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

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31ST DECEMBER 2020

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

* *For identification purpose only*

RESULTS

The Board of directors (the "Board") of North Asia Strategic Holdings Limited (the "Company") presents the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine months and three months ended 31st December 2020, together with the comparative unaudited figures of the corresponding periods in 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the nine months ended 31st December		For the three months ended 31st December	
		2020	2019	**2020**	2019
	Notes	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	*3*	**1,947,897**	2,599,929	**689,376**	820,077
Cost of sales		**(1,587,837)**	(2,285,566)	**(556,776)**	(717,860)
Gross profit		**360,060**	314,363	**132,600**	102,217
Other income and gains, net		**17,242**	15,306	**(913)**	6,601
Selling and distribution expenses		**(97,949)**	(113,853)	**(32,046)**	(33,353)
General and administrative expenses		**(126,246)**	(92,283)	**(53,631)**	(22,972)
Operating profit		**153,107**	123,533	**46,010**	52,493
Finance income	*4*	**5,665**	7,178	**4,001**	2,713
Finance costs, net	*4*	**(938)**	(1,638)	**(230)**	(617)
Profit before income tax		**157,834**	129,073	**49,781**	54,589
Income tax expense	*5*	**(34,388)**	(20,128)	**(13,813)**	(10,536)
PROFIT FOR THE PERIOD		**123,446**	108,945	**35,968**	44,053
Earnings per share attributable to shareholders of the Company	*6*				
Basic *(HK cents)*		**45.3**	40.0	**13.2**	16.2
Diluted *(HK cents)*		**45.3**	40.0	**13.2**	16.2

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the nine months ended 31st December		For the three months ended 31st December	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Profit for the period	**123,446**	108,945	**35,968**	44,053
OTHER COMPREHENSIVE INCOME				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Currency translation differences of foreign operations	**30,782**	(14,824)	**23,955**	2,808
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX OF NIL	**30,782**	(14,824)	**23,955**	2,808
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**154,228**	94,121	**59,923**	46,861

Notes:

1. GENERAL INFORMATION

The Group is principally engaged in the following businesses during the period:

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

- **leasing:** provision of finance to its customers via a wide array of assets under finance lease arrangements and operating lease arrangements, and trading of lease assets; 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 that of its principal place of business is 18th Floor, Shanghai Commercial Bank Tower, 12 Queen's Road Central, Hong Kong.

The Company's ordinary shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

In the opinion of the directors, the immediate holding company and ultimate holding company is Sincere Ardent Limited, which was incorporated in the British Virgin Islands ("BVI").

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 and authorised for issue by the Company's Board of directors on 4th February 2021.

2. BASIS OF PREPARATION

This announcement has been prepared to comply with the disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

This announcement does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31st March 2020.

The accounting policies adopted in the preparation of this unaudited condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31st March 2020, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 3	*Definition of a Business*
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	*Interest Rate Benchmark Reform*
Amendments to HKAS 1 and HKAS 8	*Definition of Material*

The adoption of the above revised HKFRSs has had no significant impact on the Group's result and financial position.

3. REVENUE

An analysis of revenue is as follows:

	For the nine months ended 31st December		For the three months ended 31st December	
	2020	2019	**2020**	2019
	HK\$'000	*HK\$'000*	***HK\$'000***	*HK\$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue from contracts with customers *(note)*				
Recognised at a point in time:				
Sales of goods	**1,716,533**	2,524,511	**617,539**	784,970
Recognised over time:				
Commission and other service income	**165,764**	21,345	**45,871**	11,442
	1,882,297	2,545,856	**663,410**	796,412
Revenue from other source				
Income from leasing arrangements	**13,337**	20,528	**3,794**	8,642
Income from operating lease arrangements	**52,263**	33,545	**22,172**	15,023
	1,947,897	2,599,929	**689,376**	820,077

Note:

Disaggregated revenue information				
Geographic markets				
The PRC including Hong Kong	**1,822,298**	2,315,840	**641,359**	765,824
Asia — others	**59,999**	230,016	**22,051**	30,588
Total revenue from contracts with customers	**1,882,297**	2,545,856	**663,410**	796,412

4. FINANCE INCOME AND COSTS

An analysis of finance income and costs is as follows:

	For the nine months ended 31st December		For the three months ended 31st December	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Finance income:				
Interest income from bank deposits	**5,665**	7,178	**4,001**	2,713
Finance costs:				
Interest on bank and other borrowings	**377**	872	**69**	345
Interest on lease liabilities	**561**	766	**161**	272
	938	1,638	**230**	617

5. INCOME TAX EXPENSE

The Company is exempted from taxation in Bermuda until 2035. Hong Kong profits tax has been calculated at the rate of 16.5% (2019: 16.5%) on the estimated assessable profit for the period.

Subsidiaries established in Mainland China are subject to the Mainland China corporate income tax at the standard rate of 25% (2019: 25%). For the nine months ended 31st December 2019, NAS American Tec (Shenzhen) Co., Limited*, a subsidiary of the Company, was entitled to a preferential tax rate of 15%, as it is recognised as a high technology enterprise. The preferential tax rate was valid until 31st December 2019.

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The amounts of income tax expense/(credit) recorded in the unaudited condensed consolidated statement of profit or loss represent:

	For the nine months ended 31st December		**For the three months ended 31st December**	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Current taxation				
Hong Kong profits tax				
— current period	**19,560**	14,530	**5,337**	6,536
Mainland China corporate income tax				
— current period	**14,560**	6,063	**8,108**	3,185
Deferred	**268**	(465)	**368**	815
	34,388	20,128	**13,813**	10,536

6. EARNINGS PER SHARE

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

No adjustment had been made to the basic earnings per share amount presented for the nine months ended 31st December 2020 in respect of a dilution as the impact of the share options had an anti-dilutive effect in the basic earnings per share amount presented.

The calculation of the diluted earnings per share amounts for the nine months ended 31st December 2019 was based on the profit for the period attributable to ordinary shareholders of the Company. The weighted average number of ordinary shares used in the calculation was the total of the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options.

The calculation of basic and diluted earnings per share amounts is based on:

	For the nine months ended 31st December		For the three months ended 31st December	
	2020	2019	**2020**	2019
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Earnings				
Profit attributable to the shareholders of the Company, used in the basic and diluted earnings per share calculation *(HK$'000)*	**123,446**	108,945	**35,968**	44,053
Shares				
Weighted average number of ordinary shares in issue, used in the basic earnings per share calculation	**272,580,805**	272,580,805	**272,580,805**	272,580,805
Effect of dilution — weighted average number of ordinary shares:				
Assumed to have been issued at no consideration on deemed exercise of all share options outstanding during the period	**—**	2,968	**—**	—
Weighted average number of ordinary shares in issue, used in the diluted earnings per share calculation	**272,580,805**	272,583,773	**272,580,805**	272,580,805

7. DIVIDENDS

The Directors do not recommend the payment of an interim dividend for the nine months ended 31st December 2020 (2019: Nil).

8. EQUITY

Movements in unaudited consolidated equity are as follows:

	(Unaudited) Share capital HK$'000	Other reserves HK$'000	(Accumulated losses)/ retained earnings HK$'000	Total HK$'000
Balances as at 1st April 2020	**27,258**	**1,086,133**	**(24,927)**	**1,088,464**
Profit for the period	**—**	**—**	**123,446**	**123,446**
Currency translation differences of foreign operations	**—**	**30,782**	**—**	**30,782**
Total comprehensive income for the period	**—**	**30,782**	**123,446**	**154,228**
Balances as at 31st December 2020	**27,258**	**1,116,915**	**98,519**	**1,242,692**

	(Unaudited) Share capital HK$'000	Other reserves HK$'000	Accumulated losses HK$'000	Total HK$'000
Balances as at 1st April 2019	27,258	1,097,445	(135,903)	988,800
Profit for the period	—	—	108,945	108,945
Currency translation differences of foreign operations	—	(14,824)	—	(14,824)
Total comprehensive income for the period	—	(14,824)	108,945	94,121
Equity-settled share-based transactions *(note)*	—	3,433	—	3,433
Balances as at 31st December 2019	27,258	1,086,054	(26,958)	1,086,354

Note:

Share options of the Company

On 4th September 2014, the shareholders of the Company approved the adoption of a share option scheme (the "2014 Scheme"). Under the terms of the 2014 Scheme, the Board may at its discretion offer share options to any employee, agent, consultant or representative of the Company or any subsidiary, including any executive or non-executive director of the Company or any subsidiary or any other person whom the Board considers in its sole discretion, have contributed or will contribute to the Group (the "Participants"). The principal purpose of the 2014 Scheme is to reward the Participants who have contributed or will contribute to the Group and to encourage the Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The 2014 Scheme shall be valid and effective for a period of ten years commencing on the adoption date.

The movement in the number of share options outstanding and their related weighted average exercise price are as follows:

	Weighted average exercise price per share	**Number of share options**
As at 1st April 2019	1.15	7,323,200
Granted during the period	0.82	7,608,000
As at 31st March 2020, 1st April 2020 and 31st December 2020	0.98	14,931,200

The share options are exercisable commencing on the date of grant with a validity period of 10 years from the dates of grant (i.e. 7,323,200 and 7,608,000 share options granted on 16th August 2017 and 26th June 2019, respectively). As at 31st December 2020, none of the share options granted have been exercised.

The fair value of the share options granted during the nine months ended 31st December 2019, determined using a binomial model, was approximately HK$3,433,000. The Group had recognised a share option expense of HK$3,433,000 during the nine months ended 31st December 2019.

The fair value of equity-settled share options granted during the nine months ended 31st December 2019 was determined as at the date of grant using a binomial model, taking into account the terms and conditions upon which the share options were granted. The following table lists the inputs to the model used:

Expected dividend yield (%)	0.000
Expected volatility (%)	74.808
Risk-free interest rate (%)	1.830
Expected life of share options (year)	10.000

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the share options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 14,931,200 share options outstanding under the 2014 Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 14,931,200 additional ordinary shares of the Company and additional share capital of HK$1,493,000 and share premium of HK$13,139,000 (before issue expenses).

At the date of approval of this announcement, the Company had 14,931,200 share options outstanding under the 2014 Scheme, which represented approximately 5.5% of the Company's shares in issue as at the date.

BUSINESS REVIEW

Financial and Business Performance

During the nine months ended 31st December 2020 (the "9-month Period"), the Group recorded an unaudited consolidated revenue of approximately HK$1,947,897,000, representing a decrease of 25.1% from approximately HK$2,599,929,000 in the corresponding period last year. As compared with corresponding period last year, the decrease in revenue was mainly due to our Group's direct machines sales from our hi-tech distribution and services division has been dropped by 33.6% under the adverse economic environment with the impact of COVID-19 pandemic. In turn, more customers opt for operating leasing of machines to cope with sudden urgent orders and to fulfill short-term production needs, the Group's leasing division in operating lease business continued its growth, the Group's revenue contributed by the leasing division were increased by 21.3% as compared with the corresponding period last year.

During the 9-month Period, the selling and distribution expenses was reduced by 14.0% to approximately HK$97,949,000 from approximately HK$113,853,000 in the corresponding period last year. Such decrease was because the Group continued to implement its cost control to manage the selling and distribution expenses through adjustments on selling incentive. On the other hand, the Group's general and administrative expenses were increased by 36.8% to approximately HK$126,246,000 from approximately HK$92,283,000 in the corresponding period last year. Such increase was mainly due to recording of a temporary foreign exchange revaluation loss of HK$33,420,000 arising from appreciation of Japanese Yen against Hong Kong Dollar. The Group's total operating cost during the 9-month Period was therefore increased by 8.8% to approximately HK$224,195,000 from HK$206,136,000 in the corresponding period last year.

During the 9-month Period, the Group's gross profit ratio was improved from last year's 12.1% to 18.5% this year. It was mainly due to the change in sales-mix and a significant increase in commission and spare parts sales that mitigated the decline of direct machine sales. Besides, our Group achieved a moderate growth in terms of profitability compared with the corresponding period last year. It recorded an unaudited consolidated net profit of approximately HK$123,446,000, representing an increase of 13.3% from HK$108,945,000 in the corresponding period last year.

The unaudited basic earnings per share in the 9-month Period was approximately HK45.3 cents, representing an increase of 13.3% from approximately HK40.0 cents in the corresponding period last year. As at 31st December 2020, the unaudited consolidated net asset value of the Company per ordinary share was approximately HK$4.56, which was increased by HK$0.57 from approximately HK$3.99 as at 31st March 2020.

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

Hi-Tech Distribution and Services Division

The Group conducts its hi-tech distribution and services business through its wholly-owned subsidiary, American Tec Company Limited ("AMT"). AMT is an Asia leader in the business of distribution, sales and service of SMT equipment, semiconductor manufacturing equipment and software on manufacturing control, with a history of more than 30 years serving its customers in the hi-technology sector. AMT's team of more than 220 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. AMT is especially well positioned with the growing base of Chinese manufacturers. Its suppliers include leading equipment and solutions manufacturers from Asia, the United States and Europe.

During the 9-month Period, the unaudited revenue of the division was approximately HK$1,875,063,000, representing a decrease of about 26.3% from approximately HK$2,545,856,000 in the corresponding period last year.

During the 9-month Period, the division's direct machine sales was approximately HK$1,632,985,000, representing a decrease of 33.6% from approximately HK$2,458,717,000 in the corresponding period last year. The main reason for the decline was an unprecedented large order in the same period last year from a customer executing a strategic procurement plan in response to a sudden change in the manufacturing environment during the US-China trade war. The decline of direct machine sales was partially mitigated by significant increase in commission and spare parts sales. The division's commission, software and other services income was approximately HK$165,764,000 during the 9-month Period, representing an increase of 570.7% from approximately HK$24,716,000 in the corresponding period last year. The increase mainly came from large commission orders from a major customer in expanding its smartphone production capacity. The division's spare parts sales were approximately HK$76,314,000, representing an increase of 22.3% from approximately HK$62,423,000 in the corresponding period last year.

During the third quarter, the unaudited revenue and unaudited net profit of the division were approximately HK$663,356,000 and HK$38,582,000 respectively, representing a decrease of 16.7% and 4.5% from unaudited revenue of approximately HK$796,412,000 and unaudited net profit of approximately HK$40,398,000 in the corresponding period last year.

With management's continued successful effort in the control of operating cost, expansion of customer portfolio and market share enabling us to deliver robust financial results, the division has managed to achieve an unaudited net profit of approximately HK$118,903,000 for the 9-month Period, representing a 11.9% increase in unaudited net profit as compared to corresponding period last year's HK$106,249,000.

Leasing Division

The Group conducts its leasing business through its wholly-owned subsidiaries, North Asia Financial Leasing (Shanghai) Co., Ltd. ("NAFL") in China Shanghai Pilot Free Trade Zone and Fuji North Asia Financial Leasing (Shenzhen) Co., Ltd. ("FNAFL") in Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone. The leasing division provides finance and operating lease arrangements to customers of the Group's hi-tech distribution and services division and other projects.

During the 9-month period, accompanied by the uncertainty in business environment and the leasing division engaged more resources in operating lease business, the new customers were cautious on expansion of their production facilities and preferred to use operating lease than finance lease. As a result, overall the division generated a revenue of approximately HK$72,834,000, representing an increase of 34.7% from approximately HK$54,073,000 in the corresponding period last year and the net profit was decreased by 5.6% to approximately HK$19,911,000, from approximately HK$21,096,000 in the corresponding period last year. The increase in revenue was mainly due to the growth in the operating lease business which offer flexible supply of SMT machines to our customers and our customers' base was continuous to expand. However, the interest income derived from finance lease loans has decreased by approximately 35.4% from corresponding period last year since the aggregate principal amount of finance lease loans was decreased by 33.8% to approximately HK$130,130,000, from approximately HK$196,504,000 in the corresponding period last year.

During the third quarter, the division recorded an unaudited revenue of approximately HK$26,021,000, representing an decrease of 10.0% from HK$23,665,000 in the corresponding period last year and an unaudited net profit of approximately HK$6,428,000, decreased 9.3% from approximately HK$7,090,000 in the corresponding period last year.

OUTLOOK

Overall Summary

It's been a year since an outbreak of the COVID-19 pandemic and the future of global economy is still vulnerable. In Europe countries and the United States ("US"), their Governments were still uncertain in the timetable for the vaccination scheme that could be available. Facing the COVID-19 challenge, many countries had lockdown and more companies shifted to have their staff working from home, it creates new opportunities like augmented reality ("AR"), virtual reality ("VR"), online conferencing, etc. Notable recent developments and the global economic reports, China's relatively moderate stimulus to cope with the pandemic, we expect stronger domestic demand, higher investments, and consumption to lead to an upside GDP growth surprise of China, especially on the recovery in global and domestic demand for the personal protective equipment and electronic products for work from home.

In the coming years, 5G mobile network offers an opportunity for SMT industry following the wide range upgrade of mobile devices and telecom station equipment. Some of our major customers are leading telecommunication companies in China which will play a vital role in the 5G transformation and provide immense opportunities to the SMT industry. We will embrace the 5G transformation opportunities and continue to manage cash, cost and risks and, to build our strength by working with our management teams to improve capability and efficiency.

The recent social turmoil, US and China trade war and coronavirus outbreak all have cast doubts and downward pressure on Hong Kong Real Estate market. However, we have seen the law and order of Hong Kong was restored and more Mainland Chinese enterprises had confidence in expansion of their business in the Hong Kong. Furthermore, Hong Kong as a leading financial market and for fund raising and initial public offering in the Asian region, it has attracted more Chinese enterprises and US listed Chinese companies to seek primary or secondary listing in Hong Kong. This will result in more talented persons to migrate to Hong Kong. We expect Hong Kong to continue to prosper under the support of Central Government under the One Country Two System. As such, we consider the demand from Hong Kong real estate market, whether commercial or residential, while currently depressed, will be increased. This outlook combined with the current low interest environment will provide ample opportunity in the real estate sector. The Company will look for opportunity in commercial and residential property for investment purpose or self-use purpose.

Going forward, the Group seeks to continue to expand its business and to enhance the operational efficiency of varies business divisions with a view to improving their profitability and increase shareholders' value.

Hi-tech Distribution and Services Division

As it is too early to assess the effectiveness of COVID-19 vaccine, pandemic continues to cloud the global economy. However the on-going COVID-19 changes consumer spending behavior. Mobile phone vendors happen to be benefited from this trend. Consumers in several markets around the world have shifted their normal spending from things like travel, dining out, and general leisure to things like consumer electronics.

The fourth-quarter of 2020 is a holiday quarter and the smartphone market is expected to grow. Strong early demand in the fourth-quarter flagship smartphones, coupled with strong seasonal promotions and lucrative shopping days, consumers take advantage of these promotion deals while they remain. Driven by all these reasons, International Data Corporation ("IDC") predicts a 2.4% year on year growth of 2020 in smartphone shipments. For full year 2021, IDC expects the market to return to grow of 9% mostly sped up by a quick supply chain recovery as well as an accelerated recovery of 5G equipment from the harm of pandemic. 5G is currently the driving force in the industry. It is likely to play a vital role to improve the market morale in 2021. According to IDC, 5G worldwide smartphone shipments will reach nearly 36% of smartphone global volume in 2021 and grow to 58% in 2024. Apart from high penetration of 5G smartphone, innovative applications in the 5G era will also lead to new hardware upgrades. The upgrade includes 5G mobile networks that will become the global telecommunications infrastructure in the digital economy.

In IDC's latest forecast report, "Worldwide Mobile Phone Forecast Update, 2020-2024: December 2020", it predicts the worldwide mobile phone market will reach a total of 1,609.6 million unit shipments in 2020, down 10.4% from the 1,795.4 million units shipped in 2019. From there, worldwide mobile phone shipments will fall to 1,670.3 million by 2024, representing a CAGR of -1.4% from 2019 to 2024.

AMT will also continue to monitor the latest development and work closely with our business partners to come up with competitive and innovative solutions. As a leading SMT distributor and related service provider in Asia, we will continue to invest in our service and support infrastructure such as ERP system, logistic and warehousing facilities to meet the customer satisfaction. AMT will also make significant capital investment into training and demonstration facilities and asset in order to better promote our products. On one hand this will put pressure on our working capital requirement, on the other it will improve our long term competitive advantage and relative performance. At the same time, we will continue to closely monitor our working capital requirement and explore funding opportunities to cope with the business expansion needs. We will also strive to maintain profitable gross margin and control operating cost and monitor industry developments with a view to enhancing our cash flow, profitability as well as the long-term sustainability. In addition, AMT will always be looking for way to improve our competitive strengths through organic growth or industry consolidation.

Leasing Division

At the end of third quarter of 2020, the COVID-19 pandemic was still spreading across most parts of the world yet its influence on domestic leasing business became less profound.

We observed that a significant rebound in leasing demands, most of which, however, were restocking orders from overseas distributors and short-term transfer orders from abroad to China due to incomplete supply chain after looking into the market. As the pandemic remains stable and the pressing need of economic recovery arises among various countries, we expect that overseas supply chain and production will gradually resume. Nevertheless, the leasing business will not experience much fluctuation, as it is supported and supplemented by the demand for domestic consumer electronics.

Leveraging on the Group's platforms in Hong Kong and Singapore and extensive industry experience together with high efficiency in resources integration and project execution capabilities of the leasing team. For our operating lease business, our development focus will continue to be on SMT equipment in the future quarters, and for our direct financing lease operation, we will also closely monitor the international situation, market development and policy adjustments, to capture suitable business opportunities in semiconductor and other industries. The goal of the division is to become an innovative finance service provider in the Greater Bay area of Hong Kong and Shenzhen. Based on its past performance and experience, the division will also look to significantly add on its capacity in operating lease capabilities in the future.

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

As at 31st December 2020, the Directors and chief executive of the Company and their respective associates had the following interests or short positions in the shares and/or underlying shares 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/or underlying shares of the Company:

Name of Director	**Capacity**	**Number of underlying shares held (Share Options)**	**Approximate percentage of underlying shares held** *(Note a)*
Zhang Yifan	Beneficial owner	5,449,600	1.99%
Pierre Tsui Kwong Ming	Beneficial owner	472,000	0.17%
Joseph Liang Hsien Tse	Beneficial owner	472,000	0.17%
Joseph Chan Nap Kee	Beneficial owner	472,000	0.17%
Kenneth Kon Hiu King	Beneficial owner	472,000	0.17%

Note:

(a) The above approximate percentages of the shareholdings are based on 272,580,805 ordinary shares in issue as at 31st December 2020.

Save as disclosed above, as at 31st December 2020, none of the Directors and 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) 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 securities transactions by Directors.

OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31st December 2020, 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 as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the shares and/or underlying shares of the Company

Name of Shareholder	Capacity	Number of ordinary shares held	Number of underlying shares held (Share Options)	Approximate percentage of shares and underlying shares held *(Note a)*
Lu Ying	Beneficial owner	40,000,000	544,000	67.25%
	Interest of controlled corporation *(Note b)*	142,768,723	—	
Sincere Ardent Limited	Beneficial owner *(Note b)*	142,768,723	—	52.37%

Notes:

(a) The above approximate percentages of the shareholdings are based on 272,580,805 ordinary shares in issue as at 31st December 2020.

(b) Sincere Ardent Limited is wholly owned by Ms. Lu Ying. By virtue of Part XV of the SFO, Ms. Lu Ying is deemed to be interested in the shares held by Sincere Ardent Limited.

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 any interests or short positions in the securities of the Company that were required to be entered in the register of the Company pursuant to Section 336 of the SFO as at 31st December 2020.

SHARE OPTION SCHEME

On 4th September 2014, the shareholders of the Company approved the adoption of a share option scheme (the "2014 Scheme"). Under the terms of the 2014 Scheme, the Board may at its discretion offer share options to any employee, agent, consultant or representative of the Company or any subsidiary, including any executive or non-executive director of the Company or any subsidiary or any other person whom the Board considers in its sole discretion, have contributed or will contribute to the Group (the "Participants"). The principal purpose of the 2014 Scheme is to reward the Participants who have contributed or will contribute to the Group and to encourage the Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The 2014 Scheme shall be valid and effective for a period of ten years commencing on the adoption date.

The following table sets out the movements in the Company's share options under the 2014 Scheme during the reporting period:

				Number of share options					
Name	Date of grant	Exercise period	Exercise price*	Outstanding as at 1st April 2020	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31st December 2020
Executive Directors									
Zhang Yifan	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	2,725,600	–	–	–	–	2,725,600
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	2,724,000	–	–	–	–	2,724,000
Pierre Tsui Kwong Ming	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	200,000	–	–	–	–	200,000
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	272,000	–	–	–	–	272,000

				Number of share options					
Name	Date of grant	Exercise period	Exercise price*	Outstanding as at 1st April 2020	Granted during the period	Exercised during the period	Cancelled during the period	Lapsed during the period	Outstanding as at 31st December 2020
Independent non-executive Directors									
Joseph Liang Hsien Tse	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	200,000	–	–	–	–	200,000
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	272,000	–	–	–	–	272,000
Joseph Chan Nap Kee	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	200,000	–	–	–	–	200,000
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	272,000	–	–	–	–	272,000
Kenneth Kon Hiu King	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	200,000	–	–	–	–	200,000
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	272,000	–	–	–	–	272,000
Sub-Total				7,337,600	–	–	–	–	7,337,600
Substantial Shareholder									
Lu Ying	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	272,000	–	–	–	–	272,000
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	272,000	–	–	–	–	272,000
Employees of the Group									
Employees	16th August 2017	16th August 2017 to 15th August 2027	HK$1.15	3,525,600	–	–	–	–	3,525,600
	26th June 2019	26th June 2019 to 25th June 2029	HK$0.82	3,524,000	–	–	–	–	3,524,000
Total				**14,931,200**	**–**	**–**	**–**	**–**	**14,931,200**

Note:

The closing price per share immediately before 16th August 2017 and 26th June 2019, the dates of grant, were HK$1.15 (after adjustment of share consolidation on 26th March 2019) and HK$0.82 respectively.

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

COMPETING INTERESTS

As at 31st December 2020, 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.

PURCHASE, 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 nine months ended 31st December 2020.

CORPORATE GOVERNANCE CODE

The Company endeavours to maintain high standards of corporate governance in the interests of shareholders, and follows the principles set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of the GEM Listing Rules. Except for the deviations described below, no Director is aware of any information which would reasonably indicate that the Company is not, or was not at any time during the nine months ended 31st December 2020, acting in compliance with the Code.

Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. However, the Board's decisions are implemented under the leadership of the Chairlady 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.6.7 stipulates that independent non-executive directors and other non-executive directors, as equal board members as other directors, should attend general meetings of the Company and develop a balanced understanding of the views of shareholders. Mr. Joseph Liang Hsien Tse and Mr. Joseph Chan Nap Kee were absent at the annual general meeting of the Company held on 3rd September 2020 due to other important engagements at the relevant time. However, the Chairlady of the Board and all the other Board members attended the said annual general meeting.

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 three independent non-executive Directors and is chaired by Mr. Joseph Liang Hsien Tse 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, risk management and financial reporting process, monitor the integrity of the financial statements and compliance with statutory and listing requirements and to oversee independence and qualifications of the external auditors.

The unaudited condensed consolidated financial information for the nine months ended 31st December 2020 of the Company now reported on has been reviewed by the audit committee.

By Order of the Board
NORTH ASIA STRATEGIC HOLDINGS LIMITED
Zhang Yifan
Chairlady and Executive Director

Hong Kong, 4th February 2021

As at the date of this announcement, the Board comprises Ms. Zhang Yifan (Chairlady and Executive Director) and Mr. Pierre Tsui Kwong Ming (Executive Director); Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Mr. Kenneth Kon Hiu King (being Independent Non-executive Directors).

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