NORTH ASIA STRATEGIC HOLDINGS LIMITED
北亞策略控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

FINAL RESULTS
FOR THE YEAR ENDED 31ST MARCH 2014

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.

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 the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

* *For identification purpose only*

CHAIRMAN’S STATEMENT

General Overview

During the fiscal year ended 31st March 2014 (the “year”), the Group had successfully disposed of its fishmeal and branded food business, which did not perform satisfactorily during the past several years. This enables the Group to streamline the business and focus on surface mount technology (“SMT”) machinery distribution business. The Group had recognized a gain of approximately HK$23,835,000 on disposal of the fishmeal business and a gain of approximately HK$37,334,000 on disposal of the branded food business. During the year, the Group managed to record a consolidated profit of approximately HK$47,150,000, compared with last year’s consolidated loss of approximately HK$33,491,000.

Division Highlights

Anticipating another wave of thriving on smartphones, tablets and mobile devices worldwide driven by the launch of 4G-LTE network in China, it evolves an enormous demand for China manufacturers to upgrade their existing equipment with more advanced manufacturing facilities to cope with the new products. During the year, American Tec Company Limited (“American Tec”) won new projects and expanded its customer base with Fuji machines and peripheral equipment. To capitalize the growth of the mobile device market, our management team continues to build and maintain a high level of collaboration with our major business partner Fuji Machine Mfg. Co., Ltd., a supplier of state-of-the-art SMT machines as well as other leading machinery business partners.

While the planned acquisition of DEK by a major competitor and our termination of some other non-performing distributorships would not have a short-term impact on sales, American Tec was successful in signing up new distributorships with Mirtec, AF Technology and Nordson Dage, etc. Strategically, we established a software team to launch our digital manufacturing system (DMS) and signed new exclusive distribution agreements with a number of world-class solution suppliers, this will allow us to deliver our value-added software solution to meet our customers’ manufacturing and enterprise system needs to achieve enhancement on their productivity and products’ quality. During the year, the division achieved a net profit of approximately HK$17 million on revenue of approximately HK$908 million for the year, compared with the net profit of approximately HK$21 million on revenue of approximately HK$734 million last year.

We had also commenced to enhance the existing ERP system aiming at improving cost efficiency of American Tec and establishing a platform to elevate its valued-added services to improve customer loyalty and distinguish itself from its competitors.

OUTLOOK

In the year, the Group had successfully divested the branded food business and joint venture in fishmeal business. This enabled us to streamline the business and rethink the future plan of the Group. The Group has been seeking potential investment opportunities in various industries that can improve shareholder value and effectively manage, deploy and apply available cash resources to meet operational and investment needs and for the benefit of our shareholders as a whole.

Going forward, the Group will continue to focus on companies and industries possessing ample growth potential. Presently, we are considering various investment opportunities that can add diversifications to our current portfolio of investments. Furthermore, we will also develop new services and software business in our hi-tech distribution division in order to better leverage our existing sales network.

APPRECIATION

We believe our long-term investment strategy, setting operating goals, motivating our staff and sharing success with business partners will be essential elements for the Group's success. I would like to take this opportunity to express my sincere gratitude to our business partners, our customers, the Board and our employees for their trust and support in the year. On behalf of the Board, I would also like to offer our utmost appreciation to our shareholders for their confidence in our Company.

Ding Yi
Chairman

Hong Kong, 11th June 2014

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Performance

During the fiscal year ended 31st March 2014 (the "year"), the Group completed the disposals of the fishmeal and branded food business respectively. After the disposals, the Group has only the service of surface mount technology ("SMT") machinery distribution business.

The Group recorded a revenue of approximately HK$907,690,000, representing a 23.7% growth compared with approximately HK$733,955,000 (restated) in the fiscal year ended 31st March 2013 ("last year"). Despite an increase in revenue, the Group experienced an abrupt downturn in sales of SMT equipment in the second half of the year compared with the first half of the year. This decline of revenue was also in line with the slowdown of smartphone shipment in China in the fourth quarter ended 31st December 2013, representing a reduction of 6.9% from third quarter of 2013, which was the first decline in two years since 2011 as reported by a research firm International Data Corporation (IDC). Furthermore, according to Gartner's analysis, there was a contraction of 1.2% on spending on devices including PCs, ultra-books, mobile phones and tablets in the year 2013 but expecting a growth of 4.3% in 2014. We believe that the slowdown of smartphone shipment and reduction of spending on devices in 2013 is temporary and their effects on devices manufacturers in considering their expansion plan or replacement cycle of equipment in the year are also short-term.

The Group recorded a consolidated net profit of approximately HK$47,150,000 for the year, compared to a consolidated net loss of approximately HK$33,491,000 last year. The increase in net profit was mainly due to disposal gains of fishmeal and branded food business. Excluding these disposal gains, the Group's net loss was approximately HK$14,019,000.

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

Hi-Tech Distribution and Services Division

Our hi-tech distribution and services division conducted business through our wholly-owned subsidiary, American Tec Company Limited ("American Tec"). American Tec is a leader in Asia in the business of distribution, sales and service of SMT equipment, semi-conductor manufacturing equipment and software on manufacturing control, with a history of more than 25 years serving its customers in the hi-technology sector. Our team of more than 235 engineers and customer care staff are located in more than 25 cities in China, South-East Asia, Vietnam and India. Customers include most of the major telecom and electronic equipment manufacturers in the world. We are especially well positioned with the growing base of Chinese manufacturers. Our suppliers include leading equipment and solutions manufacturers from Asia, the United States and Europe. With its leading market position, American Tec signed new distribution and service agreements with leading SMT and software suppliers during the year to complement our major partnership with Fuji Machine Mfg. Co., Ltd. to offer a comprehensive and competitive SMT solution.

During the year, this division recorded a revenue of approximately HK$907,690,000, representing an increase of about 23.7% from approximately HK$733,955,000 last year. This year on year increase in revenue was mainly due to changes in sales mix that a significant increase in direct machine and solution sales had compensated the effect of reduction in commission sales. More effort has been put to strengthen our direct machine sales and less rely on commission sales. During the year, the division recorded approximately HK$825,026,000 of direct machine sales, HK$4,357,000 of software sales, HK$59,604,000 of spare parts sales and HK$18,703,000 of commission and other service income for the year, compared with approximately HK$617,853,000 of direct machine sales, HK$6,482,000 of software sales, HK$50,098,000 of spare parts sales and HK$59,522,000 of commission and other service income last year.

Although there was an abrupt downturn in demand of SMT equipment in the second half of the year compared with the first half of the year, the management has put more effort to increase direct machine sales and simultaneously implemented a number of cost control programs, improved service income and secured higher margin contributions from sales of peripheral equipment from new signed suppliers in the year to offset the decline in customer demand. Hence, American Tec managed to achieve a net profit of approximately HK$17,282,000 in the year, representing a 21.2% decrease compared to a net profit of approximately HK$21,942,000 last year.

Discontinued Operation

On 19th September 2013, the Group completed the disposal of its entire interest in 40% joint venture, Coland Group Limited ("Coland"), which operates fishmeal, fish oil and aquatic products business and recognized a disposal gain of approximately HK$23,835,000. The Group had shared 40% Coland's net loss of approximately HK$3,472,000 during the year.

The Group also completed the disposal of Burger King, the Group's branded food business on 31st October 2013 and recognized a disposal gain of HK$37,334,000 and the branded food business was deconsolidated thereafter. Apart from the gain on disposal, the Group had recorded a net profit of approximately HK$110,000 from branded food business during the year.

OUTLOOK

Overall Summary

We expect the global economy will be recovering in 2014. This will continue to offer various challenges to our existing businesses in the coming year, ranging from cautious customer demand to pressure on margins. Our focus will be to manage cash, costs and risks and, to build our strength during these times by working with our management teams to improve capability and efficiency.

Hi-tech Distribution and Services Division

Following the introduction of 4G-LTE network in China in December 2013, we expect to see a surge in demand for 4G mobile devices. We expect that our customers in China will need to upgrade their production lines with more advanced equipment in order to meet the manufacturing needs of next generation mobile devices and tablets. Last year, Fuji introduced the new generation NXTIII pick & place machine, which runs at higher efficiency, higher accuracy and lower cost of ownership. We believe this will stimulate our customers' demand for upgrading their equipment to achieve higher productivity and cost efficiency under current demanding manufacturing environment. With this outlook, we will continue to expand our product offering and service coverage, improve customer satisfaction through enhancement of American Tec's CRM system and aim at seizing larger market share. At the same time, we will also closely monitor our working capital, gross profit margin, operating costs and foreign exchange risk with a view to protect our cash flow and profitability.

LIQUIDITY AND FINANCIAL RESOURCES

During the year, the Group generally financed its operation with internally generated resources and banking facilities provided by its principal bankers in Hong Kong. As at 31st March 2014, the Group had floating-interest bank borrowing of approximately HK$2,600,000 (2013: approximately HK$16,504,000), which was denominated in Hong Kong dollar.

As at 31st March 2014, the Group had banking facilities of approximately HK$283,516,000 (2013: approximately HK$501,839,000) from several banks for loans and trade financing. As at 31st March 2014, banking facilities of approximately HK$50,217,000 were utilised by the Group (2013: approximately HK$78,654,000). These facilities were secured by corporate guarantees of approximately HK$318,425,000 (2013: approximately HK$508,826,000) provided by the Company and a government guarantee of approximately HK$2,600,000 (2013: approximately HK$19,200,000) provided by the Government of the Hong Kong Special Administrative Region.

As at 31st March 2014, the Group had total assets of approximately HK$1,115,285,000 (2013: approximately HK$1,170,005,000) and total liabilities of approximately HK$122,753,000 (2013: approximately HK$196,358,000), The gearing ratio of the Group, which was calculated as total liabilities over total assets was 11.0% (2013: 16.8%).

SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

On 8th July 2013, the Group entered into a sale and purchase agreement to dispose of its 40% joint venture, Coland Group Limited ("Coland"). Coland engages in refining and sale of fish oil, processing and sale of fishmeal, manufacturing and sale of aquatic feed products, aquaculture and processing and sale of aquatic products.

On 29th August 2013, the Group entered into a sale and purchase agreement to dispose of its entire interests in Smart Tactic Limited and its subsidiaries ("Smart Tactic Group"). Smart Tactic Group engages in developing and operating Burger King restaurants in Hong Kong.

As at 31st March 2014, the Group had no significant investments. Except for the aforesaid transactions, there were no material acquisitions or disposals of investments and subsidiaries during the year.

FOREIGN CURRENCY EXPOSURE

The business of the Group was primarily transacted in HK$, US$, Yen and Renminbi. The Group's cash and bank deposits were mainly denominated in HK$. The foreign currency exposure of the Group is mainly driven by its business division. The Group attempts to minimise its foreign currency exposure through (i) matching its payables for purchases against its receivables on sales and (ii) maintain sufficient foreign currency cash balances to settle the foreign currency payables. We will continue to monitor closely the exchange rate between US$ and Yen and will make necessary hedging arrangements to minimise its foreign currency exposure arising from foreign currency fluctuation in the future.

CONTINGENT LIABILITIES

As at 31st March 2014, the Group had no material contingent liabilities.

NET ASSET VALUE

Consolidated net asset value attributable to ordinary shareholders of the Company per ordinary share was approximately HK$0.737 as at 31st March 2014 which reflected an increase of HK$0.014 from the corresponding figure as at 31st March 2013 of approximately HK$0.723.

NUMBER OF EMPLOYEES AND REMUNERATION POLICIES

As at 31st March 2014, the Group employed 252 (2013: 683) staff. Salaries and annual bonuses are determined according to positions and performance of the employees. Remuneration policies are reviewed annually by the management and remuneration packages are structured to take into account the comparable level of the market. The Group provides on-the-job training and training subsidies to its employees in addition to pension schemes and medical insurance. Total staff costs from continuing operations including contribution to retirement benefit schemes incurred during the year amounted to approximately HK$72,455,000 (2013: HK$72,674,000 (restated)).

CAPITAL COMMITMENTS

There was no material capital commitments as at 31st March 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31st March 2014

	Notes	2014 HK$'000	2013 HK$'000 (Restated)
Continuing operations			
Revenue	3	**907,690**	733,955
Cost of sales		**(777,437)**	(595,375)
Gross profit		**130,253**	138,580
Other income and gains, net	4	**1,500**	5,055
Selling and distribution expenses		**(66,785)**	(73,228)
General and administrative expenses		**(77,805)**	(63,232)
Impairment of investments in joint ventures		**—**	(45,273)
Gain on disposal of joint ventures		**23,835**	—
Operating profit/(loss)		**10,998**	(38,098)
Finance income	5	**5,592**	3,718
Finance costs	5	**(130)**	(1,608)
Share of profits and losses of joint ventures		**(3,472)**	2,052
Profit/(loss) before income tax	6	**12,988**	(33,936)
Income tax expense	7	**(3,282)**	(4,111)
Profit/(loss) for the year from continuing operations		**9,706**	(38,047)
Discontinued operation			
Profit for the year from/gain on disposal of a discontinued operation	8	**37,444**	4,556
PROFIT/(LOSS) FOR THE YEAR		**47,150**	(33,491)
Profit/(loss) per share attributable to ordinary shareholders of the Company	9		
Basic and diluted			
— For profit/(loss) for the year *(HK cents)*		**3.50**	(2.49)
— For profit/(loss) for the year from continuing operations *(HK cents)*		**0.72**	(2.83)

Details of the dividends payable and proposed for the year are disclosed in note 10 to this announcement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March 2014

	2014	2013
	HK$'000	*HK$'000*
Profit/(loss) for the year	**47,150**	(33,491)
OTHER COMPREHENSIVE INCOME		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:		
Currency translation differences:		
Currency translation differences of foreign operations	**270**	313
Reclassification adjustment for exchange differences included in the consolidated statement of profit or loss upon deconsolidation of a subsidiary	**209**	—
Reclassification adjustment for exchange differences included in the consolidated statement of profit or loss upon disposal of joint ventures	**(32,289)**	—
Share of other comprehensive income of joint ventures	**3,545**	768
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX OF NIL	**(28,265)**	1,081
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**18,885**	(32,410)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31st March 2014

		As at 31st March	
		2014	2013
	Notes	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**6,373**	8,617
Intangible assets		**373,692**	373,692
Investments in joint ventures		**—**	137,684
Notes receivable		**45,583**	—
Other non-current assets		**1,710**	7,276
		427,358	527,269
Current assets			
Inventories		**2,120**	2,772
Notes receivable		**46,644**	—
Trade and other receivables	*11*	**66,663**	83,713
Cash and cash equivalents		**572,500**	556,251
		687,927	642,736
Total assets		**1,115,285**	1,170,005
EQUITY			
Equity attributable to shareholders of the Company			
Share capital	*13*	**13,459**	13,459
Reserves	*14*	**979,073**	960,188
Total equity		**992,532**	973,647

	Note	As at 31st March **2014** *HK$'000*	2013 *HK$'000*
LIABILITIES			
Current liabilities			
Borrowings		**2,600**	16,504
Trade and other payables	*12*	**114,224**	153,263
Income tax liabilities		**5,093**	2,286
Provisions		**—**	10,500
		121,917	182,553
Non-current liabilities			
Deferred tax liabilities		**438**	417
Other non-current liabilities		**398**	13,388
		836	13,805
Total liabilities		**122,753**	196,358
Total equity and liabilities		**1,115,285**	1,170,005
Net current assets		**566,010**	460,183
Total assets less current liabilities		**993,368**	987,452

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31st March 2014

	Attributable to shareholders of the Company		
	Share capital *HK$'000*	Reserves *HK$'000* *(note 14)*	Total *HK$'000*
Balances at 1st April 2012	134,660	1,140,651	1,275,311
Comprehensive income			
Loss for the year	—	(33,491)	(33,491)
Other comprehensive income			
Currency translation differences of foreign operations	—	313	313
Share of other comprehensive income of joint ventures	—	768	768
Total other comprehensive income	—	1,081	1,081
Total comprehensive income for the year	—	(32,410)	(32,410)
Share repurchase *(note 14(a))*	—	(54)	(54)
Cancellation of shares repurchased *(note 14(a))*	(66)	54	(12)
Capital reduction *(note 13(a))*	(121,135)	121,135	—
Special dividend *(note 10)*	—	(269,188)	(269,188)
Balances at 31st March 2013	13,459	960,188	973,647

	Attributable to shareholders of the Company		
	Share capital	**Reserves**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
		(note 14)	
Balances at 1st April 2013	**13,459**	**960,188**	**973,647**
Comprehensive income			
Profit for the year	**—**	**47,150**	**47,150**
Other comprehensive income			
Currency translation differences of foreign operations	**—**	**270**	**270**
Reclassification adjustment for exchange differences include in the consolidated statement of profit or loss upon the deconsolidation of a subsidiary	**—**	**209**	**209**
Reclassification adjustment for exchange differences include in the consolidated statement of profit or loss upon the disposal of joint ventures	**—**	**(32,289)**	**(32,289)**
Share of other comprehensive income of joint ventures	**—**	**3,545**	**3,545**
Total other comprehensive income	**—**	**(28,265)**	**(28,265)**
Total comprehensive income for the year	**—**	**18,885**	**18,885**
Balances at 31st March 2014	**13,459**	**979,073**	**992,532**

NOTES

1. General information

North Asia Strategic Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and its joint ventures are principally engaged in the following businesses during the year:

- **hi-tech distribution and services:** trading of surface mount technology ("SMT") assembly equipment, machinery and spare parts and the provision of related installation, training, repair and maintenance services for SMT assembly equipment;

- **branded food:** developing and operating Burger King restaurants in Hong Kong (discontinued on 31st October 2013);

- **fishmeal, fish oil and aquatic products:** refining and sale of fish oil, processing and sale of fishmeal, manufacturing and sale of aquatic feed products, aquaculture and processing and sale of aquatic products (disposed of on 19th September 2013); and

- investment holding.

The Company is a limited liability company incorporated in Bermuda as an exempted company under the Bermuda Companies Act 1981 (the "Companies Act"). The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and of its principal place of business is Suite 1318, 13th Floor, Two Pacific Place, 88 Queensway, 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 announcement is presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

This announcement has been approved for issue by the Company's board of directors on 11th June 2014.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Group's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Group's financial statements have been prepared in accordance with 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 ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention.

2.2 Changes in accounting policy and disclosures

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
HKFRS 13	*Fair Value Measurement*
HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 19 (2011)	*Employee Benefits*
HKAS 36 Amendments	Amendments to HKAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets* (early adopted)
HK(IFRIC)-Int 20	*Stripping Costs in the Production Phase of a Surface Mine*
Annual Improvements 2009-2011 Cycle	Amendments to a number of HKFRSs issued in June 2012

Other than as further explained below regarding the impact of HKFRS 13 and amendments to HKAS 1, and certain amendments included in *Annual Improvements 2009-2011 Cycle*, the adoption of the new and revised HKFRSs has had no significant financial effect on the Group's financial statements.

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The standard does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

(b) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in the Group's consolidated financial statements.

(c) *Annual Improvements 2009-2011 Cycle* issued in June 2012 sets out amendments to a number of standards. There are separate transitional provisions for each standard. While the adoption of some of the amendments may result in changes in accounting policies, none of these amendments have had a significant financial impact on the Group. Details of the key amendments most applicable to the Group are as follows:

- HKAS 1 *Presentation of Financial Statements*: Clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the previous period. The additional comparative information does not need to contain a complete set of financial statements.

  In addition, the amendment clarifies that the opening statement of financial position as at the beginning of the preceding period must be presented when an entity changes its accounting policies; makes retrospective restatements or makes reclassifications, and that change has a material effect on the statement of financial position. However, the related notes to the opening statement of financial position as at the beginning of the preceding period are not required to be presented.

- HKAS 32 *Financial Instruments: Presentation*: Clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with HKAS 12 *Income Taxes*. The amendment removes existing income tax requirements from HKAS 32 and requires entities to apply the requirements in HKAS 12 to any income tax arising from distributions to equity holders.

3. Turnover, revenue and segment information

3.1 Turnover and revenue

Turnover represents sales of goods, commission and other service income. The amounts of each category of revenue recognised from continuing operations during the year are as follows:

	For the year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Sales of goods	**888,987**	674,433
Commission and other service income	**18,703**	59,522
	907,690	733,955

3.2 *Operating segment information*

For management purpose, the Group, including its joint ventures, is organised into three major reportable operating segments – hi-tech distribution and services, branded food (discontinued on 31st October 2013) and fishmeal, fish oil and aquatic products (disposed of on 19th September 2013). The hi-tech distribution and services operating segment derives revenue from the sale of goods, commission and other service income.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that finance income, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets consist primarily of property, plant and equipment, intangible assets, other non-current assets, inventories and trade and other receivables. Unallocated assets comprise notes receivable, cash and cash equivalents and corporate and others.

Segment liabilities consist primarily of trade and other payables, provisions and other non-current liabilities. Unallocated liabilities comprise deferred tax liabilities, income tax liabilities, borrowings and corporate and others.

Capital expenditure comprises additions to property, plant and equipment and intangible assets.

There are no significant sales between the operating segments during the year (2013: Nil). The operating results for the year are as follows:

	Year ended 31st March 2014		
	Hi-tech distribution and services operation *HK$'000*	**Fishmeal, fish oil and aquatic products operation (disposed of on 19th September 2013)** *HK$'000*	**Total** *HK$'000*
Revenue			
— Sales to external customers	**907,690**	**—**	**907,690**
Segment results	**20,291**	**(3,472)**	**16,819**
Finance income			**5,592**
Finance costs			**(130)**
Corporate and other unallocated expenses			**(9,293)**
Profit before income tax from continuing operations			**12,988**
Income tax expense			**(3,282)**
Profit for the year from continuing operations			**9,706**
Profit for the year from/gain on disposal of a discontinued operation *(note 8)*			**37,444**
Profit for the year			**47,150**
Capital expenditure:			
Segment assets	**2,766**	**—**	**2,766**
Corporate and other unallocated capital expenditure			**2,249**
			5,015
Depreciation:			
Segment assets	**3,439**	**—**	**3,439**
Corporate and other unallocated depreciation			**1,812**
			5,251

	Year ended 31st March 2013		
	Hi-tech distribution and services operation *HK$'000*	Fishmeal, fish oil and aquatic products operation (disposed of on 19th September 2013) *HK$'000*	Total *HK$'000* (Restated)
Revenue			
— Sales to external customers	733,955	—	733,955
Segment results	27,639	2,052	29,691
Impairment of investments in joint ventures	—	(45,273)	(45,273)
	27,639	(43,221)	(15,582)
Finance income			3,718
Finance costs			(1,068)
Corporate and other unallocated expenses			(21,004)
Loss before income tax from continuing operations			(33,936)
Income tax expense			(4,111)
Loss for the year from continuing operations			(38,047)
Profit for the year from a discontinued operation *(note 8)*			4,556
Loss for the year			(33,491)
Capital expenditure:			
Segment assets	1,907	—	1,907
Corporate and other unallocated capital expenditure			854
			2,761
Depreciation:			
Segment assets	4,284	—	4,284
Corporate and other unallocated depreciation			235
			4,519
Write-off of property, plant and equipment	269	—	269

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

	Hi-tech distribution and services operation *HK$'000*	**Total** *HK$'000*
At 31st March 2014		
ASSETS		
Segment assets	**447,146**	**447,146**
Unallocated assets:		
Notes receivable		**92,227**
Cash and cash equivalents		**572,500**
Corporate and others		**3,412**
Total assets per the consolidated statement of financial position		**1,115,285**
LIABILITIES		
Segment liabilities	**113,463**	**113,463**
Unallocated liabilities:		
Deferred tax liabilities		**438**
Income tax liabilities		**5,093**
Borrowings		**2,600**
Corporate and others		**1,159**
Total liabilities per the consolidated statement of financial position		**122,753**

	Hi-tech distribution and services operation *HK$'000*	Fishmeal, fish oil and aquatic products operation (disposed of on 19th September 2013) *HK$'000*	Branded food operation (discontinued on 31st October 2013) *HK$'000*	Total *HK$'000*
At 31st March 2013				
ASSETS				
Segment assets	461,015	137,684	11,975	610,674
Unallocated assets:				
Cash and cash equivalents				556,251
Corporate and others				3,080
Total assets per the consolidated statement of financial position				1,170,005
LIABILITIES				
Segment liabilities	139,197	—	36,406	175,603
Unallocated liabilities:				
Deferred tax liabilities				417
Income tax liabilities				2,286
Borrowings				16,504
Corporate and others				1,548
Total liabilities per the consolidated statement of financial position				196,358

Geographical information

(a) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong and Mainland China. Revenue by geographical location is determined on the basis of the destination of shipment of goods for hi-tech distribution as well as the location of service performed by the branded food segment.

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

	For the year ended 31st March					
	2014			2013		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	**—**	**59,802**	**59,802**	—	120,368	120,368
Mainland China	**876,621**	**—**	**876,621**	699,500	—	699,500
Asia — Others	**31,069**	**—**	**31,069**	34,455	—	34,455
Total revenue	**907,690**	**59,802**	**967,492**	733,955	120,368	854,323

(b) Non-current assets

The non-current asset information is based on the location of assets and excludes financial instruments.

The following table provides an analysis of the Group's non-current assets as at the end of the reporting period by geographical location:

	As at 31st March	
	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**381,399**	389,045
Mainland China	**181**	137,899
Asia — others	**195**	325
	381,775	527,269

Information about a major customer

In the current year, revenue of approximately HK$167,729,000 (2013: HK$97,164,000) was derived from sales by the hi-tech distribution and services operating segment to a single customer which accounted for more than 10% of the Group's total revenue.

4. Other income and gains, net

An analysis of the Group's other income and gains, net from continuing operations is as follows:

	For the year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Net foreign exchange gains	—	2,809
Gain on disposal of property, plant and equipment, net	**1,179**	1,131
Reversal of provision for impairment of trade and other receivables	**62**	—
Guarantee fee income	—	759
Others	**259**	356
	1,500	5,055

5. Finance income and costs

An analysis of finance income and costs from continuing operations is as follows:

	For the year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Finance income:		
Interest income from bank deposits	**3,888**	3,718
Interest income from notes receivable	**468**	—
Increase in discounted amounts arising from the passage of time	**875**	—
Net foreign exchange gains on financing activities	**361**	—
	5,592	3,718
Finance costs:		
Interest on bank loans	**130**	504
Net foreign exchange losses on financing activities	—	1,104
	130	1,608

6. Profit/(loss) before income tax

The Group's profit/(loss) before income tax from continuing operations is arrived at after charging:

	For the year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Cost of inventories sold	**769,452**	585,263
Depreciation of property, plant and equipment	**5,251**	4,519

7. Income tax expense

The Company is exempted from taxation in Bermuda until 2016. Hong Kong profits tax has been calculated at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the year.

Subsidiaries established in Mainland China are subject to the Mainland China corporate income tax at the standard rate of 25% (2013: 25%).

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

The amounts of income tax expense from continuing operations recorded in the consolidated statement of profit or loss represent:

	For the year ended 31st March	
	2014	2013
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax		
— current year	**2,777**	2,286
— overprovision in prior years	**—**	(324)
Mainland China corporate income tax		
— current year	**490**	197
Overseas taxation		
— overprovision in prior years	**—**	(38)
Deferred taxation	**15**	1,990
	3,282	4,111

8. Discontinued operation

On 29th August 2013, the Group entered into a sale and purchase agreement to dispose of its entire interests in Smart Tactic Limited and its subsidiaries ("Smart Tactic Group"). Smart Tactic Group engaged in branded food operation. The Group decided to cease its branded food operation because it enables the Group to reserve more resources on its hi-tech distribution and services operation and explore future investment to enhance shareholder value. Details are disclosed in the Company's announcement dated 29th August 2013. The disposal of Smart Tactic Group has been completed on 31st October 2013.

With the disposal of Smart Tactic Group, the results from Smart Tactic Group were no longer included in the Group's results subsequent to the completion of disposal.

The results of Smart Tactic Group for the year (up to date of disposal) are presented below:

	2014	2013
	HK$'000	*HK$'000*
Revenue	**59,802**	120,368
Expenses	**(58,633)**	(112,028)
Finance costs	**(1,059)**	(3,784)
Profit before tax	**110**	4,556
Income tax expense	**—**	—
Profit after tax	**110**	4,556
Gain on disposal of a discontinued operation	**37,334**	—
Profit for the year from a discontinued operation	**37,444**	4,556
Earnings per share, from the discontinued operation:		
Basic and diluted *(HK cents)*	**2.78**	0.34

The calculations of basic and diluted earnings per share from the discontinued operation are based on:

	2014	2013
Profit attributable to ordinary shareholders of the parent from the discontinued operation *(HK$)*	**37,444,000**	4,556,000
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculation *(note 9)*	**1,345,938,948**	1,345,939,715

9. Earnings/(loss) per share

Basic earnings/(loss) per share

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

	For the year ended 31st March					
	2014			2013		
	Continuing operations	**Discontinued operation**	**Total**	Continuing operations	Discontinued operation	Total
Profit/(loss) attributable to shareholders of the Company *(HK$'000)*	**9,706**	**37,444**	**47,150**	(38,047)	4,556	(33,491)
Weighted average number of ordinary shares in issue*	**1,345,938,948**	**1,345,938,948**	**1,345,938,948**	1,345,939,715	1,345,939,715	1,345,939,715
Basic earnings/(loss) per Share *(HK cents)*	**0.72**	**2.78**	**3.50**	(2.83)	0.34	(2.49)

* The weighted average number of ordinary shares for the year ended 31st March 2013 has been adjusted for the Capital Reorganisation (as defined in note 13(a) to this announcement) taken place on 17th September 2012.

Diluted earnings/(loss) per share

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31st March 2014 and 2013 in respect of a dilution as the Group did not have any potentially dilutive ordinary shares in issue during the years ended 31st March 2014 and 2013.

10. Dividends

The directors do not recommend the payment of any final dividend for the year ended 31st March 2014 (2013: Nil).

For the year ended 31st March 2013, a special dividend of HK20 cents per ordinary share, as adjusted for the Capital Reorganisation on 17th September 2012 (note 13(a)), amounting to HK$269,188,000 was paid on 9th October 2012.

11. Trade and other receivables

	As at 31st March	
	2014	2013
	HK$'000	*HK$'000*
Trade and bills receivables	**64,550**	75,467
Less: Impairment of trade receivables	—	(2,382)
Trade and bills receivables, net	**64,550**	73,085
Prepayments, deposits and other receivables	**2,113**	10,628
	66,663	83,713

The Group's trading terms with its customers are mainly on letters of credit or documents against payment, and in some cases granting a credit period of 30 to 90 days, except for new customers, where payment in advance is normally required. An ageing analysis of trade and bills receivables, based on invoice date and net of impairment, as at the end of the reporting period is as follows:

	As at 31st March	
	2014	2013
	HK$'000	*HK$'000*
90 days or less	**44,662**	49,116
91 to 180 days	**3,858**	12,910
181 to 270 days	**12,970**	7,963
271 to 365 days	**2,923**	3,096
Over 365 days	**137**	—
	64,550	73,085

12. Trade and other payables

	As at 31st March	
	2014	2013
	HK$'000	*HK$'000*
Trade and bills payables	**62,985**	88,311
Other payables	**51,239**	64,952
	114,224	153,263

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

	As at 31st March	
	2014	2013
	HK$'000	*HK$'000*
90 days or less	**58,275**	81,058
91 to 180 days	**2,273**	1,061
181 to 270 days	**237**	2,992
271 to 365 days	**627**	779
Over 365 days	**1,573**	2,421
	62,985	88,311

13. Share capital

		Ordinary shares of HK$0.01 each		Preference shares of HK$0.01 each		
		Number of shares	**Ordinary share capital**	**Number of shares**	**Preference share capital**	**Total**
	Note	*'000*	*HK$'000*	*'000*	*HK$'000*	*HK$'000*
Authorised:						
At 31st March 2013 and 2014		**40,000,000**	**400,000**	**30,000,000**	**300,000**	**700,000**
Issued:						
At 1st April 2012		13,465,959	134,660	—	—	134,660
Cancellation of shares repurchased		(6,570)	(66)	—	—	(66)
Share consolidation	*(a)*	(12,113,450)	(121,135)	—	—	(121,135)
At 31st March 2013, 1st April 2013 and 31st March 2014		**1,345,939**	**13,459**	—	—	**13,459**

(a) Pursuant to the special resolution passed on 14th September 2012, the capital reorganisation (the "Capital Reorganisation") which became effective on 17th September 2012 consisted of the following:

i. Share consolidation, whereby every 10 issued shares of HK$0.01 each were consolidated into 1 ordinary share of HK$0.10 (the "Consolidated Share");

ii. Capital reduction, whereby the par value of each issued Consolidated Share was reduced from HK$0.10 to HK$0.01 by cancelling HK$0.09 of the paid-up capital on each issued Consolidated Share and the total number of Consolidated Shares was rounded down to a whole number by eliminating any fraction of a Consolidated Share in the issued share capital of the Company following the share consolidation; and

iii. The credit arising from the capital reduction was transferred to the contributed surplus account of the Company such that the Company may apply such surplus in any manner as it considers appropriate subject to compliance with the Companies Act.

14. Reserves

	Note	Contributed surplus HK$'000	Treasury shares HK$'000	Cumulative translation adjustments HK$'000	Accumulated losses HK$'000	Total HK$'000
Balances at 1st April 2012		1,240,238	(204)	29,028	(128,411)	1,140,651
Loss for the year		—	—	—	(33,491)	(33,491)
Currency translation differences of foreign operations		—	—	313	—	313
Share of other comprehensive income of joint ventures		—	—	768	—	768
Total comprehensive income for the year		—	—	1,081	(33,491)	(32,410)
Share repurchase	*(a)*	—	(54)	—	—	(54)
Cancellation of shares repurchased	*(a)*	—	258	—	(204)	54
Capital reduction *(note 13(a))*		121,135	—	—	—	121,135
Special dividend *(note 10)*		(269,188)	—	—	—	(269,188)
Balances at 31st March 2013 and at 1st April 2013		**1,092,185**	**—**	**30,109**	**(162,106)**	**960,188**
Profit for the year		**—**	**—**	**—**	**47,150**	**47,150**
Currency translation differences of foreign operations		**—**	**—**	**270**	**—**	**270**
Reclassification adjustment for exchange differences included in the consolidated statement of profit or loss upon the deconsolidation of a subsidiary		**—**	**—**	**209**	**—**	**209**
Reclassification adjustment for exchange differences included in the consolidated statement of profit or loss upon the disposal of joint ventures		**—**	**—**	**(32,289)**	**—**	**(32,289)**
Share of other comprehensive income of joint ventures		**—**	**—**	**3,545**	**—**	**3,545**
Total comprehensive income for the year		**—**	**—**	**(28,265)**	**47,150**	**18,885**
Balances at 31st March 2014		**1,092,185**	**—**	**1,844**	**(114,956)**	**979,073**

(a) The following describes the shares repurchased and cancelled by the Company during the prior year and the number of shares described had not been adjusted for the share consolidation as described in note 13(a) that occurred subsequent to these repurchases and cancellation.

During the year ended 31st March 2013, the Company repurchased a total of 1,400,000 ordinary shares of the Company on the Stock Exchange and 6,570,000 shares were cancelled by the Company. Upon the cancellation of the 6,570,000 repurchased shares, the issued share capital of the Company was reduced by the par value of HK$66,000. The premium paid on the repurchase of the shares of HK$204,000, including transaction costs, was charged to the accumulated losses of the Company. As at 31st March 2014 and 2013, no ordinary shares were repurchased but not yet cancelled by the Company.

15. Comparative amounts

The comparative statement of profit or loss has been re-presented as if the operation discontinued during the year had been discontinued at the beginning of the comparative period (note 8).

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 year ended 31st March 2014.

CORPORATE GOVERNANCE PRACTICES

The Company endeavours to maintain high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of GEM Listing Rules. Throughout the year ended 31st March 2014, the Company complied with all the Code provisions with the exceptions addressed below and, where appropriate, adopted the recommended best practices set out in the Code.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Board's decisions are implemented under the leadership of the Chairman with the involvement and support of the chief executive officer(s) and general manager(s) of the Company's operating companies. The Board believes that the balance of authority and division of responsibility are adequately ensured by the operations of the Board and management which comprise experienced and high calibre individuals.

Code provision A.4.1 stipulates that non-executive directors should be appointed for specific terms. However, Mr. James Tsiolis, Non-executive Director elected by the shareholders at the general meeting of the Company was not appointed for a specific term but is subject to retirement by rotation and re-election at annual general meetings in accordance with the bye-laws of the Company.

Code provision A.6.7 stipulates that independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings of the Company and develop a balanced understanding of the views of shareholders. Due to other important engagement at the relevant time, an independent non-executive director was unable to attend the general meetings of the Company held in September 2013. However, the Chairman of the Board and the Chairmen of the Board committees attended the annual general meeting and special general meeting of the Company held in September 2013.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealing set out in rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard") as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Required Standard during the year ended 31st March 2014.

AUDIT COMMITTEE

The audit committee currently comprises three members, namely Mr. Joseph Liang Hsien Tse, Mr. Stephen Luk Kai Ming and Mr. Kenneth Kon Hiu King, all being independent non-executive directors. The committee is chaired by Mr. Joseph Liang Hsien Tse who has appropriate professional qualifications and experience in financial matters.

The Board has adopted a set of the revised terms of reference of the audit committee to align 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 audit committee meets at least four times a year to discuss any area of concern during the audits or reviews and at least twice of the meetings shall be with the external auditors. The audit committee reviews the quarterly, interim and annual reports before submission to the Board. Senior representatives of the external auditors, executive directors and senior management are invited to attend the meetings, if required.

During the year, the audit committee has approved the nature and scope of the statutory audits, and reviewed the quarterly, interim and annual financial statements of the Group, and was content that the accounting policies and standards of the Group are in accordance with the current best practices in Hong Kong.

The Group's financial statements for the year ended 31st March 2014 have been reviewed by the audit committee.

On behalf of the Board
North Asia Strategic Holdings Limited
Ding Yi
Chairman and Executive Director

Hong Kong, 11th June 2014

As at the date of this announcement, the Board comprises Mr. Ding Yi (Chairman and Executive Director), Mr. James Tsiolis (Deputy Chairman and Non-executive Director), Mr. Joseph Chan Nap Kee (Non-executive Director), and Mr. Joseph Liang Hsien Tse, Mr. Stephen Luk Kai Ming and Mr. Kenneth Kon Hiu King (Independent Non-executive Directors).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcement" page for at least seven days from the date of its posting and on the Company's website at www.nasholdings.com.