

NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30TH JUNE 2009

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of North Asia Strategic Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to North Asia Strategic Holdings Limited. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

* For identification purpose only

North Asia Strategic Holdings Limited (the “Company” or “NAS”) expects the slowdown in the global economy caused by a crisis in the global financial system to continue in 2009 with a slow and bumpy recovery going into 2010. This will offer challenges but also unique opportunities for our businesses in the coming quarters.

We will continue to face impact from slowing customer demand and pressure on operating margins, which will in turn affect our working capital needs. For this reason, NAS and its portfolio companies will focus on managing risk as well as streamlining operations and improving efficiency. At the same time, the economic climate offers potentially attractive acquisition opportunities which could enhance our growth and profitability in medium term. We are well positioned to weather the downturn and to take advantage of this situation to strengthen our businesses for the future.

HIGHLIGHTS

- Total unaudited consolidated revenue for the three months ended 30th June 2009 was approximately HK\$665,260,000, representing an increase of approximately 89% from the same quarter last year.
- During the quarter, revenue and net profit generated from the surface mount technology assembly equipment trading division were approximately HK\$121,524,000 and HK\$3,678,000 respectively.
- During the quarter, the Company shared 40% revenue and net profit of our jointly-controlled fishmeal and fish oil trading division of approximately HK\$130,435,000 and HK\$978,000 respectively.
- During the quarter, the Company shared 33.74% revenue and net profit of our jointly-controlled chemical operation division of approximately HK\$391,790,000 and HK\$17,438,000 respectively.
- Total unaudited consolidated net loss attributable to equity holders of the Company for the three months ended 30th June 2009 was approximately HK\$4,688,000, significant improvement from previous quarter.
- Unaudited consolidated total equity attributable to equity holders of the Company was approximately HK\$1,938,099,000 as at 30th June 2009, which was more than the corresponding figure as at 31st March 2009 of approximately HK\$1,927,077,000 by approximately HK\$11,022,000.

RESULTS

The following are the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group” or “NAS Group”) for the three months ended 30th June 2009 together with the comparative unaudited figures for the corresponding period in 2008:

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

		For the three months ended 30th June	
	Notes	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited) (Restated)
Revenue	3	665,260	351,986
Cost of sales		<u>(588,250)</u>	<u>(305,944)</u>
Gross profit		77,010	46,042
Other gains — net		18,109	11,201
Selling and distribution expenses		(44,270)	(19,711)
General and administration expenses		<u>(41,561)</u>	<u>(37,150)</u>
Operating profit		9,288	382
Finance income	4	1,634	15,439
Finance costs	4	<u>(10,567)</u>	<u>(4,032)</u>
Profit before income tax		355	11,789
Income tax expenses	5	<u>(5,143)</u>	<u>(3,781)</u>
(Loss)/profit for the period		<u>(4,788)</u>	<u>8,008</u>
(Loss)/profit for the period attributable to:			
Equity holders of the Company		(4,688)	7,976
Non-controlling interests		<u>(100)</u>	<u>32</u>
		<u>(4,788)</u>	<u>8,008</u>
(Loss)/profit per share attributable to the equity holders of the Company	6		
— Basic (<i>HK cents</i>)		(4.89)	8.33
— Diluted (<i>HK cents</i>)		<u>(4.89)</u>	<u>0.06</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the three months ended	
	30th June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
(Loss)/profit for the period	<u>(4,788)</u>	<u>8,008</u>
Exchange differences on translation of foreign operations	15,110	1,703
Increase in fair value of available-for-sale financial assets	<u>600</u>	<u>39</u>
Other comprehensive income for the period, net of tax	<u>15,710</u>	<u>1,742</u>
Total comprehensive income for the period, net of tax	<u><u>10,922</u></u>	<u><u>9,750</u></u>
Attributable to:		
Equity holders of the Company	11,022	9,718
Non-controlling interests	<u>(100)</u>	<u>32</u>
	<u><u>10,922</u></u>	<u><u>9,750</u></u>

The notes are an integral part of this unaudited condensed consolidated financial information.

Notes:

1. GENERAL INFORMATION

North Asia Strategic Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and its jointly-controlled entities principally engaged in the following businesses:

- 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;
- processing and sale of fishmeal, refining and sale of fish oil, manufacturing and sale of aquatic feed products and trading of other raw materials relating to aquatic feeds;
- developing and operating Burger King restaurants in Hong Kong and Macau;
- manufacturing of polyester fiber, PET resin and spandex; and
- investment holding.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and of its principal place of business is 78th Floor, The Center, 99 Queen’s Road Central, 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 thousand of Hong Kong dollars, unless otherwise stated.

This unaudited condensed consolidated financial information has been approved for issue by the Company’s Board of Directors on 31st July 2009.

2. BASIS OF PREPARATION

The 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”).

The accounting policies used in the preparation of this unaudited condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended 31st March 2009 except in relation to the following new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants that are adopted for the first time for the current period’s financial information.

HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments</i>
HKFRS 8	<i>Operating Segments</i>
HKAS 1 (Revised)	<i>Presentation of Financial Statements</i>
HKAS 23 (Revised)	<i>Borrowing Costs</i>
HKAS 27 Amendments	Amendments to HKAS 27 <i>Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly-Controlled Entity or Associate</i>

3. TURNOVER AND REVENUE

Turnover represents sales of goods, revenue from branded food, commission and other income. The amount of each category of revenue recognised during the period is as follows:

	For the three months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Sales of goods	641,099	342,693
Revenue from branded food	21,511	3,406
Commission and other income	2,650	5,887
	<u>665,260</u>	<u>351,986</u>

4. FINANCE INCOME AND COSTS

	For the three months ended 30th June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Finance income:		
Interest income from bank deposits	1,634	1,687
Amortised interest income from subscription receivables	—	13,752
	<u>1,634</u>	<u>15,439</u>
Finance costs:		
Interest on bank loans wholly repayable within five years	8,130	3,579
Amortisation of interest expense	1,522	—
Net foreign exchange losses on financing activities	485	—
Convertible bond redeemable within five years	319	319
Interest on finance lease obligations	111	134
	<u>10,567</u>	<u>4,032</u>

5. INCOME TAX EXPENSES

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

Subsidiaries established in the Mainland China are subject to the Mainland China enterprise income tax at the standard rate of 25% (2008: 25%). A five-year transitional period with a progressive tax range from 15% to 25% has been granted from 1st January 2008.

Taxation on overseas (other than Hong Kong and Mainland China) profits has been calculated on the estimated assessable profit for the period at the applicable rates of taxation prevailing in the countries/jurisdictions in which the Group operates.

The amounts of income tax expenses recorded in the condensed consolidated income statement represent:

	For the three months ended	
	30th June	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current taxation		
Hong Kong profits tax		
— current period	—	2,123
— underprovision in prior periods	—	553
Mainland China enterprise income tax		
— current period	(37)	1,511
Overseas taxation	5,351	(38)
Deferred taxation	(171)	(368)
	<u>5,143</u>	<u>3,781</u>

6. EARNINGS PER SHARE

Basis (loss)/profit per share

Basic loss/(profit) per share is calculated by dividing the Group's (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	For the three months ended	
	30th June	
	2009	2008
	(Unaudited)	(Unaudited)
(Loss)/profit for the period (HK\$'000)	(4,788)	8,008
Loss/(profit) for the period attributable to non-controlling interests (HK\$'000)	<u>100</u>	<u>(32)</u>
(Loss)/profit attributable to equity holders of the Company (HK\$'000)	(4,688)	7,976
Weighted average number of ordinary shares in issue	<u>95,794,716</u>	<u>95,794,716</u>
Basic (loss)/profit per share (HK cents)	<u>(4.89)</u>	<u>8.33</u>

Diluted profit per share

No diluted loss per share for the three months ended 30th June 2009 has been presented as the potential ordinary shares are anti-dilutive.

Diluted profit per share for the three months ended 30th June 2008 is calculated by adjusting weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible bonds and non-redeemable preference shares. The convertible bonds and non-redeemable preference shares are assumed to have been converted into ordinary shares, and the profit for the three months ended 30 June 2008 is adjusted to eliminate the interest expense.

	For the three months ended 30th June 2008 (Unaudited)
Adjusted profit attributable to equity holders of the Company (<i>HK\$'000</i>)	8,295
Weighted average number of ordinary shares in issue for diluted profit per share	<u>13,596,763,487</u>
Diluted profit per share (<i>HK cents</i>)	<u><u>0.06</u></u>

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the three months ended 30th June 2009 (2008: Nil).

8. SUBSCRIPTION RECEIVABLES

Up to 30th June 2009, the Company issued a total of 13,373,254,851 non-redeemable preference shares, with a par value of HK\$0.01 each, through placement, for an aggregated amount of approximately HK\$2,273,037,000. Details of each placement are set out below:

	First Tranche of the First Placement	Second Tranche of the First Placement	Second Placement
Month of issue	February and March 2006	September 2006	December 2007
Number of non-redeemable preference shares issued	7,383,166,793	792,848,020	5,197,240,038
Subscription price per share (<i>HK\$</i>)	0.1566	0.1566	0.1910
Aggregated subscription price (<i>HK\$</i>)	1,156,204,000	124,160,000	992,673,000

The subscription prices are payable in cash by the subscribers in four equal instalments for the First Placement. For the First Tranche of the First Placement, the first instalment was received by the Company in February and March 2006 upon completion of the subscriptions. For the Second Tranche of the First Placement, the first instalment was received by the Company in September 2006. The second and third instalments have been received by the Company in October and December 2006 respectively in accordance with the terms of the preference shares. The remaining instalment has been received in February 2009.

The subscription prices of the Second Placement are payable in cash by the subscribers in three equal instalments. The first instalment has been received by the Company in December 2007, upon completion of the subscription of the Second Placement. The remaining two instalments would be receivable in February 2008 and February 2009 provided that payment of the second instalment shall not be required unless at least 75% of the subscription prices previously received for investments have been paid out for or committed to investments for the Company. No drawdown of the second instalment was made in February 2008 since less than 75% of the subscription prices received has been utilised. The remaining two instalments have been drawdown in February 2009 in accordance with the terms of the preference shares.

In the event that the subscription prices previously paid to the Company from time to time for the preference shares are insufficient to make any potential investments approved by the board of directors of the Company and/or pay fees or expenses which are payable by the Company under the services agreement signed between the Company and North Asia Strategic Advisors on 26th September 2005 (as amended on 30th December 2005 and supplemented on 2nd March 2009), the Company shall be entitled to require the relevant amount of instalment to be paid on a date specified by the Company but not earlier than 45 days from the date serving the payment notice by the Company.

Any unpaid balance of the subscription prices remaining payable immediately prior to 28th February 2009 or, if earlier, the business day immediately preceding the date of conversion of the preference shares into ordinary shares, shall in any event be receivable by the Company on such date (or if applicable, the first business day thereafter) as the case may be.

All the outstanding unpaid balance of the subscription prices was received by the end of June 2009.

The subscription receivables recognised in the statement of financial position is calculated as follows:

	As at 30th June 2009 HK\$'000 (Unaudited)	As at 31st March 2009 HK\$'000 (Audited)
Subscription receivables	1,622,055	1,622,055
<i>Less:</i> Future interest	(137,305)	(137,305)
<i>Add:</i> Amortised interest income	137,305	137,305
	1,622,055	1,622,055
<i>Less:</i> Subscriptions received	(1,622,055)	(1,609,055)
Subscription receivables	—	13,000

For the three months ended 30th June 2008, amortised interest income recognised as income and included in finance income amounted to HK\$13,752,000.

Interest income on the subscription receivables is calculated using the effective interest method by applying the effective interest rate of 6% to 6.5% per annum.

9. SHARE CAPITAL AND RESERVES

Movements in share capital and reserves are as follows:

(Unaudited)							
Attributable to equity holders of the Company							
	Ordinary share capital <i>HK\$'000</i>	Preference share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i> <i>(Note)</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balances at 1st April 2009	958	133,733	1,947,614	(155,228)	1,927,077	3,438	1,930,515
Loss for the period	—	—	—	(4,688)	(4,688)	(100)	(4,788)
Other comprehensive income:							
Translation adjustments — net	—	—	15,110	—	15,110	—	15,110
Increase in fair value of available-for-sale financial assets	—	—	600	—	600	—	600
Total comprehensive income for the three months ended 30th June 2009	—	—	15,710	(4,688)	11,022	(100)	10,922
Balances at 30th June 2009	<u>958</u>	<u>133,733</u>	<u>1,963,324</u>	<u>(159,916)</u>	<u>1,938,099</u>	<u>3,338</u>	<u>1,941,437</u>

(Unaudited)							
Attributable to equity holders of the Company							
	Ordinary share capital <i>HK\$'000</i>	Preference share capital <i>HK\$'000</i>	Other reserves <i>HK\$'000</i> <i>(Note)</i>	Accumulated losses/ retained profits <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balances at 1st April 2008	958	133,733	2,023,492	(27,527)	2,130,656	1,676	2,132,332
Profit for the period	—	—	—	7,976	7,976	32	8,008
Other comprehensive income:							
Translation adjustments — net	—	—	1,703	—	1,703	—	1,703
Increase in fair value of available-for-sale financial assets	—	—	39	—	39	—	39
Total comprehensive income for the three months ended 30th June 2008	—	—	1,742	7,976	9,718	32	9,750
Capital contribution from the non-controlling interests	—	—	—	—	—	1,684	1,684
Disposal of subsidiaries	—	—	(3,754)	2,700	(1,054)	—	(1,054)
Balances at 30th June 2008	<u>958</u>	<u>133,733</u>	<u>2,021,480</u>	<u>(16,851)</u>	<u>2,139,320</u>	<u>3,392</u>	<u>2,142,712</u>

Note:

Other reserves comprise share premium, contributed surplus, equity portion of convertible bonds, investment revaluation reserve and cumulative translation adjustments. The respective balances as at 30th June 2009 and 2008 are as follows:

	As at 30th June	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Share premium	1,992,635	1,992,635
Contributed surplus	8,984	8,984
Equity portion of convertible bonds	6,388	6,388
Investment revaluation reserve	600	(154)
Cumulative translation adjustments	(45,283)	13,627
	<u>1,963,324</u>	<u>2,021,480</u>

10. COMPARATIVE AMOUNTS

Certain comparative amounts have been adjusted to conform with current period's presentation.

BUSINESS REVIEW

Financial and Business Performance

Although we are seeing signs of initial economic recovery across our businesses, the global economic recession continues to impact customer demand and business climate. With the uncertainty in the strength and timing of the recovery, we believe we will face on-going challenges to the business in the coming quarters. But at the same time, we are cautiously optimistic at the positive signs of recovery in demand and sentiment across our businesses observed in this quarter. The combination of the economic rebound and the active management actions taken in the past quarters have led to improvement in company performance for the quarter ended 30th June 2009 (“the quarter”).

The Group recorded an unaudited consolidated revenue of approximately HK\$665,260,000 for the quarter, representing a 89.0% increase from the corresponding period last year and 35.6% growth from the preceding quarter. The significant increase in revenue period on period was mainly from our share of revenue of approximately HK\$391,790,000 from TK Chemical Corporation (“TKC”) and the addition of new stores to our branded food division.

At the same time, the Group narrowed the loss from the preceding quarter of approximately HK\$69,489,000 or 14.2% of revenue to an unaudited consolidated loss of approximately HK\$4,688,000 in the quarter or 0.7% of revenue. The improved result was due to the increasing customer demand and the aggressive sales and cost reduction programs implemented in the past quarters.

As disclosed in the Group’s first quarterly report dated 12th August 2008 in the last fiscal year, the Group recorded an unaudited net profit attributable to equity holders of the Company of approximately HK\$7,976,000, after recording an amortised interest income related to the subscription receivables from the Company’s preference shareholders of approximately HK\$13,752,000. As the last drawdown of the subscription receivables from the preference shareholders was made in February 2009, amortised interest income related to the subscription receivables from the Company’s preference shareholders was amortised by February 2009. Excluding the impact from the amortised interest income of approximately HK\$13,752,000 recognised in the first quarter of last fiscal year, unaudited net loss of the Group was approximately HK\$5,776,000, which exceeded the unaudited net loss of approximately HK\$4,688,000 for the quarter by approximately HK\$1,088,000.

The management teams continued to focus on insuring continuity and strength of the business by actively capturing available sales, reducing costs and closely managing the risks from the economy, especially cash flow management. At the same time, we also continued to take advantage of the opportunities from the downturn in lower cost infrastructure (e.g. rents for stores) and increased availability of potential acquisitions to augment our business. Our companies remain leaders in their sectors and we will continue to position to take advantage of the eventual recovery in the economy.

Below is a summary of the financial and business performance of each major business division. Their unaudited profit/loss figures disclosed below do not include any intra-group charges, as they are eliminated upon consolidation.

Fishmeal and Fish Oil Trading Division

For our 40% jointly-controlled fishmeal and fish oil trading division conducted through Coland Group Limited (“Coland”), we shared a revenue of approximately HK\$130,435,000 with a net profit of approximately HK\$978,000 for the quarter, versus revenue of approximately HK\$126,265,000 and a net profit of approximately HK\$6,970,000 for the corresponding period last year. During the quarter, there was a gradual rebound of the demand for brown fishmeal and its market price due to seasonal increase in demand from the aquaculture industry in China. However, fish oil prices have remained volatile affecting our margins in this segment. To improve the management of price volatility, Coland has implemented smaller lot purchases (made possible by the change in the fishing policies in South America) and improved inventory management by analysis of near term supply & demand data. With the expected opening of the fish fillet and crayfish processing factory in Wuhan of China in the second quarter of current fiscal year, the division will begin to diversify its current trading business and position us to move into higher value-added margin business in the future.

Going forward, we are seeing encouraging trends in demand, price and volatility in the near term. We will continue to take a cautious approach in monitoring our trading operation and recapture our sales growth.

Branded Food Division

Our start-up business, the branded food division, gained good momentum with increase of Burger King restaurants in Hong Kong by 5 during the quarter to 10 at the end of the quarter. The division recorded a revenue of approximately HK\$21,511,000 with loss of approximately HK\$7,566,000 for the quarter. The net loss in the quarter was attributable to the start-up costs associated with 5 new restaurants in Whampoa Garden, Causeway Bay, Admiralty, Tsim Sha Tsui and Shatin opened in the quarter and another 1 new restaurant opened in Sheung Shui in early July 2009. With increasing presence in the market with superior products and brand promotions we expect the financial improvement of the business unit to continue during this fiscal year.

In the current economic climate, the quick service restaurant business is expected to have increased demand as consumers look to lower cost alternatives for dining out. As of the date of this announcement, we have opened 11 Burger King restaurants in renowned tourist spots, commercial districts and residential districts in Hong Kong, including Tsim Sha Tsui, Wanchai, Mongkok, Fortress Hill, Wong Tai Sin, Hung Hom, Shatin, Causeway Bay, Admiralty and Sheung Shui. We will accelerate the restaurant openings in the coming months to take advantage of the lower rental prices in the Hong Kong retail space market. At the same time, we will continue to expand our efforts to project Burger King brand presence and empower our team members to provide quality products and exceptional service.

SMT Trading Division

The SMT trading division had a difficult second half of the last fiscal year as the whole sector experienced dramatic decline of sales across the globe. There has been a slow and gradual rebound of the demand for SMT machinery by local customers in China since May 2009, which was driven by the stimulus programs in China. The management team focused on capturing available sales, aggressively reducing costs and restructuring the organisation. The division remains one of the top distributors in the globe for our suppliers and the management team will continue to actively manage the business with the eventual recovery of customer demand.

This division recorded a revenue of approximately HK\$121,524,000 and a net profit of approximately HK\$3,678,000 for the quarter. The quarter's sales decreased by about 45.3% compared to the corresponding period last year due to the continued weakness in the global economy which led to cutbacks by global key account customers. However, the quarter's sales represent a 170.9% increase from the previous quarter. Discounting a write-down on old inventories of approximately HK\$14,408,000 in the previous quarter, the gross profit margin also improved by 4% compared to the preceding quarter as a result of the division's focus sales capture with local customers in those sectors which are benefited from stimulus programs in China, aggressive cost cutting and active financial/margin management.

Given the continuing global economic situation and uncertainty in the currency movement, we are focusing a number of areas to minimise the impact from the economic downturn and strengthen the division's position for the recovery:

- Sustain profit margin to protect our profitability by effectively managing pricing and sales terms.
- Continue to align our cost structure (especially variable) with expected sales volume.
- Continue our collaboration with suppliers to enhance our competitiveness in the market.
- Continue to diversify our customer mix and sell more products to the customers in those sectors which are benefited from stimulus programs, especially in China.
- Continue to strengthen our product portfolio to focus on line solution in selected market segment of the electronics sector to gain more steady business with stable margins. Revamp our service organisation to become a value-added and proactive business.
- Shorten working capital cycle and enter into hedging arrangements to minimise the impact of the volatility of Japanese Yen against US\$.

Our customer focus continues to be in the electronics manufacturing industry in China, India and Vietnam, where both international and domestic demand will continue although at a reduced rate in the medium term. Although demand for our products from electronics manufacturers in China has been increasing since May 2009, they are expected to continue to be cautious in their capital investment plan in the coming months.

Chemical Operation Division

For our chemical operation division conducted through TKC, we shared 33.74% of its revenue of approximately HK\$391,790,000 with a net profit of approximately HK\$17,438,000 for the quarter, including an exchange gain of approximately HK\$6,571,000. The global economic downturn significantly impacted customer demand and exert downward pressure on prices in the second half of last fiscal year. During the quarter, demand and pricing improved across our product lines, especially spandex. We remain cautiously optimistic this will stabilise and improve over time.

As with many companies in the Korean economy, the near term market will continue to be a challenging environment for TKC to manage the working capital requirements and debt management. The key focus of the business will be to continue to reduce cost structure, work with suppliers and creditors to manage short term cash flow issues by negotiating flexible payment schedules and obtain shareholders' or other credit facility providers' support for working capital requirement. We have also been exploring various options to enhance our position in TKC at the board and shareholder level.

OUTLOOK

We expect the downturn in the global economy to continue during 2009 with a slow and bumpy recovery going into 2010. For this reason, challenges will continue in our business in the coming quarters from cautious customer demand, price volatility and tight lending/credit policies of the banks.

But across our business, we have observed continual improvements in demand and pricing recently:

- Demand has improved in the core fishmeal trading business and its market price has stabilised.
- Domestic manufacturing market in China has continued to improve with orders picking up for our SMT trading business, although orders from multi-national corporations remain weak.
- Competitive environment and demand for spandex have continued to improve.
- Gross profit margin has improved in the branded food business and domestic quick service restaurant market is strong in the current economic climate.

We remain cautiously hopeful the improving trend will be sustained and will turn to recovery of the economy.

Our focus will continue to be active management to capture available sales, prudently manage cash flow, reduce and align costs and closely monitor risks. Our companies are leaders in their respective markets and we will build strength during this time by working with our management teams to improve capability and efficiency.

OUR INVESTMENT STRATEGY

The current economic environment has opened up attractive new opportunities for us, as valuations have come down and well-managed companies are looking for capital. We are evaluating opportunities to complement and augment our existing companies by investing in acquisitions in new products, capabilities and/or markets. We will continue to seek attractive investments to grow shareholder value during this time.

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

As at 30th June 2009, the Directors and chief executive of the Company and their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to the securities transactions by Directors:

Long positions in the shares and underlying shares of the Company

(a) The approximate percentage of shareholdings set out below is based on 95,794,716 ordinary shares (each the "share" or "ordinary share") in issue as at 30th June 2009, not on the total number of issued shares upon full conversion of the preference shares and the convertible bonds (the "Convertible Bonds") as set out in the circular to shareholders dated 20th June 2005.

Name of Director	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(a)
Mr. Andrew Yao Cho Fai ("Mr. Yao")	Interest of controlled corporation	4,255,789	—	4,255,789 (Note)	4.44%

Note:

These interests represented:

- (i) a deemed interest in 1,598,113 shares of the Company owned by Huge Top Industrial Ltd. (“Huge Top”). Mr. Yao directly holds approximately 11.90% and indirectly through Perfect Capital International Corp. (“Perfect Capital”) owns approximately 42.86% of the issued share capital of Huge Top. Mr. Yao owns the entire issued share capital of Perfect Capital and is one of the two directors of Huge Top. Accordingly, Mr. Yao was deemed, under the SFO, to have an interest in these shares of the Company held by Huge Top;
- (ii) a deemed interest in 1,633,676 shares of the Company owned by TN Development Limited (“TN”). Van Shung Chong (B.V.I.) Limited (“VSC BVI”) owns 54% of the issued share capital of TN and Mr. Yao owns 10% of the issued share capital of TN. Mr. Yao is one of the two directors of TN. VSC BVI is a wholly-owned subsidiary of Van Shung Chong Holdings Limited of which Huge Top owns approximately 45.47%. Accordingly, Mr. Yao was deemed, under the SFO, to have an interest in these shares of the Company held by TN; and
- (iii) an interest in 1,024,000 shares of the Company owned by Right Action Offshore Inc. (“Right Action”). Mr. Yao owns the entire issued share capital of Right Action and is also the sole director of that company.

Save as disclosed above, as at 30th June 2009, none of the Directors and the chief executive of the Company or their respective associates had any interests or short positions in the securities of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed companies to be notified to the Company and the Stock Exchange.

INTERESTS OR SHORT POSITIONS OF OTHER PERSONS

As at 30th June 2009, so far as is known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company whose interests were disclosed above) had interests or short positions in the shares and/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 and underlying shares^(b) of the Company

- (b) The underlying shares referred to in the following table (other than those referred to in notes 1 and 4 below) arise as a result of the conversion rights attaching to the preference shares issued by the Company under the placements as disclosed in the circulars dated 24th January 2006, 17th August 2007 and 23rd November 2007. The preference shares shall be automatically converted into ordinary share, credited as fully paid, at the conversion ratio of one preference share for one ordinary share in accordance with the terms of the preference shares. Those underlying shares referred in notes 1 and 4 below arise as a result of the conversion of the Convertible Bonds.

(c) The approximate percentage of shareholdings set out below is based on 95,794,716 ordinary shares in issue as at 30th June 2009, not on the total number of issued shares upon full conversion of the preference shares and the Convertible Bonds.

Substantial shareholders (interests related to ordinary shareholders)

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(c)	Note
Mr. Moses Tsang Kwok Tai ("Mr. Tsang")	Beneficial owner	19,693,486	39,386,973	59,080,459	61.68%	1
	Interest of controlled corporation	509,400	—	509,400	0.53%	2
	Interest of a discretionary trust	—	148,659,004	148,659,004	155.18%	3
				<u>208,248,863</u>	<u>217.39%</u>	
North Asia Strategic Acquisition Corp. ("NASAC")	Beneficial owner	44,163,474	88,326,947	132,490,421	138.31%	4
North Asia Strategic Advisors ("NASA")	Interest of controlled corporation	44,163,474	245,039,565	289,203,039	301.90%	4, 5, 24 & 30
Ajia Partners Inc. ("API")	Interest of controlled corporation	44,163,474	245,039,565	289,203,039	301.90%	4–6, 24 & 30

Substantial shareholders (interests related to preference shareholders)

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(c)	Note
The Goldman Sachs Group, Inc.	Interest of controlled corporation	—	2,477,650,064	2,477,650,064	2,586.42%	7
National Nominees Limited (“NNL”)	Nominee	—	2,041,884,817	2,041,884,817	2,131.52%	8
Military Superannuation and Benefits Board of Trustees No 1	Trustee	—	2,041,884,817	2,041,884,817	2,131.52%	8
Fortis Investment NL Holding N.V.	Beneficial owner	—	1,238,825,032	1,238,825,032	1,293.21%	
C.L Davids Fond og Samling	Beneficial owner	—	1,061,780,105	1,061,780,105	1,108.39%	
Woori Bank (“Woori”)	Beneficial owner	—	792,848,020	792,848,020	827.65%	9
Woori Finance Holdings Co., Ltd.	Interest of controlled corporation	—	792,848,020	792,848,020	827.65%	9
United Overseas Bank Limited	Beneficial owner	—	743,295,019	743,295,019	775.92%	
J.T. International Asset Management Corp.	Beneficial owner	—	542,344,186	542,344,186	566.15%	
Oikos Asia Fund (“Oikos”)	Beneficial owner	—	495,530,013	495,530,013	517.28%	10
Realdania	Beneficial owner	—	408,376,963	408,376,963	426.30%	
Banca Monte Dei Paschi Di Siena Spa	Beneficial owner	—	247,765,006	247,765,006	258.64%	
Grand Loyal (China) Limited (“Grand Loyal”)	Nominee	—	247,765,006	247,765,006	258.64%	11
Mr. Ho Yiu Wing	Interest of controlled corporation	—	247,765,006	247,765,006	258.64%	11
Grand Partners Group Limited (“Grand Partners”)	Nominee	—	247,765,006	247,765,006	258.64%	12

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(c)	Note
Mr. William Doo Wai Hoi	Interest of controlled corporation	—	247,765,006	247,765,006	258.64%	12
Mozart Verwaltungsgesellschaft mbH (“Mozart”)	Beneficial owner	—	204,188,482	204,188,482	213.15%	13
Dr. Thomas Helmut Jetter	Interest of controlled corporation	—	204,188,482	204,188,482	213.15%	13
Bankpension	Beneficial owner	—	204,188,482	204,188,482	213.15%	
Fubon Bank (Hong Kong) Limited	Beneficial owner	—	199,233,717	199,233,717	207.98%	
Chevalier International Holdings Limited (“Chevalier”)	Beneficial owner	—	198,212,005	198,212,005	206.91%	14
Mr. Chow Yei Ching	Interest of controlled corporation	—	198,212,005	198,212,005	206.91%	14
Ms. Miyakawa Michiko	Family interest	—	198,212,005	198,212,005	206.91%	14
K.B. (C.I.) Nominees Limited (“KBCI”)	Beneficial owner	—	182,524,084	182,524,084	190.54%	15
Frank Nominees Limited (“Frank”)	Beneficial owner	—	104,495,497	104,495,497	109.08%	16
Kleinwort Benson (“KB”)	Interest of controlled corporation	—	287,019,581	287,019,581	299.62%	15 & 16
Asia Internet Capital Ventures LP (“AICV”)	Beneficial owner	—	148,659,004	148,659,004	155.18%	17
Asia Internet Capital Management LLC	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	17
EC.com Inc.	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	17
Smart Channel Investments Inc.	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	17
MKT Holdings (Cayman Islands) LLC	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	17

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(c)	Note
HSBC International Trustee Limited	Trustee	—	148,659,004	148,659,004	155.18%	17
Gentfull Investment Limited (“Gentfull”)	Beneficial owner	—	148,659,004	148,659,004	155.18%	18
Ms. Vivien Chen Wai Wai	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	18
Doutdes S.P.A. (“Doutdes”)	Beneficial owner	—	148,659,004	148,659,004	155.18%	19
UFI Filters SPA	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	19
GGG SPA	Interest of controlled corporation	—	148,659,004	148,659,004	155.18%	19
G.G.G. S.A.	Beneficial owner	—	99,106,003	99,106,003	103.46%	20
Mr. Giorgio Girondi	Interest of controlled corporation	—	247,765,007	247,765,007	258.64%	19 & 20
UBS España, S.A. (“UBS”)	Nominee	—	128,441,377	128,441,377	134.08%	21
Ms. Angeles González Garcia	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	21
Mr. Jorge Garcia González	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	21
Sphirantes	Nominee	—	49,553,001	49,553,001	51.73%	21
Mr. Cesar Molinas Sanz	Beneficial owner	—	17,343,550	17,343,550	18.10%	21
Duserali, S.L.	Beneficial owner	—	14,865,900	14,865,900	15.52%	21
Mr. Antonio Del Cano Barbón	Interest of controlled corporation	—	14,865,900	14,865,900	15.52%	21
Mr. Ramón Suarez Beltrán	Beneficial owner	—	9,910,600	9,910,600	10.35%	21
Mr. Ricardo Sanz Ferrer	Beneficial owner	—	9,910,600	9,910,600	10.35%	21
Mr. Miguel Orúe-Echeverria	Beneficial owner	—	9,910,600	9,910,600	10.35%	21

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings^(c)	<i>Note</i>
ALCO Beteiligungsgesellschaft mbH (“ALCO”)	Beneficial owner	—	122,513,089	122,513,089	127.89%	22
Albert Büll Kommanditgesellschaft (“ABK”)	Interest of controlled corporation	—	122,513,089	122,513,089	127.89%	22
Mr. Albert Henri Karl Büll	Interest of controlled corporation	—	122,513,089	122,513,089	127.89%	22
Wittelsbacher Ausgleichsfonds	Beneficial owner	—	122,513,089	122,513,089	127.89%	
Timeless Enterprises Limited (“Timeless”)	Beneficial owner	—	99,106,003	99,106,003	103.46%	23
Kentthomas Company Limited	Nominee	—	99,106,003	99,106,003	103.46%	23
Henry Kim Cho (“Mr. Cho”)	Interest of controlled corporation	—	99,106,003	99,106,003	103.46%	23
North Asia Strategic Acquisition Corp. 2 (“NASAC 2”)	Beneficial owner	—	98,502,618	98,502,618	102.83%	24
KKR Group Investments II LLC (“KKR”)	Beneficial owner	—	89,080,460	89,080,460	92.99%	25
Mr. George Rosenberg Roberts	Interest of controlled corporation	—	89,080,460	89,080,460	92.99%	25
Mr. Henry Roberts Kravis	Interest of controlled corporation	—	89,080,460	89,080,460	92.99%	25
GAUD Holding B.V. (“GAUD”)	Beneficial owner	—	81,675,393	81,675,393	85.26%	26
Ms. Dorothee Emma Margareta Goldschmeding	Interest of controlled corporation	—	81,675,393	81,675,393	85.26%	26
Ms. Sabine Marie Antoinette Goldschmeding	Interest of controlled corporation	—	81,675,393	81,675,393	85.26%	26
Ms. Anna Petra Elisabeth Goldschmeding	Interest of controlled corporation	—	81,675,393	81,675,393	85.26%	26

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings^(c)	<i>Note</i>
Mr. Frederik Harold Fentener van Vlissingen	Beneficial owner	—	78,544,061	78,544,061	81.99%	
Jajebi Holding B.V. (“Jajebi”)	Beneficial owner	—	68,062,822	68,062,822	71.05%	27
Mr. Jan van Seumeren	Interest of controlled corporation	—	68,062,822	68,062,822	71.05%	27
Latoer Holding B.V. (“Latoer”)	Beneficial owner	—	68,062,822	68,062,822	71.05%	28
Mr. Roderik Johannes Rolanda van Seumeren	Interest of controlled corporation	—	68,062,822	68,062,822	71.05%	28
NUI Holding B.V. (“NUI”)	Beneficial owner	—	68,062,822	68,062,822	71.05%	29
Mr. Patrick Jolyon van Seumeren	Interest of controlled corporation	—	68,062,822	68,062,822	71.05%	29
North Asia Strategic Acquisition Corp. 3 (“NASAC 3”)	Beneficial owner	—	58,210,000	58,210,000	60.77%	30
Rawlco Capital Ltd. (“Rawlco”)	Beneficial owner	—	49,553,001	49,553,001	51.73%	31
Mr. Gordon Stanley Rawlinson	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	31
Fides Management Services Limited (“Fides”)	Nominee	—	57,172,775	57,172,775	59.68%	32
Mr. Willem Auke Hekstra	Beneficial owner	—	16,335,079	16,335,079	17.05%	32
Clover Three Investments Ltd. (“Clover”)	Beneficial owner	—	10,209,424	10,209,424	10.66%	32
Mr. Jan de Marez Oijens	Interest of controlled corporation	—	10,209,424	10,209,424	10.66%	32
Mr. Pieter de Marez Oijens	Interest of controlled corporation	—	10,209,424	10,209,424	10.66%	32

Other persons (interests related to preference shareholders)

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings ^(c)	Note
Mr. Christopher McLeod	Beneficial owner	—	8,167,540	8,167,540	8.53%	32
Mr. Menno de Kuyer	Beneficial owner	—	6,125,654	6,125,654	6.39%	32
Mr. Martijn Sven van der Veen	Beneficial owner	—	6,125,654	6,125,654	6.39%	32
Mr. David Flemming	Beneficial owner	—	6,125,654	6,125,654	6.39%	32
Mr. Fernando Rueda Sabater	Beneficial owner	—	7,432,950	7,432,950	7.76%	21
Mr. Richardo de Ponga Bianco	Beneficial owner	—	5,946,360	5,946,360	6.21%	21

Notes:

1. Mr. Tsang was directly interested in 19,693,486 shares and a further 39,386,973 underlying shares which may fall to be issued if the Convertible Bonds are converted at the initial conversion price of HK\$0.1566.
2. These 509,400 shares were directly held by Oboe Development Trading Limited, which was wholly owned by Mr. Tsang.
3. Mr. Tsang was deemed to be interested in 148,659,004 underlying shares by virtue of his being a founder of a discretionary trust, the trustee of which was HSBC International Trustee Limited (“HSBC Trustee”). HSBC Trustee, through its controlling interests in Asia Internet Capital Management LLC which acted as the investment manager of AICV, was deemed to be interested in 148,659,004 underlying shares. These 148,659,004 underlying shares are the same underlying shares referred to in note 17 below. Mr. Tsang was therefore deemed, under the SFO, to be interested in an aggregate of 208,248,863 shares.
4. NASAC was directly interested in 44,163,474 shares and a further 88,326,947 underlying shares which may fall to be issued if the Convertible Bonds are converted at an initial conversion price of HK\$0.1566. Accordingly, NASAC was deemed to be interested in a total of 132,490,421 shares.
5. NASA held the single voting participating share of NASAC and the single ordinary voting share of each of NASAC 2 and NASAC 3, NASA was therefore deemed to be interested in 289,203,039 shares.
6. API is the controlling company of NASA which in turn controls 100% voting capital of each of NASAC, NASAC 2 and NASAC 3. API was therefore deemed to be interested in 289,203,039 shares.

7. These underlying shares were held by Goldman Sachs (Asia) Finance, a company controlled by The Goldman Sachs (Asia) Finance Holdings L.L.C.. The Goldman Sachs Group, Inc. was deemed to have interests in these underlying shares through its direct subsidiary, The Goldman Sachs Global Holdings L.L.C., and its indirect subsidiary, The Goldman Sachs & Co., which was in turn the controlling company of The Goldman Sachs (Asia) Finance Holdings L.L.C.. Accordingly, all these parties were deemed, under the SFO, to have an interest in these underlying shares by virtue of their respective corporate interests in Goldman Sachs (Asia) Finance.
8. These underlying shares were held by NNL, a nominee for Military Superannuation and Benefits Board of Trustees No 1 as a trustee for an Australian pension fund.
9. These underlying shares were held by Woori, a company controlled by Woori Finance Holdings Co., Ltd.
10. These underlying shares were held by Oikos, a company controlled by Walkers SPV Limited.
11. These underlying shares were held by Grand Loyal, a company controlled by Mr. Ho Yiu Wing. Accordingly, Mr. Ho was taken to be interested in these underlying shares under the SFO by virtue of his interests in Grand Loyal.
12. These underlying shares were held by Grand Partners, a company controlled by Mr. William Doo Wai Hoi. Accordingly, Mr. Doo was taken to be interested in these underlying shares under the SFO by virtue of his interests in Grand Partners.
13. These underlying shares were held by Mozart, a company controlled by Dr. Thomas Helmut Jetter. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Mozart.
14. These underlying shares were held by Chevalier, a company 55.73% controlled by Mr. Chow Yei Ching and Ms. Miyakawa Michiko. Accordingly, both were taken to be interested in these underlying shares under the SFO by virtue of their interests in Chevalier.
15. These underlying shares were held by KBCI, a company controlled by KB. Accordingly, KB was taken to be interested in these underlying shares under the SFO by virtue of its corporate interests in KBCI.
16. These underlying shares were held by Frank, a company controlled by KB. Accordingly, KB was taken to be interested in these underlying shares under the SFO by virtue of its corporate interests in Frank.
17. These underlying shares were held by AICV which was managed by Asia Internet Capital Management LLC, a company 99% controlled by EC.com Inc.. HSBC Trustee was deemed to have interests in these underlying shares through its direct wholly-owned subsidiary MKT Holdings (Cayman Islands) LLC and its indirect wholly-owned subsidiary Smart Channel Investments Inc.. Smart Channel Investments Inc. had controlling interests in EC.com Inc.. Accordingly, all these parties were deemed, under the SFO, to have an interest in these underlying shares by virtue of their respective corporate interests in AICV. These underlying shares are the same underlying shares referred to in note 3 above.
18. These underlying shares were held by Gentfull, a company 100% controlled by Ms. Vivien Chen Wai Wai. Accordingly, Ms. Chen was taken to be interested in these underlying shares under the SFO by virtue of her interests in Gentfull.
19. These underlying shares were held by Doutdes, a company 83.98% controlled by UFI Filters SPA which was in turn controlled by GGG SPA, a company controlled by Mr. Giorgio Girondi. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their corporate interests in Doutdes.
20. These underlying shares were held by G.G.G. S.A., a company 100% controlled by Mr. Giorgio Girondi. Accordingly, Mr. Girondi was taken to be interested in these underlying shares under the SFO by virtue of his interests in G.G.G. S.A.

21. These underlying shares were held by UBS. Of these underlying shares, 49,553,001 underlying shares were held by Sphirantes, a company controlled by Ms. Angeles González Garcia and Mr. Jorge Garcia Gonzalez; 17,343,500 underlying shares were held by Mr. Cesar Molinas Sanz; 14,865,900 underlying shares were held by Duserali, S.L., a company controlled by Mr. Antonio Del Cano Barbon; each of Messrs. Ramón Suarez Beltrán, Ricardo Sanz Ferrer and Miguel Orúe-Echeverria held 9,910,600 underlying shares; 7,432,950 underlying shares were held by Mr. Fernando Rueda Sabater; and 5,946,360 underlying shares were held by Mr. Richardo de Ponga Bianco.
22. These underlying shares were held by ALCO, a company controlled by ABK which in turn controlled by Mr. Albert Henri Karl Bull. Accordingly, both were taken to be interested in these underlying shares under the SFO by virtue of their interests in ALCO.
23. These underlying shares were held by Timeless, a company controlled by Mr. Cho through Kenthomas Company Limited. Accordingly, Mr. Cho was taken to be interested in these underlying shares under the SFO by virtue of his interests in Timeless.
24. These underlying shares were held by NASAC 2. NASA controls 100% of the ordinary voting share capital of NASAC 2 and was therefore deemed to be interested in these underlying shares under the SFO by virtue of its corporate interests in NASAC 2.
25. These underlying shares were held by KKR, a company controlled by Messrs. George Rosenberg Roberts and Henry Roberts Kravis. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their interests in KKR.
26. These underlying shares were held by GAUD, a company controlled by Ms. Dorothee Emma Margareta Goldschmeding, Ms. Sabine Marie Antoinette Goldschmeding and Ms. Anna Petra Elisabeth Goldschmeding. Accordingly, all these parties were taken to be interested in these underlying shares under the SFO by virtue of their interests in GAUD.
27. These underlying shares were held by Jajebi, a company controlled by Mr. Jan van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Jajebi.
28. These underlying shares were held by Latoer, a company controlled by Mr. Roderik Johannes Rolanda van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Latoer.
29. These underlying shares were held by NUI, a company controlled by Mr. Patrick Jolyon van Seumeren. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in NUI.
30. These underlying shares were held by NASAC 3. NASA controls 100% of the ordinary voting share capital of NASAC 3 and was therefore deemed to be interested in these underlying shares under the SFO by virtue of its corporate interests in NASAC 3.
31. These underlying shares were held by Rawlco, a company controlled by Mr. Gordon Stanley Rawlinson. Accordingly, he was taken to be interested in these underlying shares under the SFO by virtue of his interests in Rawlco.
32. These underlying shares were held by Fides and beneficially owned by Mr. Willem Auke Hekstra, Clover, Mr. Christopher McLeod, Mr. Menno de Kuyer, Mr. Martijn Sven van der Veen, Mr. David Flemming and Mr. David Koker respectively. Clover was controlled by Messrs. Jan de Marez Oijens and Pieter de Marez Oijens. Accordingly, both were taken to be interested in these 10,209,424 underlying shares under the SFO by virtue of their interests in Clover.

Save as disclosed above, the Directors and the chief executive of the Company were not aware of any person (other than the Directors or chief executive of the Company the interests of which were disclosed above) who has an interest or short position in the securities of the Company that were required to be entered in the register of the Company pursuant to section 336 of the SFO as at 30th June 2009.

SHARE OPTION SCHEMES

On 10th June 2002, the shareholders approved the adoption of a share option scheme (the “2002 Scheme”). Under the terms of the 2002 Scheme, the Board may at its discretion offer share options to any employee, agent, consultant or representative, including any executive or non-executive Director, of any member of the Group or any other person who satisfies the selection criteria as set out in the 2002 Scheme. The principal purpose of the 2002 Scheme is to provide incentives to participants to contribute to the Group and/or to enable the Group to recruit and/or to retain high-calibre employees and attract human resources that are valuable to the Group. The 2002 Scheme shall be valid and effective for a period of ten years commencing on the adoption date. As at 30th June 2009, no share options have been granted by the Company pursuant to the 2002 Scheme.

On 31st October 2006, the Company approved a share option scheme (the “Best Creation Scheme”) adopted by Best Creation Investments Limited (“Best Creation”), a wholly-owned subsidiary of the Company, allowing its board of directors to grant options to subscribe for shares in Best Creation to the selected participants under such scheme as incentives or rewards for their contribution to the Best Creation group. The Best Creation Scheme has a life of ten years commencing on the adoption date of 31st October 2006. As at 30th June 2009, no share options have been granted pursuant to the Best Creation Scheme.

COMPETING INTERESTS

As at 30th June 2009, none of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

CONTINUING DISCLOSURE UNDER RULE 17.24 OF THE GEM LISTING RULES

The following is an unaudited condensed consolidated statement of financial position as at 30th June 2009 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 GEM Listing Rules:

	<i>HK\$'000</i>
Non-current assets	212,293
Inventories	490,740
Cash and cash equivalents	31,581
Other current assets	310,364
Bank borrowings	(526,076)
Other current liabilities	<u>(171,107)</u>
Net assets	<u><u>347,795</u></u>

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the three months ended 30th June 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 15 of the GEM Listing Rules. The Company has complied with the code provisions set out in the Code throughout the three months ended 30th June 2009.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference that set out the authorities and duties of the committee adopted by the Board. The committee comprises four Independent Non-executive Directors and is chaired by Mr. Kenny Tam King Ching who has appropriate professional qualifications and experience in financial matters. The terms of reference of the audit committee are aligned with the provisions set out in the Code. The committee's principal duties are to ensure the adequacy and effectiveness of the accounting and financial controls of the Group, oversee the performance of internal control systems and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The unaudited condensed consolidated financial information for the three months ended 30th June 2009 of the Company now reported on have been reviewed by the audit committee.

On behalf of the Board
North Asia Strategic Holdings Limited
John Saliling
Executive Director and Chief Executive Officer

Hong Kong, 31st July 2009

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Göran Sture Malm (Chairman), Mr. Savio Chow Sing Nam (Deputy Chairman) and Mr. John Saliling (Chief Executive Officer); two Non executive Directors, namely Mr. Andrew Yao Cho Fai and Mr. Takeshi Kadota; and four Independent Non-executive Directors, namely Mr. Philip Ma King Huen, Mr. Kenny Tam King Ching, Mr. Edgar Kwan Chi Ping and Mr. Yu Wang Tak.

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.