

# NORTH ASIA STRATEGIC HOLDINGS LIMITED

北亞策略控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8080)

## INTERIM RESULTS FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 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” or the “Board”) of North Asia Strategic Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to 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

With the improving economy and active management actions implemented during the recession, our revenue and profits have shown gradual recovery in the first half of current fiscal year, especially in the second quarter. Given the remaining uncertainty on the strength of the economic recovery, NAS and its portfolio companies will continue to focus on improving business performance and managing risk. At the same time, we are renewing our focus on our longer term growth through internal, new products/businesses rollout and acquisitions which could enhance our growth and profitability. We are well positioned to take advantage of this situation to strengthen our businesses and grow our business in the coming quarters.

## HIGHLIGHTS

- Total unaudited consolidated revenue for the six months ended 30th September 2009 was approximately HK\$1,503,127,000, representing an increase of approximately 25.7% from the same period last year.
- During the second quarter ended 30th September 2009, the Group recorded an unaudited consolidated net profit attributable to equity holders of the Company of approximately HK\$4,816,000 on an unaudited consolidated revenue of approximately HK\$837,867,000. This was an improvement from an unaudited consolidated net loss attributable to equity holders of the Company in the preceding quarter of approximately HK\$4,688,000.
- Total unaudited consolidated net profit attributable to equity holders of the Company for the six months ended 30th September 2009 was approximately HK\$128,000, significant improvement from the same period last year.
- During the period, revenue and net profit generated from the surface mount technology assembly equipment trading division were approximately HK\$309,404,000 and HK\$5,446,000 respectively.
- During the period, revenue and net loss generated from the start-up branded food division were approximately HK\$52,042,000 and HK\$14,773,000 respectively.
- During the period, the Company shared 40% revenue and net profit of our jointly-controlled fishmeal and fish oil trading division of approximately HK\$320,066,000 and HK\$9,713,000 respectively.
- During the period, the Company shared 33.74% revenue and net profit of our jointly-controlled chemical operation division of approximately HK\$821,615,000 and HK\$39,650,000 respectively.
- Unaudited consolidated total equity attributable to equity holders of the Company was approximately HK\$1,964,030,000 as at 30th September 2009, which was more than the corresponding figure of approximately HK\$1,927,077,000 by approximately HK\$36,953,000 as at 31st March 2009.

## RESULTS

The following are the unaudited consolidated interim results of North Asia Strategic Holdings Limited (the “Company” or “NAS”) and its subsidiaries (collectively, the “Group” or “NAS Group”) and its jointly-controlled entities for the six months and three months ended 30th September 2009 together with the comparative unaudited figures for the corresponding periods in 2008:

### UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	For the six months ended 30th September		For the three months ended 30th September	
		2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited) (Restated)	2009 HK\$'000 (Unaudited)	2008 HK\$'000 (Unaudited) (Restated)
<b>Revenue</b>	3	<b>1,503,127</b>	1,195,744	<b>837,867</b>	843,758
Cost of sales		<b>(1,319,002)</b>	(1,062,264)	<b>(730,752)</b>	(756,320)
<b>Gross profit</b>		<b>184,125</b>	133,480	<b>107,115</b>	87,438
Other gains/(losses) — net		<b>28,885</b>	10,864	<b>10,776</b>	(337)
Selling and distribution expenses		<b>(93,259)</b>	(62,831)	<b>(48,989)</b>	(43,120)
General and administrative expenses		<b>(86,753)</b>	(83,951)	<b>(45,192)</b>	(46,801)
<b>Operating profit/(loss)</b>		<b>32,998</b>	(2,438)	<b>23,710</b>	(2,820)
Finance income	4	<b>3,254</b>	25,751	<b>1,620</b>	10,312
Finance costs	4	<b>(23,125)</b>	(46,080)	<b>(12,558)</b>	(42,048)
<b>Profit/(loss) before income tax</b>		<b>13,127</b>	(22,767)	<b>12,772</b>	(34,556)
Income tax (expense)/credit	5	<b>(13,105)</b>	2,040	<b>(7,962)</b>	5,821
Profit/(loss) for the period		<b>22</b>	(20,727)	<b>4,810</b>	(28,735)
Profit/(loss) for the period attributable to:					
Equity holders of the Company		<b>128</b>	(20,821)	<b>4,816</b>	(28,797)
Non-controlling interests		<b>(106)</b>	94	<b>(6)</b>	62
		<b>22</b>	(20,727)	<b>4,810</b>	(28,735)
Profit/(loss) per share for the period attributable to the equity holders of the Company					
— Basic ( <i>HK cents</i> )	6	<b>0.13</b>	(21.74)	<b>5.03</b>	(30.07)
— Diluted ( <i>HK cents</i> )	6	<b>0.01</b>	(21.74)	<b>0.04</b>	(30.07)

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30th September		For the three months ended 30th September	
	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)
<b>Profit/(loss) for the period</b>	<u>22</u>	<u>(20,727)</u>	<u>4,810</u>	<u>(28,735)</u>
Exchange differences on translation of foreign operations	36,204	(25,233)	21,094	(26,936)
Disposal of subsidiaries	—	(1,054)	—	—
Increase/(decrease) in fair value of available-for-sale financial assets	<u>621</u>	<u>(1,259)</u>	<u>21</u>	<u>(1,298)</u>
Other comprehensive income for the period, net of tax	<u>36,825</u>	<u>(27,546)</u>	<u>21,115</u>	<u>(28,234)</u>
<b>Total comprehensive income for the period, net of tax</b>	<u><u>36,847</u></u>	<u><u>(48,273)</u></u>	<u><u>25,925</u></u>	<u><u>(56,969)</u></u>
Attributable to:				
Equity holders of the Company	36,953	(48,367)	25,931	(57,031)
Non-controlling interests	<u>(106)</u>	<u>94</u>	<u>(6)</u>	<u>62</u>
	<u><u>36,847</u></u>	<u><u>(48,273)</u></u>	<u><u>25,925</u></u>	<u><u>(56,969)</u></u>

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 30th September 2009 <i>HK\$'000</i> (Unaudited)	As at 31st March 2009 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	645,912	560,213
Investment properties	8	2,220	2,257
Leasehold land and land use rights	8	21,470	21,684
Intangible assets	8	585,592	583,161
Available-for-sale financial assets		1,965	1,357
Deferred tax assets		18,285	18,810
Other non-current assets		23,286	20,972
		<b>1,298,730</b>	1,208,454
<b>Current assets</b>			
Inventories		227,729	265,690
Trade and other receivables	10	271,815	211,474
Derivative financial instruments		277	—
Subscription receivables	9	—	13,000
Non-current assets held for sale		7,219	6,264
Current income tax recoverable		—	170
Pledged bank deposits		139,790	46,086
Cash and cash equivalents		1,121,050	1,063,583
		<b>1,767,880</b>	1,606,267
<b>Total assets</b>		<b>3,066,610</b>	2,814,721
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company:</b>			
Share capital	13	134,691	134,691
Reserves	13	1,829,339	1,792,386
		<b>1,964,030</b>	1,927,077
Non-controlling interests	13	3,728	3,438
<b>Total equity</b>		<b>1,967,758</b>	1,930,515

		As at 30th September 2009 <i>HK\$'000</i> (Unaudited)	As at 31st March 2009 <i>HK\$'000</i> (Audited)
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings	<i>11</i>	317,261	361,357
Trade and other payables	<i>12</i>	551,244	351,703
Derivative financial instruments		200	—
Current income tax liabilities		11,838	3,267
		<u>880,543</u>	<u>716,327</u>
<b>Non-current liabilities</b>			
Borrowings	<i>11</i>	114,345	75,939
Convertible bonds		18,908	18,267
Deferred tax liabilities		15,190	13,792
Retirement benefits obligation		59,515	48,926
Derivative financial instruments		6,868	9,069
Other non-current liabilities		3,483	1,886
		<u>218,309</u>	<u>167,879</u>
<b>Total liabilities</b>		<u>1,098,852</u>	<u>884,206</u>
<b>Total equity and liabilities</b>		<u>3,066,610</u>	<u>2,814,721</u>
<b>Net current assets</b>		<u>887,337</u>	<u>889,940</u>
<b>Total assets less current liabilities</b>		<u>2,186,067</u>	<u>2,098,394</u>

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

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	(Unaudited)				
	Attributable to equity holders of the Company			Non- controlling	Total
	Share capital <i>HK\$'000</i>	Reserves <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	interests <i>HK\$'000</i>	<i>HK\$'000</i>
<b>Balances at 1st April 2009</b>	134,691	1,792,386	1,927,077	3,438	1,930,515
Profit/(loss) for the period	—	128	128	(106)	22
Capital contribution from non-controlling interests	—	—	—	396	396
Increase in fair value of available-for-sale financial assets	—	621	621	—	621
Translation adjustments — net	—	36,204	36,204	—	36,204
<b>Balances at 30th September 2009</b>	<u>134,691</u>	<u>1,829,339</u>	<u>1,964,030</u>	<u>3,728</u>	<u>1,967,758</u>
Balances at 1st April 2008	134,691	1,995,965	2,130,656	1,676	2,132,332
(Loss)/profit for the period	—	(20,821)	(20,821)	94	(20,727)
Capital contribution from non-controlling interests	—	—	—	1,797	1,797
Decrease in fair value of available-for-sale financial assets	—	(1,259)	(1,259)	—	(1,259)
Translation adjustments — net	—	(25,233)	(25,233)	—	(25,233)
Disposal of subsidiaries	—	(1,054)	(1,054)	—	(1,054)
<b>Balances at 30th September 2008</b>	<u>134,691</u>	<u>1,947,598</u>	<u>2,082,289</u>	<u>3,567</u>	<u>2,085,856</u>

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

## UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	For the six months ended 30th September	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Net cash generated from/(used in) operating activities	223,113	(46,524)
Net cash used in investing activities	(131,820)	(382,006)
Net cash (used in)/generated from financing activities	<u>(33,726)</u>	<u>7,868</u>
Net increase/(decrease) in cash and cash equivalents	57,567	(420,662)
Cash and cash equivalents at 1st April	<u>1,063,483</u>	<u>626,103</u>
Cash and cash equivalents at 30th September	<u><u>1,121,050</u></u>	<u><u>205,441</u></u>

The notes are an integral part of this unaudited condensed consolidated interim 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 interim financial information is presented in thousand of Hong Kong dollars, unless otherwise stated.

This unaudited condensed consolidated interim financial information has been approved for issue by the Company’s Board of Directors on 6th November 2009.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information has been prepared in compliance with Hong Kong Accounting Standards (“HKAS”) 34: *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and 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 unaudited condensed consolidated interim financial information have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, which include all “HKASs” and Interpretations) issued by the HKICPA, accounting principles generally adopted in Hong Kong.

The accounting policies and the basis of preparation adopted in the preparation of financial information are consistent with those adopted in the annual financial statements for the year ended 31st March 2009, except to the adoption of the new HKFRSs as disclosed below:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of HKFRSs</i> and HKAS 27 <i>Consolidated and Separate Financial Statements</i> — <i>Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate</i>
HKFRS 2 Amendments	Amendments to HKFRS 2 <i>Share-based Payments</i> — <i>Vesting Conditions and Cancellations</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments:</i> <i>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 32 and HKAS 1 Amendments	Amendments to HKAS 32 <i>Financial Instruments :</i> <i>Presentation and HKAS 1 Presentation of Financial Statements</i> — <i>Puttable Financial Instruments and Obligations Arising on Liquidation</i>

### 3. TURNOVER, REVENUE AND SEGMENT INFORMATION

#### 3.1 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 six months ended		For the three months ended	
	30th September		30th September	
	2009	2008	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales of goods	<b>1,444,463</b>	1,179,120	<b>803,364</b>	836,427
Revenue from branded food	<b>52,042</b>	7,047	<b>30,531</b>	3,643
Commission and other income	<b>6,622</b>	9,577	<b>3,972</b>	3,688
	<b><u>1,503,127</u></b>	<u>1,195,744</u>	<b><u>837,867</u></b>	<u>843,758</u>

### 3.2 Segment information

Segment assets consist primarily of property, plant and equipment, investment properties, leasehold land and land use rights, intangible assets, subscription receivables, other non-current assets, inventories, trade and other receivables and non-current assets held for sale. Unallocated assets comprise deferred tax assets, current income tax recoverable, pledged bank deposits, available-for-sale financial assets, cash and cash equivalents.

Segment liabilities consist primarily of trade and other payables, retirement benefits obligation, and other non-current liabilities. Unallocated liabilities comprise deferred tax liabilities, current income tax liabilities, borrowings, convertible bonds and derivative financial instruments.

Capital expenditure comprises additions to property, plant and equipment, leasehold land and land use rights and intangible assets.

#### *Primary reporting format — business segments*

The Group and its jointly-controlled entities are organised into five major business segments — SMT trading, fishmeal and fish oil, branded food, chemical operations and others.

The SMT trading, fishmeal and fish oil, and chemical operations business segments derive revenue from the sale of goods. Branded food operation segment derives revenue from the operation of fast food hamburger restaurants in Hong Kong under Burger King brand. The others segment derives revenue from dividend income.

The business segment results for the period ended 30th September 2009 are analysed as follows:

	<b>Six months ended 30th September 2009 (Unaudited)</b>					
	<b>SMT</b>	<b>Fishmeal</b>	<b>Branded</b>	<b>Chemical</b>	<b>Others</b>	<b>Total</b>
	<b>trading</b>	<b>and fish oil</b>	<b>food</b>	<b>operation</b>	<b>operation</b>	<b>operation</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>operation</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue — Sales to external customers</b>	<b>309,404</b>	<b>320,066</b>	<b>52,042</b>	<b>821,615</b>	<b>—</b>	<b>1,503,127</b>
<b>Segment results before amortisation of intangible assets</b>	<b>10,824</b>	<b>14,096</b>	<b>(17,296)</b>	<b>66,857</b>	<b>(31,687)</b>	<b>42,794</b>
<b>Amortisation of intangible assets</b>	<b>(5,960)</b>	<b>(1,324)</b>	<b>(198)</b>	<b>(5,130)</b>	<b>—</b>	<b>(12,612)</b>
<b>Segment results</b>	<b>4,864</b>	<b>12,772</b>	<b>(17,494)</b>	<b>61,727</b>	<b>(31,687)</b>	<b>30,182</b>
<b>Fair value gains on changes in value of derivative financial instruments</b>						<b>2,816</b>
<b>Finance income</b>						<b>3,254</b>
<b>Finance costs</b>						<b>(23,125)</b>
<b>Profit before income tax</b>						<b>13,127</b>
<b>Income tax expense</b>						<b>(13,105)</b>
<b>Profit for the period</b>						<b>22</b>
<b>Capital expenditure</b>	<b>306</b>	<b>9,557</b>	<b>29,131</b>	<b>2,719</b>	<b>317</b>	<b>42,030</b>
<b>Depreciation</b>	<b>4,284</b>	<b>1,524</b>	<b>4,483</b>	<b>19,632</b>	<b>52</b>	<b>29,975</b>
<b>Amortisation</b>	<b>5,960</b>	<b>1,324</b>	<b>198</b>	<b>5,130</b>	<b>—</b>	<b>12,612</b>
<b>Write-down/(write-back) of inventories to net realisable value</b>	<b>(3,536)</b>	<b>1,353</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(2,183)</b>
<b>Provision for impairment and write-off of receivables</b>	<b>567</b>	<b>1,189</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,756</b>

The business segment results for the period ended 30th September 2008 are analysed as follows:

	Six months ended 30th September 2008 (Unaudited)					Total <i>HK\$'000</i>
	SMT trading <i>HK\$'000</i>	Fishmeal and fish oil <i>HK\$'000</i>	Branded food operation <i>HK\$'000</i>	Chemical operation <i>HK\$'000</i>	Others <i>HK\$'000</i>	
Revenue — Sales to external customers	<u>439,917</u>	<u>227,858</u>	<u>7,047</u>	<u>520,922</u>	<u>—</u>	<u>1,195,744</u>
Segment results before amortisation of intangible assets	12,486	13,601	(8,390)	20,235	(32,978)	4,954
Amortisation of intangible assets	<u>(5,960)</u>	<u>(1,324)</u>	<u>(108)</u>	<u>—</u>	<u>—</u>	<u>(7,392)</u>
Segment results	<u>6,526</u>	<u>12,277</u>	<u>(8,498)</u>	<u>20,235</u>	<u>(32,978)</u>	<u>(2,438)</u>
Finance income						25,751
Finance costs						<u>(46,080)</u>
Loss before income tax						(22,767)
Income tax credit						<u>2,040</u>
Loss for the period						<u><u>(20,727)</u></u>
Capital expenditure	1,091	8,788	178	9,385	43	19,485
Depreciation	2,546	1,289	847	10,351	29	15,062
Amortisation	6,003	1,362	108	—	—	7,473
Write-down/(write-back) of inventories to net realisable value	<u>(1,560)</u>	<u>1,364</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(196)</u>
Provision for impairment and write-off of receivables	320	1,289	—	—	—	1,609

The segment assets and liabilities at the statement of financial position are as follows:

	<b>SMT trading HK\$'000</b>	<b>Fishmeal and fish oil HK\$'000</b>	<b>Branded food operation HK\$'000</b>	<b>Chemical operation HK\$'000</b>	<b>Others HK\$'000</b>	<b>Total HK\$'000</b>
<b>As at 30th September 2009</b>						
<b>(Unaudited)</b>						
<b>Assets</b>						
Segment assets	518,802	306,590	70,448	888,111	1,292	1,785,243
Unallocated assets						<u>1,281,367</u>
						<u><u>3,066,610</u></u>
<b>Liabilities</b>						
Segment liabilities	(152,294)	(115,242)	(28,137)	(317,102)	(1,467)	(614,242)
Unallocated liabilities						<u>(484,610)</u>
						<u><u>(1,098,852)</u></u>
<b>As at 31st March 2009</b>						
<b>(Audited)</b>						
<b>Assets</b>						
Segment assets	512,307	311,262	43,263	803,902	13,981	1,684,715
Unallocated assets						<u>1,130,006</u>
						<u><u>2,814,721</u></u>
<b>Liabilities</b>						
Segment liabilities	49,534	101,678	22,185	225,580	3,538	402,515
Unallocated liabilities						<u>481,691</u>
						<u><u>884,206</u></u>

There are no significant sales between these business segments during the period (2008: Nil).

*Second reporting format — geographical segments*

The Group's activities are conducted predominantly in Hong Kong, Mainland China and the Republic of Korea. Revenue by geographical segment is determined on the basis of the destination of shipment of goods for SMT trading, fishmeal and fish oil, location of service performed for branded food and chemical operations, and location of the investment for dividend income.

The following table provides an analysis of the Group's revenue and non-current assets by geographical location:

Geographical location	For the six months ended		As at	
	30th September 2009	30th September 2008	30th September 2009	31st March 2009
	Revenue HK\$'000 (Unaudited)	Revenue HK\$'000 (Unaudited)	Non-current assets HK\$'000 (Unaudited)	Non-current assets HK\$'000 (Audited)
Hong Kong	52,041	7,047	74,462	55,801
Mainland China	622,099	661,659	94,711	88,751
Republic of Korea	627,402	520,922	638,682	572,777
Others	201,585	6,116	593	925
Total	<u>1,503,127</u>	<u>1,195,744</u>	<u>808,448</u>	<u>718,254</u>

*Information about major customers*

For the six months ended 30 September 2009, there was no single customer (2008: nil) amounted to 10 per cent or more of the NAS Group's revenue.

**4. FINANCE INCOME AND COSTS**

	For the six months ended		For the three months ended	
	30th September 2009	2008	30th September 2009	2008
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
<b>Finance income</b>				
Interest income from bank deposits	3,254	3,020	1,620	1,333
Amortised interest income from subscription receivables	—	22,731	—	8,979
	<u>3,254</u>	<u>25,751</u>	<u>1,620</u>	<u>10,312</u>
<b>Finance costs</b>				
Interest on bank loans wholly repayable within five years	16,146	6,421	8,016	2,842
Amortisation of interest expense	3,055	—	1,533	—
Net foreign exchange losses on financing activities	3,031	39,014	2,546	39,014
Convertible bonds redeemable within five years	641	641	322	322
Interest on finance lease obligations	252	4	141	(130)
	<u>23,125</u>	<u>46,080</u>	<u>12,558</u>	<u>42,048</u>

## 5. INCOME TAX EXPENSE/(CREDIT)

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 expense/(credit) recorded in the condensed consolidated income statement represent:

	For the six months ended 30th September		For the three months ended 30th September	
	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)	2009 <i>HK\$'000</i> (Unaudited)	2008 <i>HK\$'000</i> (Unaudited)
<b>Current taxation</b>				
Hong Kong profits tax				
— current period	—	2,086	—	(37)
— overprovision in prior periods	—	553	—	—
Mainland China enterprise income tax				
— current period	<b>2,082</b>	1,881	<b>2,119</b>	370
Overseas taxation	<b>12,427</b>	(11)	<b>7,076</b>	27
<b>Deferred taxation</b>	<b>(1,404)</b>	(6,549)	<b>(1,233)</b>	(6,181)
	<b>13,105</b>	(2,040)	<b>7,962</b>	(5,821)



## 6. EARNINGS PER SHARE

### Basis profit/(loss) per share

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

	For the six months ended 30th September		For the three months ended 30th September	
	2009 (Unaudited)	2008 (Unaudited)	2009 (Unaudited)	2008 (Unaudited)
Profit/(loss) for the period ( <i>HK\$'000</i> )	22	(20,727)	4,810	(28,735)
Loss/(profit) for the period attributable to non-controlling interests ( <i>HK\$'000</i> )	106	(94)	6	(62)
Profit/(loss) attributable to equity holders of the Company ( <i>HK\$'000</i> )	128	(20,821)	4,816	(28,797)
Weighted average number of ordinary shares in issue	95,794,716	95,794,716	95,794,716	95,794,716
Basic profit/(loss) per share ( <i>HK cents</i> )	0.13	(21.74)	5.03	(30.07)

### Diluted profit per share

Diluted profit per share for the six months and three months ended 30th September 2009 are 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 six months and three months ended 30th September 2009 are adjusted to eliminate the interest expense on convertible bonds.

	For the six months ended 30th September 2009 (Unaudited)	For the three months ended 30th September 2009 (Unaudited)
Adjusted profit attributable to equity holders of the Company ( <i>HK\$'000</i> )	769	5,138
Weighted average number of ordinary shares in issue for diluted profit per share	13,596,763,487	13,596,763,487
Diluted profit per share ( <i>HK cents</i> )	0.01	0.04

No diluted loss per share for the six months and three months ended 30th September 2008 has been presented as the potential ordinary shares are anti-dilutive.

## 7. DIVIDENDS

The directors do not recommend the payment of an interim dividend for the six months ended 30th September 2009 (2008: Nil).

## 8. CAPITAL EXPENDITURE

	Property, plant and equipment <i>HK\$'000</i> (Unaudited)	Investment properties <i>HK\$'000</i> (Unaudited)	Leasehold land and land use rights <i>HK\$'000</i> (Unaudited)	Intangible assets <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
<b>At 1st April 2009</b>	<b>560,213</b>	<b>2,257</b>	<b>21,684</b>	<b>583,161</b>	<b>1,167,315</b>
<b>Additions</b>	<b>40,478</b>	<b>—</b>	<b>—</b>	<b>1,552</b>	<b>42,030</b>
<b>Provision for impairment loss</b>	<b>(419)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(419)</b>
<b>Disposals</b>	<b>(1,012)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,012)</b>
<b>Depreciation/amortisation</b>	<b>(29,810)</b>	<b>(39)</b>	<b>(126)</b>	<b>(12,612)</b>	<b>(42,587)</b>
<b>Transfer from inventories</b>	<b>1,499</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,499</b>
<b>Exchange realignments</b>	<b>74,963</b>	<b>2</b>	<b>(88)</b>	<b>13,491</b>	<b>88,368</b>
	<u><b>645,912</b></u>	<u><b>2,220</b></u>	<u><b>21,470</b></u>	<u><b>585,592</b></u>	<u><b>1,255,194</b></u>
<b>At 30th September 2009</b>					
At 1st April 2008	64,606	2,288	19,235	419,647	505,776
Additions upon subscription of shares in a jointly-controlled entity	662,977	—	—	191,825	854,802
Additions	17,179	—	2,306	—	19,485
Disposals	(672)	—	—	(43)	(715)
Depreciation/amortisation	(14,878)	(38)	(227)	(7,392)	(22,535)
Transfer to inventories	(2,553)	—	—	—	(2,553)
Exchange realignments	(98,614)	50	353	—	(98,211)
	<u>628,045</u>	<u>2,300</u>	<u>21,667</u>	<u>604,037</u>	<u>1,256,049</u>
<b>At 30th September 2008</b>					

## 9. SUBSCRIPTION RECEIVABLES

Up to 30th September 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 placements, for an aggregated amount of approximately HK\$2,273,037,000. Details of each placement are set out below:

	<b>First Tranche of the First Placement</b>	<b>Second Tranche of the First Placement</b>	<b>Second Placement</b>
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 (HK\$)	0.1566	0.1566	0.1910
Aggregated subscription price (HK\$)	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 had been drawdown in February 2009 in accordance with the terms of the preference shares.

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:

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

For the six months ended 30th September 2008, amortised interest income recognised as income and included in finance income amounted to HK\$22,731,000.

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.

## 10. TRADE AND OTHER RECEIVABLES

	As at 30th September 2009 HK\$'000 (Unaudited)	As at 31st March 2009 HK\$'000 (Audited)
Trade receivables	251,493	184,485
Less: Impairment of trade receivables	<u>(15,753)</u>	<u>(15,306)</u>
Trade and bills receivables — net	235,740	169,179
Prepayments	12,181	10,022
Deposits to suppliers	701	1,102
Rental deposits	1,571	1,896
Interest receivables	84	743
Finance lease receivables	2,580	2,535
Other receivables	<u>18,958</u>	<u>25,997</u>
	<u><u>271,815</u></u>	<u><u>211,474</u></u>

The Group generally requires letter of credit or documents against payment, with some cases granting a credit period of 30 to 90 days. Aging analysis of trade receivables is as follows:

	As at 30th September 2009 HK\$'000 (Unaudited)	As at 31st March 2009 HK\$'000 (Audited)
90 days or less	190,262	131,391
91 to 180 days	23,223	17,610
181 to 270 days	4,196	5,603
271 to 365 days	10,525	3,384
Over 365 days	<u>7,534</u>	<u>11,191</u>
	<u><u>235,740</u></u>	<u><u>169,179</u></u>

The Group's trading terms with its customers are mainly on letter of credit or documents against payment, except for new customers, where payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

## 11. BORROWINGS

Borrowings are analysed as follows:

	<b>As at 30th September 2009 HK\$'000 (Unaudited)</b>	As at 31st March 2009 HK\$'000 (Audited)
Non-current		
Bank loans — secured	95,689	73,436
Mortgage loans — secured	18,619	2,457
Finance lease obligations	37	46
	<u>114,345</u>	<u>75,939</u>
Current		
Discounted bills with recourse — secured	52,107	58,040
Trust receipt loans — secured	87,532	88,401
Bank loans — secured	146,525	171,860
Bank loans — unsecured	26,773	35,237
Mortgage loans — secured	4,307	978
Finance lease obligations	17	6,841
	<u>317,261</u>	<u>361,357</u>
Total borrowings	<u><u>431,606</u></u>	<u><u>437,296</u></u>

## 12. TRADE AND OTHER PAYABLES

	As at 30th September 2009 <i>HK\$'000</i> (Unaudited)	As at 31st March 2009 <i>HK\$'000</i> (Audited)
Trade payables	456,438	261,466
Accrual for operating expenses	28,033	48,227
Receipts in advance	26,119	18,067
Other payables	40,654	23,943
	<u>551,244</u>	<u>351,703</u>

The aging analysis of trade payables is as follows:

	As at 30th September 2009 <i>HK\$'000</i> (Unaudited)	As at 31st March 2009 <i>HK\$'000</i> (Audited)
90 days or less	448,735	249,528
91 to 180 days	2,529	3,521
181 to 270 days	524	853
271 to 365 days	24	2,221
1 to 2 years	4,626	5,343
	<u>456,438</u>	<u>261,466</u>

### 13. 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)/ 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 2009	958	133,733	1,947,614	(155,228)	1,927,077	3,438	1,930,515
Profit/(loss) for the period	—	—	—	128	128	(106)	22
Other comprehensive income:							
Translation adjustments — net	—	—	36,204	—	36,204	—	36,204
Increase in fair value of available- for-sale financial assets	—	—	621	—	621	—	621
Total comprehensive income for the six months ended 30th September 2009	—	—	36,825	128	36,953	(106)	36,847
Capital contribution from non-controlling interests	—	—	—	—	—	396	396
Balances at 30th September 2009	<u>958</u>	<u>133,733</u>	<u>1,984,439</u>	<u>(155,100)</u>	<u>1,964,030</u>	<u>3,728</u>	<u>1,967,758</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
(Loss)/profit for the period	—	—	—	(20,821)	(20,821)	94	(20,727)
Other comprehensive income:							
Translation adjustments — net	—	—	(25,233)	—	(25,233)	—	(25,233)
Decrease in fair value of available- for-sale financial assets	—	—	(1,259)	—	(1,259)	—	(1,259)
Disposal of subsidiaries	—	—	(3,754)	2,700	(1,054)	—	(1,054)
Total comprehensive income for the six months ended 30th September 2008	—	—	(30,246)	(18,121)	(48,367)	94	(48,273)
Capital contribution from the non-controlling interests	—	—	—	—	—	1,797	1,797
Balances at 30th September 2008	<u>958</u>	<u>133,733</u>	<u>1,993,246</u>	<u>(45,648)</u>	<u>2,082,289</u>	<u>3,567</u>	<u>2,085,856</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 September 2009 and 2008 are as follows:

	As at 30th September	
	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	621	(1,452)
Cumulative translation adjustments	(24,189)	(13,309)
	<u>1,984,439</u>	<u>1,993,246</u>



#### 14. RELATED PARTY TRANSACTIONS — GROUP AND COMPANY

As at 30th September 2009, the Company was owned by North Asia Strategic Acquisition Corp. (“NASAC”), a company incorporated in the Cayman Islands, and Mr. Moses Tsang Kwok Tai (“Mr. Tsang”) and his related parties as to approximately 46.1% and 21.1% respectively. NASAC and Mr. Tsang acquired their interests in the Company effective from 9th August 2005. Ajia Partners Inc. is the controlling company of North Asia Strategic Advisors (“NASA”) which in turn controls 100% voting capital of NASAC.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The following is a summary of the significant transactions carried out with related parties:

Name of related party/Nature of transaction	For the six months ended	
	30th September	
	2009	2008
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Ajia Partners (HK) Limited (i)		
— Rental expense charged to the Group	1,142	1,142
— Administrative services fee charged to the Group	498	498
NASA (ii)		
— Service fees charged to the Group	<u>19,226</u>	<u>19,230</u>

Notes:

(i) APHK is a fellow subsidiary of NASAC and associated with Mr. Tsang.

The Group entered into two administrative services agreements with APHK for provision of general administrative services by APHK during the periods from 1st July 2008 to 30th June 2009 and from 1st July 2009 to 30th June 2010, at a monthly service fee of approximately HK\$83,000. In addition, the Group entered into a sub-tenancy agreement with, inter alia, APHK for sub-leasing of office space from 1st April 2008 to 31st March 2011 at a monthly rental of approximately HK\$190,000.

(ii) NASA is the holding company of NASAC which is a substantial shareholder of the Company.

The Group entered into services agreement with NASA, under which the Group has agreed to pay NASA (i) an annual service fee of 2% of aggregate subscription price less aggregate amount of salaries and other remuneration paid to certain employees of the Group for the provision of services in capital raising, research, investor sourcing, investment sourcing, investment analysis or due diligence and financial advisory service by NASA; and (ii) a placing fee of 0.5% of the gross proceeds of placement of preference shares or any other equity or equity-linked securities of the Group arranged by NASA.

#### 15. COMPARATIVE AMOUNTS

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

## **BUSINESS REVIEW**

### **Financial and Business Performance**

With the improving economy and active management actions taken during the downturn, our business has continued to improve in the second quarter ended 30th September 2009 (the “second quarter”) and the 6-month period ended on the same day (the “half year period”). The demand for our products and services are recovering and our companies are well positioned in their respective sectors as the world comes out of the downturn. We continue to monitor the recovery and working with our management to strengthen & grow our business in the coming quarters.

The Group recorded an unaudited consolidated revenue of approximately HK\$837,867,000 for the second quarter, representing a growth of approximately 25.9% from the preceding quarter and recorded an unaudited consolidated revenue of approximately HK\$1,503,127,000 for the half year period, representing an increase of approximately 25.7% from the corresponding period last year. The increase in revenue was due to the gradual recovery of customer orders starting last quarter.

As a result of increasing market demand and the aggressive sales capture & cost reduction programs, implemented in the previous quarters by management, the Group recorded an unaudited consolidated net profit attributable to equity holders of the Company of approximately HK\$4,816,000 or 0.6% of revenue in the second quarter. The second quarter result is an improvement from an unaudited consolidated loss attributable to equity holders of the Company in the preceding quarter of approximately HK\$4,688,000 or 0.7% of revenue as well as compared to a net loss attributable to equity holders of the Company of approximately HK\$28,797,000 or 3.4% of revenue in the corresponding quarter last year. With the profits in the second quarter, the Group recorded an unaudited consolidated net profit attributable to equity holders of the Company for the half year period of approximately HK\$128,000, representing a significant improvement from the net loss attributable to equity holders of the Company of approximately HK\$20,821,000 from the corresponding period last year.

With the improved business outlook, the management teams are refocused on the growth plans that were being implemented before the recession. Plans to augment organic growth with new business/products and/or complementary acquisitions. But at the same time given the remaining uncertainty on the strength and durability of the economic recovery, we continue to focus on insuring continuity and strength of the business by actively monitoring costs and managing the risks from 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.

### *SMT Trading Division*

As disclosed previously, the SMT trading division experienced major negative impact during the second half of the last fiscal year, as the whole sector faced dramatic decline of sales across the globe. There has been a moderate rebound of the demand for SMT machinery by local customers in China, which was driven by the stimulus government programs. To counter the downturn, the management 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 has improved its competitive position in the sector as we come out of the downturn.

With improving customer orders, the second quarter's sales of this division increased by approximately 54.6% over the preceding quarter. This still represents a sales decrease of approximately 13.7% compared to the corresponding quarter in last year, especially due to the continued weakness in demand by global key customers. But with management actions taken on cost control and margin improvement, it recorded a net profit of approximately HK\$5,446,000 on revenue of approximately HK\$309,404,000 in the half year period.

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

- Continue to protect our profitability by effectively managing pricing and sales terms.
- Continue to monitor 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.

### *Branded Food Division*

Our start-up business, the branded food division, gained good momentum with increase of Burger King restaurants in Hong Kong by 8 during the half year period to 13 at the end of this period. The division recorded a revenue of approximately HK\$52,042,000 with loss of approximately HK\$14,773,000 for the half year period. The net loss was attributable to the start-up costs associated with 8 new restaurants in Whampoa Garden, Causeway Bay, Admiralty, Tsim Sha Tsui, Shatin, Sheung Shui, Tsuen Wan and Tseung Kwan O opened in the half year period. 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.

The economic factors reducing consumer spending has impacted our sales during the half year period and with our increasing size, we are also experiencing competitive response to our growth.

We continue to build our quality, service and brand presence in the market as evidenced by our recent award of an “Outstanding Quick Service Restaurant” in one of the leading online food sites in Hong Kong.

### *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 revenue of approximately HK\$320,066,000 with a net profit of approximately HK\$9,713,000 for the half year period, versus revenue of approximately HK\$227,858,000 and a net profit of approximately HK\$8,144,000 for the corresponding period last year.

During the half year period, there was a significant rebound of the demand for brown fishmeal and its market price due to increase in demand from the aquaculture industry in China and limited supply of global brown fishmeal. To improve the management of price volatility, Coland will continue to implement smaller lot purchases (made possible by the change in the fishing policies in South America) and improve inventory management by analysis of near term supply & demand data.

Our expansion into value adding and higher margin businesses continues. Our fish oil process business is a leader in quality and supply capability and although affected by lower prices in the half year period. Our processed feed business and joint venture with Nosan is exploring new products and customers. Our fillet processing factory in Wuhan has opened and is now finalising the regulatory licenses for export.

Going forward, we are seeing stabilised trends in demand, price and volatility in the near term. We will continue to take a cautious approach in monitoring our trading operation and maintain our overall profitability.

### *Chemical Operation Division*

For our chemical operation division conducted through TKC, we shared 33.74% of its second quarter revenue and net profit of approximately HK\$429,825,000 and HK\$22,212,000 respectively, representing a growth of approximately 9.7% and 27.4% respectively from the preceding quarter. For the half year period, we shared its revenue of approximately HK\$821,615,000 with a net profit of approximately HK\$39,650,000, versus our share of its post-acquisition revenue of approximately HK\$520,922,000 and net loss of approximately HK\$13,423,000 for the same period last year. During the second quarter, demand and pricing continued to improve across our product lines, especially spandex. We remain cautiously optimistic this will stabilise and improve over time.

TKC has successfully continued its restructuring plan and reducing debt and professionalizing the management team for the future. The key focus of the business will be to continue to monitor cost structure, work with suppliers and creditors as it continues to improve its financial position.

### **Financial Resources, Liquidity and Charges on Assets**

As at 30th September 2009, NAS Group had bank and cash balance of approximately HK\$1,260,840,000 (31st March 2009: HK\$1,109,669,000), of which approximately HK\$139,790,000 (31st March 2009: HK\$46,086,000) was pledged to secure trade financing facilities of HK\$914,951,000 (31st March 2009: HK\$924,365,000) granted by banks to its Group companies for trust receipts loans, mortgage loans and bank borrowings. These banking facilities were also secured by (a) bank deposits, (b) corporate guarantees provided by NAS, (c) the Group's inventories held under trust receipts bank loan arrangement, (d) buildings, (e) investment properties and (f) leasehold land and land use rights payments.

As at 30th September 2009, NAS Group had convertible bonds of approximately HK\$18,908,000 (31st March 2009: HK\$18,267,000) and borrowings of approximately HK\$431,606,000 (31st March 2009: HK\$437,296,000). The gearing ratio (sum of borrowings and convertible bonds divided by equity attributable to equity holders of the Company) of the Group was 0.23 as at 30th September 2009, as compared to 0.24 as at 31st March 2009.

## Foreign Currency Exposure

The business of the Group was primarily transacted in HK\$, US\$, Euro, Yen, KRW and Renminbi. The Group's cash and bank deposits, including pledged bank deposits, were mainly denominated in HK\$. The foreign currency exposure of the Group is mainly driven by its business divisions.

The Group attempts to minimise its foreign currency exposure through (i) matching its payables for purchases against its receivables on sales and (ii) maintain sufficient foreign currency cash balances to settle the foreign currency payables. We will continue to monitor closely the exchange rate between US\$ and Yen and will make necessary hedging arrangements to minimise its foreign currency exposure arising from foreign currency fluctuation in the future.

## Employee Information

As at 30th September 2009, the NAS Group employed 1,447 staff (2008: 874). Total staff costs including contribution to retirement benefit schemes incurred during the six months ended 30th September 2009 amounted to approximately HK\$90,695,000 (2008: HK\$68,700,000).

## COMMITMENTS

### Capital commitments

There was no material change in capital commitments since 31st March 2009.

### Operating lease commitments

As at 30th September 2009, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>As at 30th September 2009 HK\$'000</b>	As at 31st March 2009 HK\$'000
Not later than one year	<b>30,988</b>	18,034
Later than one year and not later than five years	<b>31,175</b>	15,585
	<b><u>62,163</u></b>	<u>33,619</u>

## **OUTLOOK**

We have observed moderate recovery across our businesses and cautiously optimistic on the sustainability of the recovery. But we continue to monitor the business closely as the impact of the government stimulus packages recede.

- Demand has improved in the core fishmeal trading business and its market price has stabilised or increased. But we do expect seasonal dip in demand and pricing in the coming quarters.
- 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, we are seeing new orders starting to come from these companies.
- Competitive environment and demand for spandex have continued to improve although we expect seasonal decrease in overall demand in future quarters.
- Gross profit margin has improved in the branded food business but still seeing lower consumer spending.

We remain cautiously hopeful the improving trend will be sustained and continuing positive impact in our businesses.

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 focus will continue to be active management to capture available sales, prudently manage cash flow and monitor costs and risks. With the improved business outlook, the management teams are also refocused on the growth plans that were being implemented before the recession to augment organic growth with new businesses/products and/or complementary acquisitions.

## **OUR INVESTMENT STRATEGY**

The current economic environment has opened up attractive new opportunities for us as companies are re-looking at growth capital and value adding investors. 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 September 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 September 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 <sup>(a)</sup>
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 September 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 September 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<sup>(b)</sup> 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 September 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 <sup>(c)</sup>	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
				208,248,863	217.39%	
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 <sup>(c)</sup>	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%	

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings <sup>(c)</sup>	Note
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
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

Name	Capacity	Number of ordinary shares held	Number of underlying shares held	Total	Approximate % of shareholdings <sup>(c)</sup>	Note
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
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

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares held</b>	<b>Total</b>	<b>Approximate % of shareholdings<sup>(c)</sup></b>	<i>Note</i>
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
Mr. Pedro Urbina Garcia-Caro	Interest of controlled corporation	—	49,553,001	49,553,001	51.73%	21
Aurgia Securities Sociedad de Valores (“Aurgia”)	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
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
Kenthomas 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

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares held</b>	<b>Total</b>	<b>Approximate % of shareholdings<sup>(c)</sup></b>	<i>Note</i>
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. Dorothée 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
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

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares held</b>	<b>Total</b>	<b>Approximate % of shareholdings<sup>(c)</sup></b>	<b>Note</b>
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)**

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary shares held</b>	<b>Number of underlying shares held</b>	<b>Total</b>	<b>Approximate % of shareholdings<sup>(c)</sup></b>	<b>Note</b>
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. Ricardo 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 Doudes, 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 Doudes.
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 Aurgia, a company controlled by Mr. Pedro Urbina Garcia-Caro; 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 Barbón; 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. Ricardo 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 Büll. 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. Dorothée 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 September 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 September 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 September 2009, no share options have been granted pursuant to the Best Creation Scheme.

## **COMPETING INTERESTS**

As at 30th September 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 September 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	211,152
Inventories	348,045
Cash and cash equivalents	68,357
Other current assets	356,955
Bank borrowings	(492,123)
Other current liabilities	(120,893)
	<hr/>
Net assets	<u><u>371,493</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 six months ended 30th September 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 six months ended 30th September 2009.

## **CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standard of dealing set out in rules 5.48 to 5.68 of the GEM Listing Rules (the “Required Standard”) as the code of conduct regarding securities transactions by the Directors of the Company and has complied with the Required Standard throughout the six months ended 30th September 2009. The Company, having made specific enquiry of the Company, confirmed that all the Directors had complied with the Required Standard.

## **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 six months ended 30th September 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, 6th November 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); four Non executive Directors, namely Mr. Andrew Yao Cho Fai, Mr. Takeshi Kadota, Mr. Moses Tsang Kwok Tai and Mr. Henry Kim Cho; 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](http://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](http://www.nasholdings.com).*