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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)**

### **UPDATES ON USE OF PROCEEDS FROM PLACING OF NEW SHARES AND VERY SUBSTANTIAL DISPOSAL**

References are made to (i) the announcement of North Asia Resources Holdings Limited (formerly known as Green Global Resources Limited, the “Company”) dated 18 December 2009 and the circular of the Company dated 31 December 2009 (the “Placing Circular”) in relation to, among other things, the placing of up to 232,143,000 new shares of the Company, on a best effort basis, by the Company (the “Placing”); and (ii) the announcement of the Company dated 10 December 2009 and the circular of the Company dated 31 December 2009 (the “Disposal Circular”) in relation to, among other things, the disposal of the entire equity interests in Green Global Agro-Conservation Resources Limited and Green Global Bioenergy Limited, which were wholly-owned subsidiaries of the Company engaged in the businesses of management and cultivation of licorice and salix in Inner Mongolia and the bioenergy business respectively, which constituted a very substantial disposal for the Company (the “Disposal”).

The Placing and the Disposal were completed on 11 February 2010 and 24 March 2010 respectively and the net proceeds from the Placing and the Disposal are approximately HK\$380.0 million and HK\$177.0 million respectively. As stated in the Placing Circular and the Disposal Circular, such net proceeds (the “Proceeds”) will be used for the mining business in Mongolia (the “Mining Business”).

Subsequent to the completion of the Placing and the Disposal, the Company has successfully completed an acquisition of two alluvial gold mines in Mongolia (the “Gold Mines Acquisition”) as announced by the Company on 26 January 2010 and the Group has further reviewed the financial position of and working capital requirements for the Mining Business

which has progressed and is expected to generate revenue commencing in the second half of the year. In this light, the board (the “Board”) of directors (the “Directors”) of the Company intends to reallocate the Proceeds in the following manner:

- (i) as to approximately HK\$180 million for the business development and working capital of the Mining Business and the Gold Mines Acquisition;
- (ii) as to approximately HK\$35.9 million (approximately RMB31.5 million) for partial payment of the consideration for the Gold Mines Acquisition; and
- (iii) the balance of approximately HK\$341.1 million will be used as cash reserves for general working capital and investment purposes of the Group.

As at the date of this announcement, the Directors have not identified any potential investment opportunities. It is further intended that if any suitable investment or mining opportunity arises, the Company may utilize the funds available from such cash reserves to finance all or part of the new investment(s), depending on the terms and scale of the new investments(s). Should any formal agreement be entered into by the Group, the Company will comply with the relevant provisions under the Listing Rules as and when appropriate.

Regarding the Gold Mines Acquisition, it was stated in the announcement of the Company dated 29 March 2010 that RMB24.5 million (approximately HK27.9 million) has been paid by the Company to satisfy part of the consideration for the Gold Mines Acquisition and it was financed by internal resources of the Group. The Board would like to clarify that out of the payment of RMB24.5 million (approximately HK27.9 million), RMB21.0 million (approximately HK\$23.9 million) was financed by the Proceeds and it is expected that the remaining portion of the consideration for the Gold Mines Acquisition, being RMB10.5 million (approximately HK\$12.0 million), will also be financed by the Proceeds. Accordingly, as disclosed above, approximately HK\$35.9 million (approximately RMB31.5 million), in aggregate, has been/will be used for the partial payment of the consideration for the Gold Mines Acquisition.

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

Hong Kong, 17 May 2010

*For the purpose of illustration only, translations of RMB into HK\$ are made in this announcement at the rate of RMB1=HK\$1.14. No representation is made that any amounts in RMB have been or could be converted at the above rate or at any other rates or at all.*

*As of the date of this announcement, Mr. King Jun Chih, Joseph, Mr. Chan Kwan Hung and Mr. Tse Michael Nam are the 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.*