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NORTH ASIA RESOURCES HOLDINGS LIMITED

北亞資源控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 61)

VOLUNTARY ANNOUNCEMENT

**FORMATION OF A JOINTLY INVESTED COMPANY
AND
SIGNING OF COAL SUPPLY AGREEMENT**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board is pleased to announce that on 6 December 2010, the Company's wholly-owned subsidiary, Good Loyal Group, entered into the Shareholders' Agreement with Great Metal Group, a wholly-owned subsidiary of China Railway Mongolia and MBH. The Parties have agreed to jointly invest in NAEG initially for carrying out resources trading and logistic related business.

Pursuant to the terms of the Shareholders' Agreement, on or before the Effective Date, Good Loyal Group, Great Metal Group and MBH will have an equity interest in NAEG of 60.2%, 29.9% and 9.9% respectively.

Under the Shareholders' Agreement, Great Metal Group has agreed, amongst others, to procure that NAEG shall be allocated with a transportation and through-put quota by Lin-Ce Railway of no less than 1,000,000 tonnes of resources for the year 2011.

The Board is also pleased to announce that NAEG has entered into the Coal Supply Agreement with SouthGobi Sands, a wholly-owned subsidiary of SouthGobi Resources.

Pursuant to the terms of the Coal Supply Agreement, SouthGobi Sands has agreed to sell, and NAEG has agreed to purchase 450,000 tonnes of coal for the year 2011.

The Board is pleased to announce that on 6 December 2010, the Company's wholly-owned subsidiary, Good Loyal Group, entered into the Shareholders' Agreement with Great Metal Group and MBH.

SHAREHOLDERS' AGREEMENT

Date : 6 December 2010

Parties : (1) Good Loyal Group

(2) Great Metal Group

(3) MBH

Great Metal Group is a wholly-owned subsidiary of China Railway Mongolia, a strategic partner of the Group. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, MBH and its ultimate beneficial owners are Independent Third Parties.

Investment in NAEG

The Parties to the Shareholders' Agreement agreed that, on or before the Effective Date, Good Loyal Group, Great Metal Group and MBH will own 60.2%, 29.9% and 9.9% of NAEG respectively. Initially, NAEG will be engaging in resources trading and logistic related business.

Responsibilities of the Parties

Good Loyal Group's responsibilities in respect of the business of NAEG shall be, amongst others:

- (a) to inject capital to NAEG by ways of shareholders' loan for the purpose of satisfying financial needs of NAEG in respect of its business;
- (b) to identify and secure resources and resource providers within Mongolia; and
- (c) to ensure the efficient operations of NAEG.

Great Metal Group's responsibilities in respect of the business of NAEG shall be, amongst others:

- (a) to procure that NAEG shall be allocated with a transportation and through-put quota by Lin-Ce Railway of no less than 1,000,000 tonnes of resources for the year 2011;
- (b) to actively assist in obtaining all the other necessary licenses and permits deemed appropriate for the business of NAEG from time to time;

- (c) to assist NAEG in maintaining all the licenses and permits in good standing as well as provide full assistance on dealing with issues relating to PRC laws and meeting all legislative requirements in the PRC; and
- (d) to identify and secure resource purchasers in the PRC.

MBH's responsibilities in respect of the business of NAEG shall be, amongst others:

- (a) to identify and secure resources and resource providers within Mongolia;
- (b) to actively assist in obtaining all the other necessary licenses and permits deemed appropriate for the business of NAEG from time to time; and
- (c) to assist NAEG in maintaining all the licenses and permits in good standing as well as provide full assistance on dealing with issues relating to government and meeting all legislative requirements in Mongolia.

Board of Directors of NAEG

The board of directors of NAEG will consist of five directors, of which three will be appointed by Good Loyal Group, one will be nominated by Great Metal Group and one will be nominated by MBH.

COAL SUPPLY AGREEMENT

Date : 6 December 2010

Parties : (1) NAEG, the buyer
(2) SouthGobi Sands, the seller

The Board is also pleased to announce that NAEG has entered into the Coal Supply Agreement with SouthGobi Sands, a wholly-owned subsidiary of SouthGobi Resources.

Pursuant to the terms of the Coal Supply Agreement, SouthGobi Sands has agreed to sell, and NAEG has agreed to purchase 450,000 tonnes of coal for the year 2011.

REASONS FOR THE SHAREHOLDERS' AGREEMENT AND THE COAL SUPPLY AGREEMENT

NAEG will initially engage in cross-border resources trading and logistic related business between Mongolia and the PRC via Ceke. The Board believes that NAEG can diversify and extend the scope of business of the Group and enhance the revenue source of the Group.

The Board is also of the opinion that the Shareholders' Agreement will provide NAEG with the appropriate support by the Parties to ensure a smooth operation of NAEG's business as well as facilitate the Group in expanding its business in Mongolia and enhancing its relationship with China Railway Mongolia.

The Board believes that the Coal Supply Agreement will demonstrate NAEG's commitment in expanding into the trading business and will assist NAEG in securing future resources suppliers at the Ceke region.

The Board considers that the terms of the Shareholders' Agreement and the Coal Supply Agreement are entered into upon normal commercial terms following arm's length negotiations among the parties and the terms of the Shareholders' Agreement and the Coal Supply Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China Railway Group”	China Railway Group Limited, a joint stock company incorporated in the PRC with limited liability
“China Railway Mongolia”	China Railway Mongolia Investment LLC, a company incorporated in Mongolia with limited liability and a subsidiary of China Railway Resources Group
“China Railway Resources Group”	China Railway Resources Group Limited, a company incorporated in the PRC with limited liability and a subsidiary of China Railway Group
“Coal Supply Agreement”	the coal supply agreement entered into between NAEG and SouthGobi Sands in respect of the sale and purchase of 450,000 tonnes of coal for the year 2011
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Directors”	the director(s) of the Company
“Effective Date”	the date of completion of a share purchase agreement or any other documents effecting the shareholding of NAEG as described in the Shareholders' Agreement

“Good Loyal Group”	Good Loyal Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Great Metal Group”	Great Metal Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of China Railway Mongolia
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Lin-Ce Railway”	Lince Railway Co., Ltd, a company incorporated in the PRC with limited liability, an associate company of China Railway Group, and the owner and operator of a railway between Linhe and Ceke
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MBH”	Money Builder Holdings Limited, a company incorporated in the BVI with limited liability
“NAEG”	North Asia Energy Group Limited, a company incorporated in the BVI with limited liability
“Parties”	parties to the Shareholders’ Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shareholders’ Agreement”	the Shareholders’ Agreement dated 6 December 2010 and entered into between Good Loyal Group, Great Metal Group and MBH with respect of the investment in NAEG

“SouthGobi Resources”	SouthGobi Resources Ltd, a company incorporated in Canada with limited liability under the legislation of the Province of British Columbia
“SouthGobi Sands”	SouthGobi Sands LLC, a company incorporated in Mongolia with limited liability and a wholly-owned subsidiary of SouthGobi Resources
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
North Asia Resources Holdings Limited
King Jun Chih, Joseph
Chairman

Hong Kong, 8 December 2010

As of the date of this announcement, Mr. King Jun Chih, Joseph, Mr. Tse Michael Nam and Mr. Yang Xiaoqi are the executive Directors, Mr. Chan Kwan Hung and Mr. Wu Chi Chiu are the non-executive Directors and Mr. Lim Yew Kong, John, Mr. Mak Ping Leung and Mr. Leung Po Wing, Bowen Joseph, GBS, JP are the independent non-executive Directors.