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 2012

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 (the "GEM Listing Rules") for the purpose of giving information with regard to the issuer. 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

General Overview

For the very challenging fiscal year ended 31st March 2012 (the "year"), the Group's revenue amounted to approximately HK$1,780 million, representing a decline of 17.9% when compared to approximately HK$2,168 million achieved during the fiscal year ended 31st March 2011 ("last year") (excluding the contribution from TK Chemical Corporation ("TKC") which we exited in July 2010).

The consolidated net loss of the Group was approximately HK$241 million, compared with the consolidated net profit of approximately HK$7.7 million earned in the last year (excluding the profit contribution from TKC).

Division Highlights

Hi-tech Distribution and Services Division: The division's revenue was approximately HK$892 million and net profit was approximately HK$21 million for the year, representing a decrease of 43.0% and 46.4% respectively compared to last year. The overall customer demand for SMT equipment declined across the sector due to the uncertain outlook in the industry; however, the sales of Fuji SMT equipment helped us to retain our market share position in the sector.

American Tec signed new distribution and service agreements with leading SMT and software suppliers during the year to complement our major partnership with Fuji to offer a more comprehensive and competitive SMT solution.

Fishmeal, Fish Oil and Aquatic Food Products Division: The Group shared 40% of Coland's financial results. The division's revenue was approximately HK$744 million with a net loss of approximately HK$29 million for the year, as compared with the revenue of approximately HK$465 million with a net profit of approximately HK$27 million earned in last year. The loss is mainly due to the volatility of the global commodity price and adverse weather in China that negatively affected both pricing and demand of brown fishmeal; however, the gross profit margin of white fishmeal and fish oil remained stable.

Construction of a new concentrated fish oil factory in Fuzhou of China is near completion and is expected to start production in the new fiscal year.

Branded Food Division: The Group's Burger King restaurants continued to narrow its loss before impairments/write-down of assets and provisions for lease obligations with an improved gross profit margin. Revenue generated during the year was approximately HK$143 million. The operating loss at the restaurant level was approximately HK$15 million, down 23.8% from last year.

Sales and ticket count had increased by approximately 3.9% and 12.5% respectively year-on-year, which are attributable to the continued benefits from promotions. Our Burger King quick service restaurants have recently received Hong Kong's "U Favorite Food Award 2012" for its fourth consecutive year.

Board and Management

There were several organisational changes during the year before I became Executive Chairman on 1st April 2012. After many years of dedicated service on the Board, Mr. John Saliling and Mr. Andrew Yao retired in September 2011 while Mr. Göran Malm has decided not to stand for re-election at the upcoming annual general meeting. We thank these gentlemen for their service to the Company.

As we enter the new fiscal year, Mr. James Tsiolis has been appointed the Board's Deputy Chairman. Additionally, we will be recruiting an independent non-executive director to fill the vacancy required by the GEM Listing Rules.

Internally, our senior executive Ms. Grace Luk has been promoted to Chief Operating Officer cum Chief Financial Officer of the Group. With the new Board and support from the operating teams, we expect the Group to achieve new milestones and further advance in its markets.

A NEW WAY FORWARD

Our portfolio companies are leaders in their respective markets and our focus in the new fiscal year is on execution in order to return the Group to profitability.

Moreover, management is reviewing and updating our long-term strategy to provide better clarity on our direction and business model while striving to create value for our shareholders, customers, employees, and business partners.

For American Tec, we plan to generate revenue growth from new products and services. With regards to Coland, we anticipate the demand and pricing for fishmeal to rebound and we plan on improving asset utilisation to achieve profitability. Working in close partnership with BK AsiaPac Pte. Ltd., the franchisor of Burger King, we will critically review the performance of each restaurant while launching cost effective promotional programs to attract customers for higher ticket counts and increased revenue.

Going forward, the Group seeks to continue to grow our business, supported by a sound inventory management system for increased efficiencies and cost reduction to help minimise business risk. We will carefully evaluate and review options as to how we may effectively manage, deploy and apply available cash resources, including considering appropriate treasury activities given the low interest rate environment, to meet operational needs and for the benefit of our shareholders as a whole.

APPRECIATION

We believe updating our long-term strategy, setting operating goals, motivating our staff and sharing success with business partners will be important ingredients for the Group's success, particularly during this critical transition period.

I wish to take this opportunity to express my sincere gratitude to our stakeholders for their trust and support in the past. On behalf of the Board, I would like to offer our utmost appreciation to our shareholders for their confidence in our Company.

Yu Wang Tak
Chairman

Hong Kong, 14th June 2012

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Performance

The weak and uncertain global economy created a very challenging environment which negatively impacted on fishmeal prices and the demand for our surface mount technology ("SMT") equipment during the fiscal year ended 31st March 2012 (the "year"). Our Group recorded a consolidated net loss of approximately HK$241,061,000 on revenue from continuing operations of approximately HK$1,779,646,000 for the year, compared to a consolidated net profit of approximately HK$7,692,000 on revenue from continuing operations of approximately HK$2,168,056,000 during the fiscal year ended 31st March 2011 ("last year") (excluding contribution from TK Chemical Corporation which we exited in July 2010).

Below is a summary of the financial and business highlights of each major business division. The 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 SMT equipment, with a history of more than 20 years serving its customers in the hi-tech sector. Our team of more than 230 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. With its leading market position, American Tec signed new distribution and service agreements with leading SMT and software suppliers during the year to complement our major partnership with Fuji Machine Manufacturing Co. Ltd to offer a comprehensive and competitive SMT solution.

During the year, this division recorded a net profit of approximately HK$21,246,000 on revenue of approximately HK$892,404,000, representing a decrease of about 46.4% and 43.0% respectively from last year. This was mainly due to the decline of the overall customer demand for SMT equipment across the sector due to the uncertain economic environment in the year, as compared with a historically exceptional surge in demand for SMT equipment experienced during the rebound from the global economic recession last year.

Fishmeal, Fish Oil and Aquatic Food Products Division

Our fishmeal, fish oil and aquatic food products 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. With its existing fish oil refinery and storage facilities, 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 demand for fishmeal and fish oil by customers in the aquaculture industry in China was affected by heavy rain and flooding in Southern and Eastern China in the summer of 2011, which impacted the performance of the aquatic breeding farms. There was a significant drop in the market price of brown fishmeal after the first quarter which was caused by increased global supply and volatility of global commodity prices. As a result, our 40% share in Coland resulted in a net loss of approximately HK$29,493,000 on revenue of approximately HK$744,236,000, compared to last year's net profit of approximately HK$26,723,000 on revenue of approximately HK$465,187,000.

Branded Food Division

During the year, management focused on mass marketing, new product introductions and cost control measures. As a result, sales and ticket count had increased by approximately 3.9% and 12.5% respectively year-on-year. Operating loss before income tax at restaurant level (excluding assets impairment loss and a provision related to restaurant leases) was further reduced by approximately 23.8% year-on-year.

During the year, the Group entered into an agreement to terminate the exclusivity right to develop franchisee business in Hong Kong and Macau, in light of the continuing operating losses of the restaurant operating under the franchise agreements since their openings. In addition, in view of such continuing losses, the Group conducted impairment assessment of deferred tax asset, property, plant and equipment and franchise fees of these restaurants to reflect the Group's latest business strategy and recognised impairments/write-down of assets and provisions for lease obligations totaling approximately HK$101,948,000. As a result, the division recorded a net loss of approximately HK$141,334,000 on revenue of approximately HK$143,006,000 for the year, compared to net loss of approximately HK$29,162,000 on revenue of HK$137,622,000 in last year. Excluding the other one-off expenses and above impairment provisions/write-down of assets and provisions for lease obligations of approximately HK$101,948,000, the division's net loss is about HK$23,834,000 for the year, down 18.3% from the loss of about HK$29,162,000 in last year.

OUTLOOK

Overall Summary

We expect the volatility in the global economy to continue in 2012. This will continue to offer various challenges to our businesses in the coming quarters, ranging from cautious customer demand to pressure on margins. Our companies are leaders in their respective markets and our focus will be to manage cash, costs and risks and, to build our strength during these times by working with our management teams to improve capability and efficiency.

Hi-tech Distribution and Services Division

In the near term, we expect that our customers will continue to be more cautious in their capital investment plan, which may impact on our revenue and margins. In addition, they are demanding more efficient equipment and services that can help their businesses during this economic downturn. With this outlook, we are focusing on the following areas to strengthen our leading position in the industry: accelerate the growth of revenue streams from services/solutions, new products and complementary segments and enhance our sales and servicing teams. With this approach, we will work to minimise the impact from the economic downturn and strengthen our position for the recovery. At the same time, we will also continue to monitor our working capital, gross profit margin, operating costs and foreign exchange risk closely with a view to protect our cash flow and profitability.

Fishmeal, Fish Oil and Aquatic Food Products Division

In the near term, we foresee rebounding in demand and pricing for our brown fishmeal due to warmer weather and limited global supply. We expect that the demand for fish oil and aquatic feeds products will increase with a more stable market price. We will continue to take a well-balanced and cautious approach in monitoring our operation and growing our processed product businesses.

Branded Food Division

In this economic climate, the quick service restaurant business is expected to have increased demand as people look for lower cost alternatives for dining out. Burger King continues to provide premium products in the market place with a great brand. Working in close partnership with BK AsiaPac, Pte. Ltd., the franchisor of Burger King, we will critically review the performance of each restaurant while developing cost effective promotional programs to attract customers for sales growth.

FINANCIAL RESOURCES, LIQUIDITY AND CHARGES ON ASSETS

As at 31st March 2012, the Group had bank and cash balances of approximately HK$994,923,000 (2011: HK$1,079,965,000), of which approximately HK$85,509,000 (2011: HK$96,416,000) was pledged to secure trade financing facilities of approximately HK$1,143,408,000 (2011: HK$857,899,000) 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 loan arrangement, (d) buildings, (e) investment properties, (f) leasehold land and land use rights payments, (g) the Government of Hong Kong Special Administrative Region, (h) personal guarantees provided by certain directors of jointly-controlled entities, (i) property and bank deposits of certain directors of jointly-controlled entities, (j) discounted bills receivable with resources, and (k) corporate guarantees provided by independent third parties.

As at 31st March 2012, the Group had borrowings of approximately HK$338,710,000 (2011: HK$246,203,000). The gearing ratio (borrowings divided by equity attributable to shareholders of the Company) of the Group was 0.27 as at 31st March 2012, as compared to 0.16 as at 31st March 2011.

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS AND SUBSIDIARIES

As at 31st March 2012, the Group had no significant investments. There were no material acquisitions or disposals of investments and subsidiaries during the year.

FOREIGN CURENCY EXPOSURE

The business of the Group was primarily transacted in HK$, US$, Yen 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 2012, the Company had provided guarantees of approximately HK$708,948,000 (2011: HK$486,700,000) 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$0.0947 as at 31st March 2012 which reflected a decrease of HK$0.0167 from the corresponding figure as at 31st March 2011 of approximately HK$0.1114.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2012, the Group employed 1,072 (2011: 1,017) 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 from continuing operations amounted to approximately HK$120,754,000 (2011: HK$107,128,000).

CONSOLIDATED INCOME STATEMENT

	Notes	For the year ended 31st March **2012** *HK$'000*	2011 *HK$'000*
CONTINUING OPERATIONS			
Revenue	*3*	**1,779,646**	2,168,056
Cost of sales		**(1,534,037)**	(1,852,361)
Gross profit		**245,609**	315,695
Other income and gains, net	*8*	**9,499**	39,356
Selling and distribution expenses		**(190,966)**	(199,694)
General and administrative expenses		**(283,244)**	(135,400)
Operating profit/(loss)		**(219,102)**	19,957
Finance income	*9*	**15,333**	5,568
Finance costs	*9*	**(19,602)**	(10,576)
Profit/(loss) before income tax from continuing operations		**(223,371)**	14,949
Income tax expense	*11*	**(17,359)**	(6,832)
Profit/(loss) for the year from continuing operations		**(240,730)**	8,117
DISCONTINUED OPERATION			
Profit for the year from a discontinued operation	*12*	**—**	14,200
Profit/(loss) for the year		**(240,730)**	22,317
Profit/(loss) for the year attributable to:			
— Shareholders of the Company		**(241,061)**	21,892
— Non-controlling interests		**331**	425
		(240,730)	22,317
Earnings/(loss) per share attributable to ordinary shareholders of the Company	*13*		
Basic and diluted			
— For profit/(loss) for the year *(HK cents)*		**(1.78)**	0.16
— For profit/(loss) for the year from continuing operations *(HK cents)*		**(1.78)**	0.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Profit/(loss) for the year	**(240,730)**	22,317
Other comprehensive income/(loss):		
Available-for-sale financial assets:		
Changes in fair value	**(443)**	244
Reclassification adjustments for gains included in the consolidated income statement as a result of the disposal	**(700)**	(676)
Currency translation differences:		
Reclassification adjustment for exchange differences included in the consolidated income statement upon the disposal of a jointly-controlled entity	**—**	50,420
Currency translation differences of foreign operations	**7,796**	(18,664)
Other comprehensive income for the year, net of income tax of nil	**6,653**	31,324
Total comprehensive income/(loss) for the year	**(234,077)**	53,641
Total comprehensive income/(loss) for the year attributable to:		
— Shareholders of the Company	**(234,675)**	52,843
— Non-controlling interests	**598**	798
	(234,077)	53,641

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31st March 2012 HK$'000	2011 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**119,597**	148,364
Investment properties		**2,597**	2,172
Leasehold land under operating leases and land use rights		**17,994**	17,721
Intangible assets		**390,322**	394,946
Available-for-sale financial assets		—	2,109
Deferred tax assets		**12,161**	27,089
Other non-current assets		**10,396**	11,316
		553,067	603,717
Current assets			
Inventories		**285,938**	248,138
Biological assets		**9,182**	8,499
Trade and other receivables	*4*	**201,590**	201,937
Pledged bank deposits		**85,509**	96,416
Cash and cash equivalents		**909,414**	983,549
		1,491,633	1,538,539
Total assets		**2,044,700**	2,142,256
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	*6*	**134,660**	135,968
Reserves	*7*	**1,140,651**	1,378,675
		1,275,311	1,514,643
Non-controlling interests		**5,207**	4,416
Total equity		**1,280,518**	1,519,059

	Note	As at 31st March 2012 HK$'000	2011 HK$'000
LIABILITIES			
Current liabilities			
Borrowings		**328,796**	234,300
Trade and other payables	*5*	**376,160**	365,313
Derivative financial instruments		**636**	1,089
Income tax liabilities		**1,125**	4,577
Provision		**17,264**	—
		723,981	605,279
Non-current liabilities			
Borrowings		**9,914**	11,903
Deferred tax liabilities		**676**	545
Deferred income		**1,933**	1,666
Other non-current liabilities		**27,678**	3,804
		40,201	17,918
Total liabilities		**764,182**	623,197
Total equity and liabilities		**2,044,700**	2,142,256
Net current assets		**767,652**	933,260
Total assets less current liabilities		**1,320,719**	1,536,977

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company				
	Share capital *HK$'000*	**Reserves** *HK$'000* *(Note 7)*	**Sub-total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
Balances at 1st April 2010	135,968	1,870,967	2,006,935	3,237	2,010,172
Comprehensive income					
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 gains included in the consolidated income statement as a result of the 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	—	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	—	(543,871)	(543,871)	—	(543,871)
Capital contribution from non-controlling interests	—	—	—	381	381
Balances at 31st March 2011 and at 1st April 2011	135,968	1,378,675	1,514,643	4,416	1,519,059

	Attributable to shareholders of the Company				
	Share capital	Reserves	Sub-total	Non-controlling interests	Total
	HK$'000	*HK$'000* *(Note 7)*	*HK$'000*	*HK$'000*	*HK$'000*
Comprehensive income					
Profit/(loss) for the year	—	(241,061)	(241,061)	331	(240,730)
Other comprehensive income/ (loss)					
Available-for-sale financial assets:					
Changes in fair value	—	(443)	(443)	—	(443)
Reclassification adjustments for gains included in the consolidated income statement as a result of the disposal	—	(700)	(700)	—	(700)
Currency translation differences of foreign operations	—	7,529	7,529	267	7,796
Total other comprehensive income	—	6,386	6,386	267	6,653
Total comprehensive income/ (loss) for the year	—	(234,675)	(234,675)	598	(234,077)
Share repurchase	—	(4,428)	(4,428)	—	(4,428)
Cancellation of shares repurchased	(1,308)	1,079	(229)	—	(229)
Capital contribution from non-controlling interests	—	—	—	193	193
Balances at 31st March 2012	134,660	1,140,651	1,275,311	5,207	1,280,518

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 during the year:

- **hi-tech distribution and services:** trading of surface mount technology ("SMT") assembly equipment, machinery and spare parts and the provision of related installation, training, repair and maintenance services for SMT assembly equipment;

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

- **branded food:** developing and operating Burger King restaurants in Hong Kong and Macau; 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 Unit 1-5, 16th Floor, Futura Plaza, 111-113 How Ming Street, Kwun Tong, 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 announcement is presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

This announcement has been approved for issue by the Company's Board of Directors on 14th June 2012.

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 costs 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 2012, 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 statements.

HKFRS 1 Amendments	Amendment to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRSs 2010	Amendments to a number of HKFRSs issued in May 2010

Other than as further explained below regarding the impact of HKAS 24 (Revised), and amendments to HKFRS 3, HKAS 1 and HKAS 27 included in *Improvements to HKFRSs 2010*, the adoption of the new and raised HKFRSs has had no significant financial effect on this announcement.

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

(a) HKAS 24 (Revised) *Related Party Disclosures*

HKAS 24 (Revised) clarifies and simplifies the definitions of related parties. The new definitions emphasise a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity. The revised standard also introduces an exemption from the general related party disclosure requirements for transactions with a government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The accounting policy for related parties has been revised to reflect the changes in the definitions of related parties under the revised standard. The adoption of the revised standard did not have any impact on the financial position or performance of the Group.

(b) *Improvements to HKFRSs 2010* issued in May 2010 sets out amendments to a number of HKFRSs. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments has had a significant financial impact on the financial position or performance of the Group. Details of the key amendments most applicable to the Group are as follows:

- HKFRS 3 *Business Combinations*: The amendment clarifies that the amendments to HKFRS 7, HKAS 32 and HKAS 39 that eliminate the exemption for contingent consideration do not apply to contingent consideration that arose from business combinations whose acquisition dates precede the application of HKFRS 3 (as revised in 2008).

  In addition, the amendment limits the scope of measurement choices for non-controlling interests. Only the components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another HKFRS.

  The amendment also added explicit guidance to clarify the accounting treatment for non-replaced and voluntarily replaced share-based payment awards.

- HKAS 1 *Presentation of Financial Statements*: The amendment clarifies that an analysis of each component of other comprehensive income can be presented either in the statement of changes in equity or in the notes to the financial statements. The Group elects to present the analysis of each component of other comprehensive income in the statement of changes in equity.

- HKAS 27 *Consolidated and Separate Financial Statements*: The amendment clarifies that the consequential amendments from HKAS 27 (as revised in 2008) made to HKAS 21, HKAS 28 and HKAS 31 shall be applied prospectively for annual periods beginning on or after 1 July 2009 or earlier if HKAS 27 is applied earlier.

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 follows:

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Sales of goods	**1,604,523**	2,009,223
Revenue from branded food operation	**143,006**	137,622
Commission and other service income	**32,117**	21,211
	1,779,646	2,168,056

3.2 Operating segment information

For management purpose, the Group, including its jointly-controlled entities, is organised into three major reportable operating segments — hi-tech distribution and services, fishmeal, fish oil and aquatic food products, and branded food. The hi-tech distribution and services and fishmeal, fish oil and aquatic food products operating segments derive revenue from the sales of goods. Branded food operating segment derives revenue through the operation of quick service 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 properties, leasehold land under operating leases and land use rights, intangible assets, other non-current assets, inventories, biological assets and trade and other receivables. Unallocated assets comprise deferred tax assets, 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, provisions, 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 under operating leases and land use rights, and intangible assets.

	For the year ended 31st March 2012			
	Hi-tech distribution and services operation *HK$'000*	Fishmeal, fish oil and aquatic food products operation *HK$'000*	Branded food operation *HK$'000*	Total *HK$'000*
Revenue				
— Sales to external customers	**892,404**	**744,236**	**143,006**	**1,779,646**
Segment results before amortisation of intangible assets	**23,461**	**(24,426)**	**(121,571)**	**(122,536)**
Amortisation of intangible assets	**—**	**(1,046)**	**(438)**	**(1,484)**
Segment results	**23,461**	**(25,472)**	**(122,009)**	**(124,020)**
Finance income				**15,333**
Finance costs				**(19,602)**
Corporate and other unallocated expenses				**(95,082)**
Loss before income tax				**(223,371)**
Income tax expense				**(17,359)**
Loss for the year				**(240,730)**
Capital expenditure	**8,268**	**22,404**	**3,999**	**34,671**
Corporate and other unallocated capital expenditure				**536**
				35,207
Depreciation	**8,192**	**6,874**	**11,115**	**26,181**
Corporate and other unallocated depreciation				**253**
				26,434
Amortisation	**—**	**1,472**	**437**	**1,909**
Write-down of inventories to net realisable value, net	**—**	**13,985**	**—**	**13,985**
Provision for impairment of trade and other receivables, net	**4,401**	**3,716**	**—**	**8,117**
Provision for impairment of property, plant and equipment*	**—**	**—**	**40,580**	**40,580**
Provision for impairment of intangible assets*	**—**	**—**	**2,112**	**2,112**
Write-off of intangible assets*	**—**	**—**	**1,028**	**1,028**
Provision for onerous contracts*	**—**	**—**	**38,034**	**38,034**

* During the year ended 31st March 2012, the Group has entered into an agreement to terminate the exclusivity right to develop franchise business in Hong Kong and Macau, in light of the continuing operating losses of the restaurants operating under the franchise agreements since their openings. Thus the development right of HK$1,028,000 was written off. Also, there is an indication that impairment existed. Based on the impairment assessment of the property, plant and equipment and franchise fees of these restaurants to reflect the Group's latest business strategy, impairment losses of HK$40,580,000 and HK$2,112,000 of the property, plant and equipment and franchise fees, respectively, are recognised during the year to their recoverable amounts which are their values in use. In estimating the values in use of the property, plant and equipment and franchise fees, a discount rate of 11% was used.

  In addition, a provision of HK$38,034,000 for onerous contracts of the operating leases of these restaurants was recognised during the year ended 31st March 2012. The provision amount represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on those leases. The estimate may vary as a result of changes in the utilisation of the leased premises. The unexpired terms of the leases range from within 1 year to 4 years. Provision has been made for such onerous contracts based on the estimated minimum net cost of exiting from the operating lease contracts.

	For the year ended 31st March 2011					
	Continuing operations				Discontinued operation	
	Hi-tech distribution and services operation	Fishmeal, fish oil and aquatic food products operation	Branded food operation	Subtotal	Chemical operation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'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)
Provision for remeasurement to fair value less costs to sell				—	(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/(write-back) of inventories to net realisable value, net	—	1,296	—	1,296	(700)	596
Provision for impairment/(write-back of impairment) of trade and other receivables, net	83	(1,084)	—	(1,001)	910	(91)

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

	Hi-tech distribution and services operation *HK$'000*	Fishmeal, fish oil and aquatic food products operation *HK$'000*	Branded food operation *HK$'000*	Total *HK$'000*
As at 31st March 2012				
ASSETS				
Segment assets	531,219	492,056	13,650	1,036,925
Unallocated assets:				
Deferred tax assets				12,161
Pledged bank deposits				85,509
Cash and cash equivalents				909,414
Corporate and others				691
Total assets per the consolidated statement of financial position				2,044,700
LIABILITIES				
Segment liabilities	180,553	148,950	59,213	388,716
Unallocated liabilities:				
Deferred tax liabilities				676
Income tax liabilities				1,125
Borrowings				338,710
Corporate and others				34,955
Total liabilities per the consolidated statement of financial position				764,182

	Hi-tech distribution and services operation	Fishmeal, fish oil and aquatic food products operation	Branded food operation	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31st March 2011				
ASSETS				
Segment assets	512,851	449,393	65,173	1,027,417
Unallocated assets:				
Deferred tax assets				27,089
Pledged bank deposits				96,416
Cash and cash equivalents				983,549
Available-for-sale financial assets				2,109
Corporate and others				5,676
Total assets per the 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 the consolidated statement of financial position				623,197

Geographical information

(a) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong and Mainland China. Revenue by geographical location is determined on the basis of the destination of shipment of goods for hi-tech distribution, fishmeal, fish oil and aquatic food products, as well as the location of service performed by the branded food segment.

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

	For the year ended 31st March			
	2012		2011	
	Continuing operations	**Discontinued operation**	Continuing operations	Discontinued operation
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Hong Kong	**247,268**	**—**	156,671	—
Mainland China	**1,380,879**	**—**	1,931,259	10,807
Republic of Korea	**—**	**—**	—	366,750
Asia — Others	**141,712**	**—**	79,403	58,689
Others	**9,787**	**—**	723	62,039
Total revenue	**1,779,646**	**—**	2,168,056	498,285

(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 as at the end of the reporting period by geographical location:

	As at 31 March	
	2012	2011
	HK$'000	*HK$'000*
Hong Kong	**391,775**	437,726
Mainland China	**148,275**	136,256
Asia — Others	**856**	537
	540,906	574,519

Information about major customers

During each of the years ended 31st March 2012 and 2011, there was no single customer that contributed 10% or more of the Group's revenue for these years.

4. Trade and other receivables

	As at 31st March	
	2012	2011
	HK$'000	*HK$'000*
Trade and bills receivables	**188,281**	164,679
Less: Impairment of trade receivables	**(9,690)**	(7,454)
Trade and bills receivables, net	**178,591**	157,225
Prepayments, deposits and other receivables	**22,999**	44,712
	201,590	201,937

Trade and bills receivables

The Group's trading terms with its customers are mainly on letters of credit or documents against payment, in 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	
	2012	2011
	HK$'000	*HK$'000*
90 days or less	**163,896**	132,844
91 to 180 days	**6,991**	18,925
181 to 270 days	**3,215**	2,774
271 to 365 days	**1,129**	1,136
Over 365 days	**3,360**	1,546
	178,591	157,225

5. Trade and other payables

	As at 31st March	
	2012	2011
	HK$'000	*HK$'000*
Trade and bills payables	**254,228**	254,851
Other payables	**121,932**	110,462
	376,160	365,313

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

	As at 31st March	
	2012	2011
	HK$'000	*HK$'000*
90 days or less	**245,040**	248,812
91 to 180 days	**4,634**	1,359
181 to 270 days	**538**	727
271 to 365 days	**59**	86
Over 365 days	**3,957**	3,867
	254,228	254,851

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 2011 and 2012	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
At 31st March 2011 and 2012	40,000,000	400,000	30,000,000	300,000	700,000
Issued:					
At 1st April 2010, 31st March 2011 and 1st April 2011	13,596,763	135,968	—	—	135,968
Cancellation of repurchased share	(130,804)	(1,308)	—	—	(1,308)
At 31st March 2012	13,465,959	134,660	—	—	134,660

7. Reserves

	Share premium HK$'000	Contributed surplus HK$'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 2010	2,009,462	8,984	1,575	—	(9,884)	(139,170)	1,870,967
Profit for the year	—	—	—	—	—	21,892	21,892
Available-for-sale financial assets:							
Changes in fair value	—	—	244	—	—	—	244
Reclassification adjustments for gains included in the consolidated income statement as a result of the disposal	—	—	(676)	—	—	—	(676)
Currency translation differences:							
Reclassification adjustments for exchange differences upon the disposal of a jointly-controlled entity	—	—	—	—	50,420	—	50,420
Currency translation differences of foreign operations	—	—	—	—	(19,037)	—	(19,037)
Total comprehensive income for the year	—	—	(432)	—	31,383	21,892	52,843
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	—	(543,871)	—	—	—	—	(543,871)
Reclassification	8,284	—	—	—	—	(8,284)	—
Balances at 31st March 2011 and at 1st April 2011	—	1,240,238	1,143	(1,264)	21,499	117,059	1,378,675
Loss for the year	—	—	—	—	—	(241,061)	(241,061)
Available-for-sale financial assets:							
Changes in fair value	—	—	(443)	—	—	—	(443)
Reclassification adjustments for gains included in the consolidated income statement as a result of the disposal	—	—	(700)	—	—	—	(700)
Currency translation differences of foreign operations	—	—	—	—	7,529	—	7,529
Total comprehensive income/(loss) for the year	—	—	(1,143)	—	7,529	(241,061)	(234,675)
Share repurchase	—	—	—	(4,428)	—	—	(4,428)
Cancellation of shares repurchased	—	—	—	5,488	—	(4,409)	1,079
Balances at 31st March 2012	—	1,240,238	—	(204)	29,028	(128,411)	1,140,651

(a) During the year ended 31st March 2011, share premium amounting to HK$2,017,746,000 was cancelled and transferred to the contributed surplus account of the Company. The contributed surplus was then used to eliminate the then entire balance of accumulated losses amounting to HK$242,621,000. In the opinion of the directors, the cancellation of the share premium, which was approved by a special general meeting dated 1st December 2010, provided more flexibility to the Company to make distribution out of contributed surplus to its shareholders. A special dividend of HK$543,871,000 was subsequently proposed to the shareholders of the Company (note 14).

(b) During the year ended 31st March 2012, the Company repurchased a total of 117,614,000 (2011: 18,360,000) ordinary shares of the Company on the Stock Exchange and 130,804,000 shares (2011: Nil) were cancelled by the Company. Upon the cancellation of the 130,804,000 shares repurchased, the issued share capital of the Company was reduced by the par value of HK$1,308,000. The premium paid on the repurchase of the shares of HK$4,409,000 was charged to the accumulated losses of the Company. As at 31st March 2012, 5,170,000 (2011: 18,360,000) ordinary shares were repurchased but not yet cancelled by the Company.

8. Other income and gains from continuing operations, net

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Net changes in fair value of biological assets	**2,031**	2,127
Gross rental income	**288**	204
Net foreign exchange gains	**2,043**	35,249
Gain on disposal of available-for-sale financial assets	**1,153**	876
Write-back of impairment of trade receivables	**1,049**	—
Government grants	**2,820**	761
Others	**115**	139
	9,499	39,356

9. Finance income and costs from continuing operations

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Finance income:		
Interest income from bank deposits	**7,762**	5,568
Net foreign exchange gains on financing activities	**7,571**	—
	15,333	5,568
Finance costs:		
Interest on bank loans	**19,600**	11,744
Interest on finance lease obligations	**2**	4
Net foreign exchange gains on financing activities	**—**	(1,172)
	19,602	10,576

10. Profit/(loss) before income tax

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

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Cost of inventories sold	**1,477,146**	1,837,315
Depreciation of property, plant and equipment	**26,332**	25,872
Depreciation of investment properties	**102**	77
Amortisation of intangible assets	**1,484**	2,613
Amortisation of leasehold land under operating leases and land use rights	**425**	352
Loss on disposal of property, plant and equipment	**848**	3,927

11. 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% (2011: 16.5%) on the estimated assessable profit for the year.

Subsidiaries and jointly-controlled entities established in the Mainland China are subject to the Mainland China enterprise income tax at the standard rate of 25% (2011: 25%). Certain of these entities in Mainland China have been granted a five-year transitional period with a progressive tax rate from 15% to 25% 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 jurisdictions in which the Group operates.

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

	For the year ended 31st March	
	2012	2011
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax		
— current year	**(324)**	(632)
— overprovision in prior years	**—**	3
Mainland China enterprise income tax		
— current year	**(1,799)**	(3,252)
— overprovision/(underprovision) in prior years	**58**	(879)
Overseas taxation		
— current year	**(79)**	23
— overprovision in prior years	**78**	—
Deferred taxation	**(15,293)**	(2,095)
	(17,359)	(6,832)

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 for the Group 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 ceased its chemical operation, a reportable operating segment, and thus the chemical operation undertaken by TKC was classified as a discontinued operation upon signing of the agreement for the Transaction.

The results of TKC's operation in 2011 (up to the date of disposal) are presented below:

	2011
	HK$'000
Revenue	498,285
Expenses	(461,105)
Finance costs	(3,109)
Profit from the discontinued operation	34,071
Provision for remeasurement to fair value less costs to sell	(12,200)
Profit before income tax from the discontinued operation	21,871
Income tax expense	(7,671)
Profit for the year from the discontinued operation	14,200

13. Earnings/(loss) per share

Basic 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 year.

	2012			2011		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
Profit/(loss) attributable to shareholders of the Company *(HK$'000)*	**(241,061)**	**—**	**(241,061)**	7,692	14,200	21,892
Weighted average number of ordinary shares in issue	**13,543,039,798**	**13,543,039,798**	**13,543,039,798**	13,596,349,295	13,596,349,295	13,596,349,295
Basic earnings/(loss) per share attributable to shareholders of the Company *(HK cents)*	**(1.78)**	**—**	**(1.78)**	0.06	0.10	0.16

Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31st March 2012 and 2011 as the Group did not have any potential diluted ordinary shares during the years ended 31st March 2012 and 2011.

14. Dividends

The directors do not recommend the payment of any final dividend for the year ended 31st March 2012. For the year ended 31st March 2011, special dividend of HK4 cents per ordinary share amounting to HK$543,871,000 was paid.

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

The Company repurchased a total of 117,614,000 ordinary shares of the Company on the Stock Exchange during the year and additional 1,400,000 ordinary shares subsequent to the end of the reporting period in April 2012. These repurchased shares were substantially cancelled during the year with the remaining portion cancelled in April 2012. Details of the shares repurchased during the year are set out below:

Month of repurchase	Number of shares repurchased	Price per share Highest	Price per share Lowest	Aggregate price paid*
		(HK$)	*(HK$)*	*(HK$)*
April 2011	2,000,000	0.072	0.071	143,944
September 2011	4,510,000	0.033	0.030	139,090
October 2011	11,130,000	0.029	0.028	317,330
November 2011	28,504,000	0.039	0.029	1,010,364
December 2011	40,670,000	0.040	0.034	1,499,226
January 2012	7,360,000	0.036	0.035	260,400
February 2012	12,970,000	0.048	0.044	599,456
March 2012	10,470,000	0.044	0.038	419,746
	117,614,000			4,389,556

* *Excluding transaction cost*

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 2012 and up to the date of this announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company endeavours in maintaining high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules. Except for the deviation described below, no Director of the Company is aware of any information which would reasonably indicate that the Company is not, or was not at any time throughout the year ended 31st March 2012, acting in compliance with the Code.

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 general meetings of the Company have not been appointed for a specific term but are subject to retirement by rotation and re-election at annual general meetings 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 of Non-executive Directors with majority being 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 audit committee meets the external auditors at least four times a year to discuss any area of concern during the audits or reviews. The audit committee reviews the quarterly, interim and annual reports before submission to the Board. Senior 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 financial statements 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 2012 have been reviewed by the audit committee.

On behalf of the Board
North Asia Strategic Holdings Limited
Yu Wang Tak
Chairman and Executive Director

Hong Kong, 14th June 2012

As at the date of this announcement, the Board comprises Mr. Yu Wang Tak (Chairman and Executive Director); Mr. James Tsiolis (Deputy Chairman), Mr. Jason Matthew Brown (Mr. Enoch Yi-Nong Wu as his Alternate Director), Mr. Göran Sture Malm and Mr. Takeshi Kadota (being Non-executive Directors); and Mr. Kenny Tam King Ching and Mr. Philip Ma King Huen (being Independent Non-executive Directors).

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