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

(Incorporated in Bermuda with limited liability)

(Stock Code: 8080)

ANNUAL RESULTS
FOR THE YEAR ENDED 31ST MARCH 2024

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.

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 GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to North Asia Strategic Holdings Limited. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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*

RESULTS

The Board of directors (the "Board" or the "Directors") of North Asia Strategic Holdings Limited (the "Company") presents the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the year ended 31st March 2024, together with the comparative figures of the corresponding year ended 31st March 2023.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31st March 2024

	Notes	**2024** *HK$'000*	2023 *HK$'000*
Revenue	*3*	**1,305,420**	2,266,642
Cost of sales		**(1,099,853)**	(1,932,650)
Gross profit		**205,567**	333,992
Other income and gains, net		**13,731**	13,174
Selling and distribution expenses		**(112,197)**	(148,107)
General and administrative expenses		**(162,317)**	(196,170)
Operating (loss)/profit		**(55,216)**	2,889
Finance income	*4*	**13,530**	5,950
Finance costs	*4*	**(3,104)**	(4,288)
(Loss)/profit before income tax	*5*	**(44,790)**	4,551
Income tax expense	*6*	**(3,945)**	(3,463)
(LOSS)/PROFIT FOR THE YEAR		**(48,735)**	1,088
(Loss)/earnings per share attributable to ordinary shareholders of the Company	*7*		
Basic *(HK cents)*		**(10.7)**	0.3
Diluted *(HK cents)*		**(10.7)**	0.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st March 2024

	2024	2023
	HK$'000	*HK$'000*
(LOSS)/PROFIT FOR THE YEAR	**(48,735)**	1,088
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Currency translation differences of foreign operations	**(13,728)**	(23,704)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX OF NIL	**(13,728)**	(23,704)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(62,463)**	(22,616)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31st March 2024

	Notes	**2024**	2023
		HK$'000	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**84,466**	88,810
Investment properties		**231,609**	236,660
Intangible assets		**398,776**	378,992
Right-of-use assets		**55,559**	66,131
Trade and other receivables	*9*	**17,222**	19,298
Deferred tax assets		**1,302**	1,242
		788,934	791,133
Current assets			
Financial assets at fair value through profit or loss		**101,083**	123,903
Inventories		**215,810**	173,033
Trade and other receivables	*9*	**503,637**	562,223
Pledged deposits		**2,100**	4,490
Cash and cash equivalents		**345,494**	425,154
		1,168,124	1,288,803
Total assets		**1,957,058**	2,079,936
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	*11*	**45,450**	45,450
Reserves	*12*	**1,328,288**	1,389,886
Total equity		**1,373,738**	1,435,336
LIABILITIES			
Current liabilities			
Other borrowings		**—**	1,800
Trade and other payables	*10*	**506,758**	553,634
Lease liabilities		**20,779**	18,456
Income tax liabilities		**9,417**	15,224
		536,954	589,114

	2024	2023
	HK$'000	*HK$'000*
Non-current liabilities		
Lease liabilities	**40,628**	52,737
Deposits received	**2,913**	2,564
Other non-current liabilities	**254**	185
Deferred tax liabilities	**2,571**	—
	46,366	55,486
Total liabilities	**583,320**	644,600
Total equity and liabilities	**1,957,058**	2,079,936
Net current assets	**631,170**	699,689
Total assets less current liabilities	**1,420,104**	1,490,822

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31st March 2024

	Attributable to shareholders of the Company		
	Issued capital *HK$'000* *(note 11)*	**Reserves** *HK$'000* *(note 12)*	**Total** *HK$'000*
Balances as at 1st April 2022	42,512	1,404,930	1,447,442
Comprehensive income			
Profit for the year	—	1,088	1,088
Other comprehensive loss			
Currency translation differences of foreign operations	—	(23,704)	(23,704)
Total other comprehensive loss	—	(23,704)	(23,704)
Total comprehensive loss for the year	—	(22,616)	(22,616)
Share options exercised	2,938	6,611	9,549
Equity-settled share-based transactions	—	961	961
Balances as at 31st March 2023 and 1st April 2023	45,450	1,389,886	1,435,336
Comprehensive income			
Loss for the year	—	**(48,735)**	**(48,735)**
Other comprehensive loss			
Currency translation differences of foreign operations	—	**(13,728)**	**(13,728)**
Total other comprehensive loss	—	**(13,728)**	**(13,728)**
Total comprehensive loss for the year	—	**(62,463)**	**(62,463)**
Equity-settled share-based transactions	—	**865**	**865**
Balances as at 31st March 2024	**45,450**	**1,328,288**	**1,373,738**

NOTES

1. General information

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

- **hi-tech distribution and services:** trading of surface mount technology ("SMT") assembly machinery and spare parts and provision of related installation, training, repair and maintenance services for SMT assembly machinery;
- **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;
- **electronic payment solution:** provision of payment solution that bridges online payment acquirers and the merchants; and
- **property 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 Suite 1618, 16th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong.

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

This announcement has been approved and authorised for issue by the Company's board of directors on 27th June 2024.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these 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

These 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, except for financial assets at fair value through profit or loss which have been measured at fair value.

These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 *Changes in accounting policies and disclosures*

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

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform – Pillar Two Model Rules*

The nature and the impact of the revised HKFRSs are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 Making Materiality Judgements provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(c) Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. Prior to the initial application of these amendments, the Group has applied the initial recognition exception and did not recognise a deferred tax asset and a deferred tax liability for temporary differences for transactions related to leases. Upon initial application of these amendments, the Group recognised (i) a deferred tax asset for all deductible temporary differences associated with lease liabilities (provided that sufficient taxable profit is available), and (ii) a deferred tax liability for all taxable temporary differences associated with right-of-use assets as at 1st April 2022. The amendments did not have any significant impact on the Group's consolidated financial statement.

(d) Amendments to HKAS 12 International Tax Reform – Pillar Two Model Rules introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules ublished by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. Revenue and segment information

3.1 Revenue

An analysis of revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue from contracts with customers *(note)*		
Recognised at a point in time:		
Sales of goods	**1,210,242**	2,144,159
Sales support services	**14,810**	42,171
E-payment service income	**3,082**	—
Recognised over time:		
Commission and other service income	**39,326**	37,840
	1,267,460	2,224,170
Revenue from other sources		
Income from finance lease arrangements	**8,744**	7,423
Income from operating lease arrangements	**29,216**	35,049
	1,305,420	2,266,642

Notes:

Disaggregated revenue information

Geographical markets

	2024	2023
	HK$'000	*HK$'000*
The PRC including Hong Kong	**1,213,528**	2,173,651
Asia — others	**53,932**	50,519
Total revenue from contracts with customers	**1,267,460**	2,224,170

Set out below is the reconciliation of the amounts disclosed in the segment information to the revenue from contracts with customers:

For the year ended 31st March 2024

	Hi-tech distribution and services operation *HK$'000*	**Leasing operation** *HK$'000*	**Electronic payment solution** *HK$'000*	**Total** *HK$'000*
Sales to external customers	**1,147,992**	**154,346**	**3,082**	**1,305,420**
Less: Revenue from other sources	**—**	**(37,960)**	**—**	**(37,960)**
Total revenue from contracts with customers	**1,147,992**	**116,386**	**3,082**	**1,267,460**

For the year ended 31st March 2023

	Hi-tech distribution and services operation *HK$'000*	Leasing operation *HK$'000*	Total *HK$'000*
Sales to external customers	2,130,305	136,337	2,266,642
Less: Revenue from other sources	—	(42,472)	(42,472)
Total revenue from contracts with customers	2,130,305	93,865	2,224,170

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024 ***HK$'000***	2023 *HK$'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sales of goods	**154,128**	939,826

Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of goods

The performance obligation is satisfied when the control of the goods is transferred, generally on delivery of goods and when the respective installation services are completed. Payment is generally due within 5 to 180 days from completion of installation. Payment in advance is normally required.

Sales support services

The performance obligation is satisfied when the installation services in relation to the underlying machinery are completed. Payment is made based on the terms stipulated in the relevant agreements.

E-payment service income

The performance obligation is satisfied when the payment processing services on payment platform are completed. Payment is made based on the terms stipulated in the relevant agreements.

Commission and other service income

The performance obligation is satisfied over time as services are rendered and payment is generally due upon completion of services, except for new customers, where payment in advance is normally required.

The amount of unsatisfied performance obligation principally comprises the balance of contract liabilities as at 31st March 2024 and 2023, which are expected to be recognised in one year.

3.2 Operating segment information

For management purposes, the Group is organised into three major reportable operating segments — hi-tech distribution and services, leasing and electronic payment solution. The hi-tech distribution and services operating segment derives revenue from the sales of goods, sales support services, commission and other service income. The leasing operating segment derives revenue from finance lease and operating lease arrangements, and trading of lease assets. The electronic payment solution operating segment derives revenue from the provision of payment solution that bridges online payment acquirers and the merchants.

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

Segment assets consist primarily of property, plant and equipment, intangible assets, right-of-use assets, other non-current assets, inventories and trade and other receivables. Unallocated assets comprise investment properties, deferred tax assets, financial assets at fair value through profit or loss, pledged deposits, cash and cash equivalents and corporate and others.

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

Capital expenditure comprises additions to property, plant and equipment, investment properties, intangible assets and right-of-use assets excluding assets acquired from the acquisition of a subsidiary.

There were no significant sales between the operating segments during the years ended 31st March 2024 and 2023. The operating results for the year are as follows:

	Year ended 31st March 2024			
	Hi-tech distribution and services operation *HK$'000*	**Leasing operation** *HK$'000*	**Electronic payment solution** *HK$'000*	**Total** *HK$'000*
Revenue				
— Sales to external customers	**1,147,992**	**154,346**	**3,082**	**1,305,420**
Segment results	**(7,336)**	**8,095**	**(4,154)**	**(3,395)**
Changes in fair value of financial assets at fair value through profit or loss				**4,269**
Interest income of financial assets at fair value through profit or loss				**1,022**
Finance income				**13,530**
Finance costs				**(3,104)**
Corporate and other unallocated expenses				**(57,112)**
Loss before income tax				**(44,790)**
Income tax expense				**(3,945)**
Loss for the year				**(48,735)**
Capital expenditure	**26,631**	**59,376**	**38**	**86,045**
Corporate and other unallocated expenditure				**3,984**
				90,029
Depreciation and amortisation	**30,712**	**28,069**	**2,599**	**61,380**
Corporate and other unallocated depreciation and amortisation				**8,251**
				69,631
Gain on disposal of items of property, plant and equipment, net	**(228)**	**(169)**	**—**	**(397)**
Corporate and other unallocated gain on disposal of items of property, plant and equipment, net				**(320)**
				(717)
Impairment of trade and bills receivables, net	**227**	**—**	**156**	**383**
Impairment of finance lease receivables, net	**—**	**195**	**—**	**195**

	Year ended 31st March 2023		
	Hi-tech distribution and services operation *HK$'000*	Leasing operation *HK$'000*	Total *HK$'000*
Revenue			
— Sales to external customers	2,130,305	136,337	2,266,642
Segment results	42,299	20,242	62,541
Changes in fair value of financial assets at fair value through profit or loss			2,167
Interest income of financial assets at fair value through profit or loss			839
Finance income			5,950
Finance costs			(4,288)
Corporate and other unallocated expenses			(62,658)
Profit before income tax			4,551
Income tax expense			(3,463)
Profit for the year			1,088
Capital expenditure	31,180	59,769	90,949
Corporate and other unallocated expenditure			4,117
			95,066
Depreciation and amortisation	26,469	30,307	56,776
Corporate and other unallocated depreciation and amortisation			8,829
			65,605
Reversal of impairment of trade and bills receivables, net	(5,798)	—	(5,798)
Impairment of finance lease receivables, net	—	8	8
Gain on disposal of items of property, plant and equipment, net	(173)	—	(173)

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

	Hi-tech distribution and services operation *HK$'000*	**Leasing operation** *HK$'000*	**Electronic payment solution** *HK$'000*	**Total** *HK$'000*
At 31st March 2024				
ASSETS	**948,266**	**299,083**	**20,567**	**1,267,916**
Segment assets				
Unallocated assets:				
Investment properties				**231,609**
Deferred tax assets				**1,302**
Financial assets at fair value through profit or loss				**101,083**
Pledged deposits				**2,100**
Cash and cash equivalents				**345,494**
Corporate and others				**7,554**
Total assets per the consolidated statement of financial position				**1,957,058**
LIABILITIES				
Segment liabilities	**509,060**	**60,016**	**1,446**	**570,522**
Unallocated liabilities:				
Deferred tax liabilities				**2,571**
Income tax liabilities				**9,417**
Corporate and others				**810**
Total liabilities per the consolidated statement of financial position				**583,320**

	Hi-tech distribution and services operation *HK$'000*	Leasing operation *HK$'000*	Total *HK$'000*
At 31st March 2023			
ASSETS	1,008,188	267,390	1,275,578
Segment assets			
Unallocated assets:			
Investment properties			236,660
Deferred tax assets			1,242
Financial assets at fair value through profit or loss			123,903
Pledged deposits			4,490
Cash and cash equivalents			425,154
Corporate and others			12,909
Total assets per the consolidated statement of financial position			2,079,936
LIABILITIES			
Segment liabilities	582,949	42,760	625,709
Unallocated liabilities:			
Income tax liabilities			15,224
Other borrowings			1,800
Corporate and others			1,867
Total liabilities per the consolidated statement of financial position			644,600

Geographical information

(a) Revenue from external customers

The Group's activities are conducted predominantly in Hong Kong, Chinese Mainland and the rest of Asia. Revenue by geographical location is determined on the basis of the destination of shipment of goods for the hi-tech distribution and services operating segment and the location of the customers by the leasing operating segment and electronic payment solution operating segment.

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

	2024 ***HK$'000***	2023 *HK$'000*
The PRC including Hong Kong	**1,251,488**	2,216,123
Asia — others	**53,932**	50,519
	1,305,420	2,266,642

(b) *Non-current assets*

The geographical information of non-current assets is not presented since over 90% of the Group's non-current assets are located in the PRC (including Hong Kong).

Information about major customers

During the years ended 31st March 2024 and 2023, revenue of HK$139,128,000 and HK$764,500,000 was derived from sales to a customer of the hi-tech distribution and services operating segment, which accounted for more than 10% of the Group's total revenue.

Revenue from major customers is set out below:

	2024	2023
	HK$'000	*HK$'000*
Customer 1	**N/A***	764,500
Customer 2	**139,128**	N/A*

* Less than 10% of the Group's total revenue.

4. Finance income and costs

An analysis of finance income and costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Finance income:		
Interest income from bank deposits	**13,530**	5,950
Finance costs:		
Interest on other borrowings	**119**	797
Interest on lease liabilities	**2,985**	3,491
	3,104	4,288

5. (Loss)/profit before income tax

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

	2024	2023
	HK$'000	*HK$'000*
Cost of inventories sold	**1,074,227**	1,864,486
Net foreign exchange loss	**4,694**	26,306
Depreciation of property, plant and equipment	**40,135**	37,401
Depreciation of investment properties	**5,051**	5,050
Depreciation of right-of-use assets	**21,647**	22,954
Amortisation of intangible assets	**2,798**	200
Other lease payments not included in the measurement of lease liabilities	**1,337**	604
Impairment/(reversal of impairment) of trade and bills receivables, net	**383**	(5,798)
Impairment of finance lease receivables, net	**195**	8
Fair value gain on financial assets at fair value through profit or loss	**(4,269)**	(2,167)

6. 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% (2023: 16.5%) on the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary is taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

Subsidiaries established in the Chinese Mainland are subject to Chinese Mainland corporate income tax at the standard rate of 25% (2023: 25%).

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

	2024	2023
	HK$'000	*HK$'000*
Current taxation		
Hong Kong profits tax		
— current year	**—**	4,187
— overprovision in prior years	**—**	(7,582)
Chinese Mainland corporate income tax		
— current year	**4,434**	7,182
— overprovision in prior years	**—**	(1,648)
Deferred	**(489)**	1,324
	3,945	3,463

7. (Loss)/earnings per share attributable to ordinary shareholders of the Company

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

No adjustment has been made to the loss per share amount presented for the year ended 31st March 2024 in respect of a dilution as the impact of share options had an anti-dilutive effect on the basic loss per share amount presented.

The calculation of the diluted earnings per share amount for the year ended 31st March 2023 is based on the profit 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 year, 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 calculations of basis and diluted (loss)/earnings per share are based on:

	2024	2023
	HK$'000	*HK$'000*
(Loss)/earnings		
(Loss)/profit attributable to the shareholders of the Company, used in the basic and diluted (loss)/earnings per share calculation	**(48,735)**	1,088

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue, used in the basic (loss)/earnings per share calculation	**454,509,311**	427,379,426
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 year	**—**	678,290
Weighted average number of ordinary shares in issue, used in the diluted (loss)/earnings per share calculation	**454,509,311**	428,057,716

8. Dividends

The Directors do not recommend the payment of any dividend for the year ended 31st March 2024 (2023: Nil).

9. Trade and other receivables

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**299,215**	348,815
Less: Impairment of trade receivables	**(7,067)**	(6,797)
	292,148	342,018
Bills receivable	**15,159**	19,386
Less: Impairment of bills receivable	**(199)**	(86)
	14,960	19,300
Trade and bills receivables, net *(note (a))*	**307,108**	361,318
Finance lease receivables	**80,790**	78,959
Less: Impairment of finance lease receivables	**(804)**	(609)
Finance lease receivables, net	**79,986**	78,350
Less: Non-current portion*	**(12,004)**	(9,741)
Finance lease receivables, net, current portion	**67,982**	68,609
Prepayments, deposits and other receivables, net	**133,765**	141,853
Less: Non-current portion*	**(5,218)**	(9,557)
Prepayments, deposits and other receivables, net, current portion	**128,547**	132,296
Total trade and other receivables, current portion	**503,637**	562,223
* Total trade and other receivables, non-current portion	**17,222**	19,298

(a) *Trade and bills receivables, net*

The Group's trading terms with its customers of hi-tech distribution and service operation are mainly on letters of credit or documents against payment, and in some cases granting a credit period of 5 to 180 days. Payment in advance is normally required. In respect of the Group's operating leasing operation, trade receivables are settled based on the terms stipulated in the lease agreements. The Group's terms with its debtors of electronic payment solution operation are generally with a credit period of 4 to 7 days settled by cash. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk.

An ageing analysis of trade and bills receivables, based on the invoice date and net of loss allowance, as at the end of the reporting period is as follows:

	2024	2023
	HK$'000	*HK$'000*
3 months or less	**162,599**	300,320
4 to 6 months	**64,681**	32,866
7 to 9 months	**51,375**	11,733
10 to 12 months	**12,103**	3,058
Over 12 months	**16,350**	13,341
	307,108	361,318

10. Trade and other payables

	2024	2023
	HK$'000	*HK$'000*
Trade and bills payables	**267,154**	292,885
Accrual, other payables and contract liabilities	**239,604**	260,749
	506,758	553,634

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

	2024	2023
	HK$'000	*HK$'000*
3 months or less	**229,369**	250,613
4 to 6 months	**20,651**	21,799
7 to 9 months	**10,376**	1,321
10 to 12 months	**789**	2,348
Over 12 months	**5,969**	16,804
	267,154	292,885

11. Share capital

	Ordinary shares		Preference shares		
	Number of shares	Ordinary share capital	Number of shares	Preference share capital	Total
	'000	*HK$'000*	*'000*	*HK$'000*	*HK$'000*
Authorised:					
At 1st April 2022, 31st March 2023, 1st April 2023 and 31st March 2024 — HK$0.1 each	4,000,000	400,000	3,000,000	300,000	700,000
Issued:					
At 1st April 2022	425,125	42,512	—	—	42,512
Share options exercised	29,384	2,938	—	—	2,938
At 31st March 2023, 1st April 2023 and 31st March 2024	454,509	45,450	—	—	45,450

12. Reserves

	Share premium HK$'000	Contributed surplus HK$'000	Share option reserve HK$'000	Cumulative translation adjustments HK$'000	Retained profits HK$'000	Total HK$'000
Balances at 1st April 2022	220,854	956,292	13,783	21,872	192,129	1,404,930
Profit for the year	—	—	—	—	1,088	1,088
Currency translation differences of foreign operations	—	—	—	(23,704)	—	(23,704)
Total comprehensive loss for the year	—	—	—	(23,704)	1,088	(22,616)
Share options exercised	6,611	—	—	—	—	6,611
Equity-settled share-based transactions	—	—	961	—	—	961
Balances at 31st March 2023 and 1st April 2023	**227,465**	**956,292**	**14,744**	**(1,832)**	**193,217**	**1,389,886**
Loss for the year	**—**	**—**	**—**	**—**	**(48,735)**	**(48,735)**
Currency translation differences of foreign operations	**—**	**—**	**—**	**(13,728)**	**—**	**(13,728)**
Total comprehensive loss for the year	**—**	**—**	**—**	**(13,728)**	**(48,735)**	**(62,463)**
Equity-settled share-based transactions	**—**	**—**	**865**	**—**	**—**	**865**
Balances at 31st March 2024	**227,465**	**956,292**	**15,609**	**(15,560)**	**144,482**	**1,328,288**

CHAIRLADY'S STATEMENT

On behalf of the board of directors ("Board") of North Asia Strategic Holdings Limited ("Company"), I am pleased to present the annual results of the Company and its subsidiaries (collectively, the "Group") for the financial year ended 31st March 2024 (the "Year"). Facing tremendous challenges during the Year, the Group recorded a consolidated net loss of approximately HK$48,735,000 despite an uptick of orders in the second half of the Year, compared to a consolidated net profit of approximately HK$1,088,000 last year.

POST-PANDEMIC CHALLENGE

The announcement by the World Health Organization on 5th May 2023 marked the end of COVID-19 pandemic but the long-awaited recovery of China economy had only lasted for a short period of time. The Group's high-tech distribution and services business experienced market slump due to the persistent sluggish demand in global mobile phone market in the first half of the Year, compensated by an obvious rebound in orders mainly from some China mobile phone manufacturers in the second half of the Year. Since there will be a new generation upgrade of Fuji's Surface Mount Technology ("SMT") machine which offers newer technology and efficiency for smart factory, the Group expects a new wave of replacement of SMT machines in the years ahead.

The Group's leasing business has also experienced severe price competition and unstable demand of SMT machines. In order to stay competitive in its product offerings, the leasing division has accelerated replacement of the old operating lease SMT machines by new generation SMT machines to strengthen its operating lease machines fleet.

The Group's electronic payment business operating under the "Jarvix" brand, which focuses on local consumption market, has not performed as expected due to slump in local consumption market contributed in part due to more outbound travel by Hong Kong residents. To counteract this, the Hong Kong Government has rolled out economic stimulation measures to boost local consumption market such as "Hello Hong Kong" and "Night Vibes Hong Kong". We have confidence that the current market downturn is temporary and will recover soon. Meanwhile, the Group will continue to revamp Jarvix's electronic payment application to bring more services and will put more effort in expansion of its merchant portfolio.

STRENGTHENING OF BUSINESS

The Group has continued to upgrade its enterprise resource planning ("ERP") system during the Year for supporting the Group's future business growth and improving work efficiency. Due to the market slump and significant reduction in sales during the Year, the Group has executed staff optimisation plan that streamlines its manpower to manage its costs. Since the interest rates remain high, the Group will continue to adopt a prudent and low leverage policy to maintain the resilience of its business. The Group remains open to leveraging on its listing status to raise capital, if and when appropriate, to address financing needs for its future development and investment.

OUTLOOK

The Greater Bay Area blue print of President Xi outlines the future for growth and development for Hong Kong. With its headquarters in Hong Kong and major operating units in Southern China area, the Group is motivated and enthusiastic about the future of Hong Kong and its role in the Greater Bay Area initiative. To further strengthen soft power of Hong Kong, the Hong Kong Government has launched the “top talent pass scheme” and received overwhelming response. The Hong Kong Government has also proposed the “Northern Metropolis Strategy” and “Lantau Tomorrow Vision” to complement the Greater Bay Area initiative. The Group will proactively look for opportunities to increase investment in line with the 14th five-year plan and Great Bay Area initiatives, through both internal growth and external acquisition.

In the meantime, in response to the trend of the Group’s customers relocating their manufacturing bases as US-China decoupling continues, the Group’s offices in Southeast Asia countries will continue to expand its sales and engineering cohort to be able to serve those customers outside China.

A SOCIALLY RESPONSIBLE COMPANY

The long-term sustainability of the Group depends on its ability to maintain a balance between its stakeholders. As a member of a community, the Group believes that it is responsible not only to the Company’s shareholders but also to other stakeholders such as its suppliers, customers, employees and the society in which it operates and the government. The Group has sponsorship program to encourage talented employees to broaden their skills and is reviewing its remuneration policies to provide better support and rewards to our staff for their long term commitment and enhanced professionalism. In 2023, the Company was awarded “The Junzi Corporation Award” the second time by the Hang Seng University of Hong Kong for conducting its operations in accordance with the Confucian ethics of “Five Virtues” referring to “Benevolence, Rightness, Propriety, Wisdom and Trustworthiness”. The award encourages the Group in its continuous effort in becoming a socially responsible company.

APPRECIATION

Without the trust and support of our shareholders, customers, suppliers, fellow directors, management and staff, I could not have persevered and to overcome the challenges during the Year. The financial and operational performance are the direct results of years of relentless hard work of our entire staff, management team and directors. I would like to take this opportunity to thank the directors for their long-term service and commitment. I am also grateful for the support and guidance of the Listing Division staff who have been helpful in facilitating our corporate actions.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial and Business Performance

Despite the continued Russia-Ukraine war and US-China trade tensions, as well as uncertainties around exchange rates and generally cautious consumer sentiment, the global smartphone market saw a double-digit quarter-on-quarter growth in the third quarter of 2023, with only a 1% year-on-year decline, indicating a slowdown in the downward trend. The consumer electronics industry and supply chain companies have also seen their inventory levels decreasing, with a noticeable narrowing of the year-on-year decline in smartphone shipment volumes compared to the sustained multi-quarter drops seen previously. A recent market research report by Counterpoint indicated that global smartphone shipments grew 6% year on year in the first quarter of 2024 mostly attributable to the growth from Europe and emerging markets, after its report of the decline in global smartphone shipments from April to September 2023.

Throughout the Year, manufacturers in consumer electronics industry remained cautious in response to the market rebound. The uncertainties in the global macroeconomic and geopolitical environment have made the recovery of emerging markets and operations particularly fragile. With the ongoing US-China decoupling and other geopolitical reasons that had led a trend of diversification of manufacturing bases of the Group's customers outside China, the Group has established operations during the Year in Thailand and Vietnam to better serve the Group's customers.

During the Year, the Group recorded consolidated revenue of approximately HK$1,305,420,000, representing a decrease of 42.4% from approximately HK$2,266,642,000 last year. The decrease in revenue was mainly due to the decrease in revenue by 46.1% from the Group's hi-tech distribution and services division. Such decrease was contributed by sluggish consumer electronic market causing most of the Group's customers to cut down or postpone their manufacturing equipment acquisition plan during the Year.

The Group's total operating cost during the Year decreased by approximately HK$69,763,000 or 20.3% from last year's approximately HK$344,277,000 to HK$274,514,000. The decrease in operating expenses was mainly because of the reduction in sales related expenses and net exchange loss from approximately HK$26,306,000 in last year to approximately HK$4,694,000 in the Year. During the Year, the Group's total operating expenses (excluding the exchange loss) to the revenue ratio increased to 20.7% from approximately 14.0% in the corresponding period last year.

Although the Group's gross profit ratio slightly improved from last year's 14.7% to 15.7% in the Year, the Group still recorded consolidated net loss of approximately HK$48,735,000, representing a turnaround from consolidated net profit of approximately HK$1,088,000 in last year. The consolidated net loss of the Group was mainly due to the significant drop in revenue from hi-tech distribution and services business division while the operating costs did not reduce at the same rate as the revenue.

The basic loss per share in the Year was approximately HK10.7 cents, representing a turnaround from the basic earnings per share of approximately HK0.3 cents in last year. As at 31st March 2024, the consolidated net asset value of the Company per ordinary share was approximately HK$3.02, representing a decrease of HK$0.14 from approximately HK$3.16 as at 31st March 2023.

Below is a 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, a 30 plus years old firm is a leading distributor and after-market service provider of surface-mount technology ("SMT") equipment and semiconductor manufacturing equipment in Asia. AMT has more than 240 professional engineers and customer care staff in more than 25 cities in China, Vietnam and India and other South-East Asia countries to service the needs of its customers. Customers include most of the major telecom and electronic equipment manufacturers in the world. AMT is especially well positioned with its growing base of Chinese manufacturers. Its suppliers include leading equipment and solutions manufacturers from Asia, the United States and Europe.

During the Year, the division's revenue was approximately HK$1,147,992,000, representing a decrease of HK$982,313,000 or 46.1%, compared to approximately HK$2,130,305,000 in last year. The decrease in revenue was mainly due to continued sluggish demand in the global mobile phone market during the Year which directly impact the Group's mobile phone manufacturing customers. The Group experienced significant decline in orders received during the first half of the Year during which the customers have been delaying or scaling down their equipment acquisition plans, while the Group saw significant improvement in orders in the second half of the Year which contributed to a rebound of the division's revenue during that period in line with reported market trend.

Direct machine sales revenue was approximately HK$1,026,289,000, representing a decrease of HK$941,787,000 or 47.9%, compared to approximately HK$1,968,076,000 in the last year. The division's spare part and software sales were approximately HK$68,324,000, representing a decrease of HK$13,894,000 or 16.9%, compared to approximately HK$82,218,000 in the last year. The sales support service, commission and other services income was approximately HK$53,379,000, representing a decrease of HK$26,632,000 or 33.3%, compared to approximately HK$80,011,000 in last year. The significant decrease of direct machine sales revenue and sales support service, commission and other service income was mainly due to the withdrawal or deferral of equipment investment plans by the division's customers in response to reduced orders from their customers who are mainly well known smartphone brands.

During the Year, the division recorded a net loss of approximately HK$3,260,000, compared to a net profit of approximately HK$60,594,000 last year.

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 Year, the leasing division noted that the short-term order surge from its customers has led to structural component shortages, posing challenges to planning and production. The leasing business has continued to face persistent challenges carried over from last year's market conditions. The leasing division's management has focused on enhancing service levels to address market changes, such as customized equipment retrofitting, equipment scheduling and technical support, while also making appropriate price adjustments, as well as expanding its product portfolio to include electronic components, devices and equipment. Due to increased customer price sensitivity and intensified price competition from rivals, the division's profitability remains under significant pressure.

Despite the challenging market environment, the division recorded revenue of approximately HK$154,346,000 for the Year, representing an increase of 13.2% compared to approximately HK$136,337,000 in the previous year. The increase was mainly attributable to revenue from machine sales of approximately HK$116,386,000, representing an increase of 24% compared to approximately HK$93,865,000 in the previous year. During the Year, the revenue from operating lease arrangements for the division decreased by 16.6% to approximately HK$29,216,000 from approximately HK$35,049,000 in the last year. The decline in operating lease revenue was primarily due to the continued rental price decrease that began last year.

Furthermore, in response to changes in market environment and interest rates, the leasing division has flexibly, adjusted its strategies to achieve a balance between risk and business growth. The division has continued to expand its customer base to cover manufacturers and offer short-term (6-12 months) financing options to its customers. As of 31st March 2024, the division's finance leasing business showed slight growth, with the principal amount of finance lease receivables increasing by 2.1% to approximately HK$79,986,000 from approximately HK$78,350,000 as of 31st March 2023. During the Year, finance lease income increased by approximately 17.8% to approximately HK$8,744,000 from approximately HK$7,423,000 in the previous year.

With its efforts described above and cost management measure during the Year, the division managed to record a net profit of approximately HK$5,002,000, compared to a net loss of approximately HK$1,893,000 last year.

Electronic Payment Solution Division

The Group conducted its payment solution business through its wholly-owned subsidiary, Jarvix (Hong Kong) Limited ("Jarvix"). Jarvix is principally engaged in providing a payment solution to local merchants such that they can accept wide range of electronic payment methods. Jarvix has been focusing on various industries such as fitness and beauty and sports. Jarvix offers tailored market analysis and payment solutions to help its merchants effectively respond to market changes and capitalize on business opportunities.

In order to increase market share, the division has strategically increased its investment in advertising and manpower both to enable it to expand and diversify its client base within and beyond those three industries and to deliver prompt and client friendly services at competitive prices. The division undertook a comprehensive rebranding of Jarvix and enhanced its system functionalities, incurring approximately HK$350,000 for these efforts. At the same time, we also initiated projects to establish and research new payment solution offerings, which resulted in some one-off legal costs of approximately HK$333,000.

The local consumption after the end of pandemic has been disappointing during the Year. The division has noted an increase in outbound travel partially due to the attractiveness from depreciation of the Japanese and other Asian countries currencies against Hong Kong Dollar and the trend of local residents doing their shopping and spending in Shenzhen during weekend and holidays. The local government's measures such as "Hello Hong Kong" and "Night Vibes Hong Kong" to stimulate the local economy and attract tourists have not yet brought noticeable economic benefit.

The division recorded a revenue of approximately HK$3,082,000 and a net loss of approximately HK$3,725,000 for the Year. This included a relatively significant non-cash expense, which was an amortisation expense of the division's intangible asset on the Electronic Payment Application of approximately HK$2,598,000.

OUTLOOK

International Data Corporation ("IDC") has predicted in May 2023 that the worldwide smartphone shipments would recover by 4% to 1.21 billion units in 2024. In contrast, in its Worldwide Quarterly Mobile Phone Tracker forecast published in January 2024, it reported that the worldwide shipments of smartphones declined by 3.2% year on year in 2023.

In its latest Global Economic Prospect report in June 2024, World Bank projected that the global economic growth rate will hold steady at 2.6 percent in 2024 and economic growth in China is projected to slow down from 5.2 percent in 2023 to 4.8 percent in 2024. According to the National Bureau of Statistics ("NBS") of China's preliminary estimate in June 2024, the gross domestic product ("GDP") for the first quarter of 2024 was up 5.3 percent year on year while the GDP for the year 2023 was up by 5.2 percent year on year. NBS also reported that the value-added output of the manufacturing industry increased 7.5 percent year-on-year in April 2024, accelerating from 5.1 percent year-on-year growth in March 2024. Meanwhile, several key manufacturing sectors experienced high levels of growth in added value output, including high-tech manufacturing, which increased by 11.3 percent year-on-year and automobile manufacturing, which grew by 16.3 percent year-on-year.

That said, the manufacturing Purchasing Manager Index (PMI) published by National Bureau of Statistics of China, remained below 50 during the Year except for September 2023 and March 2024 where PMI stood at 50.2 and 50.8 respectively. The rebound of PMI in March 2024 did not extend to later periods and has dropped below 50 again from May 2024, being a signal that the outlook of the manufacturing industry remained pessimistic.

However, the Group notes that President Xi, chairing the 4th meeting of the Central Financial and Economic Affairs Commission in February 2024, emphasized the need to promote a new round of large-scale equipment upgrades and the trade-in of consumer goods. Additionally, when setting this year's economic targets at the National People's Congress, Premier Li aims for around 5% stable growth in 2024.

The Greater Bay Area blue print by President Xi outlines the future for growth and development for Hong Kong. Since the Group is motivated and optimistic about the future of Hong Kong and its role in the Greater Bay Area initiative, the Group will continue to build its businesses in Hong Kong and the Greater Bay Area. At the same time Group will also continue to monitor and where appropriate continue to set up operations in other parts of Asia, to seek to serve those of its customers that may continue to diversify their manufacturing bases to locations outside China.

The Group will continue to closely monitor its working capital, gross margin, operating cost and industry developments with a view to maintaining adequate cash flow, enhancing the operational efficiency of its various business divisions to improve their profitability, achieving long-term sustainability and growth of its business, ultimately to increase shareholders' value.

Hi-Tech Distribution and Services Division

Most countries have set a net-zero emission target. To achieve this by 2030, some of these countries have codified this target in their laws. The Group expects the replacement of petroleum fuelled vehicles with electric vehicles will be accelerated in the coming years. The emerging electric vehicle manufacturing industry creates new opportunities for the Group since some of the Group's major customers are leading electric vehicle manufacturers, or their OEM manufacturers in China.

The Group also perceives there will be increasing demand for artificial intelligence (AI) chips and user devices such as AI notebook and AI smartphone and would then drive demand for SMT and semi-conductor manufacturing facilities. The Group's major SMT product, NXT III, will be phased out in 2025 and is to be replaced by a new generation model, NXTR, with higher performance that is suited for smart factory production. The division therefore expects a new wave of replacement demand in coming years.

The Group will continue to closely monitor its working capital, gross margin, operating cost and industry developments with a view to maintaining adequate cash flow, improving its results and achieving long-term sustainability and growth of its business.

Leasing Division

Starting from 2024, the equipment leasing market has seen a notable turnaround, as many customers demanded leasing over outright equipment purchases to meet their short-term order needs. However, whether this shift towards leasing can be sustained and lead to a stable and upward operating environment for the overall leasing industry still requires observation over a longer time frame to assess if it can truly stabilize the industry conditions.

Given the uncertain market environment, the Group will remain cautious in developing its leasing business in 2024/25. The leasing division will continue to focus on improving equipment utilization rates and diversifying leasing offerings. It will provide value-added services through self-developed and customized modifications, and maintain customer relationships through the Group's core competencies and exclusivity. For direct finance leases, the division will increase risk control by diversifying business areas, focusing on high-tech products with good growth potential, and expanding short-term (6-12 months) financing. In addition, the division will seek to increase diversified cooperation with partners to improve equipment disposal and leasing rates on a prudent basis.

Electronic Payment Solution Division

While Jarvix's customers who are all merchants in Hong Kong have been negatively impacted by the post pandemic shift of consumption pattern in Hong Kong, in particular, the popular trend of traveling north in addition to overseas travel, the division is committed towards providing high quality and competitive services to attract more merchants and to roll out new mobile applications that enables Jarvix to expand its services to more merchants and consumers.

The Global Payments Report published by Worldpay, a subsidiary of financial technology solutions provider FIS, shows that credit cards remain the primary payment method in Hong Kong. However, electronic wallets are expected to replace credit cards as the most popular online transaction payment method in Hong Kong by 2026. Another emerging payment method, Buy Now, Pay Later (BNPL), is anticipated to gradually increase in usage, with related e-commerce payment volumes projected to grow by 1.56 times, from USD258 million in 2022 to USD659 million in 2026.

Jarvix will continue to enhance its systems and application technologies, including both online and offline payment modes, to adapt to future developments and strive to become one of the most comprehensive system and competitive payment solution in Hong Kong.

LIQUIDITY AND FINANCIAL RESOURCES

During the Year, the Group generally finance its operation with internally generated resources and banking facilities provided by its principal bankers in Hong Kong. As at 31st March 2024, the Group had no secured other borrowings (2023: HK$1,800,000, which are denominated in RMB). As at 31st March 2024, the Group had banking facilities of approximately HK$711,845,000 (2023: approximately HK$870,268,000) from several banks for trade financing. As at 31st March 2024, banking facilities of approximately HK$145,090,000 (2023: approximately HK$147,350,000) were utilised by the Group. These facilities were secured by corporate guarantees of approximately HK$973,288,000 (2023: approximately HK$1,130,270,000) provided by the Company. As at 31st March 2024, the Group had total assets of approximately HK$1,957,058,000 (2023: approximately HK$2,079,936,000) and total liabilities of approximately HK$583,320,000 (2023: approximately HK$644,600,000). The Group had net cash position as at 31st March 2024 and 2023.

CONTINGENT LIABILITIES

As at 31st March 2024, pledged deposits of HK$2,100,000 (2023: HK$4,490,000) were held as security at a bank in respect of performance bonds in favour of certain contract customers. The guarantees given by the Group to certain banks in respect of performance bonds and standby letter of credit in favour of certain contract customers and a supplier amounted to HK$113,693,000 (2023: HK$61,303,000).

Net Asset Value

Consolidated net asset value per ordinary share attributable to ordinary shareholders of the Company was approximately HK$3.02 as at 31st March 2024, decreased by HK$0.14 from approximately HK$3.16 as at 31st March 2023.

Number of Employees and Remuneration Policies

As at 31st March 2024, the Group employed 338 (2023: 388) 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 including contribution to retirement benefit schemes incurred during the year amounted to approximately HK$147,870,000 (2023: HK$194,215,000).

The Company operates a share option scheme for the purpose of providing incentives and rewards to Directors, employees and eligible participants who contributed or will contribute to 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 during the year ended 31st March 2024.

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 C1 of the GEM Listing Rules. Throughout the year ended 31st March 2024, 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 C.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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealing set out in rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard"). Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the Required Standard and the Company's code of conduct regarding securities transactions during the year ended 31st March 2024.

AUDIT COMMITTEE

The audit committee currently comprises three members, namely Mr. Joseph Liang Hsien Tse, Mr. Joseph Chan Nap Kee and Dr. Cai Qing, 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 in February 2024. 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 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 (if prepared for publication), 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 annual results for the year ended 31st March 2024 has been reviewed by the audit committee.

The annual report for the year ended 31st March 2024 will be dispatched to the shareholders by end of July 2024.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity, and the related notes thereto for the year ended 31st March 2024 as set out in this announcement have been agreed by the Company's auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

On behalf of the Board
North Asia Strategic Holdings Limited
Zhang Yifan
Chairlady and Executive Director

Hong Kong, 27th June 2024

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

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk 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.