

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

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

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This announcement, for which the directors (the “Directors” or the “Board”) of North Asia Strategic Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to North Asia Strategic Holdings Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* For identification purpose only

During the three months ended 30th June 2012 (the “quarter”), our three business divisions have shown improvement in their net profit performance, compared to the corresponding period last year and the preceding quarter.

HIGHLIGHTS

NAS Financial Highlights

- During the quarter, the Group recorded an unaudited consolidated revenue of approximately HK\$471,238,000, representing a decrease of approximately 13.2% from the corresponding period last year.
- Total unaudited consolidated net profit attributable to shareholders of the Company for the quarter was approximately HK\$6,846,000, versus an unaudited consolidated net loss of approximately HK\$10,019,000 for the corresponding period last year. This was mainly due to the improvement of the net profit performance of our business divisions and reduction of the Company’s expenses related to professional and legal services in the quarter.
- Unaudited consolidated net asset value attributable to shareholders of the Company per ordinary share was approximately HK\$0.0952 as at 30th June 2012, which reflected an increase of HK\$0.0005 from HK\$0.0947 as at 31st March 2012.

Division Financial Highlights

- During the quarter, unaudited revenue and unaudited net profit generated from the hi-tech distribution and services division were approximately HK\$243,888,000 and HK\$8,068,000 respectively.
- During the quarter, the Group shared 40% unaudited revenue and unaudited net profit of our jointly-controlled fishmeal, fish oil and aquatic products division of approximately HK\$194,699,000 and HK\$2,071,000 respectively.
- During the quarter, unaudited revenue generated from the branded food division was approximately HK\$32,651,000 with unaudited net profit of approximately HK\$814,000.

PROPOSED SPECIAL DIVIDEND

As mentioned in our 2011/12 Annual Report, the Company will carefully evaluate and review options as to how we may effectively manage, deploy and apply available cash resources to meet operational needs and for benefit of our shareholders as a whole. After carefully considering our current operational needs, our cash on hand permits the Company to recommend the distribution of a special dividend to its shareholders, out of its contributed surplus.

The Board has resolved on 9th August 2012 to recommend to the shareholders the payment of a special dividend of HK2 cents per share, approximately HK\$269,188,000 in aggregate. The payment of the proposed special dividend, which is subject to approval by the shareholders of the Company at the special general meeting to be held on Friday, 14th September 2012, is to be payable on or about Tuesday, 9th October 2012 to shareholders whose names appear on the Register of Members of the Company on 27th September 2012.

The Register of the Members of the Company will be closed from Monday, 24th September 2012 to Thursday, 27th September 2012, both days inclusive, during which period no transfer of shares will be registered, for the purpose of ascertaining shareholders' entitlement to the proposed special dividend. In order to qualify for the proposed special dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 21st September 2012.

RESULTS

The following are the unaudited condensed consolidated results of North Asia Strategic Holdings Limited (the “Company” or “NAS”) and its subsidiaries and jointly-controlled entities (collectively, the “Group”) for the three months ended 30th June 2012 together with the comparative unaudited figures for the corresponding period in 2011:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the three months ended 30th June	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	3	471,238	542,905
Cost of sales		<u>(391,474)</u>	<u>(475,332)</u>
Gross profit		79,764	67,573
Other income and gains, net		3,777	4,293
Selling and distribution expenses		(45,984)	(47,135)
General and administrative expenses		<u>(20,370)</u>	<u>(34,961)</u>
Operating profit/(loss)		17,187	(10,230)
Finance income	4	1,708	3,525
Finance costs	4	<u>(7,936)</u>	<u>(3,446)</u>
Profit/(loss) before income tax		10,959	(10,151)
Income tax expense	5	<u>(3,995)</u>	<u>(329)</u>
Profit/(loss) for the period		<u><u>6,964</u></u>	<u><u>(10,480)</u></u>
Profit/(loss) for the period attributable to:			
— Shareholders of the Company		6,846	(10,019)
— Non-controlling interests		<u>118</u>	<u>(461)</u>
		<u><u>6,964</u></u>	<u><u>(10,480)</u></u>
Earnings/(loss) per share attributable to ordinary shareholders of the Company (<i>expressed in HK cents per share</i>)	6		
Basic and diluted			
— For profit/(loss) for the period		<u><u>0.05</u></u>	<u><u>(0.07)</u></u>

Details of the dividends are disclosed in note 7 to this unaudited condensed consolidated financial information.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended 30th June	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	<u>6,964</u>	<u>(10,480)</u>
Other comprehensive income/(loss):		
Reclassification adjustment for gains included in the condensed consolidated income statement as a result of the disposal of available-for-sale financial assets	—	(1,143)
Currency translation differences of foreign operations	<u>(620)</u>	<u>2,287</u>
Other comprehensive income/(loss) for the period, net of income tax of nil	<u>(620)</u>	<u>1,144</u>
Total comprehensive income/(loss) for the period	<u>6,344</u>	<u>(9,336)</u>
Total comprehensive income/(loss) for the period attributable to:		
— Shareholders of the Company	6,251	(8,927)
— Non-controlling interests	<u>93</u>	<u>(409)</u>
	<u>6,344</u>	<u>(9,336)</u>

Notes:

1. GENERAL INFORMATION

The Group is principally engaged in the following businesses:

- **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 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 products;
- **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 “Companies Act”). 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, Kowloon, Hong Kong.

The Company’s ordinary shares are listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

This unaudited condensed consolidated financial information is presented in Hong Kong dollars and all values are rounded to the nearest thousand, except when otherwise indicated.

This unaudited condensed consolidated financial information has been approved for issue by the Company’s Board of Directors on 9th August 2012.

2. BASIS OF PREPARATION

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

This unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31st March 2012.

The accounting policies adopted in the preparation of this unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st March 2012, except for the adoption of the following new and revised standards and interpretations for the first time for the current period's financial information:

HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards — Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Transfers of Financial Assets</i>
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes — Deferred Tax: Recovery of Underlying Assets</i>

The adoption of these new and revised standards and interpretations has had no significant impact on the Group.

3. REVENUE

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

	For the three months ended 30th June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Sales of goods	421,839	505,746
Revenue from branded food operation	32,651	35,998
Commission and other service income	16,748	1,161
	<u>471,238</u>	<u>542,905</u>

4. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the three months ended 30th June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Finance income:		
Interest income from bank deposits	1,708	1,486
Net foreign exchange gains on financing activities	—	2,039
	<u>1,708</u>	<u>3,525</u>

**For the three months ended
30th June**

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)

Finance costs:

Interest on bank loans	5,545	3,445
Net foreign exchange losses on financing activities	1,345	—
Interest on finance lease obligations	—	1
Other finance costs:		
Increase in discounted amounts of provision arising from the passage of time	1,046	—
	7,936	3,446
	7,936	3,446

5. INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the period.

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 period at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

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

**For the three months ended
30th June**

	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)

Current taxation		
Hong Kong profits tax		
— current period	1,708	—
Mainland China enterprise income tax		
— current period	646	215
Overseas taxation		
— current period	—	85
— overprovision in prior periods	(38)	—
Deferred taxation	1,679	29
	3,995	329
	3,995	329

6. 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 period.

	For the three months ended	
	30th June	
	2012	2011
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to shareholders of the Company (HK\$ '000)	6,846	(10,019)
Weighted average number of ordinary shares in issue	<u>13,459,420,256</u>	<u>13,576,469,421</u>
Basic earnings/(loss) per share (HK cents)	<u>0.05</u>	<u>(0.07)</u>

Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the three months ended 30th June 2012 and 2011 as the Group did not have any potentially dilutive ordinary shares in issue during these periods.

7. DIVIDENDS

On 9th August 2012, the Board proposed a special dividend of HK2 cents per share, approximately HK\$269,188,000 in aggregate. This proposed special dividend is subject to approval by the Company's shareholders at a special general meeting of the Company to be held on 14th September 2012. This special dividend is expected to be payable on or about 9th October 2012 to shareholders whose names appear on the Register of Members of the Company on 27th September 2012.

Apart from this, the Directors do not recommend the payment of an interim dividend for the three months ended 30th June 2012 (30th June 2011: Nil).

8. EQUITY

Movements in equity are as follows:

	(Unaudited)					
	Attributable to shareholders of the Company				Non- controlling interests	Total
	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>		
Balances at 1st April 2012	134,660	1,269,062	(128,411)	1,275,311	5,207	1,280,518
Comprehensive income/(loss)						
Profit for the period	—	—	6,846	6,846	118	6,964
Other comprehensive loss:						
Currency translation differences of foreign operations	—	(595)	—	(595)	(25)	(620)
Total comprehensive income/(loss) for the period	—	(595)	6,846	6,251	93	6,344
Share repurchase	—	(54)	—	(54)	—	(54)
Cancellation of shares repurchased	(66)	258	(204)	(12)	—	(12)
Balances at 30th June 2012	<u>134,594</u>	<u>1,268,671</u>	<u>(121,769)</u>	<u>1,281,496</u>	<u>5,300</u>	<u>1,286,796</u>

During the three months ended 30th June 2012, the Company repurchased a total of 1,400,000 ordinary shares of the Company on the Stock Exchange and 6,570,000 shares were cancelled by the Company.

	(Unaudited)					
	Attributable to shareholders of the Company					
	Share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained Profits <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balances at 1st April 2011	135,968	1,261,616	117,059	1,514,643	4,416	1,519,059
Comprehensive income/(loss)						
Loss for the period	—	—	(10,019)	(10,019)	(461)	(10,480)
Other comprehensive income/(loss):						
Reclassification adjustment for gains included in the condensed consolidated income statement as a result of the disposal of available- for-sale financial assets	—	(1,143)	—	(1,143)	—	(1,143)
Currency translation differences of foreign operations	—	2,235	—	2,235	52	2,287
Total comprehensive income/(loss) for the period	—	1,092	(10,019)	(8,927)	(409)	(9,336)
Share repurchase	—	(180)	—	(180)	—	(180)
Cancellation of shares repurchased	(204)	1,444	(1,240)	—	—	—
Capital contribution from non-controlling interests	—	—	—	—	193	193
Balances at 30th June 2011	<u>135,764</u>	<u>1,263,972</u>	<u>105,800</u>	<u>1,505,536</u>	<u>4,200</u>	<u>1,509,736</u>

9. EVENT AFTER THE REPORTING PERIOD

As disclosed in the Company's announcement dated 13th July 2012, the Board proposed to put forward to the shareholders the proposal for the capital reorganisation (the "Capital Reorganisation") which will involve:

- (i) a share consolidation, whereby every 10 issued shares of HK\$0.01 each will be consolidated into 1 ordinary share of HK\$0.10 (the "Consolidated Share");
- (ii) a capital reduction, whereby the par value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 of the paid-up capital on each issued Consolidated Share and to round down the total number of Consolidated Shares to a whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company following the share consolidation; and
- (iii) a transfer of the credit arising from the capital reduction to the contributed surplus account of the Company such that the Company may apply such surplus in any manner as they consider appropriate subject to compliance with the Companies Act.

The Capital Reorganisation is subject to the approval by the shareholders of the Company at the special general meeting to be held on 14th September 2012.

Subject to the Capital Reorganisation taking effect and approval by the Company's shareholders of the proposed special dividend, the special dividend of HK2 cents per share as detailed in note 7 to this unaudited condensed consolidated financial information shall be equivalent to HK20 cents per Consolidated Share.

BUSINESS REVIEW

Financial and Business Performance

For the three months ended 30th June 2012 (the “quarter”), the Group recorded an unaudited consolidated revenue of approximately HK\$471,238,000, versus an unaudited consolidated revenue of approximately HK\$542,905,000 in the corresponding period last year. The Group recorded an unaudited consolidated net profit of approximately HK\$6,846,000 in quarter, as compared to an unaudited consolidated net loss of approximately HK\$10,019,000 for the corresponding period last year. This year on year difference was principally due to improvement of the net profit performance of our business divisions and the reduction in the Company’s expenses related to professional and legal services in the quarter.

Below is a summary of the financial and business highlights of each major business division. The 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 Company Limited (“American Tec”). American Tec is a leader in Asia in the distribution, sales and service of surface mount technology (“SMT”) equipment, with a history of more than 20 years serving its customers in the hi-technology 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 quarter to complement our major partnership with Fuji Machine Manufacturing Co. Ltd. to offer a comprehensive and competitive SMT solution.

During the quarter, this division recorded an unaudited revenue of approximately HK\$243,888,000, compared to an unaudited revenue of approximately HK\$251,966,000 in the corresponding period last year. This year on year drop in revenue was mainly due to the decline of overall customer demand for SMT equipment across the sector under the uncertain economic environment in the quarter. With our cost control measures, American Tec recorded an unaudited net profit of approximately HK\$8,068,000 in the quarter, up 32.8% from the unaudited net profit of about HK\$6,074,000 in the corresponding period last year.

Fishmeal, Fish Oil and Aquatic Products Division

Our fishmeal, fish oil and aquatic products division conducted business through our 40% jointly-controlled company, Coland Group Limited (“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 is a leader in product quality and has one of the largest fish oil storage and processing capabilities in Asia today.

During the quarter, there was a rebound of the demand for brown fishmeal and its market price due to increase in demand from the aquaculture industry in China. Demand for Coland’s processed fish oil products remained strong in the quarter with stable market price. As a result, we shared 40% unaudited revenue of approximately HK\$194,699,000 with an unaudited net profit of approximately HK\$2,071,000 for the quarter, versus an unaudited revenue of approximately HK\$254,941,000 and an unaudited net profit of approximately HK\$1,625,000 for the corresponding period last year.

Branded Food Division

During the quarter, management focused on new product introductions and cost control measures. The division recorded an unaudited revenue of approximately HK\$32,651,000 with an unaudited net profit of approximately HK\$814,000 (including a net decrease of provision for lease obligations of approximately HK\$5,228,000), versus an unaudited revenue of approximately HK\$35,999,000 with unaudited net loss of approximately HK\$5,677,000 in the corresponding period last year. Excluding the net decrease of provision for lease obligations of approximately HK\$5,228,000, the division’s unaudited net loss is about HK\$4,414,000 for the quarter, down 22.2% from the unaudited net loss of about HK\$5,677,000 in the corresponding period last year.

OUTLOOK

Overall Summary

We expect the volatility in the global economy to continue in the second half of 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 minimize 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 Products Division

In the near term, we foresee stable demand but volatile market price for our brown fishmeal and fish oil. 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 continue our critical review on the performance of each restaurant while developing cost effective promotional programs to attract customers for sales growth.

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

As at 30th June 2012, the Directors and chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors:

Long positions in the shares of the Company

Name of Director	Capacity	Note	Number of ordinary shares held	Approximate percentage of shareholdings
Mr. Göran Sture Malm ("Mr. Malm")	Interest of controlled corporation	1	94,127,499	0.70%

Note:

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

Save as disclosed above, as at 30th June 2012, none of the Directors and chief executive of the Company or their respective associates had any interests or short positions in the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

INTERESTS OR SHORT POSITIONS OF OTHER PERSONS

As at 30th June 2012, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company whose interests were disclosed above) had interests or short positions in the shares or underlying shares of the Company which were recorded in the register required to be kept under Section 336 of the SFO:

Long positions in the shares of the Company

Substantial shareholders of the Company

Name	Capacity	Notes	Number of ordinary shares held	Approximate percentage of shareholdings
The Goldman Sachs Group, Inc.	Interest of controlled corporation	1	2,477,650,064	18.41%
Military Superannuation and Benefits Board of Trustees No 1 ("MSB Board")	Trustee	2	2,041,884,817	15.17%

Other shareholders of the Company

Name	Capacity	Number of ordinary shares held	Approximate percentage of shareholdings
C.L Davids Fond og Samling	Beneficial owner	1,061,780,105	7.89%
United Overseas Bank Limited	Beneficial owner	743,295,019	5.52%

Notes:

1. The Goldman Sachs Group, Inc. was deemed to be interested in these shares through its indirect subsidiary, Goldman Sachs (Asia) Finance.
2. These shares were held by MSB Board as a trustee for an Australian pension scheme. On 1st July 2011, MSB Board merged with the Board of Australian Reward Investment Alliance to form Commonwealth Superannuation Corporation (“CSC”) and MSB Board’s assets vested in CSC without any conveyance, transfer or assignment.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to Section 336 of the SFO as at 30th June 2012.

SHARE OPTION SCHEME

On 10th June 2002, the shareholders of the Company approved the adoption of a share option scheme (the “2002 Scheme”). Under the terms of the 2002 Scheme, the Board may at its discretion offer share options to any employee, agent, consultant or representative, including any executive or non-executive Director, of any member of the Group or any other person who satisfies the selection criteria as set out in the 2002 Scheme. The principal purpose of the 2002 Scheme is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high caliber employees and attract human resources that are valuable to the Group. The 2002 Scheme shall be valid and effective for a period of ten years commencing on the adoption date. As at 30th June 2012, no share options have been granted by the Company pursuant to the 2002 Scheme. The 2002 Scheme expired on 10th June 2012.

On 31st October 2006, the Company approved a share option scheme (the “Best Creation Scheme”) adopted by Best Creation Investments Limited (“Best Creation”), a wholly-owned subsidiary of the Company, allowing its board of directors to grant options to subscribe for shares in Best Creation to the selected participants under such scheme as incentives or rewards for their contribution to the Best Creation group. The Best Creation Scheme has a life of ten years commencing on the adoption date of 31st October 2006. As at 30th June 2012, no share options have been granted pursuant to the Best Creation Scheme.

COMPETING INTERESTS

As at 30th June 2012, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

CONTINUING DISCLOSURE UNDER RULE 17.24 OF THE GEM LISTING RULES

The following is an unaudited condensed consolidated statement of financial position as at 30th June 2012 of Coland Group Limited, a jointly controlled entity, of which the Group has an equity interest of 40%, as required therein under rule 17.24 of the GEM Listing Rules:

	<i>HK\$'000</i>
Non-current assets	361,611
Inventories	601,584
Cash and cash equivalents	76,953
Other current assets	342,676
Bank borrowings	(592,382)
Other current liabilities	(357,182)
Non-current liabilities	(6,423)
	<hr/>
Net assets	<u>426,837</u>

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

During the three months ended 30th June 2012, the Company repurchased a total 1,400,000 ordinary shares of the Company on the Stock Exchange. These shares together with 5,170,000 ordinary shares repurchased by the Company in March 2012 were cancelled by the Company on 30th April 2012. Details are the repurchases were set out as follows:

Month of repurchase	Number of shares repurchased	Price per share		Aggregate price paid* (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
April 2012	1,400,000	0.039	0.038	53,700

* *Excluding transaction cost*

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 three months ended 30th June 2012.

CORPORATE GOVERNANCE CODE

The Company endeavours in maintaining high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of the GEM Listing Rules. Except for the deviations 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 during three months ended 30th June 2012, acting in compliance with the Code.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, from 1st April 2012, Mr. Yu Wang Tak takes up the role as the Chairman of the Board and the Executive Director of the Company. Under the leadership of Mr. Yu in his Executive Director role, the Board's decisions are implemented with the involvement and support of the Chief Operating Officer cum Chief Financial Officer Ms. Grace Luk Pui Yin and also the chief executive officer(s) and general manager(s) of the Company's operating companies. The Board believes that the balance of authority and division of responsibility are adequately ensured by the operations of the Board and management which comprises experienced and high calibre individuals.

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. During the quarter, 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. Since the appointment of Mr. George Forrai, an Independent Non-executive Director in place of Mr. James Tsiolis, a Non-executive Director as a member of the audit committee on 30th June 2012, the committee comprises of three independent non-executive directors. The terms of reference of the audit committee are aligned with the provisions set out in the Code. The committee's principal duties are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The unaudited condensed consolidated financial information for the three months ended 30th June 2012 of the Company now reported on 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, 9th August 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, Mr. Philip Ma King Huen and Mr. George Forrai (being Independent Non-executive Directors).

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.