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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)

MEMORANDUM OF UNDERSTANDING IN RELATION TO

POSSIBLE ACQUISITION OF 51% EQUITY INTEREST IN GREAT PAYMENT LIMITED

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is currently in discussion and negotiation with Day's Holding in relation to the Possible Acquisition, being the proposed acquisition by the Company of 51% equity interest in the Target. In order to facilitate the continued negotiation by the parties on the Possible Acquisition, the Company, Day's Holding and Mr. Zhang entered into the MOU on 23 March 2015, pursuant to which, among other things, (i) Day's Holding will have exclusivity with the Company for 45 calendar days from the date of the MOU to prepare and complete the Formal Agreement; and (ii) Day's Holding will pay to the Company an amount of HK\$2 million as earnest money to be applied to cover the Professional Fees. Save for provisions relating to exclusivity, confidentiality and the earnest money, the MOU is not legally binding on the parties in respect of the consummation of the Possible Acquisition and/or the entering into of the Formal Agreement.

The MOU may or may not lead to the entering into of the Formal Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Agreement materialises, the transactions contemplated thereunder will constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made in respect thereof as and when required by the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

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The following sets out the key terms of the MOU:

Possible Acquisition

The Company intends to purchase 51% equity interest in the Target for a total consideration of not less than HK\$1,428 million, which shall be satisfied by way of (i) issuing 7,500,000,000 CPS; and (ii) issuing a promissory note of an amount of not less than HK\$153 million.

Each CPS is non-redeemable and is convertible into one Share, and the issue price per CPS shall be the higher of (i) HK\$0.17; and (ii) the average of the closing prices per Share for the 5 trading days immediately prior to the date of the Formal Agreement.

Conditions precedent

The Possible Acquisition will be subject to the satisfaction of conditions normally seen in a transaction for similar nature which include:

- (i) completion of financial and legal due diligence on the Target Group to the reasonable satisfaction of the Company;
- (ii) completion of the transfer of ownership of Shanghai Days to Day's Hong Kong Limited, a Hong Kong company which is wholly-owned by the Target;
- (iii) the Company, China OEPC, Mr. Zhang and Guang Cheng Group Limited (a wholly-owned subsidiary of the Company) not being in breach of any of their respective financial and legal

commitments under: (a) the subscription agreement dated 8 September 2010 (as amended and supplemented by a supplemental letter dated 21 September 2010, and further amended by three supplemental agreements dated 29 October 2010, 6 January 2012 and 6 September 2012, respectively) and the subscription agreement dated 6 September 2012 entered into between the Company and Business Ally; (b) the charge and security assignment dated 7 June 2013 and 1 November 2013 respectively and charges over shares entered into between China OEPC and Business Ally; (c) deed of guarantee dated 7 June 2013 entered into between Mr. Zhang and Business Ally; (d) the placing agreement dated 18 December 2012 (as amended and supplemented by the extension letters dated 31 December 2012, 18 March 2013, 11 June 2013, 24 June 2013 and 28 June 2013) entered into between KCG Securities Asia Limited and the Company in relation to the private placing of convertible bonds and promissory notes of the Company each in the aggregate principal amount of up to US\$30,000,000, related mortgage on shares and convertible bonds entered into between China OEPC and holders of convertible bonds and promissory notes, and deed of guarantee entered into between Mr. Zhang and holders of convertible bonds and promissory notes; (e) promissory note dated 7 June 2013 entered into between Guang Cheng Group Limited and China OEPC; and (f) deed poll dated 7 June 2013 entered into between the Company and City Bloom relating to the convertible bonds of the Company with principal amount of HK\$3,517,000,000, and the giving of directors' certificates to that effect by the Directors;

- (iv) trading of the Shares not being suspended (other than temporary suspension which the Stock Exchange may require pending announcement of the Possible Acquisition) and the Shares remaining listed on the Stock Exchange at all times;
- (v) completion of a placing of new Shares with proceeds of not less than HK\$50 million and confirmation that no other Shares or securities convertible into Shares have been issued save as a result of conversion of currently outstanding convertible bonds and convertible preference shares of the Company as set out in the Formal Agreement;
- (vi) written approval having been obtained from Business Ally and, if necessary, the other holders of convertible bonds of the Company for the entering into, and consummation, of the Possible Acquisition;
- (vii) the entering into of a counter guarantee by Day's Holding, Xingyun 1 Limited and Xingyun 3 Limited in favour of Mr. Zhang for his obligations under (a) the deed of guarantee dated 7 June 2013 executed by Mr. Zhang in favour of Business Ally; (b) the deeds of guarantee dated 11 June

2013, 24 June 2013 and 3 July 2013 in favour of the holders of the convertible bonds and promissory notes as announced in the announcements of the Company dated 11 June 2013, 24 June 2013 and 3 July 2013; and (c) the deed of adherence dated 7 June 2013 executed among China OEPC, the Company, Business Ally and City Bloom whereupon Mr. Zhang will transfer his interest in all the securities of the Company (both direct and indirect) to Day's Holding. As at the date of the MOU, Mr. Zhang through China OEPC and his associate hold in aggregate 711,583,401 Shares, 1,382,587,376 convertible preference shares of the Company (convertible into 1,571,122,018 Shares) and convertible bonds of the Company with principal amount of HK\$2,123,529,158 (convertible into 12,491,347,988 Shares). Mr. Zhang may convert all or part of his convertible preference shares of the Company into Shares prior to completion of the Possible Acquisition, provided that the number of Shares to be transferred to Day's Holding shall represent not more than 29.9% of the entire issued share capital of the Company as at the completion of the Possible Acquisition;

- (viii) the Director(s) nominated by Day's Holding (as described in the paragraph headed "Nomination of Directors" below) being appointed and remaining as Directors;
- (ix) the parties being satisfied that there are no regulatory or compliance hurdles to the Possible Acquisition under applicable laws and regulations of the PRC and Hong Kong; and
- (x) completion of financial and legal due diligence on the Company to the reasonable satisfaction of Day's Holding.

Exclusivity

Day's Holding will have exclusivity with the Company for 45 calendar days from the date of the MOU to prepare and complete the Formal Agreement, during which period the Company and Mr. Zhang will only be in discussion exclusively with Day's Holding in connection with the Possible Acquisition.

Earnest money

Upon signing of the MOU, Day's Holding will pay to the Company an amount of HK\$2 million as earnest money to be applied to cover the Professional Fees to be incurred by the Company in connection with the Possible Acquisition. If the Formal Agreement is not signed within the exclusivity period, Day's Holding will reimburse the Company for 50% of the total Professional Fees up to that period subject to a cap of HK\$2 million. Any balance of the earnest money after deduction of Day's Holding's 50% share of Professional Fees will be repaid to Day's Holding within 7 days of the end of the exclusivity period. If the Formal Agreement is signed within the exclusivity period, the earnest money will be repaid to Day's Holding forthwith.

Change of Company name

It is intended that the Company will change its name to “Day’s Holding Company Limited 得仕控股集團有限公司” after the closing of the Possible Acquisition.

Nomination of Directors

Immediately following the signing of the Formal Agreement, Day’s Holding is entitled to nominate up to two directors to the Board and the Company will procure such nominations be put forward for the consideration of the Board and the shareholders of the Company (if required), in accordance with its constitutional documents and the requirements of the Listing Rules. In the event that the Possible Acquisition is not completed in accordance with the terms of the Formal Agreement, Day’s Holding shall procure that the Directors nominated by it shall promptly resign from the Board.

Legal effect

Save for provisions relating to exclusivity, confidentiality and the earnest money, the MOU is not legally binding on the parties in respect of the consummation of the Possible Acquisition and/or the entering into of the Formal Agreement.

BACKGROUND INFORMATION OF DAY’S HOLDING AND THE TARGET GROUP

As at the date of the MOU, Xingyun 1 Limited and Xingyun 3 Limited are substantial ultimate beneficial owners of Day’s Holding with a combined holding of over 50% in the share capital of the Day’s Holding. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, Day’s Holding and its substantial ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

In accordance with the information provided by Day’s Holding to the Company, Day’s Holding holds the entire issued share capital of the Target, which in turn owns the entire equity interest in Day’s Hong Kong Limited. On 17 March 2015, Shanghai Days filed an application with the Shanghai Municipal Commission of Commerce to transfer the ownership of Shanghai Days to Day’s Hong Kong Limited. It is expected that the aforesaid share transfer will be completed by April 2015.

Shanghai Days is a company established in the PRC with registered and paid up capital of RMB100,000,000. Shanghai Days has been granted the payment services license by the People’s Bank of China to conduct businesses of prepaid card issuance and settlement, and Internet payment services, and has received China Securities Regulatory Commission’s qualifications of providing clearing and settlement services for fund sales. Shanghai Days’ core businesses include development of, within the scope of administrative permits, (i) prepaid card issuance and settlement; (ii) Internet payment and mobile payment services; (iii) customised payment services for financial institutions, asset management companies and Internet companies; and (iv) other services related to online to offline (O2O), credit checking and data mining businesses, leveraging Shanghai Days’ proprietary payment network.

GENERAL

The MOU may or may not lead to the entering into of the Formal Agreement and the transactions contemplated thereunder may or may not be consummated. In the event that the Formal Agreement materialises, the transactions contemplated thereunder will constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made in respect thereof as and when required by the Listing Rules.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings given to them as below:

“Board”	the board of Directors
“Business Ally”	Business Ally Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by CCB International Asset Management Limited
“China OEPC”	China OEPC Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly wholly-owned by Mr. Zhang
“City Bloom”	City Bloom Limited, a company incorporated in the British Virgin Islands with limited liability, which is indirectly owned as to 70% by Mr. Zhang
“Company”	North Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued

	Shares of which are listed on the main board of the Stock Exchange (stock code: 61)
“CPS”	new convertible preference shares of the Company that may be issued to Day’s Holding to settle part of the consideration for the Possible Acquisition
“Day’s Holding”	Day’s Holding Company Limited, a company incorporated in the Cayman Islands with limited liability
“Director(s)”	the director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement that may be entered into by the Company and Day’s Holding with respect to the Possible Acquisition
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 23 March 2015 entered into between the Company, Day’s Holding and Mr. Zhang with respect to the Possible Acquisition
“Mr. Zhang”	Mr. Zhang Sanhuo, the Director and the Chairman of the Company
“Possible Acquisition”	proposed acquisition of 51% equity interest in the Target by the Company
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Professional Fees”	the professional fees to be incurred by the Company in connection with the Possible Acquisition
“Shanghai Days”	Shanghai Day’s Holding Co., Ltd., a company established in the PRC with limited liability, which will be wholly-owned by the Target as the date of completion of the Possible Acquisition
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target”	Great Payment Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Day’s Holding
“Target Group”	the Target and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawfully currency of the United States of America
“%”	per cent.

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

Hong Kong, 23 March 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.