

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

THIRD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 31ST DECEMBER 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

CHAIRMAN'S LETTER

Since the beginning of this fiscal year, our focus has been on execution in order to return the Group to profitability from a net loss of about HK\$241 million in our last fiscal year. I am glad that with the dedication and focus of our management team, the Group has successfully turned around its business and reported a net profit for three consecutive quarters in this fiscal year. For the 9-month period ended on 31st December 2012, the Group recorded an unaudited net profit of at least HK\$14 million, as compared with a net loss of about HK\$61 million for the same 9-month period in the last fiscal year.

During this 9-month period, the Group has carefully evaluated its cash resources and ultimately freed up cash of about HK\$269 million to distribute to shareholders as a special dividend in October 2012. The Group also put forward a 10 for 1 capital reorganization plan, which became effective on 17th September 2012 to enhance the liquidity of our shares for the benefit of our shareholders.

For American Tec, its chief executive officer K.H. Ong and his team continue to build and maintain a high level of collaboration with our major business partner Fuji Machine Mfg. Co. Ltd. As a result, they have managed to win projects and expanded our customer base with Fuji machines. Strategically, we have signed new distribution agreements with world-class solution suppliers, for example, we secured an agreement for reflow oven and soldering products with the Japanese company Tamura; agreement for manufacturing execution systems software with the German company iTAC; and agreement for printing machines with the UK company DEK to enrich our manufacturing solutions for customers. In addition, we have established a software team to launch our Digital Manufacturing System and delivered to customers our value-added software solution to meet their manufacturing and enterprise system needs for increased quality and productivity. Operationally, we begin to implement a more comprehensive pay-for-performance incentive plan based on the Key Performance Indicators to monitor and reward sales results and performance.

For the Burger King operation, three restaurants were closed as part of our profitability enhancement plan. We benefited from our strong alliance with the franchisor Burger King Asia Pacific to lower food cost. In November 2012, we recruited a quick service restaurant industry veteran Tilly Lam to lead the team and they have started implementing various measures to enhance customer experience and improve operational efficiency. The dedication and relentless efforts of the team under her leadership have resulted in same store sales growth.

For Coland, the operating profit attributed from its business in the 9-month period showed improvement when compared to the operating loss recorded in the same period a year earlier while at the same time the Group's corporate guarantee for Coland banking credit facilities was lowered by HK\$135 million as compared with last fiscal year ended at 31st March 2012.

We appreciate our chief operating officer Grace Luk and her teams for their outstanding work and contribution to the Group in this turnaround year.

As recently announced in December 2012, a new substantial shareholder Celestial Wealth Investments Limited has acquired 29.9% of the Company's shares from our former long-term substantial shareholders Goldman Sachs Group Inc. and Commonwealth Superannuation Corporation.

I have had the privilege of serving the Board for over 5 years after taking on the role of independent non-executive director and more recently serving as the Executive Chairman since 1st April 2012. The Group has successfully turned around and has been returned to profitability in the past three consecutive quarters and I have accomplished with the management team the goals and objectives set out by the Board. With the endorsement of the Board, I would step aside from my executive responsibilities effective after 1st February 2013. I am pleased to continue my association with the Group as a non-executive director of the Board.

I would like to take this opportunity to express my sincere appreciation to NAS' shareholders, our business partners, the management team and the Board for their support in the past ten months.

Yu Wang Tak

Chairman

Hong Kong, 1st February 2013

During the nine months ended 31st December 2012 (the “9-month period”), the Group has shown improvement in its net profit performance, compared to the corresponding period last year.

HIGHLIGHTS

NAS Financial Highlights

9-Month

- Total unaudited consolidated net profit attributable to shareholders of the Company for the 9-month period was approximately HK\$14,639,000 (including our 40% share of an additional guarantee fee of about HK\$8,200,000; please refer to Business Review section for details of this guarantee fee) or approximately HK\$22,839,000 after taking out our share of the additional guarantee fee of HK\$8,200,000, versus an unaudited consolidated net loss of approximately HK\$60,746,000 for the corresponding period last year. This was mainly due to improvement in the financial performance in two of our three business divisions in the 9-month period, coupled with reduction in the Company’s expenses related to professional and legal services in the 9-month period.
- During the 9-month period, the Group recorded an unaudited consolidated revenue of approximately HK\$1,156,279,000, representing a decrease of approximately 16.5% from the corresponding period last year.
- Unaudited consolidated net asset value attributable to shareholders of the Company per ordinary share as at 31st December 2012 was approximately HK\$0.7589 (including our 40% share of an additional guarantee fee of about HK\$8,200,000; please refer to Business Review section for details of this guarantee fee) or approximately HK\$0.7650 after taking out our share of the additional guarantee fee of HK\$8,200,000, which reflected an increase of approximately HK\$0.0023 (with the additional guarantee fee) or approximately HK\$0.0084 (without the additional guarantee fee) from approximately HK\$0.7566 as at 30th September 2012.

3-Month

- During the three months ended 31st December 2012 (the “third quarter”), the Group recorded an unaudited consolidated revenue of approximately HK\$357,169,000, representing an increase of approximately HK\$66,990,000 from the corresponding period last year.
- Total unaudited consolidated net profit attributable to shareholders of the Company for the third quarter was approximately HK\$1,378,000 (including our 40% share of an additional guarantee fee of about HK\$8,200,000; please refer to Business Review section for details of this guarantee fee) or approximately HK\$9,578,000 after taking out our share of this additional guarantee fee of HK\$8,200,000, versus an unaudited consolidated net loss of approximately HK\$42,736,000 for the corresponding period last year.
- The three business divisions of the Group recorded an aggregate unaudited revenue of approximately HK\$357,169,000 with aggregate unaudited net profit of approximately HK\$5,494,000 (including our 40% share of an additional guarantee fee of about HK\$8,200,000; please refer to Business Review section for details of this guarantee fee) or approximately HK\$13,694,000 after taking out our share of this additional guarantee fee of HK\$8,200,000 for the third quarter, versus an aggregate unaudited net loss of approximately HK\$11,485,000 on unaudited revenue of approximately HK\$290,179,000 in the corresponding period last year.

Division Financial Highlights

9-Month

- During the 9-month period, unaudited revenue and unaudited net profit generated from the hi-tech distribution and services division were approximately HK\$583,361,000 and HK\$17,448,000 respectively.
- During the 9-month period, the Group shared 40% unaudited revenue and of our jointly-controlled fishmeal, fish oil and aquatic products division of approximately HK\$478,796,000. Our share of the 40% unaudited net profit for the 9-month period was approximately HK\$4,524,000 (including an additional guarantee fee of approximately HK\$8,200,000; please refer to the Business Review section for details of this guarantee fee) or HK\$12,724,000 (without the additional guarantee fee of approximately HK\$8,200,000).
- During the 9-month period, unaudited revenue generated from the branded food division was approximately HK\$94,122,000 with unaudited net profit of approximately HK\$5,165,000.

3-Month

- During the third quarter, unaudited revenue and unaudited net profit generated from the hi-tech distribution and services division were approximately HK\$224,478,000 and HK\$5,253,000 respectively.
- During the third quarter, the Group shared 40% unaudited revenue of our jointly-controlled fishmeal, fish oil and aquatic product division of approximately HK\$103,445,000. Our share of the 40% unaudited net loss for the third quarter was approximately HK\$2,191,000 (including an additional guarantee fee of approximately HK\$8,200,000; please refer to the Business Review section for details of this guarantee fee) or net profit of approximately HK\$6,009,000 after taking out the additional guarantee fee of approximately HK\$8,200,000.
- During the third quarter, unaudited revenue generated from the branded food division was approximately HK\$29,246,000 with an unaudited net profit of approximately HK\$2,431,000 (including a decrease of provision for lease obligations of approximately HK\$4,377,000).

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 nine months and three months ended 31st December 2012 together with the comparative unaudited figures for the corresponding periods in 2011:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the nine months ended 31st December		For the three months ended 31st December	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	3	1,156,279	1,385,303	357,169	290,179
Cost of sales		(927,774)	(1,189,091)	(285,289)	(236,767)
Gross profit		228,505	196,212	71,880	53,412
Other income and gains, net		6,126	8,860	3,549	1,128
Selling and distribution expenses		(132,808)	(145,516)	(39,278)	(42,185)
General and administrative expenses	4	(60,631)	(119,726)	(26,218)	(53,784)
Operating profit/(loss)		41,192	(60,170)	9,933	(41,429)
Finance income	5	5,168	11,063	1,315	2,750
Finance costs	5	(17,641)	(11,617)	(4,461)	(4,583)
Profit/(loss) before income tax		28,719	(60,724)	6,787	(43,262)
Income tax credit/(expense)	6	(13,651)	(561)	(5,281)	480
Profit/(loss) for the period		<u>15,068</u>	<u>(61,285)</u>	<u>1,506</u>	<u>(42,782)</u>
Profit/(loss) for the period attributable to:					
— Shareholders of the Company		14,639	(60,746)	1,378	(42,736)
— Non-controlling interests		429	(539)	128	(46)
		<u>15,068</u>	<u>(61,285)</u>	<u>1,506</u>	<u>(42,782)</u>
Earnings/(loss) per share attributable to shareholders of the Company (<i>expressed in HK cents per share</i>)	7		(Restated)		(Restated)
Basic and diluted					
— For profit/(loss) for the period		<u>1.09</u>	<u>(4.48)</u>	<u>0.10</u>	<u>(3.16)</u>

Details of the dividends are disclosed in note 8 to this unaudited condensed consolidated financial information.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the nine months ended 31st December		For the three months ended 31st December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Profit/(loss) for the period	<u>15,068</u>	<u>(61,285)</u>	<u>1,506</u>	<u>(42,782)</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>739</u>	<u>6,468</u>	<u>1,817</u>	<u>1,020</u>
Other comprehensive income for the period, net of income tax of nil	<u>739</u>	<u>5,325</u>	<u>1,817</u>	<u>1,020</u>
Total comprehensive income/(loss) for the period	<u>15,807</u>	<u>(55,960)</u>	<u>3,323</u>	<u>(41,762)</u>
Total comprehensive income/(loss) for the period attributable to:				
— Shareholders of the Company	<u>15,369</u>	<u>(55,472)</u>	<u>3,147</u>	<u>(41,716)</u>
— Non-controlling interests	<u>438</u>	<u>(488)</u>	<u>176</u>	<u>(46)</u>
	<u>15,807</u>	<u>(55,960)</u>	<u>3,323</u>	<u>(41,762)</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 1st February 2013.

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 nine months ended 31st December		For the three months ended 31st December	
	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	1,013,636	1,253,569	314,115	237,774
Revenue from branded food operation	94,122	107,604	29,246	35,622
Commission and other service income	48,521	24,130	13,808	16,783
	<u>1,156,279</u>	<u>1,385,303</u>	<u>357,169</u>	<u>290,179</u>

4. GENERAL AND ADMINISTRATIVE EXPENSES

Included in the general and administrative expenses an additional guarantee fee of HK\$8,200,000 recorded in the financial statements of Coland Group Limited (“Coland”) as payable to Mr. Wong Chun and Ms. Tung Ching (collectively, the “Original Shareholders”), which has not been agreed by the Group. As at the date of this announcement, the directors of the Company, having obtained legal advice, are of the view that the validity of the Coland resolutions which purport to have authorised the additional guarantee fee would be open to challenge, and the Group is in discussions with the Original Shareholder. However, the outcome of such discussions remains uncertain.

5. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the nine months ended 31st December		For the three months ended 31st December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Finance income:				
Interest income from bank deposits	5,168	5,173	1,315	2,043
Net foreign exchange gains on financing activities	—	5,890	—	707
	<u>5,168</u>	<u>11,063</u>	<u>1,315</u>	<u>2,750</u>
Finance costs:				
Interest on bank loans	13,541	11,615	3,494	4,582
Net foreign exchange losses on financing activities	1,393	—	1,064	—
Interest on finance lease obligations	—	2	—	1
Other finance costs:				
Increase/(decrease) in discounted amounts of provision arising from the passage of time	2,707	—	(97)	—
	<u>17,641</u>	<u>11,617</u>	<u>4,461</u>	<u>4,583</u>

6. INCOME TAX CREDIT/(EXPENSE)

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (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 credit/(expense) recorded in the unaudited condensed consolidated income statement represent:

	For the nine months ended 31st December		For the three months ended 31st December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited)
Current taxation				
Hong Kong profits tax				
— current period	(4,222)	(344)	(1,464)	515
Mainland China enterprise income tax				
— current period	(2,738)	622	(1,216)	704
Deferred taxation	(6,691)	(839)	(2,601)	(739)
	<u>(13,651)</u>	<u>(561)</u>	<u>(5,281)</u>	<u>480</u>

7. 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 nine months ended 31st December		For the three months ended 31st December	
	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited) (Restated)	2012 <i>HK\$'000</i> (Unaudited)	2011 <i>HK\$'000</i> (Unaudited) (Restated)
Profit/(loss) attributable to shareholders of the Company (<i>HK\$'000</i>)	14,639	(60,746)	1,378	(42,736)
Weighted average number of ordinary shares in issue*	<u>1,345,939,967</u>	<u>1,356,478,761</u>	<u>1,345,938,948</u>	<u>1,354,170,701</u>
Basic earnings/(loss) per share (<i>HK cents</i>)	<u>1.09</u>	<u>(4.48)</u>	<u>0.10</u>	<u>(3.16)</u>

* The weighted average number of ordinary shares for the three months and nine months ended 31st December 2012 and 2011 have been retrospectively adjusted for the Capital Reorganisation (as defined in note 9(i)(b) to this unaudited condensed 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 nine months and three months ended 31st December 2012 and 2011 as the Group did not have any potentially dilutive ordinary shares in issue during these periods.

8. 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 9(i)(b) to this unaudited condensed financial information (equivalent to HK20 cents per ordinary 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 nine months ended 31st December 2012 (2011: Nil).

9. EQUITY

Movements in equity are as follows:

	(Unaudited)					
	Attributable to shareholders of the Company				Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000 (note (i))	Other reserves HK\$'000	Accumulated losses HK\$'000	Sub- total HK\$'000		
Balances at 1st April 2012	134,660	1,269,062	(128,411)	1,275,311	5,207	1,280,518
Comprehensive income						
Profit for the period	—	—	14,639	14,639	429	15,068
Other comprehensive loss:						
Currency translation differences of foreign operations	—	730	—	730	9	739
Total comprehensive income for the period	—	730	14,639	15,369	438	15,807
Share repurchase — note (i)(a)	—	(54)	—	(54)	—	(54)
Cancellation of shares repurchased — note (i)(a)	(66)	258	(204)	(12)	—	(12)
Capital reduction — note (i)(b)	(121,135)	121,135	—	—	—	—
Special dividend (note 8)	—	(269,188)	—	(269,188)	—	(269,188)
Balances at 31st December 2012	<u>13,459</u>	<u>1,121,943</u>	<u>(113,976)</u>	<u>1,021,426</u>	<u>5,645</u>	<u>1,027,071</u>

Notes:

- (i) A summary of the transactions during the nine months ended 31st December 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 (<i>note a</i>)	(6,570)
Share consolidation (<i>note b</i>)	<u>(12,113,450)</u>
At 31st December 2012	<u>1,345,939</u>

- (a) During the nine months ended 31st December 2012 and prior to the Capital Reorganisation (as defined below), the Company repurchased a total of 1,400,000 (2011: 86,814,000) ordinary shares of the Company on the Stock Exchange and a total of 6,570,000 (2011: 36,000,000) 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 of 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					Total HK\$'000
	Share capital HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Sub- total HK\$'000	Non- controlling interests 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	—	—	(60,746)	(60,746)	(539)	(61,285)
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	—	6,417	—	6,417	51	6,468
Total comprehensive income/ (loss) for the period	—	5,274	(60,746)	(55,472)	(488)	(55,960)
Share repurchase	—	(3,138)	—	(3,138)	—	(3,138)
Cancellation for shares repurchased	(360)	1,870	(1,573)	(63)	—	(63)
Capital contribution from non- controlling interests	—	—	—	—	664	664
Balances at 31st December 2011	<u>135,608</u>	<u>1,265,622</u>	<u>54,740</u>	<u>1,455,970</u>	<u>4,592</u>	<u>1,460,562</u>

BUSINESS REVIEW

Financial and Business Performance

For the nine months ended 31st December 2012, the Group recorded an unaudited consolidated revenue of approximately HK\$1,156,279,000, versus an unaudited consolidated revenue of approximately HK\$1,385,303,000 in the corresponding period last year. Total unaudited consolidated net profit attributable to shareholders of the Company for the 9-month period was approximately HK\$14,639,000 (including our 40% share of an additional guarantee fee of about HK\$8,200,000; please refer to the financial and business performance of our fishmeal, fish oil and aquatic products division below for details of this guarantee fee) or approximately HK\$22,839,000 after taking out our share of the additional guarantee fee of HK\$8,200,000, versus an unaudited consolidated net loss of approximately HK\$60,746,000 for the corresponding period last year. This was mainly due to improvement in the financial performance in two of our three business divisions in the 9-month period, coupled with reduction in the Company's expenses related to professional and legal services in the 9-month 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 9-month period to complement our major partnership with Fuji Machine Mfg. Co., Ltd. to offer a comprehensive and competitive SMT solution.

During the 9-month period, this division recorded an unaudited revenue of approximately HK\$583,361,000, compared to an unaudited revenue of approximately HK\$657,590,000 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 9-month period. Management had implemented a number of cost control programs, improved service income and got higher margin contributions from sales of peripheral equipment sourced from new signed suppliers in the 9-month period to offset the decline in customer demand. Hence, American Tec managed to achieve an unaudited net profit of approximately HK\$17,448,000 in the 9-month period, versus an unaudited net profit of about HK\$19,900,000 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”). It is one of the leading providers and processors of fishmeal, aquatic feed and fish oil in Asia today.

During the 9-month 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 9-month period with stable market price. As a result, the Group shared 40% Coland’s unaudited revenue of approximately HK\$478,796,000 for the 9-month period, versus an unaudited revenue of approximately HK\$620,109,000 in the corresponding period last year.

At a board and a shareholders’ meeting (the “Meetings”) of Coland held on 24th December 2012, the 3 directors nominated by Mr. Wong Chun and Ms. Tung Ching (collectively the “Original Shareholders”) to the Coland’s board and the Original Shareholders put forward a board resolution and a shareholders resolution to approve an additional guarantee fee of about HK\$25.9 million payable to the Original Shareholders by Coland. Our representative Coland director and shareholder voted against the resolutions and notified the Original Shareholders and Coland that passing the resolutions without our consent constituted a breach of the shareholders agreement relating to Coland Group Limited dated 7th December 2006 signed between the Original Shareholders, NAS and Good Tactics Limited, an indirect wholly-owned subsidiary of NAS. Notwithstanding that, we received minutes of the Meetings which recorded the passing of the resolutions to which we have objected (the “Purported Resolutions”). Since then, we have initiated discussions with the Original Shareholders to reverse the Purported Resolutions and requested Coland not to book any additional guarantee fee in its financial statements for the third quarter ended 31st December 2012 (“Q3 accounts”). However, the financial statements subsequently submitted by Coland to NAS for the nine months ended 31st December 2012 (“Q3 YTD accounts”) included in the general and administrative expenses an additional guarantee fee of about HK\$20.52 million and showed an unaudited consolidated net loss of approximately HK\$5,706,000 in the Q3 accounts and an unaudited net profit of approximately HK\$10,395,000 in the Q3 YTD accounts. As of the date of this announcement, the Directors of the Company, having obtained legal advice, are of the view that the validity of the Coland resolutions which purport to have authorized the additional guarantee fee would open to challenge, and the Group is in discussions with the Original Shareholders. However, the outcome of such discussions remains uncertain.

Below is a summary showing the impact of NAS sharing 40% of the additional guarantee fee included in Coland's Q3 accounts and Q3 YTD accounts on NAS's unaudited consolidated net profit/(loss) for the third quarter and the 9-month period:

	For the nine months ended 31st December 2012 HK\$'000	For the three months ended 31st December 2012 HK\$'000
Unaudited consolidated net profit/(loss) as reflected in NAS Q3 results (which have included the additional guarantee fee of HK\$8.2 million)		
NAS's 40% share of Coland's unaudited net profit/(loss)	4,524	(2,191)
Unaudited consolidated net profit attributable to shareholders of the Company	14,639	1,378
Unaudited consolidated net profit after taking out the additional guarantee fee of HK\$8.2 million		
NAS's 40% share of Coland's unaudited net profit	12,724	6,009
Unaudited consolidated net profit attributable to shareholders of the Company	22,839	9,578

Branded Food Division

During the 9-month period, management focused on new product introductions and cost control measures. The division recorded an unaudited revenue of approximately HK\$94,122,000 with an unaudited net profit of approximately HK\$5,165,000 (including a net decrease of provision for lease obligations of approximately HK\$16,702,000 during the 9-month period), versus an unaudited revenue of approximately HK\$107,604,000 with unaudited net loss of approximately HK\$17,053,000 in the corresponding period last year.

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 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. With this outlook, we will continue to minimize the impact from the economic downturn and 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 to a seasonality slowdown in demand for our fishmeal and feeds products in the domestic market due to cold weather. We will continue to urge Coland's management to 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 31st December 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 31st December 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 shareholder of the Company

Name	Capacity	Number of ordinary shares held	Approximate percentage of shareholdings
Ding Yi (<i>note 1</i>)	Interest of controlled corporation	402,445,296	29.90%
Celestial Wealth Investments Limited (<i>note 1</i>)	Beneficial owner	402,445,296	29.90%

Note:

1. These shares were held by Celestial Wealth Investments Limited, a company controlled by Mr. Ding Yi.

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%

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 31st December 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 was 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 31st December 2012, no share options have been granted pursuant to the Best Creation Scheme.

COMPETING INTERESTS

As at 31st December 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 31st December 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	358,530
Inventories	530,324
Cash and cash equivalents	48,196
Other current assets	301,237
Bank borrowings	(447,506)
Other current liabilities	(348,976)
Non-current liabilities	(5,973)
	<hr/>
Net assets	<u>435,832</u>

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

During the nine months ended 31st December 2012 and prior to the Capital Reorganisation (as defined in the circular of the Company dated 18th August 2012), 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 (HK\$)
		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 nine months ended 31st December 2012.

CORPORATE GOVERNANCE CODE

The Company endeavours to maintain 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 nine months ended 31st December 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 and 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. James Tsiolis, Non-executive Director elected by the shareholders at the general meeting of the Company has not been appointed for a specific term but is 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.

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 nine months ended 31st December 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, 1st February 2013

As at the date of this announcement, the Board comprises Mr. Yu Wang Tak (Chairman and Executive Director); Mr. James Tsiolis (Deputy Chairman) 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.