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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)

(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE; AND (2) RESUMPTION OF TRADING

Underwriter



PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 9 April 2015, the Company entered into the Placing and Underwriting Agreement with the Underwriter pursuant to which the Underwriter has conditionally agreed to procure not less than six Placers to subscribe for, failing which the Underwriter shall itself subscribe for, 472,205,000 Placing Shares at the Placing Price of HK\$0.18 per Placing Share. The Placing Shares will be allotted and issued under the General Mandate. The net proceeds from the Placing are estimated to be approximately HK\$83.7 million and are intended to be used for general working capital (including settlement of interest expenses and reduction of debts).

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion, the Placing Shares represent (i) approximately 5.49% of the issued Shares as at the date of this announcement; and (ii) approximately 5.20% of the issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing is conditional upon, among other things, the Listing Committee having granted the listing of, and the permission to deal in, the Placing Shares.

Shareholders and potential investors should note that the Placing is subject to the fulfillment of the condition(s) as set out in the Placing and Underwriting Agreement, and the Placing may or may not proceed to completion. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Thursday, 9 April 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Friday, 10 April 2015.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

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THE PLACING AND UNDERWRITING AGREEMENT

Date:

9 April 2015

Parties:

- (i) Issuer : the Company
- (ii) Underwriter : KCG Securities Asia Limited

The Underwriter has been appointed by the Company to place 472,205,000 Placing Shares on a fully underwritten basis and will receive a placing commission equal to 1.2% of the aggregate of the Placing Price of the Placing Shares. The placing commission was arrived at after arm's length negotiations between the Company and the Underwriter.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties.

The Placing Shares

The Underwriter will place, failing which the Underwriter shall itself subscribe for, 472,205,000 Placing Shares to not less than six independent Placees (which will be independent professional, institutional or other investors), each of whom and whose beneficial owners will be an Independent Third Party. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion, the Placing Shares represent (i) approximately 5.49% of the issued Shares as at the date of this announcement; and (ii) approximately 5.20% of the issued Shares as enlarged by the allotment and issue of the Placing Shares.

The aggregate nominal value of the Placing Shares will be HK\$4,722,050. The Placing Shares will rank pari passu in all respects among themselves and with other Shares in issue on the date of allotment and issue of the Placing Shares.

An application will be made by the Company to the Listing Committee for the granting of the listing of, and the permission to deal in, the Placing Shares.

The Placing Price

The Placing Price of HK\$0.18 per Placing Share was determined after arm's length negotiations between the Company and the Underwriter with reference to the current trading prices of the Shares and represents:

- (i) a discount of approximately 4.8% to the closing price of HK\$0.189 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 4.0% over the average closing prices of HK\$0.173 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and
- (iii) a premium of approximately 6.5% over the average closing prices of HK\$0.169 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day.

The Directors consider that the Placing Price is fair and reasonable and is in the interests of the Company and its shareholders as a whole under the current market condition.

Conditions of the Placing

Completion is conditional upon the satisfaction of the following conditions:

- (a) the Company having obtained the approval from the Listing Committee regarding the listing of, and permission to deal in, the Placing Shares; and
- (b) all necessary consents and approvals to be obtained on the part of each of the Underwriter and the Company in respect of the Placing and Underwriting Agreement and the transactions contemplated thereunder having been obtained.

If the conditions are not fulfilled on or before the Long Stop Date, the Placing and Underwriting Agreement shall terminate and neither the Company nor the Underwriter shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing and Underwriting Agreement). The Underwriter shall provide to the Company all information concerning itself and the Placées as the Stock Exchange may reasonably require.

Force Majeure Events

The Underwriter shall be entitled by notice to the Company given prior to 10:00 a.m. on the Business Day preceding the relevant date of Completion to terminate the Placing and Underwriting Agreement if:-

- (a) there develops, occurs or comes into force:
 - (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date thereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material adverse change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Underwriter would materially and adversely affect the success of the Placing; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which, in the reasonable opinion of the Underwriter, would materially and adversely affect the success of the Placing; or

- (iii) any material adverse change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Underwriter would materially and adversely affect the success of the Placing; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the reasonable opinion of the Underwriter any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere and if in the reasonable opinion of the Underwriter, any such change or development would materially and adversely affect the success of the Placing; or
 - (vi) any new litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the reasonable opinion of the Underwriter would materially and adversely affect the success of the Placing (other than the litigation matter having been disclosed); or
- (b) any material breach of any of the representations and warranties set out in the Placing and Underwriting Agreement comes to the knowledge of the Underwriter or any event occurs or any matter arises on or after the date thereof and prior to the Completion which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing and Underwriting Agreement; or
- (c) there is any adverse change in the financial position of the Company which is material in the context of the Placing; or
- (d) there is any adverse change in market conditions occurs which makes it inexpedient or inadvisable to proceed with the Placing or any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than five (5) consecutive Business Days, excluding any suspension in connection with the clearance of this announcement, the circular or other documents in connection with the Placing,

then and in any such case, the Underwriter may terminate the Placing and Underwriting Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Business Day preceding the relevant date of Completion.

Completion of the Placing

Completion shall take place within five Business Days on the date when the conditions of the Placing and Underwriting Agreement are fulfilled or on such other date as the Company and the Underwriter shall agree.

General Mandate

All the Placing Shares will be issued under the General Mandate. On the date of the annual general meeting of the Company held on 29 May 2014, the Company had 3,309,935,166 Shares in issue and the General Mandate granted to the Directors having authorised the Directors to allot and issue up to 661,987,033 new Shares. As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any approval by the Shareholders.

REASONS FOR THE PLACING

The Group is principally engaged in (i) the distribution of information technology products; (ii) geological survey, exploration and development of coal deposits (mining operations) and sales of coking coal; and (iii) provision of coal trading and logistics services.

As disclosed in the announcement of the Company dated 2 April 2015 in relation to the acquisition of 51% equity interest in Great Payment Limited, the sale and purchase agreement of such acquisition is conditional upon, among others, the completion of fund raising activities (including by way of placing and issue of new Shares by the Company) of an amount of not less than HK\$650 million. The Placing would facilitate completion of the aforesaid acquisition which would enable the Group to establish a leading integrated payment platform and internet financial services platform in China and enjoy a long term growth potential. In addition, as the Placing will enhance the working capital position of the Group, the Directors are of the view that the Placing is in the interests of the Company and its shareholders as a whole and the terms of the Placing and Underwriting Agreement are fair and reasonable.

The gross proceeds and the estimated net proceeds from the Placing will amount to approximately HK\$85.0 million and approximately HK\$83.7 million, respectively. The net price per Placing Share is therefore estimated to be approximately HK\$0.177. The net proceeds from the Placing are intended to be used for general working capital (including settlement of interest expenses and reduction of debts).

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Group has not conducted any fund raising activity for the twelve months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, is as follows:

Name	At the date of this announcement		Immediately after Completion	
	Shares	%	Shares	%
Shareholders:				
Diamond Lion Limited	1,187,756,754	13.81	1,187,756,754	13.09
China OEPC Limited (Note 1)	1,745,219,755	20.29	1,745,219,755	19.24
Mr. Tse Michael Nam (Note 2)	1,531,642	0.02	1,531,642	0.02
Other Shareholders (Note 3)	185,384,091	2.16	185,384,091	2.04
Public:				
Placees	–	–	472,205,000	5.20
Other public Shareholders	<u>5,480,668,100</u>	<u>63.72</u>	<u>5,480,668,100</u>	<u>60.41</u>
Total	<u>8,600,560,342</u>	<u>100.00</u>	<u>9,072,765,342</u>	<u>100.00</u>

Notes:

1. The Shares (among which 412,169,962 Shares are held in short position) are beneficially owned by Best Growth Enterprises Limited, which is in turn beneficially owned by Mr. Zhang Sanhuo, the Chairman and executive Director of the Company.
2. Mr. Tse Michael Nam, being the executive Director, is interested in 1,531,642 Shares.
3. The Shares are held as to 41,216,996 Shares by Baofa Industrial Limited; 6,293,498 Shares by New HongFa Industrial Limited; 31,200,000 Shares by Hwa Foo Holdings Limited; and 106,673,597 Shares by Golden Year Holdings Limited, all of which are shareholders of City Bloom Limited.

WARNING

The Placing and Underwriting Agreement may be terminated under certain circumstances and is subject to the satisfaction of the conditions precedent contained therein. As the Placing and Underwriting Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on Thursday, 9 April 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange from 9:00 a.m. on Friday, 10 April 2015.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	board of the Directors
“Business Day”	means a day (excluding a Saturday, Sunday or public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing and Underwriting Agreement
“Directors”	directors of the Company
“General Mandate”	the general mandate granted by the Shareholders to the Directors pursuant to the resolution passed at the annual general meeting of the Company held on 29 May 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Third Party”	independent third party (parties) who is (are) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Last Trading Day”	8 April 2015 (being the last trading day immediately prior to the publish of this announcement)
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29 April 2015 (or such later date as may be agreed between the Company and the Underwriter), being the long stop date for the fulfilment of the conditions as set out in the Placing and Underwriting Agreement
“Placees”	placee(s) who are Independent Third Parties procured or to be procured by the Underwriter to subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares by or on behalf of the Underwriter to the Placees pursuant to the Placing and Underwriting Agreement
“Placing and Underwriting Agreement”	the placing and underwriting agreement dated 9 April 2015 entered into between the Underwriter and the Company in relation to Placing
“Placing Price”	the issue price of HK\$0.18 per Placing Share
“Placing Share(s)”	472,205,000 new Shares to be placed pursuant to the terms of the Placing and Underwriting Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Underwriter”

KCG Securities Asia Limited, a company incorporated in Hong Kong and a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)

“%”

per cent.

By Order of the Board
North Asia Resources Holdings Limited
Mr. Zhang Sanhuo
Chairman

Hong Kong, 9 April 2015

As at the date of this announcement, Mr. Zhang Sanhuo, Mr. Huang Boqi and Mr. Tse Michael Nam are the executive Directors, Mr. Zou Chengjian is the non-executive Director, and Ms. Leung Yin Fai, Mr. Leung Po Wing, Bowen Joseph (GBS, JP) and Mr. Zhou Chunsheng are the independent non-executive Directors.