for these years.

4. Trade and other receivables

	31st March 2011 HK$'000	As at 31st March 2010 HK$'000 (Restated)	1st April 2009 HK$'000 (Restated)
Trade and bills receivables	**164,679**	355,415	184,485
Less: Impairment of trade receivables	**(7,454)**	(20,775)	(15,306)
Trade and bills receivables, net	**157,225**	334,640	169,179
Prepayment, deposits and other receivables	**44,712**	43,373	25,252
	201,937	378,013	194,431

Trade and bills receivables

The Group's trading terms with its customers are mainly on generally requires letter of credit or documents against payment, with some cases granting a credit period of 30 to 90 days, except for new customers, where payment in advance is normally required. An ageing analysis of trade and bills receivables based on invoice date as at the end of the reporting period is as follows:

	As at 31st March 2011 HK$'000	2010 HK$'000
90 days or less	**132,844**	301,703
91 to 180 days	**18,925**	27,737
181 to 270 days	**2,774**	2,502
271 to 365 days	**1,136**	914
Over 365 days	**1,546**	1,784
	157,225	334,640

5. **Trade and other payables**

	As at		
	31st March	31st March	1st April
	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Trade and bills payables	**254,851**	561,728	271,246
Other payables	**110,462**	133,606	90,237
	365,313	695,334	361,483

The ageing analysis of trade and bills payables is as follows:

	As at		
	31st March	31st March	1st April
	2011	2010	2009
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
90 days or less	**248,812**	555,923	259,308
91 to 180 days	**1,359**	2,087	3,521
181 to 270 days	**727**	96	853
271 to 365 days	**86**	455	2,221
Over 365 days	**3,867**	3,167	5,343
	254,851	561,728	271,246

6. Share capital

	Ordinary shares		Preference shares		
	Number of shares	Ordinary share capital	Number of shares	Preference share capital	Total
	'000	*HK$'000*	*'000*	*HK$'000*	*HK$'000*
Authorised:					
At 31st March 2010 and 2011	40,000,000	400,000	30,000,000	300,000	700,000
Analysed as —					
Ordinary shares of HK$0.01 each	40,000,000	400,000	—	—	400,000
Preference shares of HK$0.01 each	—	—	30,000,000	300,000	300,000
	40,000,000	400,000	30,000,000	300,000	700,000
Issued:					
At 1st April 2009	95,795	958	13,373,254	133,733	134,691
Conversion of preference shares	13,373,254	133,733	(13,373,254)	(133,733)	—
Conversion of convertible bonds	127,714	1,277	—	—	1,277
At 31st March 2010 and 2011	13,596,763	135,968	—	—	135,968

The preference shares are non-redeemable and are convertible into ordinary shares in the Company at a conversion ratio of one preference share into one ordinary share. All the preference shares were converted into ordinary shares on 28th February 2010.

During the year ended 31st March 2011, the Company repurchased a total of 18,360,000 ordinary shares of the Company on the Stock Exchange and these shares were subsequently cancelled on 29th April 2011 by the Company.

7. Reserves

	Share premium HK$'000	Contributed surplus HK$'000	Equity portion of convertible bonds HK$'000	Investment revaluation reserve HK$'000	Treasury shares HK$'000	Cumulative translation adjustments HK$'000	Retained profits/ (accumulated losses) HK$'000	Total HK$'000
Balances at 1st April 2009	1,992,635	8,984	6,388	—	—	(60,393)	(155,228)	1,792,386
Profit for the year	—	—	—	—	—	—	16,711	16,711
Conversion of convertible bonds	25,111	—	(6,388)	—	—	—	—	18,723
Availables-for-sales financial assets:								
Changes in fair value	—	—	—	1,575	—	—	—	1,575
Actuarial loss from retirement benefit obligations	—	—	—	—	—	—	(653)	(653)
Receipt of treasury shares	—	—	—	—	(12,941)	—	—	(12,941)
Disposal of treasury shares	(8,284)	—	—	—	12,941	—	—	4,657
Currency translation differences:								
Currency translation differences of foreign operations	—	—	—	—	—	50,509	—	50,509
Balances at 31st March 2010 and at 1st April 2010	**2,009,462**	**8,984**	**—**	**1,575**	**—**	**(9,884)**	**(139,170)**	**1,870,967**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**—**	**21,892**	**21,892**
Availables-for-sales financial assets:								
Changes in fair value	**—**	**—**	**—**	**244**	**—**	**—**	**—**	**244**
Reclassification adjustments for exchange differences included in the consolidated income statement as a result of the disposal	**—**	**—**	**—**	**(676)**	**—**	**—**	**—**	**(676)**
Currency translation differences:								
Reclassification adjustments for exchange differences included in the consolidated income statement upon the disposal of a jointly-controlled entity	**—**	**—**	**—**	**—**	**—**	**50,420**	**—**	**50,420**
Currency translation differences of foreign operations	**—**	**—**	**—**	**—**	**—**	**(19,037)**	**—**	**(19,037)**
Cancellation of share premium and elimination of accumulated losses	**(2,017,746)**	**1,775,125**	**—**	**—**	**—**	**—**	**242,621**	**—**
Share repurchase	**—**	**—**	**—**	**—**	**(1,264)**	**—**	**—**	**(1,264)**
Special dividend (note 14)	**—**	**(543,871)**	**—**	**—**	**—**	**—**	**—**	**(543,871)**
Reclassification	**8,284**	**—**	**—**	**—**	**—**	**—**	**(8,284)**	**—**
Balances at 31st March 2011	**—**	**1,240,238**	**—**	**1,143**	**(1,264)**	**21,499**	**117,059**	**1,378,675**

8. Other income and gains from continuing operations, net

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Net changes in fair value of biological assets	**2,127**	—
Gross rental income	**204**	156
Net foreign exchange differences	**35,249**	(328)
Gain on disposal of available-for-sale financial assets	**876**	—
Government grants	**761**	660
Others	**139**	24,484
	39,356	24,972

9. Finance income and costs from continuing operations

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Finance income:		
Interest income from bank deposits	**5,568**	5,698
Finance costs:		
Interest on bank loans	**11,744**	8,155
Net foreign exchange losses/(gains) on financing activities	**(1,172)**	3,063
Convertible bonds wholly repayable within five years	**—**	1,733
Interest on finance lease obligations	**4**	158
	10,576	13,109

10. Profit/(loss) before income tax

The Group's profit/(loss) before income tax from continuing operations is arrived at after charging:

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
		(Restated)
Cost of inventories sold	**1,837,315**	1,173,903
Depreciation of property, plant and equipment	**25,872**	23,496
Depreciation of investment property	**77**	76
Amortisation of intangible assets	**2,613**	10,031
Amortisation of leasehold land under operating lease and land use rights	**352**	378
Loss on disposal of property, plant and equipment	**3,927**	519

11. Income tax credit/(expense)

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the year.

Subsidiaries established in the Mainland China are subject to the Mainland China enterprise income tax at the standard rate of 25% (2010: 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 year at the applicable rates of taxation prevailing in the countries/jurisdictions in which the Group operates.

The amounts of income tax credit/(expense) from the continuing operations recorded in the consolidated income statement represent:

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax		
— current year	**(632)**	(371)
— overprovision in prior years	**3**	—
Mainland China enterprise income tax		
— current year	**(3,252)**	(1,445)
— underprovision in prior years	**(879)**	—
Overseas taxation	**23**	(139)
Deferred taxation	**(2,095)**	9,714
	(6,832)	7,759

12. Discontinued operation

On 30th April 2010, the Group entered into an agreement to dispose of its entire 33.74% shareholding in TK Chemical Corporation ("TKC"), which is incorporated in the Republic of Korea (the "Transaction"). TKC is principally engaged in the business of manufacturing and sale of (i) polyester fiber; (ii) spandex; and (iii) PET resin, which are materials widely used in the manufacturing of synthetic fabrics, yarns and plastic bottles. The Transaction provided a good opportunity to realise the value that had been created at TKC since the Group acquired it in June 2008. The Transaction also provided certainty and acceleration with respect to the Group's exit and return, as compared to the other alternatives such as an initial public offering of TKC. The disposal of TKC was completed on 13th July 2010.

After the disposal of TKC, the Group was no longer engaged in the business of manufacturing and sale of (i) polyester fiber; (ii) spandex; and (iii) PET resin and thus the TKC operation was classified as a discountinued operation upon the signing of the Transaction.

The results of TKC's operation for the year (up to the date of disposal) are presented below:

	2011	2010
	HK$'000	*HK$'000*
Revenue	**498,285**	1,754,983
Expenses	**(461,105)**	(1,629,688)
Finance costs	**(3,109)**	(27,810)
Profit of the discontinued operation	**34,071**	97,485
Provision for remeasurement to fair value less costs to sell	**(12,200)**	—
Profit before income tax from the discontinued operation	**21,871**	97,485
Income tax expense	**(7,671)**	(25,593)
Profit for the year from the discontinued operation	**14,200**	71,892

13. 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 shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	2011			2010		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
Profit/(loss) attributable to shareholders of the Company *(HK$'000)*	**7,692**	**14,200**	**21,892**	(55,181)	71,892	16,711
Weighted average number of ordinary shares in issue	**13,596,349,295**	**13,596,349,295**	**13,596,349,295**	1,279,441,293	1,279,441,293	1,279,441,293
Basic earnings/(loss) per share attributable to shareholders of the Company *(HK cents)*	**0.06**	**0.10**	**0.16**	(4.31)	5.62	1.31

Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31st March 2011 and 2010 as the Group did not have any potential diluted ordinary shares during the years ended 31st March 2011 and 2010.

14. Dividends

	For the year ended 31st March	
	2011	2010
	HK$'000	*HK$'000*
Special – HK4 cents (2010: Nil) per ordinary share	**543,871**	—

On 28th October 2010, the Directors' have proposed 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. As at 31st March 2011, the special dividend of HK$543,871,000 (2010: Nil) had been fully paid.

The Directors do not recommend the payment of any final dividend for the year ended 31st March 2011.

15. **Comparative amounts**

As further explained in note 2.1 to the financial statements, due to the adoption of new and revised HKFRSs during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1st April 2009 has been presented. In addition, the comparative income statement has been re-presented as if the operation discontinued during the current year had been discontinued at the beginning of the comparative period.

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

During the year and up to the date of this announcement, the Company purchased on the Stock Exchange 20,360,000 ordinary shares of the Company which were then cancelled on 29th April 2011. Details of which are set out below:

Month of repurchases	Number of shares repurchased	Price per share Highest	Price per share Lowest	Aggregate price paid (excluding transaction cost)
		(HK$)	*(HK$)*	*(HK$)*
March 2011	18,360,000	0.073	0.058	1,259,950
April 2011	2,000,000	0.072	0.071	143,944
	20,360,000			1,403,894

The repurchases were effected by the directors pursuant to the mandate from shareholders, with a view to benefits shareholders as a whole in enhancing the net assets and earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31st March 2011 and up to the date of this announcement.

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 year ended 31st March 2011 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 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 three 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 which are aligned with the code provisions set out in the Code contained in Appendix 15 of the GEM Listing Rules. 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 audit committee meets the external auditors at least four times a year to discuss any area of concern during the audits or review. The audit committee reviews the quarterly, interim and annual reports before submission to the Board. Representatives of the external auditors, executive Directors and senior management are invited to attend the meetings, if required.

During the year, the audit committee has approved the nature and scope of the statutory audits, and reviewed the quarterly, interim and annual accounts of the Group, and was content that the accounting policies and standards of the Group are in accordance with the current best practices in Hong Kong.

The Group's financial statements for the year ended 31st March 2011 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, 2nd June 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 three Independent Non-executive Directors, namely Mr. Yu Wang Tak (Deputy Chairman), Philip Ma King Huen and Mr. Kenny Tam King Ching.

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.