

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司^{*}

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 six months ended 30th September 2012 (the “half year period”), most of our three business divisions have shown improvement in their net profit performance, compared to the corresponding period last year.

HIGHLIGHTS

NAS Financial Highlights

- Total unaudited consolidated net profit attributable to shareholders of the Company for the half year period was approximately HK\$13,261,000, versus an unaudited consolidated net loss of approximately HK\$18,012,000 for the corresponding period last year. This was mainly due to the improvement in the net profit performance in most of our business divisions and reduction of the Company’s expenses related to professional and legal services in the half year period.
- During the half year period, the Group recorded an unaudited consolidated revenue of approximately HK\$799,110,000, representing a decrease of approximately 27% from the corresponding period last year.
- Unaudited consolidated net asset value attributable to shareholders of the Company per ordinary share was approximately HK\$0.7566 as at 30th September 2012, which reflected a decrease of HK\$0.1905 from HK\$0.9471 (restated to reflect the consolidation of shares approved by the Company’s shareholders on 14th September 2012) as at 31st March 2012. The decrease was mainly due to a special dividend payable of HK20 cents per Consolidated Share after the Capital Reorganisation.

Division Financial Highlights

- During the half year period, unaudited revenue and unaudited net profit generated from the hi-tech distribution and services division were approximately HK\$358,884,000 and HK\$12,195,000 respectively.
- During the half year period, the Group shared 40% unaudited revenue and unaudited net profit of our jointly-controlled fishmeal, fish oil and aquatic products division of approximately HK\$375,350,000 and HK\$6,714,000 respectively.
- During the half year period, unaudited revenue generated from the branded food division was approximately HK\$64,876,000 with unaudited net profit of approximately HK\$2,779,000.

RESULTS

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

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30th September		For the three months ended 30th September	
		2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
	<i>Notes</i>				
Revenue	3	799,110	1,095,124	327,872	552,219
Cost of sales		<u>(642,485)</u>	<u>(952,324)</u>	<u>(251,011)</u>	<u>(476,992)</u>
Gross profit		156,625	142,800	76,861	75,227
Other income and gains, net		2,577	7,733	(1,200)	3,440
Selling and distribution expenses		(93,530)	(103,332)	(47,546)	(56,197)
General and administrative expenses		<u>(34,413)</u>	<u>(65,942)</u>	<u>(14,043)</u>	<u>(30,981)</u>
Operating profit/(loss)		31,259	(18,741)	14,072	(8,511)
Finance income	4	3,853	8,313	3,161	4,788
Finance costs	4	<u>(13,180)</u>	<u>(7,035)</u>	<u>(6,260)</u>	<u>(3,589)</u>
Profit/(loss) before income tax		21,932	(17,463)	10,973	(7,312)
Income tax expense	5	<u>(8,370)</u>	<u>(1,042)</u>	<u>(4,375)</u>	<u>(713)</u>
Profit/(loss) for the period		<u>13,562</u>	<u>(18,505)</u>	<u>6,598</u>	<u>(8,025)</u>
Profit/(loss) for the period attributable to:					
— Shareholders of the Company		13,261	(18,012)	6,415	(7,993)
— Non-controlling interests		<u>301</u>	<u>(493)</u>	<u>183</u>	<u>(32)</u>
		<u>13,562</u>	<u>(18,505)</u>	<u>6,598</u>	<u>(8,025)</u>
Earnings/(loss) per share attributable to shareholders of the Company (expressed in HK cents per share)	6				
			(Restated)		(Restated)
Basic and diluted					
— For profit/(loss) for the period		<u>0.99</u>	<u>(1.33)</u>	<u>0.48</u>	<u>(0.59)</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 six months ended 30th September		For the three months ended 30th September	
	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period	<u>13,562</u>	<u>(18,505)</u>	<u>6,598</u>	<u>(8,025)</u>
Other comprehensive income/(loss):				
Reclassification adjustments 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>(1,078)</u>	<u>5,448</u>	<u>(458)</u>	<u>3,161</u>
Other comprehensive income/(loss) for the period, net of income tax of nil	<u>(1,078)</u>	<u>4,305</u>	<u>(458)</u>	<u>3,161</u>
Total comprehensive income/(loss) for the period	<u><u>12,484</u></u>	<u><u>(14,200)</u></u>	<u><u>6,140</u></u>	<u><u>(4,864)</u></u>
Total comprehensive income/(loss) for the period attributable to:				
— Shareholders of the Company	<u>12,222</u>	<u>(13,758)</u>	<u>5,971</u>	<u>(4,831)</u>
— Non-controlling interests	<u>262</u>	<u>(442)</u>	<u>169</u>	<u>(33)</u>
	<u><u>12,484</u></u>	<u><u>(14,200)</u></u>	<u><u>6,140</u></u>	<u><u>(4,864)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30th September 2012 <i>Notes</i> HK\$'000 (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	117,507	119,597
Investment properties	8	2,530	2,597
Leasehold land under operating leases and land use rights	8	17,660	17,994
Intangible assets	8	389,798	390,322
Deferred tax assets		8,010	12,161
Other non-current assets		16,722	10,396
		<u>552,227</u>	<u>553,067</u>
Current assets			
Inventories		202,942	285,938
Biological assets		12,101	9,182
Trade and other receivables	9	153,936	201,590
Derivative financial instruments		213	—
Pledged bank deposits		58,358	85,509
Cash and cash equivalents		839,235	909,414
		<u>1,266,785</u>	<u>1,491,633</u>
Total assets		<u>1,819,012</u>	<u>2,044,700</u>
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	11	13,459	134,660
Reserves	11	1,004,820	1,140,651
		<u>1,018,279</u>	<u>1,275,311</u>
Non-controlling interests	11	<u>5,469</u>	<u>5,207</u>
Total equity		<u>1,023,748</u>	<u>1,280,518</u>

		As at 30th September 2012 <i>HK\$'000</i> (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
LIABILITIES			
Current liabilities			
Borrowings		214,008	328,796
Trade and other payables	10	268,748	376,160
Dividend payable — special dividend	7	269,188	—
Derivative financial instruments		—	636
Income tax liabilities		3,952	1,125
Provisions	12	12,537	17,264
		<u>768,433</u>	<u>723,981</u>
Non-current liabilities			
Borrowings		4,920	9,914
Deferred tax liabilities		671	676
Deferred income		1,772	1,933
Provisions	12	18,884	27,147
Other non-current liabilities		584	531
		<u>26,831</u>	<u>40,201</u>
Total liabilities		<u><u>795,264</u></u>	<u><u>764,182</u></u>
Total equity and liabilities		<u><u>1,819,012</u></u>	<u><u>2,044,700</u></u>
Net current assets		<u><u>498,352</u></u>	<u><u>767,652</u></u>
Total assets less current liabilities		<u><u>1,050,579</u></u>	<u><u>1,320,719</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				
	Attributable to shareholders of the Company			Non- controlling interests	Total
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balances at 1st April 2011	<u>135,968</u>	<u>1,378,675</u>	<u>1,514,643</u>	<u>4,416</u>	<u>1,519,059</u>
Comprehensive income/(loss)					
Loss for the period	—	(18,012)	(18,012)	(493)	(18,505)
<i>Other comprehensive income/(loss)</i>					
Reclassification adjustments 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	<u>—</u>	<u>5,397</u>	<u>5,397</u>	<u>51</u>	<u>5,448</u>
Total other comprehensive income	<u>—</u>	<u>4,254</u>	<u>4,254</u>	<u>51</u>	<u>4,305</u>
Total comprehensive loss for the period	—	(13,758)	(13,758)	(442)	(14,200)
Share repurchase	—	(285)	(285)	—	(285)
Cancellation of shares repurchased	(204)	169	(35)	—	(35)
Capital contribution from non-controlling interests	<u>—</u>	<u>—</u>	<u>—</u>	<u>193</u>	<u>193</u>
Balances at 30th September 2011	<u><u>135,764</u></u>	<u><u>1,364,801</u></u>	<u><u>1,500,565</u></u>	<u><u>4,167</u></u>	<u><u>1,504,732</u></u>

	(Unaudited)				
	Attributable to shareholders of the Company			Non- controlling interests	Total
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balances at 1st April 2012	134,660	1,140,651	1,275,311	5,207	1,280,518
Comprehensive income/(loss)					
Profit for the period	—	13,261	13,261	301	13,562
<i>Other comprehensive loss</i>					
Currency translation differences of foreign operations	—	(1,039)	(1,039)	(39)	(1,078)
Total other comprehensive loss	—	(1,039)	(1,039)	(39)	(1,078)
Total comprehensive income for the period	—	12,222	12,222	262	12,484
Share repurchase	—	(54)	(54)	—	(54)
Cancellation of shares repurchased	(66)	54	(12)	—	(12)
Capital reduction	(121,135)	121,135	—	—	—
Special dividend (<i>note 7</i>)	—	(269,188)	(269,188)	—	(269,188)
Balances at 30th September 2012	13,459	1,004,820	1,018,279	5,469	1,023,748

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30th September	
	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	21,004	(107,547)
Net cash generated from/(used in) investing activities	28,654	(42,134)
Net cash generated from/(used in) financing activities	<u>(119,837)</u>	<u>102,072</u>
Decrease in cash and cash equivalents	(70,179)	(47,609)
Cash and cash equivalents at 1st April	<u>909,414</u>	<u>982,703</u>
Cash and cash equivalents at 30th September	<u>839,235</u>	<u>935,094</u>
Analysis of balances of cash and cash equivalents		
Cash at banks and on hand	308,241	447,646
Non-pledged time deposits with original maturity of three months or less when acquired	<u>530,994</u>	<u>487,448</u>
Cash and cash equivalents as stated in the unaudited condensed consolidated statement of financial position	<u>839,235</u>	<u>935,094</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 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
- 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 8th November 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 AND SEGMENT INFORMATION

3.1 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 six months ended 30th September		For the three months ended 30th September	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Sales of goods	699,521	1,014,695	277,682	508,949
Revenue from branded food operation	64,876	71,983	32,225	35,985
Commission and other service income	34,713	8,446	17,965	7,285
	<u>799,110</u>	<u>1,095,124</u>	<u>327,872</u>	<u>552,219</u>

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 products, and branded food. The hi-tech distribution and services and fishmeal, fish oil and aquatic products operating segments derive revenue from the sale of goods. Branded food operation 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, trade and other receivables and derivative financial instruments. Unallocated assets comprise deferred tax assets, pledged bank deposits, cash and cash equivalents, 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.

	Six months ended 30th September 2012 (Unaudited)			
	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal, fish oil and aquatic products operation <i>HK\$'000</i>	Branded food operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
— Sales to external customers	<u>358,884</u>	<u>375,350</u>	<u>64,876</u>	<u>799,110</u>
Segment results before amortisation of intangible assets	16,607	19,322	5,773	41,702
Amortisation of intangible assets	—	(524)	—	(524)
Segment results	<u>16,607</u>	<u>18,798</u>	<u>5,773</u>	41,178
Finance income				3,853
Finance costs				(13,180)
Corporate and other unallocated expenses				(9,919)
Profit before income tax				21,932
Income tax expense				(8,370)
Profit for the period				<u>13,562</u>
Capital expenditure:				
Segment assets	891	3,787	—	4,678
Corporate and other unallocated capital expenditure				111
				<u>4,789</u>
Depreciation:				
Segment assets	2,124	3,673	—	5,797
Corporate and other unallocated depreciation				104
				<u>5,901</u>
Amortisation	—	734	—	734
Write-back of inventories to net realisable value, net	—	(3,183)	—	(3,183)
Write-back of impairment of receivables	—	(3,346)	—	(3,346)
Reversal of provision for onerous contracts	—	—	(10,626)	(10,626)
Reversal of provision for reinstatement costs	—	—	(323)	(323)

Six months ended 30th September 2011 (Unaudited)				
	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal, fish oil and aquatic products operation <i>HK\$'000</i>	Branded food operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
— Sales to external customers	<u>551,596</u>	<u>471,545</u>	<u>71,983</u>	<u>1,095,124</u>
Segment results before amortisation of intangible assets	17,903	4,854	(12,814)	9,943
Amortisation of intangible assets	<u>—</u>	<u>(524)</u>	<u>(243)</u>	<u>(767)</u>
Segment results	<u>17,903</u>	<u>4,330</u>	<u>(13,057)</u>	9,176
Finance income				8,313
Finance costs				(7,035)
Corporate and other unallocated expenses				<u>(27,917)</u>
Loss before income tax				(17,463)
Income tax expense				<u>(1,042)</u>
Loss for the period				<u>(18,505)</u>
Capital expenditure	1,533	9,386	3	10,922
Depreciation:				
Segment assets	2,502	2,917	5,568	10,987
Corporate and other unallocated depreciation				<u>141</u>
				<u>11,128</u>
Amortisation	—	709	243	952
Write-down of inventories to net realisable value, net	4,655	6,779	—	11,434
Provision for/(write-back of) impairment of receivables, net	(1,052)	1,198	—	146
Gain on disposal of available- for-sale financial assets	<u>970</u>	<u>—</u>	<u>—</u>	<u>970</u>

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

	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal, fish oil and aquatic products operation <i>HK\$'000</i>	Branded food operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 30th September 2012 (Unaudited)				
Segment assets	456,702	441,477	14,467	912,646
Unallocated assets:				
Deferred tax assets				8,010
Pledged bank deposits				58,358
Cash and cash equivalents				839,235
Corporate and others				763
				<hr/>
Total assets per the unaudited condensed consolidated statement of financial position				1,819,012
				<hr/> <hr/>
	Hi-tech distribution and services operation <i>HK\$'000</i>	Fishmeal, fish oil and aquatic products operation <i>HK\$'000</i>	Branded food operation <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31st March 2012 (Audited)				
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
				<hr/>
Total assets per the audited consolidated statement of financial position				2,044,700
				<hr/> <hr/>

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 the hi-tech distribution operation and fishmeal, fish oil and aquatic products operation, as well as the location of service performed by the hi-tech distribution operation and branded food operation.

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

	For the six months ended	
	30th September	
	2012	2011
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong	64,876	190,705
Mainland China	717,323	868,565
Asia — Others	148	157
Others	16,763	35,697
	<hr/>	<hr/>
Total revenue	799,110	1,095,124
	<hr/> <hr/>	<hr/> <hr/>

(b) Non-current assets

The non-current assets information is based on the location of assets and excludes 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	As at
	30th September	31st March
	2012	2012
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Hong Kong	385,866	391,775
Mainland China	158,065	148,275
Asia — Others	286	856
	<hr/>	<hr/>
	544,217	540,906
	<hr/> <hr/>	<hr/> <hr/>

Information about major customers

For the six months ended 30th September 2012 and 2011, there was no single customer that contributed 10% or more of the Group's revenue for either of these periods.

4. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the six months ended 30th September		For the three months ended 30th September	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Finance income:				
Interest income from bank deposits	3,853	3,130	2,145	1,644
Net foreign exchange gains on financing activities	—	5,183	1,016	3,144
	<u>3,853</u>	<u>8,313</u>	<u>3,161</u>	<u>4,788</u>
Finance costs:				
Interest on bank loans	10,047	7,033	4,502	3,588
Net foreign exchange losses on financing activities	329	—	—	—
Interest on finance lease obligations	—	2	—	1
Other finance costs:				
Increase in discounted amounts of provision arising from the passage of time (note 12)	2,804	—	1,758	—
	<u>13,180</u>	<u>7,035</u>	<u>6,260</u>	<u>3,589</u>

5. INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (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%).

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 recorded in the unaudited condensed consolidated income statement represent:

	For the six months ended 30th September		For the three months ended 30th September	
	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current taxation				
Hong Kong profits tax				
— current period	2,758	860	1,050	191
Mainland China enterprise income tax				
— current period	1,522	82	876	(568)
Deferred taxation	4,090	100	2,449	1,090
	<u>8,370</u>	<u>1,042</u>	<u>4,375</u>	<u>713</u>

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 six months ended 30th September		For the three months ended 30th September	
	2012	2011	2012	2011
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		(Restated)		(Restated)
Profit/(loss) attributable to shareholders of the Company (<i>HK\$'000</i>)	13,261	(18,012)	6,415	(7,993)
Weighted average number of ordinary shares in issue*	<u>1,345,940,479</u>	<u>1,357,639,097</u>	<u>1,345,938,948</u>	<u>1,357,631,338</u>
Basic earnings/(loss) per share (<i>HK cents</i>)	<u>0.99</u>	<u>(1.33)</u>	<u>0.48</u>	<u>(0.59)</u>

* The weighted average number of ordinary shares for the three months and six months ended 30th September 2012 and 2011 have been retrospectively adjusted for the Capital Reorganisation (as defined in note 11(i)(b) to this unaudited condensed consolidated financial information) taken place on 17th September 2012.

Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months and three months ended 30th September 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 ordinary share before the Capital Reorganisation as defined in note 11(i)(b) to this unaudited condensed consolidated financial information (equivalent to HK20 cents per Consolidated Share after the Capital Reorganisation became effective on 17th September 2012), approximately HK\$269,188,000 in aggregate. This special dividend was approved by the Company's shareholders at the special general meeting of the Company held on 14th September 2012. This special dividend was paid on 9th October 2012 to shareholders whose names appeared 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 six months ended 30th September 2012 (2011: Nil).

8. CAPITAL EXPENDITURE

	Property, plant and equipment HK\$'000 (Unaudited)	Investment properties HK\$'000 (Unaudited)	Leasehold land under operating leases and use rights HK\$'000 (Unaudited)	Intangible assets HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1st April 2012	119,597	2,597	17,994	390,322	530,510
Additions	4,789	—	—	—	4,789
Disposals	(246)	—	—	—	(246)
Depreciation/amortisation	(5,849)	(52)	(210)	(524)	(6,635)
Exchange realignments	(784)	(15)	(124)	—	(923)
At 30th September 2012	<u>117,507</u>	<u>2,530</u>	<u>17,660</u>	<u>389,798</u>	<u>527,495</u>
At 1st April 2011	148,364	2,172	17,721	394,946	563,203
Additions	10,922	—	—	—	10,922
Disposals	(184)	—	—	—	(184)
Depreciation/amortisation	(11,088)	(40)	(185)	(767)	(12,080)
Transfer from inventories	3,389	—	—	—	3,389
Exchange realignments	2,502	53	493	—	3,048
At 30th September 2011	<u>153,905</u>	<u>2,185</u>	<u>18,029</u>	<u>394,179</u>	<u>568,298</u>

9. TRADE AND OTHER RECEIVABLES

	As at 30th September 2012 <i>HK\$'000</i> (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
Trade and bills receivables	138,004	188,281
Less: Impairment of trade receivables	<u>(9,164)</u>	<u>(9,690)</u>
Trade and bills receivables, net	128,840	178,591
Prepayments, deposits and other receivables	<u>25,096</u>	<u>22,999</u>
	<u>153,936</u>	<u>201,590</u>

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 and net of impairment, as at the end of the reporting period is as follows:

	As at 30th September 2012 <i>HK\$'000</i> (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
90 days or less	92,292	163,896
91 to 180 days	30,800	6,991
181 to 270 days	1,395	3,215
271 to 365 days	1,329	1,129
Over 365 days	<u>3,024</u>	<u>3,360</u>
	<u>128,840</u>	<u>178,591</u>

The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Since the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances.

10. TRADE AND OTHER PAYABLES

	As at 30th September 2012 <i>HK\$'000</i> (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
Trade and bills payables	152,662	254,228
Receipts in advance, other payables and accruals	116,086	121,932
	<u>268,748</u>	<u>376,160</u>

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

	As at 30th September 2012 <i>HK\$'000</i> (Unaudited)	As at 31st March 2012 <i>HK\$'000</i> (Audited)
90 days or less	140,327	245,040
91 to 180 days	6,697	4,634
181 to 270 days	998	538
271 to 365 days	395	59
Over 365 days	4,245	3,957
	<u>152,662</u>	<u>254,228</u>

11. EQUITY

Movements in equity are as follows:

	(Unaudited)					
	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital <i>HK\$'000</i> <i>(note (i))</i>	Other reserves <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	<i>HK\$'000</i>	<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	—	—	13,261	13,261	301	13,562
Other comprehensive loss:						
Currency translation differences of foreign operations	—	(1,039)	—	(1,039)	(39)	(1,078)
Total comprehensive income/(loss) for the period	—	(1,039)	13,261	12,222	262	12,484
Share repurchase						
— <i>note (i)(a)</i>	—	(54)	—	(54)	—	(54)
Cancellation of shares repurchased						
— <i>note (i)(a)</i>	(66)	258	(204)	(12)	—	(12)
Capital reduction						
— <i>note (i)(b)</i>	(121,135)	121,135	—	—	—	—
Special dividend (<i>note 7</i>)	—	(269,188)	—	(269,188)	—	(269,188)
Balances at 30th September 2012	<u>13,459</u>	<u>1,120,174</u>	<u>(115,354)</u>	<u>1,018,279</u>	<u>5,469</u>	<u>1,023,748</u>

Notes:

- (i) A summary of the transactions during the six months ended 30th September 2012 with reference to the above movements in the Company's number of ordinary shares is as follows:

	Number of shares '000
Issued:	
At 1st April 2012	13,465,959
Cancellation of shares repurchased (note a)	(6,570)
Share consolidation (note b)	(12,113,450)
	<hr/>
At 30th September 2012	1,345,939
	<hr/> <hr/>

- (a) During the six months ended 30th September 2012 and prior to the Capital Reorganisation (as defined below), the Company repurchased a total of 1,400,000 (2011: 6,510,000) ordinary shares of the Company on the Stock Exchange and a total of 6,570,000 (2011: 20,360,000) shares were cancelled by the Company.
- (b) Pursuant to the special resolution passed on 14th September 2012, the capital reorganisation (the "Capital Reorganisation") which became effective on 17th September 2012 consisted the following:
- (1) share consolidation, whereby every 10 issued shares of HK\$0.01 each were consolidated into 1 ordinary share of HK\$0.10 (the "Consolidated Share");
 - (2) capital reduction, whereby the par value of each issued Consolidated Share was 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 the total number of Consolidated Shares was rounded down 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
 - (3) The credit arising from the capital reduction was transferred 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.

	(Unaudited)					
	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital	Other reserves	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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	—	—	(18,012)	(18,012)	(493)	(18,505)
Other comprehensive income/(loss):						
Reclassification adjustments for gains included in the condensed consolidated income statement as a result of the disposal of available-for-sales financial assets	—	(1,143)	—	(1,143)	—	(1,143)
Currency translation differences of foreign operations	—	5,397	—	5,397	51	5,448
Total comprehensive income/(loss) for the period	—	4,254	(18,012)	(13,758)	(442)	(14,200)
Share repurchase	—	(285)	—	(285)	—	(285)
Cancellation for shares repurchased	(204)	1,409	(1,240)	(35)	—	(35)
Capital contribution from non-controlling interests	—	—	—	—	193	193
Balances at 30th September 2011	<u>135,764</u>	<u>1,266,994</u>	<u>97,807</u>	<u>1,500,565</u>	<u>4,167</u>	<u>1,504,732</u>

12. PROVISIONS

	Reinstatement costs <i>HK\$'000</i> (Unaudited)	Onerous contracts <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
At 1st April 2012	6,377	38,034	44,411
Amounts utilised during the period	(342)	(4,503)	(4,845)
Reversal of unutilised amounts	(323)	(10,626)	(10,949)
Increase in discounted amounts arising from the passage of time (<i>note 4</i>)	—	2,804	2,804
At 30th September 2012	5,712	25,709	31,421
Less: Current portion	(1,312)	(11,225)	(12,537)
Non-current portion	4,400	14,484	18,884
At 1st April 2011 and 30th September 2011	3,366	—	3,366
Less: Current portion	—	—	—
Non-current portion	3,366	—	3,366

BUSINESS REVIEW

Financial and Business Performance

For the six months ended 30th September 2012, the Group recorded an unaudited consolidated revenue of approximately HK\$799,110,000, versus an unaudited consolidated revenue of approximately HK\$1,095,124,000 in the corresponding period last year. The Group recorded an unaudited consolidated net profit attributable to shareholders of the Company of approximately HK\$13,261,000 in half year period, as compared to an unaudited consolidated net loss attributable to shareholders of the Company approximately HK\$18,012,000 for the corresponding period last year. This year on year difference was principally due to improvement in the net profit performance in most of our business divisions and the reduction in the Company's expenses related to professional and legal services in the half year period.

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 25 years serving its customers in the hi-technology sector. Our team of more than 240 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 half year period to complement our major partnership with Fuji Machine Mfg. Co., Ltd. to offer a comprehensive and competitive SMT solution.

During the half year period, this division recorded an unaudited revenue of approximately HK\$358,884,000, compared to an unaudited revenue of approximately HK\$551,596,000 in the corresponding period last year. This year on year drop in revenue was mainly due to the substantial drop on customer demand for SMT equipment across the sector under the uncertain economic environment in the half year period. Management had implemented a number of cost control programs, improved service income and got higher margin contributions from sales of peripheral equipments sourced from new signed suppliers in the half year period to offset the decline in customer demand. Hence, American Tec managed to achieve an unaudited net profit of approximately HK\$12,195,000 in the half year period, versus an unaudited net profit of about HK\$16,407,000 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 half year period, there was a rebound of the demand for brown fishmeal and its market price due to increase in seasonal demand from the aquaculture industry in China. Demand for Coland’s processed fish oil products remained strong in the half year period with stable market price. As a result, we shared 40% unaudited revenue of approximately HK\$375,350,000 with an unaudited net profit of approximately HK\$6,714,000 for the half year period, versus an unaudited revenue of approximately HK\$471,545,000 and an unaudited net profit of approximately HK\$3,298,000 for the corresponding period last year.

Branded Food Division

During the half year period, management focused on new product introductions and cost control measures. The division recorded an unaudited revenue of approximately HK\$64,876,000 with an unaudited net profit of approximately HK\$2,779,000 (including a net decrease of provision for lease obligations of approximately HK\$12,325,000), versus an unaudited revenue of approximately HK\$71,983,000 with unaudited net loss of approximately HK\$11,012,000 in the corresponding period last year.

Financial Resources, Liquidity and Charges on Assets

As at 30th September 2012, the Group had bank and cash balance of approximately HK\$897,593,000 (31st March 2012: HK\$994,923,000), of which approximately HK\$58,358,000 (31st March 2012: HK\$85,509,000) was pledged to secure trade financing facilities of HK\$1,066,425,000 (31st March 2012: HK\$1,204,623,000) 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 the Company, (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 the Hong Kong Special Administrative Region, (h) personal guarantees provided by certain directors of jointly-controlled entities, (i) property and bank deposit of certain directors of a jointly-controlled entity, and (j) corporate guarantees provided by independent third parties.

As at 30th September 2012, the Group had borrowings of approximately HK\$218,928,000 (31st March 2012: HK\$338,710,000). The gearing ratio (borrowings divided by equity attributable to shareholders of the Company) of the Group was 0.21 as at 30th September 2012, as compared to 0.27 as at 31st March 2012.

Foreign Currency 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.

Employee Information

As at 30th September 2012, the Group employed 1,004 staff (31st March 2012: 1,072). Total staff costs including contribution to retirement benefit schemes incurred during the six months ended 30th September 2012 amounted to approximately HK\$66,128,000 (for the six months ended 30th September 2011: HK\$59,246,000).

Capital commitments

There was no material change in capital commitments since 31st March 2012.

Operating lease commitments

As at 30th September 2012, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30th September 2012 HK\$'000 (Unaudited)	As at 31st March 2012 HK\$'000 (Audited)
Within one year	33,969	32,427
In the second to fifth years, inclusive	23,372	40,216
After five years	5,949	6,262
	<u>63,290</u>	<u>78,905</u>

In respect of the above non-cancellable operating lease commitments, the following provision for onerous contracts has been recognised:

	As at 30th September 2012 HK\$'000 (Unaudited)	As at 31st March 2012 HK\$'000 (Audited)
Within one year	11,225	15,287
In the second to fifth years, inclusive	14,484	22,747
	<u>25,709</u>	<u>38,034</u>

OUTLOOK

Overall Summary

We expect the volatility in the global economy to continue in the rest of the current fiscal year. 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/software, new products and complementary segments and enhance our sales and servicing teams. With this approach, we will continue 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, the demand will be mixed across our product portfolio and we expect volatile market price for our brown fishmeal and fish oil. We foresee a seasonality slowdown in demand for our fishmeal and feeds products in the domestic market due to cold weather. We will closely monitor the price volatility for the fishmeal and fish oil businesses and closely manage inventory, cash flow and operating expenses.

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 September 2012, none of the Directors and chief executive of the Company and their respective associates had any 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.

INTERESTS OR SHORT POSITIONS OF OTHER PERSONS

As at 30th September 2012, so far as is known to the Directors and chief executive of the Company, the following persons 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	247,765,006	18.41%
Commonwealth Superannuation Corporation	Trustee	2	204,188,481	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	106,178,010	7.89%
United Overseas Bank Limited	Beneficial owner	69,457,701	5.16%

Notes:

1. The Goldman Sachs Group, Inc. was deemed to be interested in these shares through its indirect subsidiary, Goldman Sachs (Asia) Finance.
2. Commonwealth Superannuation Corporation is deemed to be interested in these shares through its wholly-owned corporation ARIA Co Pty Ltd which holds these shares for an Australian pension scheme.

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

SHARE OPTION SCHEME

On 10th June 2002, the shareholders of the Company approved the adoption of a share option scheme (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 is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit/retain high caliber employees and attract human resources that are valuable to the Group. The 2002 Scheme, having a life of ten years commencing on the adoption date, expired on 10th June 2012. No share options have been granted by the Company pursuant to the 2002 Scheme as at the expiration date.

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

COMPETING INTERESTS

As at 30th September 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 September 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	360,882
Inventories	484,091
Cash and cash equivalents	67,945
Other current assets	352,595
Bank borrowings	(498,486)
Other current liabilities	(323,526)
Non-current liabilities	(6,106)
	<hr/>
Net assets	<u>437,395</u>

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

During the six months ended 30th September 2012 and prior to the Capital Reorganisation, the Company repurchased a total of 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 of the repurchases were set out as follows:

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

* Excluding transaction cost

[#] The figures represented above have not been adjusted for the Capital Reorganisation effective on 17th September 2012.

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 six months ended 30th September 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 six months ended 30th September 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 comprise 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.

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors, as equal board members as other directors, should attend general meetings of the Company. Due to other important engagements at the relevant time, a few Independent Non-executive Directors and other Non-executive Directors were unable to be present at the general meetings of the Company held in September 2012. However, the Chairman of the Board and the chairmen of the Board committees and/or his delegate have attended the annual general meeting and general meeting of the Company held in September 2012.

Following the re-designation of Mr. Yu Wang Tak from an Independent Non-executive Director to an Executive Director on 1st April 2012, the Company since then had only two Independent Non-executive Directors. The Company subsequently appointed Mr. George Forrai as an Independent Non-executive Director of the Company on 30th June 2012. Following the appointment of Mr. Forrai, the Company has three Independent Non-executive Directors as required under rule 5.05(1) of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealing set out in rules 5.48 to 5.67 of the GEM Listing Rules (the “Required Standard”) as the code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiry of all Directors of the Company, all Directors confirmed that they had complied with the Required Standard throughout the six months ended 30th September 2012.

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. From 1st April 2012 until 30th June 2012, the committee comprises of Non-executive Directors with majority being Independent Non-executive Directors. Since 30th June 2012, the committee comprises three Independent Non-Executive directors. The committee is chaired by Mr. Kenny Tam King Ching who has appropriate professional qualifications and experience in financial matters. The terms of reference of the audit committee are aligned with the provisions set out in the Code. The committee’s principal duties are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The unaudited condensed consolidated financial information for the six months ended 30th September 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, 8th November 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) 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.